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SITTING DAYS—2001

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Mr SPEAKER (Mr Neil Andrew) took the chair at 12.30 p.m., and read prayers.

DELEGATION REPORTS

Australian Parliamentary Delegation to Indonesia and South Korea from 1 to 14 July 2001

Dr SOUTHcott (Boothby) (12.31 p.m.)—I present the report of the Australian Parliamentary Delegation to Indonesia and South Korea from 1 to 14 July 2001.

In the first two weeks of July, it was my privilege to lead a parliamentary delegation to Indonesia and South Korea. At the outset, I would like to thank our hosts, the Speaker of the DPR of Indonesia, the Hon. Akbar Tandjung, Dr Djoko Susilo of the DPR and Dr Suwardjo from the DPR who accompanied us. I would also like to thank the Speaker of the National Assembly of South Korea, His Excellency Lee Man-Sup and his staff Mr Joon Kim and Mrs Rijin Kim who also accompanied us during our stay. I would like to thank all members of the delegation, especially the delegation secretary, Ms Roxane Le Guen. I would like to thank the Parliamentary Relations Office, the Parliamentary Library and the Department of Foreign Affairs and Trade for their briefings prior to the delegation. Finally, I would like to thank Ambassador Ric Smith and his staff in Jakarta, Yogyakarta and Denpasar and Mrs Zorica McCarthy, the Australian Chargé d’Affaires in Seoul, and her staff.

The visit to Indonesia came at a critical time. It was the first parliamentary delegation from Australia to Indonesia since our commitment in East Timor. Our visit came one week after President Wahid’s historic visit to Australia and was overshadowed by an impeachment crisis. Despite this, in Jakarta we were fortunate to meet with President Wahid, Vice-President Megawati Sukarnoputri, the Speaker of the DPR, the Hon. Akbar Tandjung, the Chairman of the MPR, Professor Dr Amien Rais, as well as many members of the DPR. We met with Australian mining companies and discussed the implications of Indonesia’s new decentralisation legislation. We met with human rights groups and were able to question members of the government on the progress of prosecutions for those who committed human rights violations in East Timor.

Through our parliamentary visit, we continued to emphasise Australia’s strong support for democratisation in Indonesia and put to rest the notion that Australia did not support legitimate Indonesian territorial integrity and sovereignty. The delegation noted that tourism and education are two areas which continue to grow and which encourage greater person-to-person links between Australia and Indonesia. We welcome this and encourage it.

In South Korea, we visited Seoul, Pohang, Gyeongju, Ulsan and Busan. South Korea is our fourth largest trading partner, and at POSCO, in Pohang, we visited the largest steel company in the world and Australia’s single largest customer. We met with the Prime Minister, His Excellency Lee Han Dong, the Foreign Minister, the Hon. Han Seung Soo and the Speaker, His Excellency Lee Man Sup. We also visited Panmunjon in the demilitarised zone and saw into North Korea. On the final day, we visited the UN Memorial Cemetery, where 281 Australian soldiers from the Korean War are buried.

The delegation was also able to visit Hyundai Heavy Industry Shipyards, Hyundai Automobile Company and to participate in several activities with Meat and Livestock Australia, promoting Australian beef. Australia and South Korea are important trading partners and middle powers which have cooperated on regional fora such as APEC and the ASEAN Regional Forum. The delegation was also able to emphasise Australia’s support for peace and stability on the Korean Peninsula through support for President Kim Dae Jung’s engagement policy. The delegation has made eight recommendations which resulted from our discussions.

Mr O’KEEFFE (Burke) (12.34 p.m.)—As deputy leader of the delegation, I would like to endorse, on behalf of the members, the comments made by the member for Boothby and reiterate, from our side of the House, the comments he made about the people who hosted us, assisted us and made it an enjoyable visit in many ways. I would also like to
support the recommendations—without going through them in detail, because time is very limited. Mr Speaker, those recommendations reflect the work being done by Australians in very difficult circumstances which has impressed us greatly. We think there is a case to provide more support, particularly in the case of Indonesia, to enable these activities and the relationship with Australia to be developed further. In particular, we did a lot of work with Indonesian politicians who are just embracing the concept of democracy and the way it works, and a number of our recommendations build on the way Australians—Australian parliamentarians and Australians in different situations—can help that process. I would like to thank all fellow members of the delegation for the effort and the work that they put in, and to the Australians who helped us and to our hosts, I reiterate what has just been said by the leader of the delegation. I will leave some time for other members of the delegation to make some supporting comments.

Mr SECKER (Barker) (12.36 p.m.)—I also endorse the remarks of the member for Boothby and the member for Burke and congratulate them on the leadership they showed throughout the delegation. It was my first delegation, and I was very pleased with the way they handled themselves in a very diplomatic way. I also thank Ric Smith, the Ambassador to Indonesia, and Zorica McCarthy, the Australian Charge d’Affaires in Korea. I think they are wonderful examples of the expertise in our diplomatic corps. They did a wonderful job in looking after us and informing us of the issues. It was certainly a fantastic experience to meet with the then President Wahid and Vice-President Megawati Sukarnoputri. I think those experiences were very valuable. I recommend that people read the recommendations we have put up. I am certainly very pleased with recommendations 3, 6, 7 and 8, and I fully support them. In the interests of the other members of the delegation, I will leave it there.

Mr ALLAN MORRIS (Newcastle) (12.37 p.m.)—In the brief time available, I would like to add my support to those who have already spoken. This was an important visit, and the reciprocal visit by Dr Amien Rais in recent days, which we have all taken part in, is indicative of how seriously Indonesian parliamentarians regard our relationship. These are difficult times, and it is extremely important that we are talking in a consultative fashion with our Indonesian counterparts. I strongly recommend that the government use less megaphone diplomacy and more consultative diplomacy. There are two recommendations in particular that are important and bear mentioning. One is the assistance in terms of civilian policing, which is a new initiative in Indonesia and extremely important. The second one, recommendation 3, relates to trying to help political parties build their democratic institutions. It was a useful delegation, and the report is well worth reading. I recommend it to the House.

Mr MURPHY (Lowe) (12.38 p.m.)—I would like to endorse the comments made by members of the delegation. I start by congratulating Dr Andrew Southcott, who led the delegation. I also pay tribute to the Australian Ambassador in Indonesia, Ric Smith and the deputy, Leslie Rowe. I especially mention Craig Chittick and Sam Zappia, and also Roxane Le Guen, the secretary of the delegation, who provided invaluable support. It was the first time I had been overseas, and it was a very moving experience for me, and certainly the highlight, to see the work of the World Food Program. The World Food Program in Jakarta provides assistance to very poor people living in slum conditions. The major donors are the United States of America, Australia and Japan. There is a need to continue this support to feed the starving and those who suffer from extreme malnutrition. Close to 40 million people eat less than 1,600 calories a day, and the malnutrition among children and women in Indonesia continues to be of grave concern. We should continue attempting to persuade the Indonesian government to develop programs to assist the poor and to see that they get sufficient nourishment. I am sure that such initiatives are important to help reduce tension in that country, which has never been greater. It is very important for our relationship with Indonesia.
Mr SPEAKER—The time allotted for consideration of the report has expired. I thank members for their consideration in dealing with that report.

COMMITTEES
Foreign Affairs, Defence and Trade Committee

Report

Mr HOLLIS (Throsby) (12.40 p.m.)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade I present the committee’s report entitled The link between aid and human rights, together with evidence received by the committee.

Ordered that the report be printed.

Mr HOLLIS—In the 39th parliament, the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade has examined three significant issues. The report that I have just tabled is the result of the third of those examinations.

The first was an investigation of freedom of religion and belief, tabled in November 2000, and the second was an examination of conditions in immigration detention centres tabled in June 2001—a report that generated a degree of interest. The terms of reference of this inquiry were narrow and specific. They asked us to focus on Australia’s efforts to advance human rights in developing nations through the use of foreign aid in three specific areas: first, activities that have the advancement of human rights as their goal; second, the utility of differing instruments and channels for advancing those rights, and third, activities supported under the human rights program in the overall Australian aid program.

In all, this inquiry received 31 submissions from a variety of government and non-government organisations, as well as from two individuals. Their views on the general topic of advancing human rights in developing countries were valuable, as were their comments on the specific matters in the terms of reference.

The subcommittee was conscious that the terms of reference were restricted. It also knew that there were limitations on the time available to complete the inquiry and to table a report in this parliament. The subcommittee decided therefore not to hold a full program of public hearings to investigate and analyse the material it had received. Because it had not undertaken this process, it also believed that it would be inappropriate to make recommendations to the government.

A seminar was held on 5 July 2001, at which selected organisations were asked to participate. These bodies ensured that a cross-section of interests and views were represented, and I understand that everyone involved believed that it was a successful means of exchanging ideas on the topic. At this seminar, there was considerable discussion of a rights based approach to human rights. This issue had also been explored in a number of the submissions forwarded to the inquiry. Neither the seminar nor the subcommittee reached any conclusion about whether the poverty alleviation and sustainable development approach put forward by AusAID should be replaced by the rights based approach favoured by a number of NGOs. The subcommittee took the view that the discussion of these two views is evolutionary and therefore healthy for Australia’s aid program.

The report therefore drew a number of conclusions from its examination of this topic, and these will be drawn to the attention of the minister and the Director-General of AusAID. They are: AusAID making additional efforts to ensure that its documentation is complete and easily available to those who are interested in its work; the convening by AusAID of seminars with Australian non-government organisations to discuss subjects of common interest, including specific linkages of aid and human rights; serious consideration by the Australian government of the cancellation of the debts of seriously indebted nations; the possibility of the Australian government taking the lead in convening an international conference on the Heavily Indebted Poor Countries, the HIPC initiative, to review the process of admission to that initiative, and continuation by AusAID of at least the current financial support to the Asia Pacific Forum of Human Rights Institutions, the Centre for Democratic Institutions and
the United Nations High Commissioner for Human Rights.

The subcommittee believes that acting on these conclusions would assist the debate on Australia’s aid program. In particular, convening a program of seminars would formalise contact between AusAID and the NGOs with an interest in the aid program. If the HIPC initiative is not serving a wholly useful purpose, that of assisting indebted countries to deal effectively with their debts, the initiative needs to be rethought. An international conference is one way this process could begin. It could also be a means for Australia, as a middle-ranking power, to gain credit as one of the sponsors of the idea.

From the material we received during the inquiry, it is clear that the support given by AusAID to APF, CDI and UNHCR is crucial for the range of activities undertaken by these organisations. The subcommittee believes that this support should, if possible, be increased.

I would particularly like to thank the chair of the subcommittee, Senator Marise Payne. This inquiry was initiated by her because of her strong interest in the topic. My thanks also to the staff, particularly to Patrick Regan, who has now left the service of the secretariat. His work will be very much missed. I commend the report to the House.

Mr SPEAKER—The time allotted for statements on the report has expired. Does the member for Throsby wish to move a motion in connection with the report to enable it to be debated at a later time?

Mr HOLLIS—I move:
That the House take note of the report. (Time expired)

Mr HAWKER—In September 2000, this committee tabled a report on the Army titled From phantom to force: towards a more efficient and effective army. That report raised great concern that, while the performance of our Army over the last decade has been impressive, much of it has been and remains hollow and could have been characterised as a ‘phantom’ army.

At that time the committee stated that, in a departure from usual practice, it intended to seek public comment on the report following its release. We did this because, if the model for a future Army that we proposed is to be successful in increasing the capability and efficiency of the Army, it needs to be refined through consultation and discussion and it needs to be owned and supported broadly by the community, the Army and the defence department.

There has been considerable change since the release of From phantom to force. Firstly, the government released the Defence white paper entitled Defence 2000: our future defence force. In this document the government took up many of the recommendations of the original paper, including a significant boost to Defence spending over the next 10 years. In other areas, such as a change in the role for the Army Reserve, government policy took a different course from that recommended in the report. In addition, there was the important change to defence reserve legislation adopted earlier this year, whereby the procedure for calling out reserves was simplified and reserves were given greater employment and education protection.

The committee has taken account of the new information provided by both the community consultation and the changes in the defence landscape since the release of From phantom to force and has reviewed the original recommendations. This report consolidates what the committee believes was a well-researched and well-received report, and updates the report’s recommendations. It benefits from being an external report and thus not constrained by preconceived ideas.
but able to take an objective assessment of where the future of the Army should lie.

In practical terms, the follow-on report, firstly, reconfirms the requirement for effective doubling of the Army’s capability to respond to short-warning contingencies by the creation of four capable, fully staffed and ready brigades; secondly, has taken into account new evidence regarding the Army’s expansion capability and now believes that the Army must be able to expand to eight brigades within a reasonable warning time rather than the 12 originally recommended; and, finally, reconfirms the committee’s original recommendation regarding the establishment of a unified Army personnel structure by aligning the regular and reserve components into a single entity for the purposes of employment arrangements, training and operations.

In conclusion, the committee is fully supportive of the great work carried out by the Army and the Defence Force, but remains convinced that action is required to improve Army’s capability. I would like to thank the many people who took time to contribute to this inquiry, including private citizens, academics, departmental staff and serving soldiers and officers within both the Regular Army and the Army Reserve. The efforts of all these individuals have resulted in a significant report and have made a major contribution to the discussion on our defence policy and the future of our armed forces. I commend this report to the House.

Mr PRICE (Chifley) (12.50 p.m.)—I rise to support the member for Wannon and record my thanks to him as the chair of the subcommittee. This is the follow-up report to From phantom to force tabled a year ago. The nation is celebrating the centenary of the Army. We have much to be grateful for and proud of: the Army has served this nation well. But From phantom to force went back to basics to examine the role and the tasks the Army performs and needs to perform. In this it was a precursor to the white paper, which stated that:

The Army will be structured and resourced to ensure that we will be able to sustain a brigade on operations for extended periods, and at the same time maintain at least a battalion group available for deployment elsewhere.

This goes to the very heart of this report. There is total agreement that this is what the Army should be able to do. But can Army do what it has been asked to do? The committee is concerned whether the role can be adequately carried out and questions whether this level of deployment can be sustained and rotated with the current force. Honourable members have no need to be reminded that, had the Army been required to sustain the initial numbers deployed to East Timor, Army would have had great difficulty.

Presently, the invoking of articles IV and V of the ANZUS Treaty by the United States and the ready acceptance of this by Australia gives extra urgency to the question of the capability of our Army. It is to be regretted that ministers for defence have been found asleep at their post. Army is paying a high price for the defence portfolio being seen as the last resting post for coalition ministers for defence.

Derek Woolner in his seminal paper on defence finances identified that there was, because of block obsolescence, a short window of opportunity to reform the Army. That window is probably now three years. The difference between the current Army and what the committee proposed can be readily seen at page 19. The Army is currently dependent on six ready battalion groups formed into three brigades. The rationale for this lesser number of battalions in a brigade has never been explained.

The committee proposed that the Army have four fully capable brigades—uniformed, fully equipped and trained—and each brigade with three battalion groups. The mix of reserve and regular has been left to Army to determine. Further, it now proposes that up to an additional four brigades, not eight, should be capable of being generated over two years, if required. The committee
found that there has been inadequate work done on force expansion and industry capability to allow it to be confident about an additional eight brigades, as well as a lack of training capacity. The force expansion of four brigades identified by the committee will inevitably require a longer term partnership with industry and greater self-reliance.

Currently, the Army has nine brigades in its order of battle. The committee would reduce it from nine to four. Our five reserve brigades are currently being used as slots, slot theory, to fill vacancies in the regular force. There is an announced intention to utilise them in small subunit levels by the Chief of Army, although this has not occurred to date, nor has an additional investment been identified to facilitate this. The Auditor-General has identified that the reserves are consuming some $950 million per annum of Army’s budget. As they are presently structured, they do not provide value for money, nor do they deliver the required capability. The Army equipment shortfall is between $2.3 billion and $4.5 billion, with no provision to address it.

Having spoken to a number of reserve units and state branches of the Defence Reserve Association, I am confident that they are prepared to embrace reform. I thank General Glenny for his assistance with many of the visits and thank all those who participated. The Defence Reserve Association do have some minimum requirements. They ask that the reserve be fully equipped and trained, be manoeuvred in formed units and be deployed in formed units, and that they be consulted and have a chair at the table when decisions are being made. Given the proud history of the reserves and our citizen military forces, I believe that what they ask is not unreasonable.

The need to take difficult decisions to reform our Army is becoming more acute since the original report was tabled 12 months ago. I again urge all honourable members to take heed of both reports—the future of our nation may depend upon it. I also wish to thank Lieutenant Colonel Hogan, Lieutenant Colonel Mike Milford and Margaret Swieringa for their outstanding work. (Time expired)
island’s economy, and the casino and resort generated massive growth in the Christmas Island small business and tourism sectors. The casino and resort closed in April 1998, with debts exceeding $104 million, including unpaid entitlements to former employees of the casino and resort. The closure of the casino and resort had a devastating effect upon the island community and economy. Employees recruited off-island left and the number of international visitors to the island dropped by an estimated 65 per cent. The downturn had a substantial effect on the burgeoning small business sector of the island economy.

The tender process, which began in late 1998, was long and complex and beset with legal challenges from the former directors of CIR. In February 2000 the tender process was terminated, ostensibly owing to a lack of conforming tenders. In March 2000 the casino and resort was sold to Soft Star Pty Ltd on a cash unconditional basis following negotiations outside the tender process. Soft Star is a company associated with Asia Pacific Space Centre, which are proposing to build a commercial satellite launching facility on Christmas Island. The sale price of $5.7 million was only $200,000 more than the highest offer received within the tender process.

The committee heard evidence of a number of concerns regarding the conduct and outcome of the tender process. Firstly, in relation to the role of the Commonwealth, the committee concluded that the Commonwealth’s decision not to take a more active role in the tender process had a substantial impact on the outcome of the process. Major concerns were the Commonwealth’s inability to finalise leasing and casino operational matters in the early stages of the process and, secondly, the Commonwealth’s decision not to play a more role in the due diligence period of the tender process.

Furthermore, the committee found that the stalemate which developed in the final stages of the tender process between the liquidator, the Commonwealth and ComsWinfair was a direct outcome of the Commonwealth’s refusal or inability to resolve significant licence and leasing conditions as expeditiously as possible. The committee heard evidence that ComsWinfair clearly emerged as the only viable purchaser of the casino and resort during the tender process. ComsWinfair had the resources, finances, experience and intent to refurbish and reopen the casino and resort within a very short time frame. In addition, they were in a position to provide further air services to the island—an issue which has been of longstanding concern. The committee found that the Commonwealth’s insistence that it remain at arm’s length from the tender process and the liquidator’s inability to resolve fundamental aspects of the tenderer’s bid without the involvement of the Commonwealth created an impossible situation for ComsWinfair in the resolution of conditions precedent to their offer.

The commencement of negotiations with Soft Star before the formal termination of the tender process was a matter of concern to the committee. Although the commencement of negotiations with an alternative purchaser prior to the termination of the tender process does not contravene the Corporations Law, the committee nonetheless remained concerned about the appropriateness of commencing negotiations with an external party for a cash unconditional offer while simultaneously continuing negotiations with interested parties within the structure and rigorous preconditions of the tender process. The committee was also concerned about evidence it received detailing community concern regarding a potential breach in confidentiality of the tender process. The committee heard evidence that a number of witnesses were concerned that Soft Star had become aware of the highest purchase price submitted within the tender process and used this information to negotiate a more competitive purchase price for themselves.

The committee found that, following the sale of the casino and resort to Soft Star, a number of issues and concerns emerged regarding the outcome of the tender process. The committee was concerned that at the time of the committee’s report, more than 15 months since the sale of the facility and over three years since the commencement of the sale process, the casino and resort remains largely closed. Restoration of the complex
has yet to begin and, furthermore, no timetable has been agreed upon for the refurbishment and reopening of the casino and resort. No discussions have commenced between the Commonwealth and Soft Star regarding amendments to the leases, no probity checks have been conducted with Soft Star and no agreement has been reached regarding casino gaming rates or legislative requirements for the operation of the casino. In addition, there has been no application for a casino licence and no arrangements have been finalised between Soft Star and an operator and manager of the complex, or with an air services provider. (Extension of time granted)

Following the sale of the casino and resort to Soft Star, the liquidator remains unable to pay entitlements owed to former employees of the casino and resort because of a legal challenge to his appointment as liquidator lodged by the former directors of CIR and still pending in the High Court of Australia. The liquidator told the committee that he is confident that the High Court will uphold his appointment, but that if the High Court decision does go against him he will personally be liable for the payment of the employees’ entitlements. Consequently, the liquidator is not prepared to pay the $2 million to $3.2 million still owed to former employees of the casino and resort. Because it seems likely that the High Court will uphold the appointment of the liquidator, the committee has recommended that the Commonwealth underwrite the payment of the workers’ entitlements still owing after nearly three years. The committee has also recommended that this proposal be extended to workers of the Christmas Island laundry who have also not received entitlements owing since the collapse of Christmas Island Resort Pty Ltd.

The committee heard evidence that many members of the community are concerned that Soft Star intends to use the facility primarily as an accommodation and administrative centre for the APSC satellite facility rather than to reopen the complex as a casino and resort. Mr David Kwon, the Managing Director of Soft Star, had announced that the company intended to have the facility refurbished and reopening within 12 to 18 months. So far there has been little or no activity to support this claim. Members of the Christmas Island community are concerned that Soft Star will not reopen the facility as a casino and resort and therefore deny the community a vital economic resource.

The committee was concerned that, because the sale of the casino and resort was completed outside of the structure and conditions of the tender process, the same rigorous probity and financial checks which were applied to ComsWinfair and other interested parties within the tender process were not applied to the eventual purchaser, Soft Star Pty Ltd. This became especially evident in evidence from representatives of the Department of Transport and Regional Services, who told the committee that no financial checks had been undertaken by the Commonwealth before the leases for the casino and resort were assigned to Soft Star. The liquidator further stated that no financial checks were conducted by him into the financial background of the company either. The committee was therefore very concerned that the decision to sell unconditionally to Soft Star constituted a risk both to the Commonwealth and to the Christmas Island community as to whether or not the purchaser would be capable of satisfying the conditions and checks of the probity review in order to obtain a casino licence.

Within this context, the committee heard evidence of community concern regarding a Soft Star application to convert the leases for the property from leasehold to freehold title. Many witnesses, including the island’s representative body, the Shire of Christmas Island, told the committee that they were opposed to the granting of freehold title to Soft Star. This was on the grounds that the provision of freehold title would remove the Commonwealth’s and therefore the community’s ability to determine the appropriate use of the land and the facility. The committee therefore recommended that a more conditional form of freehold title be granted which allowed for the application of certain covenants and conditions in order to ensure that the facility operated as the casino and resort for which it was originally intended.

However, non-government members of the committee, in the dissenting report, have
argued that freehold title should not be granted to Soft Star at all. Non-government members have argued that community concern, the fear that Soft Star will use the facility as an administrative and accommodation facility for the APSC centre, the lack of progress in the redevelopment of the facility and the general lack of community consultation thus far all amount to a strong case for maintaining direct Commonwealth control over the conditions and attributes of the lease.

The committee has noted repeated announcements by Soft Star of their intent to refurbish and reopen the facility as a casino and resort. The most recent of these was in an article in the *Weekend Australian* newspaper of 15 September 2001. However, the committee feels that more can be done to expedite the redevelopment of the complex. Overall, the committee found that the outcome of the realisation of the tender process for the Christmas Island casino and resort has been unsatisfactory from the perspective of the Commonwealth, the liquidator and especially the Christmas Island community. In particular, the committee found that a lack of rigour and timeliness in the handling of issues pertaining to the Commonwealth’s jurisdiction and a pronounced lack of enthusiasm for the process have diminished the final outcome of the sale process.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired.

Mr SNOWDON (Northern Territory) (1.05 p.m.)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

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

**Industry, Science and Resources Committee**

**Report**

Mr PROSSER (Forrest) (1.05 p.m.)—On behalf of the Standing Committee on Industry, Science and Resources, I present the committee’s report entitled *Getting a better return—Inquiry into increasing the value added to Australian raw materials*, together with the minutes of proceedings.

Ordered that the report be printed.

Mr PROSSER—This report completes an inquiry into the prospects of increasing the value added to Australian raw materials which the committee carried out at the request of the Minister for Industry, Science and Resources. The inquiry was carried out in two stages. The first stage, an evaluation of the current state of value adding in Australia, was the subject of a report to the House of Representatives in March 2000 called *Of material value?* It looked at the importance of raw materials processing in Australia, the current state of value adding, factors important to the success of value adding and ways of encouraging further raw materials processing.

The first report indicated that the committee would study five industries—the aluminium, magnesium, dairy, grains and wine industries—in order to identify the drivers of successful value adding in Australia and what was needed to overcome any impediments. Those industries were selected because they reflected a range of levels of maturity and of value-adding performance. The committee has sought to identify lessons to be learnt that will improve performance across industry generally. This second report is the result of those case studies.

Australia is the world’s largest miner of bauxite, accounting for some 40 per cent of production. It is also the world’s largest producer of alumina, with about 30 per cent of production. However, it only accounts for about seven per cent of the world’s aluminium production. About 70 per cent of Australia’s bauxite is processed into alumina in Australia, but only 20 per cent of Australia’s alumina is processed domestically into aluminium.
The total value of export earnings by the aluminium industry in 1998-99 was $6.3 billion, but only $350 million was earned from the export of semifabricated products. A substantial amount of value adding already occurs in the aluminium industry, but there is considerable potential for that to be increased. The magnesium industry worldwide is very small compared with the aluminium industry—about two per cent of its size in terms of metal production. Australia currently does not produce commercial quantities of magnesium, but there are nine projects under consideration. Australia has an excellent opportunity to be at the forefront of expected world growth in magnesium. The potential gains from further processing are very substantial as magnesium raw materials retail for about $50 a tonne while the metal retails for about $1,500 a tonne.

The dairy industry is a significant value adding industry. In 1999 farm milk production valued at about $3 billion was converted into ex-factory product worth about $7.5 billion. It is Australia’s third largest agricultural industry and the largest processed food export industry with exports totalling about $2.4 billion in 2000. For the dairy industry, as for industry generally, increasing globalisation has created a more highly competitive trading environment. At the same time, the international market is subject to significant market distortions through the use of subsidies and tariffs, which restrict market access and market competitiveness.

The outcome of the Uruguay Round of multilateral trade negotiations brought agri-food products more directly within the multilateral trade rules, removing a wide range of trade barriers and placing limits on subsidy use. Despite this development, trade liberalisation for agri-food products has not moved as fast as anticipated and the fundamental need for reform still exists.

In examining the grains industry, the committee focused in particular on the wheat industry. Wheat is by far the biggest grain crop produced in Australia, both in terms of grain produced and value. Wheat makes up approximately 65 per cent of the total value of crop exports. In the domestic and export wheat markets, value is added through product innovation. The focus of wheat exports has been on producing special varieties of wheat in response to consumer needs, through having better quality assurance. The international market for wheat is extremely competitive and it is distorted by the actions of tariffs and subsidies by other countries.

The Australian wine industry in many respects is a model industry. It has proven to be very successful at adding value. Wine exports have risen from $10.8 million in 1986 to over $1 billion in 1999. This success is not just the result of having a quality product, although the quality of Australian wine is extremely good. It is more about having knowledge of, and responding to, consumer needs; applying expert marketing; recognising the importance of R&D; and having an innovative approach to winemaking and sales. The performance of the Australian wine industry provides valuable lessons for other industries. In particular, other industries should note the wine industry’s quality approach to production, its organisation and structure, and its marketing and sales strategies.

A recurring theme in the inquiry was quality. Regardless of industry, consumers are interested in product quality as well as value for money. Continual improvement in production processes is the key to achieving cost competitiveness and product quality. Quality also underpins and is essential in design, process and marketing. Successful industries have all targeted quality in every aspect of their operations.

I thank all members of the committee for their participation and cooperation during the inquiry and all those who provided submissions or appeared as witnesses. The committee looks forward to the government’s response early in the life of the next parliament. (Time expired)

Mr ALLAN MORRIS (Newcastle) (1.13 p.m.)—The report of the Standing Committee on Industry, Science and Resources entitled Getting a better return—Inquiry into increasing the value added to Australian raw materials is my last report as a member of this parliament and as a member of this committee. It expresses and concludes with some of the frustration that many of us feel
at trying to generate a debate on national policy and then to generate change. I will come back to that in a moment. I thank the committee secretariat and colleagues for what perhaps has been the most important part of my parliamentary life; that is, participation in committee work and the benefit that it provides to us individually. Often we express the frustration that it does not reflect as widely as we think it should. Certainly, to Mr Paul McMahon and his staff I pass on my personal appreciation for many years of excellent support and service.

This report is the second in a trilogy. Committee members think that it is the final report, but to my mind there is still much left undone. This is the second volume in an inquiry into value adding of Australian resources. I recommend that members and the wider community look at the report. It begs a third volume—a more detailed map as to where we go next. We have raised some important issues and we have put forward some important recommendations, but there is still much left undone.

Australia is well down the value adding chain. One of the most surprising things I found in this inquiry is the way in which the mining industry and economists evaluate value adding. Most members will be surprised to know that we value resources in the ground at zero. Any sale of resources is a massive value adding thing in itself. When you look at the value adding economics and statistics across the country, you will see that mining is a massive value adder, but only because the value is zero at the start. That is obviously not correct in a real-world sense, but in an economic sense it apparently is. Because iron ore is worth nothing, selling it for $25 a tonne is a massive value adding result, whereas the real value adding is in taking the iron ore and turning it into metal. With magnesium, bauxite, iron ore or even coal we get a false impression of their value adding when we sell them as raw materials.

The first three recommendations in the report are the most critical. We refer to magnesium in particular, because magnesium has an absolutely enormous future and, unlike aluminium, we are at the forefront of world technology. I am aware that there are a number of companies in the field, but the one that is the most exciting to me is the Australian Magnesium Corporation at Gladstone and the technology it has developed with the CSIRO. It certainly appears to be the world’s cleanest, cheapest and probably most environmentally effective. I am delighted that the government eventually saw fit to fund the program. I have been disappointed in this inquiry at the lack of government interest in value adding, whether it be at Port Hedland HBI plant or at Gladstone magnesium plant, with the difficulty in capitalising it.

What tends to happen is that the investment community says, ‘This is very risky. These are risky projects and we should not want to invest in them.’ The government says that, because they have been so well developed scientifically, there is no risk and therefore they do not qualify for research and development tax write-offs. When people are caught between those two views, the banking community says that, because it is risky, it wants an extra half a billion dollars worth of capital to cover capital risk, and the government says that it is not risky and therefore there are no concessions available. That is a major impediment to our resource development which must be addressed in the next parliament. We have brought it to the surface and I trust that those who follow will return to it. I suggest to members of the committee in the next parliament that they return to this topic and keep it going. It is the most important issue facing the country and it is an issue in respect of which we can do a lot more than we have done.

The other aspect in the early recommendations is that we must consider what is happening in the world. We now have the world’s best technology for magnesium. Let us make sure that we keep it and develop it well, because others will try to transfer it to their countries by various devices. We must be prepared to match that. There is no longer a point in sitting back and saying that we will observe all the rules and not aid industries or be interventionist when others are doing just that. I recommend the report to the House.

(Time expired)

Mr HATTON (Blaxland) (1.16 p.m.)—I am happy to support the comments made by
the chair and the deputy chair of the committee and to acknowledge the support of all the members of the committee over the life of this parliament for the work done on this report. Like the chair and the deputy chair, I think that this is an extremely important report to the parliament because it goes to the core of one of the central problems that Australia faces, and that is how to change the way in which we develop our products in Australia and sell them overseas at an increased value.

The core point of doing this report was to look at industries which were successful at adding value and at bringing more wealth back into Australia, and to attempt to identify a better way of going about things for other industries that have not been as successful. Part of the core strength of this report is in its initial design, which was to look at where the strengths and weaknesses were in current performance and to argue that we should go deeper and try to find a basic set of formulas for how industries and companies can do better at it.

I want to consider two key areas, the first of which is the magnesium industry. As the deputy chair highlighted, all the committee members thought that the magnesium industry is of enormous significance for the future. The government has taken correct steps to directly support the activities in Gladstone and to extend the work that the CSIRO has done. We look forward to that becoming a major industry. The second key area is wine. Having been successful with wine, we need to continue to support it through the years to come and to be flexible in our approach. I support the report.

Mr ZAHRA (McMillan) (1.18 p.m.)—I want to state very plainly my belief that this report of the Standing Committee on Industry, Science and Resources on adding value to Australia’s raw materials has made an important contribution to this debate. I want to thank the chairman, Geoff Prosser, and the deputy chairman, Allan Morris, for their work and leadership in relation to this committee and its work.

I do not have too much time, so I will get right to the guts of it. The recommendation I was most interested in, and which committee members often referred to as the Zahra recommendation, was recommendation 14, which reads:

The Committee recommends that the Treasurer establish a public inquiry into the existing zonal taxation system focusing on options for developing a business zonal taxation system which would encourage investment in value adding and research and development activities in rural and remote areas, and which would promote economic growth in rural and remote communities.

This is what we are about. We want to see extra opportunities provided for value adding in Australia, but in particular we want to see more value adding of Australia’s raw material in rural and regional Australia. That was an unashamed objective of the committee and it is quite plain through the report that, whilst we certainly want to see more value adding generally in Australia, we unashamedly want to see more value adding of Australia’s raw materials in rural and regional communities.

I want to state very plainly my belief that enterprise zones can be achieved in this country. I believe that we need to focus our energies in relation to taxation not on providing subsidy but on providing incentive to people, and that is why I think that this is such an important report. I commend the work of the committee.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired.

Mr PROSSER (Forrest) (1.20 p.m.)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting, and the member will have leave to continue speaking when the debate is resumed.
On behalf of the Standing Committee on Family and Community Affairs, I present a discussion paper entitled *Where to next?—Inquiry into substance abuse in Australian communities*.

On behalf of the Standing Committee on Family and Community Affairs, I would like to make some brief comments on the discussion paper I have just tabled. The discussion paper is titled *Where to next?* The committee began its exploration of the social and economic costs of drug abuse, substance abuse, about a year ago. We have covered a lot of issues and we have much to do yet. The subject of how substance abuse affects families, the workplace, the health care system and the justice systems is both difficult and complex. Even though we have taken 5,000 pages of evidence, we feel as though we have only just scratched the surface. We trust our work will continue into the next parliament.

The discussion paper could be described as containing our preliminary findings. It provides a snapshot of what people are doing to prevent and deal with drug abuse and it describes what we believe to be some of the key issues we as a community need to address to improve our ability to deal effectively with substance abuse.

Of all the things we have discussed, perhaps the most striking is the lack of coordination and collaboration between Commonwealth, state, territory and local government agencies and non-government organisations within those jurisdictions. As a committee we think there is a clear need for a much more integrated national structure.

We met a vast number of people whose honesty has helped us to better understand the whole matter. We have heard from those who have become addicted to drugs and are struggling to release themselves from that addiction. We have talked to prisoners in jail about their substance abuse. We have heard from parents whose lives have been totally changed by the discovery that their son or daughter is in trouble with drugs. We have talked to hundreds of people working in the alcohol and other drugs sectors, and they have told us about what they are doing and what, in their view, we ought to be doing better. To these people in particular we extend our appreciation for taking the time and the trouble to share their experience with us. We are grateful to all those people for trusting us and for having faith in the process of this parliamentary inquiry. Their honesty has enlightened us and encouraged us to face our responsibility and demonstrate moral leadership and bipartisanship in this area.

We recognise how easy it is, when confronted with the apparent intractability of substance abuse issues, to retreat into clichés, quick fixes—excuse the pun—and prejudices. But, as one wise witness pointed out to us, our constituents expect much more from us as parliamentarians. They expect us to rise above the temptation to play politics with a life and death subject like this. They expect us to try to raise the tone of the debate; to resist the temptation to demonise and scapegoat; to look for common, workable solutions across the political divide; and to express honestly our differences and possible solutions. This is what we intend to do. The discussion paper we are tabling today will be, we hope, regarded as a good beginning. I commend the discussion paper to the House.

Ms ELLIS (Canberra) (1.23 p.m.)—Over 12 months ago, the Standing Committee on Family and Community Affairs began this inquiry, an inquiry the committee had sought. We were, across all party lines, of the strong view that an inquiry of this type should be initiated. It was back in 1977 when the Senate standing committee’s Baume report made recommendations calling for a national approach to drug abuse. We felt as a committee that the time had well and truly arrived for a comprehensive federal parliamentary inquiry. This discussion paper represents our work to date—a sort of stocktake of the situation after some 12 months of evidence gathering and listening to people from around the country.

I would expect that some sectors of the community may be a little bit disappointed that we are issuing a discussion paper and
not a full report. I would understand that response. The dedication of many, the urgency of the situation and the desperate need for help of so many would reflect a wish by some to see solutions and recommendations now. But this is an enormous inquiry, deserving of nothing less than a true, honest, full approach by the committee, and the time that we have had, from the time we adopted the inquiry until now, has simply not been sufficient for us to pay adequate regard to all of those points.

I would like to make a couple of quick points from my perspective, given this particular stage in the inquiry. There is an absolute need for all politicians, at all levels in the country, to adopt a bipartisan role when discussing this issue. We simply must work together. There has to be compromise; intransigence on anybody’s part will never allow a solution. We must stop arguing these things on moral grounds and debate them on health grounds, because that is where it is. The media need to understand the role that they play and the good and bad that they can effect in such a debate. Resources and support simply must be clearly identified. There is no central source nationally to show us who is doing what, where and how, and research is badly required in the area of data collection.

We need to remember that we are looking at all substance abuse in this inquiry. Ninety per cent of the costs of drug abuse in 1992 were attributable to the misuse of the legal drugs alcohol and tobacco, and they must be given an emphasis in any future inquiry. The workers in this area need to be resourced and valued as front-line workers. They should not be treated as second rate to their peers in other professions. The unanimous view of the committee is that this inquiry should and must continue in the next parliament.

I want to thank the committee secretariat—Shelly McInnis, the inquiry secretary, Trevor Rowe, the secretary to the committee and all of their colleagues—for their dedication in helping us to reach this point. I want to pay due regard to all of those people around the country who, with great courage, contributed so enormously to this paper. We see this as the beginning of the next phase of what we regard to be essential work on behalf of our committee in the future parliament.

Mr Lawler (Parkes) (1.27 p.m.)—In opening my comments, I congratulate the chair and the deputy chair on the way this inquiry of the Standing Committee on Family and Community Affairs on substance abuse has been conducted so far. There was a variety of views around the committee table, but I stress, as previous speakers have, that the difference in opinion was shaped not by party lines but by individuals’ different experiences in life, and they reflect the variety of opinions in the community.

What we need to allow in this country is an open and knowledgeable debate. As the inquiry went on, it became quite clear that there was a lot of debate but a lot of it was ill-informed debate. It became quite important for us to realise that there are a lot of myths associated with the drug debate. Some of those myths refer to the importance that we place, and the media place, on the illicit drugs, when it is clear that tobacco and alcohol play a large role. I understand that tobacco accounts for over 80 per cent of drug related deaths and around 60 per cent of all drug related hospitalisations, while alcohol is responsible for about 16 per cent of deaths and about 37 per cent of drug related hospitalisations. Illicits are responsible for only four per cent of drug related deaths and hospitalisations. There is also a misconception in the community in that when people think about a drug problem, they are usually thinking of a drug—marijuana or heroin—when in reality it is usually a polydrug problem.

One of the other myths that came out of the debate and one of its shortcomings is that people look very superficially at statistics. For example, when there was a pronounced heroin drought recently, many of the media and others thought that must be a great thing, but many of the speakers we were privileged to hear from commented differently. Some of them said that when there is a heroin drought there is more violence, polydrug use, and increased use of benzodiazepines and amphetamines. This emphasises the importance of cross-portfolio cooperation and collabora-
tion across all levels of government. For us to ensure that our strategies are working, there needs to be a great deal more cooperation.

Finally, the impact on people in jail was something that came to prominence at the committee hearings. Witnesses estimated that the proportion of the prison population with drug or alcohol problems was as high as 75 per cent, whereas statistics show that 51 per cent of people jailed on possession of drugs or drug use charges in 2001 had been inside a jail before. So, clearly, we need to place the emphasis on re-education and rehabilitation, not just on increasing law and order.

Mr EDWARDS (Cowan) (1.30 p.m.)—I strongly endorse and support the comments made by the previous speakers on this discussion paper entitled Where to next?—Inquiry into substance abuse in Australian communities. I certainly reinforce the need for a bipartisan approach to this issue, such is the challenge and such is the damage that drugs are doing to our society. The public must demand, and must receive, a bipartisan response to this issue from leaders such as members of parliament. The other issue I strongly want to endorse is the need for open debate, where people can come and put their views without being shot at or dealt with in an unfair way. There has to be a full and open debate on this issue if we are going to come to terms with the enormity of it, and courage must be shown by members of parliament and other leaders on all sides of this debate if we are going to advance the issue and deal with it properly, as we should.

I endorse other comments that have been made about the courage of parents who have come before the Standing Committee on Family and Community Affairs. I do not think there was a member of this committee who, at one stage, did not have tears in his or her eyes from listening to the harrowing, haunting stories that parents have told about their difficulties in trying to deal with the addiction of their children to drugs. If we need any more motivation than that, I think we have missed the point. The motivation is there and the need is there, and when this parliament resumes we must return and finish this report and finish this job, which is something that has to be done and has to be accepted by the next parliament.

Mr QUICK (Franklin) (1.32 p.m.)—I too would like to add my comments on the discussion paper entitled Where to next?—Inquiry into substance abuse in Australian communities. I congratulate all members of the House of Representatives Standing Committee on Family and Community Affairs committee. I think there were 12 of us—the normal 10, plus two others who showed a real interest. As the honourable member for Canberra said, this discussion paper is an interim report. I would also like to endorse the comments of the member for Cowan. All of us have been touched in various ways by the experiences that we shared, whether they were visits to jail, talking to addicts who are in the middle of rehabilitation and struggling to avoid resuming their addictive behaviour or talking to young people who are at the crossroads of their lives. I know one personally who I am closely related to and have seen the attempts by his mother, Kate, to steer Jason on the right path. There is the whole issue of tough love and parents biting the bullet and saying, ‘Enough is enough; it’s up to you to try to remove yourself from this addictive behaviour.’

As previous speakers have said, it is also a matter of putting the heat on state and federal governments to come up with a national approach. As I said today at the launch, we hear so much about national approaches, yet we still have rail gauge problems and a solo mentality in so many of our state government agencies and departments. Let us get away from the focus on heroin and marijuana and really get stuck into the alcohol and tobacco substance part of this inquiry.

Finally, I too would like to congratulate the members of the secretariat, who put up with us when we were busy rephrasing and re-positioning various bits of their report. They are wonderful people and they deserve our respect and admiration. I commend this discussion paper to all Australians and I hope they pester the secretariat to get copies and then put the pressure back onto state and federal politicians to do something about this very serious issue.
Ms HALL (Shortland) (1.34 p.m.)—I also want to support what has been said about this discussion paper entitled Where to next?—Inquiry into substance abuse in Australian communities that is being released. I would like to emphasise the fact that we need to have a bipartisan approach to this real challenge that is facing our society. I would also like to add that substance abuse, which is what we have looked at here, does not end with opiates. It is all-encompassing and includes drugs and alcohol and we must get behind—

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

Mr WAKELIN (Grey) (1.35 p.m.)—I move:

That the House take note of the paper.

I seek leave to continue my remarks later.

Leave granted.

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

Aboriginal and Torres Strait Islander Affairs Committee

Report

Mr QUICK (Franklin) (1.35 p.m.)—On behalf of the Standing Committee on Aboriginal and Torres Strait Islander Affairs, I present the report of the committee entitled We can do it! The needs of urban dwelling Aboriginal and Torres Strait Islander peoples, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr QUICK—It gives me great pleasure to table the report of the Standing Committee on Aboriginal and Torres Strait Islander Affairs on its inquiry into the needs of urban dwelling Aboriginal and Torres Strait Islander peoples. I table this report today in my capacity as acting chair of the committee, on behalf of the chairman, the member for Indi, who is currently representing the parliament at the United Nations in New York. I know that he is really disappointed that he cannot present this report in person.

One little appreciated fact is that the majority of Aboriginal and Torres Strait Islander people live in capital cities and regional centres. Sadly, these people are likely to be poorer, less healthy and less well formally educated than their non-indigenous neighbours. They are also more likely to be unemployed and have had greater contact with the criminal justice system. Against this backdrop, the committee investigated the special needs of indigenous people living in urban areas. Chapters in the report cover: service delivery by mainstream government agencies; the involvement of indigenous people in decision making processes; the special needs of indigenous youth; the maintenance of Aboriginal and Torres Strait Islander culture in urban areas; employment and training; and, finally, the housing needs of indigenous people in urban areas.

Over the last 20 years a general consensus has emerged that many mainstream services are failing to adequately meet the needs of urban indigenous people. The need to deliver services more effectively to indigenous people was first acknowledged at a government level at the Council of Australian Governments meeting in 1992. Subsequently, governments have committed themselves to approaches based on partnerships with indigenous people, greater intergovernmental cooperation, better coordination of programs, and increased funding flexibility. However, the committee took evidence of mainstream government services that are still not being tailored to be easily accessible by indigenous people or to fully meet their needs. The committee has made a number of recommendations to improve government service delivery to Aboriginal and Torres Strait Islanders, particularly those living in urban areas. The committee has also stressed the importance of increasing the involvement of indigenous people in the decisions that affect their communities. The involvement can be facilitated through consultative processes
established by agencies, indigenous bodies such as ATSIC regional councils or through local governments.

Of all the issues examined by the committee, none struck members as more pressing than the needs of young indigenous people. This is most pressing for those alienated from both their own heritage and the broader community. Members took evidence of the high rates of substance abuse and self-harming behaviour among indigenous young people as well as of the emotional and physical abuse many of them suffer. The committee has made a number of recommendations to address these issues, particularly to alleviate substance abuse. Members have also called for greater priority to be placed on reducing indigenous school truancy. This call arose from the links between truancy, poor educational attainment and antisocial behaviour by indigenous young people.

Education is the key to training, and training is the key to employment. Partly as a result of lower than average levels of formal education, indigenous people suffer a higher unemployment rate than non-indigenous people, and those who are employed are more likely to be in low skilled jobs. The committee has encouraged the expansion of vocational education and training schemes in schools and pre-employment bridging courses for indigenous people seeking to enter the work force. Indigenous employment will be one of the key drivers to improve indigenous socioeconomic status and economic independence. The committee has been impressed with recent initiatives to make Job Network more accessible to indigenous people. As a result, many are excluded from the private housing market for purchase and renting and have to rely on public housing. The committee has made recommendations to make access to the private housing market easier and to assess the affordability of public housing for indigenous people.

In conducting this inquiry, the committee noted the lack of reliable and nationally consistent data that identifies the needs of urban dwelling indigenous people. Echoing a call by others, the committee has recommended that a greater emphasis be put on data collection across portfolios and between the Commonwealth, states and territories.

Finally, I would like to acknowledge the chairman’s efforts and guidance of the committee during this inquiry and during the last two parliaments. (Time expired)

Mr WAKELIN (Grey) (1.41 p.m.)—It is with great pleasure that I rise to support the tabling of the report by the Standing Committee on Aboriginal and Torres Strait Islander Affairs entitled We can do it! The needs of urban dwelling Aboriginal and Torres Strait Islander peoples. As the member for Grey I have first-hand experience of the needs of urban dwelling Aboriginal people, particularly of those living in regional centres and small towns. The member for Franklin has already indicated the breadth of the committee’s terms of reference and given an overview of the contents of the report, and I acknowledge his wonderful contribution. As the member for Franklin said, the chairman of the committee deeply regrets that he could not be with us today.

I will take this opportunity to highlight two issues the committee addressed in its report; namely, the particular needs of transient Aboriginals living on the fringes of urban centres in town camps and the importance of providing training and employment for indigenous people in country areas. These issues were raised in each state the committee visited and in many of the submissions. The committee found that there is a need for local councils and public housing authorities to consider the provision of suitable living space and facilities for transient Aboriginals living on the fringes of towns and capital cities. These people may stay in
camps on a semipermanent basis or only during short visits to the town. Many have health and substance abuse problems. Unfortunately, their presence can sometimes lead to tension with town residents.

In some camps, permanent housing and infrastructure have been established; in other areas, facilities are more basic or non-existent. At a minimum, facilities available should include running water, toilet amenities and basic shelters. Historically, contact between the residents of town camps and local, state and territory governments has often been limited and sometimes acrimonious. The committee took evidence of several towns that are attempting to meet the needs of their town camp residents. One such initiative is in Ceduna in my own electorate. ATSIC, Ceduna District Council and state agencies are working together with local indigenous groups to develop town camp facilities there. As a first stage, camping facilities and drop toilets were provided. The next stage is the construction of permanent accommodation, flush toilets and showers. Such facilities provide appropriate camping places for transient town residents and also for visitors from remote areas. Their construction also provides an example of the cooperation between indigenous organisations and different levels of government that is necessary to meet the needs of indigenous people.

The other issue I wish to highlight today is the importance of providing training and employment opportunities for indigenous people in rural areas. These opportunities are vital if indigenous people are to gain economic independence and a greater sense of integration into the wider community. The committee has been impressed with the various government initiatives designed to provide vocational training and employment for indigenous people through Community Development Employment Projects, the indigenous employment program, Job Network and various training and industry support programs, as already mentioned by the acting chairman of the committee.

I would like to highlight what I see as the great potential of the large Commonwealth, state and territory programs for the construction and maintenance of indigenous housing to provide employment and training for Aboriginals and Torres Strait Islanders. The programs include the Aboriginal rental housing program and the Community Housing and Infrastructure Program. Indigenous participation in these programs can potentially lead to skilled work forces in regional areas and ongoing employment in the housing and maintenance sector once houses have been built. This will be particularly significant in areas where there are few other employment opportunities. Ultimately, indigenous companies will be able to successfully compete with non-indigenous firms in the wider housing market. This already occurs in Port Augusta and Port Pirie.

I have covered just two of the issues raised in this wide ranging report on the needs of urban dwelling Aboriginal and Torres Strait Islander peoples. Time does not permit further discussion. Many individuals and organisations, indigenous and non-indigenous, have contributed to the inquiry and assisted the committee in its deliberations. I join with the acting chairman in thanking them for their contribution. I also wish to acknowledge the efforts of the committee chairman, the member for Indi, during this and previous inquiries. I commend the report to the House.

Mr QUICK (Franklin) (1.45 p.m.)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.
was. Susan Jones, Leanne Laurence, Liz Nagaiya—and a special mention to Patricia Warren—the teaching staff, Morag Annetts and Cheryl Wood, and all the other people involved in Theodore Preschool, should be very proud of themselves. It was a very successful fundraiser. It was a joy to walk through the art exhibition that night and hear parents—particularly the dads—acknowledge the artistic talents of their preschoolers. It was also lovely to see so many members of the parent community enjoying each other’s company in a social atmosphere. I understand that, as a result of this successful art exhibition by these wonderful little preschoolers, the Tuggeranong Arts Centre has also exhibited their pieces of work.

I thank the preschool very sincerely for the book they have given me as a thankyou. It involves children from the Comets, Stars, Rockets and Treasures—all groups within the Theodore Preschool. They are a very important part of my community. The preschool community put a lot of work into the ‘Dedication to Dad Art Exhibition’. They are to be commended very sincerely for putting together such a wonderful social school atmosphere that evening.

Macquarie Electorate: Hawkesbury Reticulated Sewerage

Mr BARTLETT (Macquarie) (1.47 p.m.)—Many of the major issues of concern to people in the Hawkesbury part of my electorate are related to infrastructure—specifically, the failure of the New South Wales government to provide essential services. Three townships—Glossodia, Wilberforce and Freemans Reach—have been promised a system of reticulated sewerage for over 15 years. It is unacceptable that in this day and age some 1,500 households in this area have to rely on a pump-out system which is outdated, inconvenient, inefficient and unhealthy. The state government has done nothing to rectify this appalling neglect.

Five years ago, I secured $250,000 for an environmental impact study to pave the way for work to begin, yet the New South Wales government has failed to act. The completed EIS has sat gathering dust while the state government procrastinates. In its last budget, the New South Wales government allocated money for backlogged infrastructure and sewerage programs. The three towns of Glossodia, Wilberforce and Freemans Reach need to be on the top of the list. I urge the New South Wales government to allocate the funds for this work for these three towns as a matter of high priority. Hawkesbury residents deserve a fair go.

Gellibrand Electorate: Petition

Ms ROXON (Gellibrand) (1.48 p.m.)—I would like to take this opportunity, at the suggestion of the Leader of the House, to seek leave to table a petition. This is a statement that I have raised previously in this parliament, following the attempted filing of a petition from 1,000 people in my electorate with respect to the lack of a rebatable MRI machine in the western suburbs of Melbourne. I now have a new petition, which is in the correct format. It has been suggested that I use this opportunity to raise the matter with the House and seek leave to table it. Failing that leave being granted, it will be tabled by the Leader of the House in due course on Thursday. I simply want to raise this ongoing issue with the parliament. Six new MRI machines have been granted rebatable status and the western suburbs of Melbourne still remain without one. It is an issue which will continue to be of concern until we have access to such a machine. I seek leave to table that petition.

Mr SPEAKER—I assume the Parliamentary Secretary to the Minister for the Environment and Heritage has not seen the petition.

Dr Stone—No.

Mr SPEAKER—Subject to the parliamentary secretary seeing the petition and it meeting the guidelines of the House, I will seek her intervention a little later, if that is to the satisfaction of all.

Ansett Australia: Parliament House Rally

Mr BAIRD (Cook) (1.49 p.m.)—I rise today to thank the many Ansett workers from both within my electorate and elsewhere who have contacted me in recent days to apologise for the treatment I received at the front of Parliament House last Tuesday. On that day, a rally was held for Ansett workers in front of Parliament House. Contrary to what
the Leader of the Opposition and the unions said on that day, I was actually invited to attend this rally and received an invitation, through the mail, in my office. I chose to attend to show my support for all those Ansett workers in my electorate who face an uncertain future due to the airline’s collapse. At that rally, I witnessed ACTU President, Sharan Burrows, ban any speakers from the government in an attempt to completely mislead those concerned employees present into believing that the government was not going to guarantee their entitlements. In fact, the government had already made a strong commitment to that effect, of which she was well aware, and I was attempting to convey that point when I was hit by one of those people present.

Since the airline went into receivership, I have had many meetings with Ansett employees, including one with about 30 in attendance at my regular Saturday morning local area consultation. At each of these meetings, I have been impressed with the calm and reasonable manner of those present, particularly considering the high level of strain they are feeling. There is no doubt in my mind that the incident outside Parliament House was not representative of the behaviour or attitude of Ansett employees, but is more typical of the way unions like to run their events. Indeed, many of the people who have contacted me have expressed their embarrassment and frustration that their issue had been hijacked by the unions. Once again, I thank those Ansett employees for their support and assure them that I will continue to do all that I can to represent their interests in this place.

**Chisholm Electorate: Box Hill Hawks**

Ms BURKE (Chisholm) (1.51 p.m.)—I would like to congratulate the Box Hill Hawks for a fantastic final win in the VFL TXU Cup yesterday, downing the favourites, Werribee, in a 37-point victory. Whilst my other team, Richmond, was bundled out unceremoniously on Saturday, I still managed to have a good weekend. Box Hill’s first outing in division 1 premiership was a dream, breaking the back of a 50-year drought. The decision of Box Hill to amalgamate with the Hawks and enter division 1 of the VFL was not easy and came after much soul searching at the club and some turbulent financial and administrative years, yet it has paid off and it means that the suburbs are still represented in our great Victorian game.

Praise must go to the coach Donald McDonald for leading his team to a stunning victory over his old side, which has dominated all year. The club’s inspirational captain Matthew Brewer tragically became a casualty in the opening two minutes and, sadly, missed the game, but his influence has been seen in the side all year and on his team for the final important game. So I would like to say well done to the players of Box Hill, the coaching team, the support staff, the staff at the club and, most importantly, the fantastic followers of Box Hill who have been with them through all the good times and the bad. Thanks for a great win and well done.

**Corangamite Electorate: Bushfires**

Mr McARTHUR (Corangamite) (1.52 p.m.)—I wish to acknowledge the visit of personnel from the Australian Rail Track Corporation on 5 September to Cressy in the heartland of my electorate of Corangamite, where discussions took place about the bushfires that were caused on 2 February this year. The discussions took place between those personnel and local fire brigades because of the now great number of trains that move through this area—approximately eight trains each way each day, including the passenger Overlander. This area is the worst fire prone zone in the whole of the world and local farmers are very concerned about the danger next year.

Inspections took place by farmers and local CFAs as to what might be done to spray the rail track and get rid of the phalaris. Discussions also took place as to what insurance premiums might be if this problem were not fully addressed—the problem of brakes on these steel wheels causing fires during this very difficult fire period. It was a very good discussion, and I thank David Marchant, Chairman of the ARTC, for sending his personnel down to have this discussion. No doubt he will be reporting back to the group, and I will be writing to him indicating the satisfaction of the local fire brigade group in
the hope that we might mitigate this quite life threatening and property threatening disaster in the next few years because of the possibility of a fire in that area. (Time expired)

Greenway Electorate: Youth Forum

Mr MOSSFIELD (Greenway) (1.53 p.m.)—I rise to speak on a youth forum that was held in my office on Saturday, 4 August. The day was named the Blacktown Youth Orientation—BYO. The purpose of BYO was to expose our youth to young people in our community who have already made an impact on the social development of Australia. On the day, we had 16 students present from local high schools such as Wyndham College, Blacktown Girls High, Blacktown Boys High, Seven Hills High, Quakers Hill High and Nagle Girls College. Also in attendance were two students from James Ruse Agricultural High School, who received Australian student prizes. Sudarshini Ramanathan and Jonathan Wang received this prestigious award for their outstanding academic achievements.

We had a number of guest speakers, including Senior Constable Steve Gillet and Eshan Fallahi. Eshan is a representative on the Prime Minister’s Youth Roundtable. Senior Constable Steve Gillet is the youth liaison officer for the Blacktown Police. Steve spoke about the resources and facilities available to the youth in the area. Eshan has been working tirelessly to promote the youth of the area and to change an often unfair perception about youth in general. He spoke about his experiences on the Prime Minister’s Youth Roundtable and his hopes and visions for the youth of the Blacktown area. Eshan has been a great advocate for the youth of the area that I represent. The students who participated in the BYO presented me with a private members statement that they had drafted. Members can find that statement, drafted by the youth of my electorate, on the Notice Paper. (Time expired)

Religious Discrimination: Kuraby Mosque Fire

Mr HARDGRAVE (Moreton) (1.55 p.m.)—I lamentably rise today to record on the national record of this place details of a fire which took place in my electorate in the early hours of Saturday morning at the Islamic community mosque in Kuraby. I visited there at lunchtime on Saturday and I can assure the House that the devastation was complete. This mosque was an Anglican church that was built in 1924 and it has been used by the Islamic community in a very peaceful way for prayers five times a day and for weddings. Many memories were destroyed in that fire, lit by some sort of coward in the middle of the night.

However, I would like to take the opportunity to praise the Islamic community in my electorate for their commonsense and their downright Australianness. As the acting Imam at Kuraby, Mohamed Abdullah, has said to the media, they are looking for peace and calm and for Australians to bond together and work together to overcome the sort of retribution that some believe it is fair to mete out on smaller groups within our community. What happened at Kuraby in the early hours of Saturday morning is a most un-Australian event, something for which we should all hold a great sense of shame. The bashing of cab drivers, including somebody I know who is a refugee from Somalia who happens to be Muslim, is of course also something that only cowards do. We as Australians can work together to build a stronger future. Retribution like this just cannot be tolerated.

Gellibrand Electorate: Petition

Mr SPEAKER—Before I recognise the honourable member for Shortland, I should allow the Parliamentary Secretary to the Minister for the Environment and Heritage to respond to the invitation to table.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (1.57 p.m.)—Mr Speaker, leave is granted for the member for Gellibrand’s petition to be tabled.

Mr SPEAKER—Thank you, Parliamentary Secretary.

Shortland Electorate: Education Week

Ms HALL (Shortland) (1.57 p.m.)—I would like to pay credit to all of the teachers, parents, students and ancillary staff that work in the schools throughout the Shortland
electorate and, for that matter, throughout the whole of Australia. The week of 10 September was Education Week and during that time I was privileged to visit a number of schools and to attend Public Education Day, which was held for all of the schools within the Lake Macquarie education district.

At every function I attended, I was impressed by the dedication and commitment that everyone gave to those schools. An interesting fact is that four members of parliament were at that Lake Macquarie Public Education Day and each and every one of them had been educated within our public education system. Lakeside Special School had a day where they put together a circus, and just to look at the faces of those young people showed the dedication, the feeling and the resources that have been put into that school. The Gorokan High School band got a bronze in the Melbourne band competition. They defeated schools like Scotch College and Geelong Grammar. It really shows the standard of education that is available within our public education system and the dedication of all those that are involved in it.

Roads: Scoresby Transport Corridor

Mr BILLSON (Dunkley) (1.58 p.m.)—I rise today to celebrate the Howard government’s commitment to nation building, particularly the Howard government’s commitment to construct the Scoresby transport corridor. Those who have not paid any attention in this place over the last five years may not be aware of the deep and long-held commitment by members on this side to the project. In the latest instalment we have the Premier of Victoria, Premier Bracks, wringing his hands and writing to a number of residents in a letter dated 11 September saying that they are so committed to produce this project for the community that they have gone and signed a piece of cardboard. It is time that the Bracks government did something more than sign a piece of cardboard. It is time for the Bracks government to commit to the project.

The Prime Minister is quoted in Knox Journal on 5 September as recognising not only the $220 million in cash that the Prime Minister and the Howard government have put on the table for this project but also a commitment to repay the additional private sector investment on a fifty-fifty basis so that this billion-dollar project, servicing the south-eastern and eastern suburbs of Melbourne—a lifeline for those communities in employment and education opportunities—can proceed. It is time for the Bracks government to get off its backside, get serious about this project, follow the outstanding lead provided by the Howard government and construct the Scoresby transport corridor.

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

QUESTIONS WITHOUT NOTICE

Ansett Australia

Mr BEAZLEY (2.00 p.m.)—My question is to the Deputy Prime Minister. I refer to his description of Ansett yesterday as ‘just a carcass’. Minister, isn’t it true that, by using just a small part of the Sydney airport sale proceeds and working with interested parties, you could keep Ansett flying? Wouldn’t this in fact increase the value of the airport when it is sold? Minister, what is the better alternative: liquidate Ansett or get it flying again?

Mr ANDERSON—I am sure that everyone in this House would agree that we want an as strong as possible entry of new, commercial players in Australia’s aviation market out of the present very unfortunate process. There are a few points that need to be made. Firstly, it is a false hope offered by the ACTU and their spokespeople in this place, I believe, to try to pretend that Ansett, as it was, can go back into the skies. I am sorry to have to say that, but the reality is that, even as we speak, the administrator is still unable to ascertain the full extent of the financial position that the group was left in. Indeed, it strikes me as more than a little unusual that the ACTU, whose great commercial experience runs to petrol stations and department stores, can pretend that you can put an airline back into the skies, when Air New Zealand could not do it, when Singapore Airlines could not do it, when Qantas could not do it and when two administrators have said that...
its position is so serious that they are still seeking to get to the bottom of it.

I cannot quite work out the Leader of the Opposition’s position. One moment he wants us to underwrite it and then he does not want us to underwrite it. The next minute he wants us to put in public money and then he does not want us to put in public money. The lack of leadership here is quite mind-boggling. According to AAP, under the heading ‘Beazley calls for money to get Ansett’, at 1.38 this afternoon the Leader of the Opposition went out there and said that the ALP had called for a $200 million government cash injection to help get failed airline Ansett back off the ground. Now, with this retrospective leadership, those opposite are back into putting taxpayers’ money into Ansett.

Dr Martin—What are you doing?

Mr Speaker—Order! The Deputy Prime Minister has the call.

Mr Anderson—He said that, in the face of likely debts of $2 billion, $200 million can get Ansett, as it was, back in the sky. That is the ACTU’s peddling of false hopes. The fact of the matter is that we have worked very closely to do everything we can on a wide range of fronts, and the administrator is working very hard to ensure the strongest possible new aviation entrants into the Australian trunk routes and beyond. Whether or not one will wear the badge of Ansett, we do not know. The suggestion that $200 million can somehow do what nothing else has been able to do is absurd. I think the only other point that needs to be established quite clearly is this: as the Minister for Finance and Administration would acknowledge, the sale of Sydney airport would be a debt reduction measure and the funds, as such, would not be available for an exercise of the sort that the Leader of the Opposition has proposed this afternoon.

Aviation: Supplementary Indemnity Insurance for Airlines

Mr Billson (2.04 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister update the House on the arrangements the government has put in place to provide third-party war indemnity cover for surface damage for Australian aviation carriers?

Mr Howard—I thank the honourable member for Dunkley for his question. I can inform the House that, in the wake of the terrorist attacks in the United States, global aviation insurers took action late last week to significantly lift premiums on insurance policies offered to carriers and also to reduce to unacceptably low levels the amount of cover that would be available for third party damage. As a result of those decisions, every airline in the world faced a situation that, under the new aviation insurance arrangements, there would be cover in relation to third party damage, both death and bodily injury, and also property damage of $US50 million in total in any one year.

It would be quite apparent to the House that that was, in today’s world, an unacceptably low level of cover. We were approached by Qantas on Friday—and, of course, what I am about to say is of equal applicability to any other carrier in Australia; that is something of which they are aware and I will make that apparent in a moment—and the indication was that, unless some arrangement could be made at least on a temporary basis for the government to provide an indemnity, we faced the prospect that all major airline operations domestically in Australia and emanating from Australia by Qantas could in fact have ceased. As a result of those approaches, the government decided over the weekend and I announced on Saturday afternoon that we would provide third party war, including terrorism and hijacking, indemnity cover beyond that provided under the new aviation insurance arrangements.

The commitment of the government is third party cover for surface damage of up to $US5 billion. It will be rolled over on a monthly basis, and it is available for all Australian aviation carriers that approach the government and have aircraft with 15 or more seats. In the event that there are similar war insurance problems with smaller aircraft, the government will consider providing indemnities to these Australian airline carriers as well.

I can inform the House that already Qantas, Virgin Blue and the Ansett administrator
have approached the government to take up the government’s offer and that indemnity contracts for these carriers will be completed by 9 a.m. tomorrow, 25 September. The International Air Transport Association has written to all national governments seeking governments’ commitments to directly indemnify national carriers for third party property and casualty liability claims. As a result of the action that we have taken, we have responded to that request of the International Air Transport Association, and we have shored up our code share arrangements with foreign carriers. In the absence of that announcement there had been warnings of UK and US based airlines ceasing services to Australia. Informal advice we have received, initially from the United States, is that this prospect has now significantly receded as a result of the action that has been taken by the government. It is an unusual indemnity for the government to provide but we are in unusual circumstances. I stress that it is an indemnity equally available to any airline other than Qantas. It has already been the subject of an application by the Ansett administrator; therefore, if there were to be at some time in the future a form of the former Ansett airline in the air, they would be covered as equally as would Qantas. Virgin Blue has already made a similar application.

While I am on my feet, can I say that the government remains hopeful that the discussions that have now been going on very intensely between the Ansett administrator and Qantas for the wet leasing of a number of airbuses can be satisfactorily concluded. I make no secret of the fact that I spent some time over the weekend urging the parties to resolve their differences. This is a situation where, in the national interest, there has to be some give and take on both sides—both on the side of the administrator and on the side of Ansett—because, in the end, our responsibility as a government is to the travelling public.

I know that in the course of this debate remarks have been made about the contribution the government has made. I would remind the House that we have already guaranteed up to $400 million of workers’ entitlements for the Ansett employees. In the circumstances I have just outlined we have picked up a contingent liability of up to $A10 billion in relation to third party property damage. We will continue to monitor the discussions between Qantas and the administrator. Although capacity utilisation is very high, and the indications are that on the trunk routes the arrangements put in place since the Ansett grounding have gone a long way towards meeting the market, and there have not been quite as many gaps in availability of seats as was predicted at the time; it is nonetheless the case that we have an overriding responsibility to do what we can to help the Australian public secure seats when they want them. That puts an obligation on Qantas. It puts an obligation on the Ansett administrator. It is a case where, in the national interest, the differences they might have over matters which in the long run are not of enduring significance should be the subject of compromise in the interests of the travelling public. I ask both of the parties to redouble their efforts to reach an agreement. The victor out of that will be the travelling Australian public.

**DISTINGUISHED VISITORS**

Mr SPEAKER—I inform the House that we have present in the gallery this afternoon members of a delegation from the National Assembly of Vietnam, led by a vice-chair of the assembly. I was pleased to have the delegation in my office this morning. On behalf of the House, I extend to them all a very warm welcome.

Honourable members—Hear, hear!

Mr SPEAKER—I also note in the gallery the Hon. Tony Messner, a former Commonwealth minister and administrator of Norfolk Island. I extend to him a welcome as well.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

Ansett Australia

Mr MARTIN FERGUSON (2.12 p.m.)—My question is to the Minister for Transport and Regional Services. Minister, now that you have deferred the sale of Sydney airport, what guarantee can you give to the Ansett administrator that Sydney Airport Corporation will not snatch the Ansett domestic terminal rather than allow the administrator to
treat it as an Ansett asset? Minister, are you going to allow this asset to be now taken from Ansett?

Mr ANDERSON—I thank the honourable member for his question. I assume the basis of it was that somehow or other privatisation will change the asset base of the company.

Opposition members—No!

Mr ANDERSON—that is how it read.

All proper processes will be followed by the administrator. I am just saying that I am not quite certain what it is that you are trying to imply about any course of action that the administrator might take. He will abide by all of his obligations.

United States of America: Terrorist Attacks

Mrs GASH (2.13 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House about the welfare of Australians directly affected by the terrorist attacks in the United States on 11 September?

Mr DOWNER—I thank the honourable member for Gilmore for her question and recognise the intense interest she has shown in the tragedy of 11 September and the ensuing events over the last nearly two weeks. The number of Australians confirmed dead still remains at three, and it now appears that no more than 20 Australians were in the World Trade Centre at the time of the attacks and were unable to escape before the building collapsed.

We are, nevertheless, continuing our efforts to account for a further 10 Australians who were the subject of calls to my department immediately after the attacks and whom we have still not been able to track down. From that, people should not automatically conclude the worst, because we had those numbers up to around 90 at one stage and progressively people have been contacted.

The government is determined to support the families of the victims at this intensely difficult time. I have made special arrangements in this unprecedented situation to cover the costs of travel to New York for two members of each family of those Australians believed to have died in the attacks. Our Consul General in New York, Ken Allen, and his team continue to help Australians who have been traumatised by the crisis, and he is currently assisting some families already in New York with both accommodation arrangements and counselling.

The honourable member also asked about the steps the government has taken in response to the terrorist attacks. Firstly, maybe fortuitously but with a good deal of foresight about the importance of intelligence, the government increased the budget of the Australian Secret Intelligence Service by 23 per cent in this year’s budget. Secondly, I have directed the establishment of an antiterrorism task force in the Department of Foreign Affairs and Trade to provide advice on the international aspects of the government’s response to the attacks. This task force will act as the main point of liaison and coordination with foreign governments on antiterrorism issues. I have also directed that a comprehensive review of security arrangements at all Australian diplomatic and consulates overseas be undertaken and asked that all emergency consular contingency plans be revised in the light of the changed international circumstances following the attacks on America. Now that these reviews have been completed—and they were completed just at the end of last week—I believe that we are better placed to assist Australian citizens in emergencies.

All information and advice provided to Australian travellers has been revised through our consular advice notification system, and I would ask all Australians who are planning to travel overseas—and many have contacted both my office and, for that matter, contacted me at home—to please consult that travel advice before confirming their travel plans. The international situation is an unfolding situation and it is very important that Australians keep in touch with the consular advice which is available on the web site, through my department or through our embassies and consulates overseas.

Ansett Australia

Mr BEAZLEY (2.17 p.m.)—My question is to the Minister for Transport and Regional Services and the Deputy Prime Minister. I
refer to his description of Ansett yesterday as ‘just a carcass’. Minister, why are you spending hundreds of millions of dollars to close Ansett down when you will not spend anything like that to keep it flying? What is the better alternative: liquidate Ansett or get it flying again?

Mr ANDERSON—I thank the honourable member for his question. Plainly it would have been infinitely preferable if the parent group’s management of Ansett had not left it in such a diabolical financial position. No-one takes any joy in this; no-one—except those who would seem to want to gloat over what they might see as the political opportunities in it—would see this as anything other than a very unfortunate happening. There is a very important point that I want to make out of this. If there is one thing I do not believe in, it is offering false hope to those who are facing a serious situation. That is precisely what the ACTU, and particularly Sharan Burrow, is doing. That is what they are up to.

Plainly we want the administrator to enjoy every possible opportunity to ensure the strongest possible new entrants into the aviation market in this country. That is what we want. The Leader of the Opposition is again taking positions in retrospect: one moment he is for injecting money, the next he is against and now he has a very vague proposal to put $150 million to $200 million into an outfit whose true financial position is still unknown—the administrator says it is just like peeling back layers of an onion. It keeps getting worse. Given that situation, I do not know how the Leader of the Opposition proposes to simply write off a couple of billion dollars worth of debt. Where is that money owed to secured creditors and others going to come from, if suddenly, magically, this airline can rise from the ashes? We all wish it could happen, but in the end we all have to deal with realities. The realities are that the administrator is charged with a difficult and very important task on behalf of Ansett workers and the travelling public of this country, and the solutions that you put up, which vary by the day, are non-solutions.

Religious Discrimination: Kuraby Mosque Fire

Mr HARDGRAVE (2.21 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs and the Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs. What is the minister’s response to the firebombing of the mosque at Kuraby in my electorate over the weekend? Is the minister concerned that this incident and other similar incidents suggest that sections of the Australian community are being treated as scapegoats over the tragedy in the United States?

Mr RUDDOCK—I thank the honourable member for Moreton for the question because it gives me an opportunity on behalf of the government to utterly condemn what appears to be an act of arson and of mindless destruction of a mosque in Queensland. There have been other reported incidents of attacks on mosques not only in Queensland but elsewhere, of attacks on members of the Islamic community, including the pelting of buses with rocks and bottles, and of assaults on Australians. Such behaviour is totally unacceptable. There is no reason for it. If it is in any way linked with the tragedy that has occurred in the United States, it is a linkage in people’s mind that is not appropriate and should not be made. Those tragic events in the United States of America have taken the lives of not only Australians but also, as I understand it, as many as 1,700 Muslims. Insofar as I am aware, no suggestion has been made in any of the reports that I have seen that any linkages with Australians or with Australia have been made with what has happened in the United States.

In that context, there is no place in Australia for vilification of any Australians because of those tragic events. All Australians, whether they are Muslim, Christian, Jewish or otherwise, are entitled to express their religious views and their places of worship are entitled to respect. You cannot expect a tolerant view of your own personal views to be given if you cannot give others that same entitlement. One of the strengths of our society has been that we have brought together many people of different cultures and different religions from all over the world, and we
have been able to demonstrate that people can live together successfully.

The Prime Minister has expressed his own views in relation to this matter, making it clear that such behaviour is abhorrent to him and to the government. I know that the member for Moreton has visited the mosque, as have many representatives of the community, including representatives from the Catholic, Mormon and Uniting churches, and they have offered their support to the Muslim community in Queensland. I know from the honourable member for Moreton that those expressions of support have been very welcome to the Islamic community in his electorate.

On Friday I visited the mosque at Preston. I went there because I was otherwise in Melbourne, and I met with Sheikh Fehmi and members of the community and expressed these same views to them. I intend to continue to visit Islamic communities around Australia. I will visit the Brisbane community early next week, and I will convey to them the government’s concern and support for them. I know that the Prime Minister is very much involved in this; he spoke on the phone to Sheikh Fehmi. We will certainly ensure that the very strongly held views that we have here in Australia of respect for diversity and of the strength of the community are well understood and known, and we will continue to give support to those members of our community who experience any form of vilification.

Ansett Australia: Ticket Refunds

Mr CREAN (2.26 p.m.)—My question is to the Treasurer, and I refer to the many Ansett passengers who paid for tickets that are now worthless. Treasurer, didn’t you collect the GST on those tickets?

Honourable members interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is currently enjoying the protection of the chair. The Deputy Leader of the Opposition is entitled to be heard in silence, as are all members of the House.

Mr CREAN—Treasurer, how can it be right that you can keep tens of thousands of dollars worth of GST for services never provided? Why don’t you give the money back?

Mr COSTELLO—I inform the House that any airline customer who has paid for a ticket and not received a service is entitled to a refund in respect of the full price, including the GST, because the GST is included in the price. So, if you get a refund of the ticket, you get a refund of the GST, which is included in the price.

Honourable members interjecting—

Mr SPEAKER—It is self-evident that good manners seem to be one-way traffic on both sides of the House.

Mr COSTELLO—I also inform the House that businesses which do not receive a service are entitled to reverse the transaction. A reversal of the transaction means that no GST on a service which has not been performed is payable and an input tax credit cannot be claimed, so you have the capacity for a reversal. I am afraid to inform the Labor Party that, regrettably, their attempts to be opportunistic in relation to Ansett have failed on this occasion.

In relation to these matters, the normal rules of taxation would apply, in much the same way as they did in relation to wholesale sales tax. I do not recall the Australian Labor Party having specific provisions in wholesale sales tax acts which said that, in the event that wholesale sales tax had been paid on a good and there was not performance, you could come to the tax commissioner and get it back. I do not recall the Australian Labor Party putting such provisions in their acts. I do not recall that being the case.

But the thing you always know about the Australian Labor Party is this: if there is an opportunity for a cheap opportunistic point, not only will the Labor Party try and take it but the old member for Hotham will be in the forefront. We do not regard this as a serious question in relation to taxation: yet more attempts to try and profit from a management failure in relation to Ansett Airlines where the Australian Labor Party—

Mr Crean interjecting—

Mr McMullan interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition! The Manager of Opposition Business! The Treasurer has the call.
Mr COSTELLO—More attempts by the Australian Labor Party to try and profit out of the misfortune of the Ansett employees—simply that. Is this a serious question about taxation? Was there a provision in the wholesale sales tax acts for reversals? No, of course there was not; it was never considered in all of the 70 years of wholesale sales tax. Is there a genuine concern about Ansett? No, of course there is not. Is there a genuine concern about taxation policy? No, of course there is not. A cheap, opportunistic opposition, led by a member who is not qualified in relation to taxation matters, is trying to make political capital—and it ought to be treated by the employees with the disdain that it deserves.

Australian Defence Force: Readiness for Antiterrorist Action

Mr LLOYD (2.31 p.m.)—My question is addressed to the Minister for Defence. Would the minister outline for the House the state of readiness of our armed forces to take part in any international action against terrorism? Minister, what measures have been taken by the government to ensure Australia's armed forces are ready for the demands the government of the day may place on them?

Mr REITH—I thank the member for Robertson for his question. I think that question is best answered by stating that to have a ready and capable defence force requires a sustained commitment of resources, time and effort over a period of time. In respect of the Australian Defence Force, the government has in recent years invested that time and effort to build on this and to ensure high levels of readiness and capability generally within the Defence Force. When the government was first elected back in 1996, for example, we quarantined Defence from expenditure cuts across government. We initiated a major reform program for Defence, with one of its objectives being to improve the teeth-to-tail ratio of Australia’s Defence Force. When we were elected in 1996 the teeth-to-tail ratio—namely, that balance of forces between combat and combat support and administration—was 42 per cent. Today the teeth-to-tail ratio is 62 per cent—well on the way to the target of 65 per cent which the government has set.

In the 12 months or so leading up to December last year, the government went further and built on its earlier reforms by a process of consultation and careful consideration to a long-term plan for Defence which culminated in the release of the Defence white paper last year. That document provides for the future for Defence by way of resources, continuation of the reform program and a range of other matters which are set out in that white paper. One of the important elements of the white paper was the recognition that we ought to structure our Defence Force to give the government of the day as many options as was reasonable within the limits of financial resources and the like, so that the government of the day could respond to a myriad of possibilities and scenarios in the future. In doing so, there were some important decisions taken in the white paper which I think are worthy of some comment.

Firstly, the budget for special forces has been increased in the white paper from $360 million in the current year to $442 million over the decade—a substantial increase in real terms. It was also recognised by Defence that we needed to have some greater emphasis and resources in the intelligence area. I should say in commenting on this that, of course, Defence is not the only agency involved in intelligence, and the Minister for Foreign Affairs referred to a significant increase in intelligence within his portfolio in the resources allocated. In terms of Defence, though, we have in the white paper an increase there from $451 million, increasing to $565 million over the decade, with enhanced signals intelligence and imagery collection capabilities, improved intelligence processing and dissemination systems, and deeper levels of cooperation with the United States intelligence agencies in some key areas.

It is also appropriate to refute some comments in the Australian Financial Review today, which claimed that a senior member of the ADF had said words to the effect that there was a lack of suitable equipment and an inappropriate defence strategy. As some indication of the credibility of that report, the
person who wrote the article did not actually attend the seminar where the words were claimed to have been said. At no stage did Defence officials suggest a lack of suitable equipment and an inappropriate defence strategy. The officer concerned did comment that, in instances where industry fails to deliver projects according to contracted schedule, it may limit Defence’s ability to offer options to government. He did not offer examples and did not make any statements regarding Australia’s ability or otherwise to provide particular military support to the US.

I can say categorically that Australia is able to offer a wide range of aerospace capabilities, including combat capabilities, should these be needed. The fact is that we have an efficient Defence Force—

Mr Price interjecting—

Mr Speaker—The member for Chifley!

Mr REITH—We have the very best of people in the Australian Defence Force—

Mr Price interjecting—

Mr Speaker—The member for Chifley is choosing to defy the chair.

Mr REITH—We have people who have worked hard to maintain the very highest levels of professional skills within our military. And I have no doubt that, as they are requested to undertake specific matters put to them by the government of the day, they will be in a position to respond.

Mr Speaker—Before I call the member for Lilley, it is appropriate to recognise his return to the chamber and to welcome him back in the same spirit as the Minister for Finance and Administration and the member for Canning have been welcomed back.

Centrelink: Ex-Ansett Employees

Mr Swan (2.37 p.m.)—My question without notice is directed to the Minister for Community Services. Minister, can you explain why a number of ex-Ansett employees have been refused assistance from Centrelink because they do not yet have separation certificates? Will you confirm that there is no legislative requirement for separation certificates to be produced to register for benefits, and indeed that early last week instructions were issued within Centrelink to process people with or without separation certificates? Minister, why has the government backtracked on providing assistance to ex-Ansett employees who are struggling to pay their bills?

Mr Anthony—I also pass on my best wishes for the member for Lilley’s health. Centrelink certainly has been very active over the last few weeks since the collapse of Ansett. There have been a number of seminars and facilities that we have put in place, particularly working with the workers and with the ACTU to ensure that payments can be made as fast as possible to many of the workers who have been retrenched and subsequently are out of employment. As at the end of last week we had about 2,700 inquiries to the Centrelink call network regarding individuals among the 16,000 Ansett employees who had come to us with an intention to claim. A lot of those intentions to claim were put in by the ACTU when it lodged a generic claim. It is important for the House to recognise that when an individual applies for a Centrelink payment, whether it is a Newstart payment or a change in adjustment to family allowance or to child-care benefit, it is assessed on an individual basis. There are liquid asset waiting periods and a means test that they also have to apply. Certainly, as far as the intent to claim is concerned, even though they have not had a separation certificate, if they can demonstrate—all those employees have so demonstrated—that they are without employment, they are eligible. If there are individual cases, I will be very happy to look at them if the member would pass them to me.

Terrorist Attacks in the United States: Economic Effects

Dr Southcott (2.39 p.m.)—My question is addressed to the Treasurer. In light of the recent terrorist attack on the United States, will the Treasurer inform the House of developments in the financial markets and the world economy?

Mr Costello—I thank the honourable member for Boothby for his question. Financial markets have now operated in the
United States for a full week since the terrorist atrocity in New York on 11 September. The Dow Jones index continued to fall on Friday another 1.7 per cent and it is now some 14.3 per cent below its close on the day before the terrorist attacks. This is the worst week since 1933, since the Great Depression, when there was a 15.6 per cent drop over five days ending on 21 July. The Australian All Ordinaries index at the end of the week was down 9.4 per cent and it has fallen by about one per cent or so today. That is a fall of about 10 per cent since the terrorist atrocities—a little less than the Dow Jones but still a very significant fall. The FTSE in the United Kingdom is down 11.9 per cent since prior to the terrorist atrocities, the DAX in Germany is down 18.9 per cent, the French Bourse is down about 16.7 per cent and the Hang Seng in Hong Kong is down about 13.8 per cent.

The falls in world equity markets have wiped trillions of dollars off the value of stocks and off the savings of individuals and of their pension and superannuation funds. In particular, the falls in relation to insurance stocks and airline stocks have been very significant. The second-round effects could be quite significant as well. If the second-round effects were to work their way into consumer confidence and business confidence, one would expect that they would have far broader application in the world economies affected.

Prior to the terrorist attacks in New York commencing on 11 September, the significant centres of world growth were already in negative or zero territory. In the United States there had been no growth in the second quarter of 2001, in Japan there had been negative growth and in most of Europe there had been no growth. One would have to imagine that the events since the terrorist attacks in New York have at least weakened the United States economy, with the capacity to drag that into a contraction in the third quarter. Obviously, a contraction in the United States and in the world economy is going to take growth from Australia, notwithstanding the fact that we were one of the strongest performing economies in the industrial world in the first and second quarters of 2001. This represents a very significant challenge to us. The developments from the terrorist attacks in an already weak world environment mean that we are facing some of the biggest challenges that we have seen to world and national economic growth.

The government intends to pursue its strong fiscal policy, which has now seen debt reduced by about $60 billion of the $80 billion that Labor racked up in its last five budgets. We intend to maintain the strong budget position that has enabled us to get the Australian Commonwealth debt into one of the best positions in the world. We intend to continue with our targeting of structural reform in the Australian economy. Now more important than ever are the tax reforms that have made Australian exports more competitive in the world and the income tax cuts that are delivering money back into the pockets of Australian consumers. The government intends to proceed with its low interest rate policy, which has enabled home buyers to enjoy much more disposable income than would have been the case had interest rates remained at the 10½ per cent they were at when this government was elected. I stress again that the importance of good economic policy has been heightened by these events. Now, more than ever, we need strong economic management here in Australia and now, more than ever, we need to—

Mr Beazley interjecting—

Mr COSTELLO—The Leader of the Opposition interjects and complains about backflips. This was the Leader of the Opposition that was going to underwrite Ansett and then he was not going to underwrite Ansett, and today he is going to put $200 million into Ansett. The government was informed that it would require $170 million to keep Ansett going for 48 hours. He has pledged $200 million which, according to that analysis, would get Ansett going for the next two days. When he was minister for finance he was in the business of privatising airlines and now that he is Leader of the Opposition he is in the business of nationalising them again—Qantas into privatisation; Ansett into nationalisation. There is not a skerrick of economic responsibility in any of
these positions. It is pure, straight opportunism from a dying leader clenching with his fingernails as the issues go down. The flip and the flop: the flip this way on Ansett, the flop the other way.

Mr Beazley interjecting—

Mr SPEAKER—Order! The Leader of the Opposition!

Mr COSTELLO—Many more flops than flips, if I may say so, in relation to the Leader of the Opposition. And if the case had been known—

Opposition members interjecting—

Mr SPEAKER—Order!

Mr COSTELLO—Can I say that the Australian economy is poised in a much better position than it would have been had we continued with $8 billion deficits, as was the Leader of the Opposition.

Mr Beazley—You’ve recreated them. After eight years—

Mr McGauran—What did he say? Repeat it for us!

Mr SPEAKER—Order! The Minister for the Arts and the Centenary of Federation! On a number of occasions I have reminded the Leader of the Opposition of his obligation to hear the Treasurer without interruption. He has ignored me. I call the Treasurer.

Mr COSTELLO—The interjections get more and more bizarre in the shadow half-world that the Leader of the Opposition now inhabits. When he was minister for finance, he presided over a $13 billion deficit and a $10 billion deficit. When this government drove the budget into surplus, he opposed it every step of the way. If he had had his way, we would not have repaid the $60 billion of the $80 billion that the Labor Party ran up in its last five budgets. He now sits in here in some shadow land and says it has been recreated. These are outcomes. These are actual recorded outcomes of what the budget position was. In relation to economic policy, Australia goes now into uncharted waters, but we go stronger because we have had a balanced budget; because we paid back $60 billion of Labor Party debt; because we have reformed our industrial relations system and our taxation system; and because we over-came the opportunistic opposition of this Leader of the Opposition. Now, more than ever, Australia requires strong economic management. Now, more than ever, it is important to have in place a set of managers who will keep that policy directed to better outcomes for Australians in these uncertain times that we live in.

Health: Dental Services

Ms MACKLIN (2.49 p.m.)—My question is to the Prime Minister. Prime Minister, are you aware that, as a result of your abolition of the Commonwealth dental program in 1996, there are now over 500,000 low income Australians waiting for urgent dental care? Do you agree with this secret health department submission which, among other things, says that a Commonwealth contribution to dental health would promote healthy ageing because:

Maintaining good dental health ... is particularly important for people over 65, whose teeth are more likely to need regular examination and maintenance.

In view of the large and growing waiting lists of older Australians needing dental treatment, will you now accept dental care as part of your government’s responsibilities?

Mr HOWARD—I thank the honourable member for Jagajaga for her question. Until I think 1993 or 1994, to my recollection there had been no Commonwealth involvement in relation to dental care and the former government said that it would introduce a program on a temporary basis. It did that, and we allowed that program to work its way through.

Mr Brereton—And then you axed it.

Mr HOWARD—We didn’t axe the program; we allowed it to run out, which was exactly the intention of the former government, because it was made perfectly clear when the program was introduced that it was normally a responsibility of the states. It is true that more resources could be put into this area, and I would say very simply to the member for Jagajaga and to others, particularly Labor members from the state of Queensland, that in 2003-04 Queensland will be the first state to be better off as a result of the new taxation arrangements.
I would say to all of the states of Australia that one of the purposes of taxation reform was to redress the long-term fiscal imbalance. It was designed to give to the states of Australia the financial wherewithal to discharge their responsibilities. If the member for Jagajaga were a backbench member of a Labor government which had maintained the wholesale sales tax and had not introduced taxation reform, I could understand her directing a question like that to the frontbench of her government. But when it is directed to a government that has accepted its responsibilities to give the states of Australia more money to discharge their obligations, I would simply say to the member for Jagajaga: if she believes that more resources should be put in the way of dental care, she should take it up with Mr Bracks, Mr Carr, Mr Beattie, Mr Olsen, Dr Gallop and Mr Bacon—because all of the states, as a result of the financial changes involved in the introduction of the new taxation system, are going to be infinitely stronger in order to discharge their responsibilities. What the GST has done is to provide the greatest guarantee, in the 27 years that I have been in politics, for state governments to look after their responsibilities.

I really do thank the member for Jagajaga for asking me this question, because it enables me to point out the inherently contradictory nature of the Leader of the Opposition’s position. On the one hand, his mantra is ‘health and education’ and yet on the other hand he is against the very taxation system that would enable this nation to do precisely that.

Ms Macklin—I seek leave to table page 41 from the 1996 budget papers, which outlines ‘the cessation of the Commonwealth dental program’.

Mr SPEAKER—The member for Jagajaga has indicated what she wishes to table. Is leave granted?

Leave not granted.

Aviation: Airline Services

Mr BAIRD (2.56 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister update the House on the government’s progress in restoring capacity to the Australian airline system, including the very important regional network? Is the minister aware of any alternative proposals?

Mr ANDERSON—I thank the honourable member for his question. It is worth recounting to the House the very extensive steps that the government has put in place—as it has worked very long hours and continues to work long hours—to form comprehensive responses to the collapse of Ansett. They include: a commitment to assisting the return to home base of Ansett aircraft on the day that the airline ceased operations; financial assistance to the many thousands of travellers stranded by the cessation of Ansett services; assistance with fares and accommodation; the immediate establishment of a special employee entitlements scheme to meet entitlements for wages, annual and long service leave, pay in lieu of notice and redundancy pay to the community standard of eight weeks; the establishment of the rapid route recovery program for regional areas; a month’s complete relaxation of cabotage restrictions to enable international carriers to operate on the domestic market to assist in meeting demand; financial support for the re-establishment of the operations of Skywest—which has been widely welcomed and is making a big difference in Western Australia, the biggest state in the Commonwealth—and the provision, as the Prime Minister outlined, of third party war risk indemnity to enable Australian airlines, including Ansett and its
subsidiaries, should they start to move again, to continue flying in the light of significantly reduced insurance coverage available on world insurance markets. These have constituted a very significant response.

As would be expected, major trunk routes are operating at or near 100 per cent capacity, as operators work to cover the shortfall. Qantas have advised that, over the weekend, they operated an extra 29 flights over and above normal scheduling and that they have upgraded aircraft size on a significant number of routes. In fact, they have now returned to their home bases, for nothing, something like 40,000 people who were stranded, and around 35,000 have been carried forward on discount tickets. I understand too that Qantas continue to work on strategies to enable them to bring aircraft back from international routes to boost capacity on the domestic trunk routes.

Mr Brereton interjecting—

Mr Speaker—I warn the member for Kingsford-Smith!

Mr Anderson—Virgin Blue advise that they are operating at virtually full capacity and that they are looking to alternatives to increase capacity. They are no longer looking at wet leasing aircraft from the Ansett administrator.

In relation to regional air services, we are continuing to do everything in our power, in consultation with the administrator, to put at least basic services back in place. In the first round of operation under the routes recovery program, around $600,000 helped to restore services on eight regional routes. As I mentioned, Skywest in Western Australia resumed operations last week with the assistance of the federal government. In New South Wales, Aeropelican has resumed its previous services between Sydney and the Central Coast and, last week, Hazelton announced that it was putting two aircraft back into service. I can now confirm that the government has agreed to lend Hazelton $3 million over the next six months to secure the operation of that airline and to bring back more regional services under its arrangements. We have asked that airline to give priority to restoring services on routes that do not currently have adequate capacity.

I know that we also welcome the announcement that a consortium headed by IT company Internova has purchased the travel agency Traveland from the Ansett administrator. That is good news; it provides employment security for 750 people employed by the former Ansett subsidiary. One would have thought, of course, that even the ACTU would have recognised that that was valuable. But I was surprised to note that Sharan Burrow, when she mentioned it, seemed almost disappointed. She said:

Any of the bits, like Traveland, that may well be sold will only be sold if it allows it to remain a viable business and there is no other option.

Which seems an extraordinary position to adopt.

Mr Crean interjecting—

Mr Speaker—I warn the Deputy Leader of the Opposition!

Mr Anderson—It has to be said that one member of the union movement deserves to be commended for not being fooled by the ACTU leadership in this. The secretary of the South Australian Transport Workers Union, Alex Gallacher, at an ACTU rally in Adelaide on Friday, had this to say about the government’s underwriting of entitlements and about the Prime Minister:

Let’s call a spade a spade. If it underpins, you know, our position and improves it then, fair enough, he’s done the right thing.

So I do not know that Mr Gallacher has improved his chances of advancement in the trade union movement, but he has done the right thing; he has come clean. He has done what they would not do here last week when there were people who wanted to explain what the government was doing for workers: he actually not only acknowledged that we were taking real steps to put in place arrangements for workers’ entitlements but also wanted people to know about it. We commend him for it. That stands.

I was asked about alternative approaches. Yes, we heard at half past one today that the Leader of the Opposition has done another flip-flop and has a new approach. He said that $150 million to $200 million would get
Ansett flying again, which is very clever of him if that is his view. But it is conditional. It is said that this would work if Ansett were ‘freed of its existing debt’. What the Leader of the Opposition must immediately do if he is not to be simply charged with promoting the false, misleading hope of the ACTU is explain what is apparently obvious to him but to no-one else: firstly, how much this outfit does actually owe; we know it is around $2 billion but we do not know exactly. Secondly, and most importantly, he must indicate what his magic formula is for discharging that debt.

**Pharmaceutical Benefits Scheme**

**Mr BEAZLEY** (3.04 p.m.)—My question is to the Minister for Health and Aged Care. Minister, will you confirm that your secret health department document proposes to cut $65 million a year from the Pharmaceutical Benefits Scheme by imposing new restrictions on access to vital medicines? Doesn’t this hit list include important drugs and treatment for depression, schizophrenia, arthritis and ulcers? Minister, will you rule out this latest attack on some of Australia’s most vulnerable sick people?

**Dr WOOLDRIDGE**—Yes.

**Ansett Australia: Employee Entitlements**

**Mr PYNE** (3.04 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister advise the House how the government’s employee entitlements scheme is helping to ensure that workers, particularly Ansett workers, receive their entitlements? Minister, how will changes to the scheme put Australian workers before bankers, and are there any alternative policies in this area?

**Mr ABBOTT**—I thank the member for Sturt for his question. I am very pleased that this government is standing shoulder to shoulder with Australian workers in these uncertain times and in their hour of need. It is the government’s view that companies should pay workers 100 per cent of their entitlements. Companies should pay workers every last dollar of what they are owed. If they do not, this government will guarantee 100 per cent of unpaid wages; 100 per cent of annual leave; 100 per cent of pay in lieu of notice; and 100 per cent of redundancy pay, up to the community standard of eight weeks. The general entitlements scheme mirrors the protection offered to Ansett workers, except that payment rates will be set at a salary level of $75,000 a year.

I have been asked about alternative policies. Let us consider what the Leader of the Opposition has done over the years to protect airline workers. The first ministerial job that the Leader of the Opposition had was actually Minister for Aviation. This is what he told his biographer about his time as Minister for Aviation. He said:

I was a young Minister. I really didn’t know fully what I was doing.

That was the Leader of the Opposition on himself: ‘I really didn’t know fully what I was doing.’ The question is: has anything changed? Listen to the Leader of the Opposition talking last week at a doorstop. He said:

Look, can you imagine Bob Hawke or Paul Keating walking away from this? Can you imagine a Labor Government just washing its hands of this sort of affair?

What a convenient case of political amnesia. What about Compass, which went belly up without any help from the then Labor government? The workers lost their entitlements twice, without any help from the then Labor government. When you actually look into the history of the Leader of the Opposition, it just gets better and better.

**Mr Bevis interjecting**—

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

**Mr ABBOTT**—In February 1992, the then government proposed in cabinet a total deregulation of airlines—this is from Neal Blewett and his cabinet diaries. They proposed a total deregulation. This is Blewett on Beazley:

Beazley was typical, politically superb.

That is what he said about the Leader of the Opposition and what he thinks about total deregulation of airlines. But Blewett went on to say about Beazley:
But Beazley was also sure it would kill off smaller Australian companies and it might also finish off one of the major domestics.

So the Leader of the Opposition knew back in 1992 and he was enthusiastic about the prospect of one of the major Australian domestic airlines dying because of the policies of the then Labor government.

Mr Rudd—Mr Speaker, I rise on a point of order. How is this faintly relevant to the question which was asked about workers’ entitlements?

Mr Speaker—I believe, as I noted the question, that the minister was asked about employee entitlements, as pointed out by the member for Griffith, and then he was asked to comment on any alternative policies. It was in that context that I had allowed him to continue. Has the minister concluded his answer?

Mr Abbott—Mr Speaker, ever since the Ansett crisis broke, the Leader of the Opposition has been running around constantly saying that the government should bail out airlines. Then he had the hide, not once but twice, to come into this parliament last week and explicitly deny his statements that the government should bail out airlines. If, after what he said in this parliament, he again has the gall to stand up and deny his view that governments should bail out airlines, a cock will crow. A cock will crow if he has the gall to stand up again. So where does this leave the Leader of the Opposition? In the words of Alan Ramsey:

... a has-been politician and one of the worst, most infuriating leaders Labor has had to tolerate since Doc Evatt in the 1950s.

That is what Alan Ramsey said about the Leader of the Opposition. He also said: He truly does not have a leadership bone in his body.

Honourable members interjecting—

Mr Speaker—The House will come to order!

Honourable members interjecting—

Mr Speaker—The House has been asked to come to order!

Mr Beazley interjecting—

Mr Speaker—If the Leader of the Opposition is expecting the call from the chair, he will in fact abide by the standing orders!

Mr Edwards interjecting—

Mr Speaker—And if the member for Cowan wants to offer advice to the chair, he might care to visit the chair in his office, not presume to offer advice in the chamber!

Health Care: Howard Government

Mr Beazley (3.11 p.m.)—My question is to the Prime Minister. Prime Minister, why do you say that you have done enough in health, when this secret health department submission shows that you need to accept your responsibility for elderly Australians waiting in public hospitals for convalescent care, low income Australians waiting for dental treatment, cancer patients waiting for radiotherapy treatment, and public hospitals desperate for more nurses? Prime Minister, when will you recognise that these issues need to be tackled by the federal government, and support policies to fix those problems?

Mr Howard—I thank the Leader of the Opposition for that question. In areas like health, there are important responsibilities for both the federal government and state governments. The federal government has very important responsibilities. One of the responsibilities we have is to make sure that, in health in Australia, there is a proper balance between public and private provision. That is why, when we inherited a private health system that was literally bleeding to death in 1996 and which reached the abysmal low of about 31 per cent of Australians covered by private health insurance, we set about changing it. We now have a situation where 45 per cent of Australians are covered by private health insurance. Despite the fact that, in the dead of night and under the cover of Cathy Freeman’s victory in the 400 metres, a year ago tomorrow—

Mr Horne—Tell us about waiting lists.

Mr Howard—the opposition put out a press release at about 7.32 that evening—just as Cathy Freeman went across the finishing line—so that nobody would see it, everybody knows that the only real believers in private health insurance in this parliament are the...
Liberal and National parties. It was the Liberal and National parties who revived private health insurance.

Mr Horne—Tell us about waiting lists.

Mr SPEAKER—The member for Paterson is warned!

Mr Howard—The only reason the Labor Party has tentatively put up its hand in a faltering way and said, ‘Yes, yes, we’ll sort of keep it if we can,’ is that it knows the Australian people support the initiative of the government. That resuscitation of private health insurance has come at a cost of $2.5 billion a year to the federal budget. That is a priority which would never have been allocated by a Labor government. As well as putting $2.5 billion into private health insurance, we have also massively increased our direct funding to the states for public hospitals.

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga is warned!

Mr Howard—Over the five years of the current Australian health care agreement, the amount of money going to state governments for their hospitals will rise by 28 per cent, which is far in excess of the rate of inflation over that period of time. When you take both of those things together, you find that the federal government has well and truly discharged its responsibilities, and those responsibilities are to provide more money for private health insurance, incentives to keep people in private health insurance and incentives to state governments to spend more money on state hospitals. But what have we seen state governments do in the same period? In the same period, while we have been increasing the money, state governments have been taking money out of public hospitals. In earlier discussions that we have had on this issue—and I am only too happy to return to them if the Leader of the Opposition elects to do so—we have demonstrated that the state governments of Australia have in fact, over the last few years, significantly failed to match the increase in money made available by the federal government.

My answer to the generic issue raised by the Leader of the Opposition is, yes, the federal government does have important responsibilities. What we have done for private health insurance and public hospitals—the doubling of money on health and medical research, the very significant additional provision made in Backing Australia’s Ability for scientific investigation, which is so important to health outcomes, and the investment in a centre of excellence in biotechnology—are all additional examples of the commitment of this government to very good health outcomes for Australians.

It does not end at providing resources for private health insurance and government hospitals. It also goes to your attitude to things like immunisation rates. A few years ago when my colleague the Minister for Health and Aged Care found that this country had Third World immunisation rates, he actually set about doing something about it. Over the period of a few years, we have lifted those rates to levels not only of which Australia can be proud but also to which all Australians are entitled to aspire. I say to the Leader of the Opposition that we have a very proud record of supporting both public and private provision of health in this country. Finally, I say to the Leader of the Opposition that, having done what we are meant to do at a Commonwealth level, we have done one thing more: we have given to the states the wherewithal for them to spend more money on hospitals and schools in the years ahead.

Mr Tanner interjecting—

Mr Howard—I heard the member for Melbourne interjecting, and one of the words he used was ‘demographics’. The demographic that faces Australia is an ageing population.

Mr Tanner interjecting—

Mr SPEAKER—I remind the member for Melbourne!

Mr Howard—If you have an ageing population, the last thing you want as a source of indirect tax revenue is a wholesale sales tax.

Mr Tanner interjecting—
Mr SPEAKER—The member for Melbourne speaks at my invitation, not at the Prime Minister’s!

Mr HOWARD—A wholesale sales tax is a narrowing, diminishing, dying, wasting source of indirect taxation revenue, whereas a goods and services tax is a growing, expanding, diversifying, widening source of revenue for the provision of services. On all those scores, I say to the Leader of the Opposition: ask me as many questions as you like, because this government is very proud of its record in these areas of providing support for both public and private provision of health in Australia.

Sydney (Kingsford Smith) Airport: Deferred Sale

Mr CADMAN (3.19 p.m.)—My question is addressed to the Minister for Finance and Administration. Would the minister inform the House of what steps the government has taken to defer the sale of Sydney airport? Is the minister aware of an alternative policy position?

Mr FAHEY—I thank the honourable member for Mitchell for his question. I can inform the House that earlier today the government announced that it had decided to defer the sale of Sydney airport until early in 2002. That decision followed the advice that came from the government’s advisers that the government’s sale objectives could not be satisfactorily met in the current time frame in light of the tragic events in the United States and the subsequent level of disruption to the global financial markets, to the airlines and to the aviation industry. Honourable members would know that the government decided to extend the deadline for the lodgment of binding bids from Monday of last week until Wednesday of this week, again in order to monitor the financial markets in the wake of the terrorist attacks in the United States. It has become clear that the responsible decision in the interests of all parties, particularly the Australian taxpayers, who have a right to an optimal return on this premier asset when the sale takes place, was to defer the sale of Sydney airport until early next year when the position is likely to be clearer. The government’s advisers will continue to monitor the position closely and will remain in contact with the consortia that were preparing to lodge the binding bids. This indicates again that the government has a very clear objective and a clear policy position when it comes to the sale of Sydney airport.

I have heard a lot of speculation on what might have happened from the proceeds of that sale—from a war chest for the election through to a slush fund. Like all asset sales that have occurred under the responsibility of this government, all the proceeds have gone to retire Labor’s debt. That $96 billion of net debt has been reduced by some $60 billion, and the bulk of that has occurred from the sale of assets. What is Labor’s position with regard to the sale of Sydney airport? It depends on what day or what week it is. I noted with interest that the former supporter of Bourke’s department store and Solo petroleum, the member for Batman, on 7 September said—and I fully understand what he was saying—’It is not the responsibility of government to start putting on the table a taxpayer funded bailout of Ansett.’ That is what the member for Batman said on 7 September.

A week later, we had three different positions from the Leader of the Opposition. He said, firstly, that the sale of Sydney airport should be suspended. The government has done that now on the basis of some sensible advice. At the same time, he said that the government should use the proceeds of the sale of Sydney airport to satisfy the entitlements of Ansett employees. So he said we had to suspend it but use the proceeds to bail out the workers and their entitlements. Around the same time, he put forward the third position that we should fund a cash injection to keep Ansett flying.

There is one bailout that every member on this side of the House would support the Labor Party on; there is one bailout that is able to be done at any time which will get unanimous support from members on this side of the House. Yesterday was the eighth anniversary of a legal document. That legal document required the taxpayers of Australia to make a payment of $4,883,733.50 per annum. The anniversary yesterday put that amount up by some $403,244. So the taxpayers of Australia are today paying over
$400,000 on an annual basis. Who is the beneficiary of this taxpayer payment? The beneficiary is the Australian Labor Party.

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition!

Mr FAHEY—Everyone on this side of the House is more than happy to see the tenant, the Auditor-General, have a bailout organised by the Leader of the Opposition whereby a sensible rental is paid by the taxpayers of Australia to the Labor Party.

We have deferred the sale of Sydney airport. That sale will proceed in an orderly fashion at the appropriate time, and the proceeds of that sale will retire a further amount of Labor debt when the sale occurs.

Hospitals: Shortage of Nurses

Ms MACKLIN (3.24 p.m.)—My question is to the Minister for Health and Aged Care. Minister, do you agree with the statement in this secret health department submission that the requirement for nurses to fund their own specialist training is a major cost and disincentive to nurses acquiring new qualifications? Didn’t the Howard government contribute to the nursing crisis in 1996 when it abolished HECS funded places for postgraduate nursing? Will you now accept responsibility for the national nursing shortage in our public hospitals or do you agree with the Prime Minister that enough has been done in health?

Dr WOOLDRIDGE—I thank the honourable member for her question. Firstly, it is very hard to comment on a document that I am not certain about. But, if it came from the government, all I can say is that it must substantially increase your sum knowledge about health care, because we have failed to see anything from the Labor Party whatsoever and they have had 9 ½ years in which to do something. Secondly, I would be very happy to put the government’s record on health care against anything any government has done previously in a similar period of time: the work in rural health, the work in public health—particularly with smoking, diabetes, mental health and immunisation—the work with the last health care agreement, the work in primary health care and the fact that the level of bulk-billing is higher today than in the last full year of the Labor Party government. It is a very proud record in health care.

On the issue of nursing specifically, if there is a problem it was 13 years of neglect under the Labor Party—a complete absence of ideas and a complete abdication of any responsibility whatsoever. I am very happy to have—

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne clearly wants me to do only one thing and that is warn him, so I will!

Dr WOOLDRIDGE—the fact known that we are always looking for ideas. I am delighted that the opposition has finally got some of them, even if they are the government’s.

Mr SPEAKER—I call the member for Mallee.

Mr Beazley interjecting—

Mr SPEAKER—I remind the Leader of the Opposition that, if the Prime Minister were to interrupt as frequently as he does, he or someone on my left would expect me to take action. The Leader of the Opposition has the same obligation as all other members of the House.

Quarantine: Japanese Beef Imports

Mr FORREST (3.27 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister update the House in regard to reports of an outbreak in Japan of bovine spongiform encephalopathy, commonly known as BSE disease? Minister, what action is the federal government taking in response to these reports?

Mr TRUSS—I can inform the House that over the weekend the Japanese government confirmed a case of BSE in a dairy cow in Japan. This announcement follows the testing of tissues in a specialist BSE reference laboratory in the UK. This is obviously a very serious development. It is the first case of BSE in native born cattle outside of Europe and it obviously has implications not only for the Japanese but indeed for cattle producers around world. Australia has acted
promptly in response to this news. ANZFA has asked the Australian Quarantine and Inspection Service to suspend all cattle and beef product imports from Japan. As from today, these imports will be banned. Of course, we import only a very small quantity of Japanese beef—fewer than two tonnes. To put that into perspective, we export 336,000 tonnes of beef to Japan. So, while it is a relatively small amount, it is important that Australia take these precautions to maintain our disease-free status in relation to this disease.

Retailers have been asked to withdraw from their shelves any Japanese beef products, and consumers have also been asked to remove from their pantries any Japanese beef products they might happen to have. The risks are exceptionally small, but they are risks that we recommend no-one should take. Australia will not accept any beef imports or any cattle imports from Japan while this issue remains unresolved and until we are satisfied that Japan is free of this quite appalling disease.

Australia is one of only 16 countries in the world that enjoy the highest European status in relation to BSE rating. Our quarantine measures will help to ensure that this disease stays out of Australia. We have a ruminant animal feeding ban. We were one of the first countries in the world to implement such a ban, and that was strengthened recently at a meeting of agriculture ministers. Unfortunately, some states are not doing as much as they should to enforce that ban, but there is no doubt that the regulations are in place, and it is absolutely essential for the quality of the Australian food supply system that those regulations are appropriately endorsed.

Australian consumers can remain confident that our food supply chain is safe; that our meat is free of BSE and that we can eat Australian produced meat—both in this country and in Japan—in the confidence that it is healthy and that our exports to that country can indeed be underpinned through the knowledge of the clean green status that we work so hard to maintain. It is absolutely essential in that context that our $600 million expenditure on quarantine measures be maintained and not be whittled away to fund some kind of McHale’s navy coastguard, which would do nothing whatever to protect us from the ingress of diseases of this nature.

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

QUESTIONS TO MR SPEAKER
Questions on Notice

Mr McCLELLAND (3.31 p.m.)—Mr Speaker, under standing order 150, would you mind writing to the Minister for Health and Aged Care in respect of question No. 1041 asked on 22 November 1999 regarding the health effects of poor dental health?

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

Questions on Notice

Mr KERR (3.32 p.m.)—Mr Speaker, under standing order 150, I would ask you to follow up with the following ministers: to the Minister for Health and Aged Care in respect of question No. 2152 asked on 22 November 2000 regarding the illicit drugs strategy; to the Treasurer in respect of question No. 2409 asked on 1 March 2001 regarding the Excise Act and the exclusion in the definition of alternative fuel of biodiesel; to the Minister representing the Minister for Justice and Customs in respect of question No. 2682 asked on 7 June 2001 regarding the conduct of a minister; and to the Minister representing the Minister for Justice and Customs in respect of question No. 2772 regarding the deployment of APS staff in operation Mandalay.

Mr SPEAKER—I will follow up on the matters raised by the member for Denison as the standing orders provide.

Questions on Notice

Ms O’BRYNE (3.34 p.m.)—Mr Speaker, under standing order 150, could you write to the Minister for Health and Aged Care seeking an answer to question No. 2606 asked on 4 June 2001? Mr Speaker, for the second time, I ask you to write to the Prime Minister about question No. 1449, regarding domestic violence, which has been on the Notice Paper since 13 April 2000.
Mr SPEAKER—I will follow up on the matters raised by the member for Bass as the standing orders provide.

Questions on Notice

Mr MURPHY (3.34 p.m.)—On 4 June I asked a question dealing with the dishonesty or incompetence of the doctors who examined Dr Mal Colston. It was question No. 2622, addressed to the Attorney-General. Mr Speaker, I have sought your assistance under standing 150 in the past, but I have been unsuccessful in getting an answer. I would be grateful to get a quick response to this question; it is an important question in the public interest.

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

Qantas: Tenancy at Parliament House

Dr MARTIN (3.35 p.m.)—Mr Speaker, I refer to the question I put to you last week regarding the Qantas office here at Parliament House and the decision that had been recommended to both you and Madam President to give the contract to Ansett. In the light of events and in the light of, as I understand it, discussions taking place within the Qantas organisation about the future of their office at Parliament House anyway, I wonder if you might advise the House if you have received any indication from Qantas that they would want to continue with the lease at Parliament House? If not, what other arrangements are being considered at the moment to perhaps replace that particular operation here for the convenience of members, senators and staff in this place whom I know have used the Qantas office very frequently?

Mr SPEAKER—I believe the question raised by the member for Cunningham last week was fully answered by the chair. That is the reason I had not responded directly to that question. The issues he has raised today I will take up and come back to him or the House as appropriate.

PETITIONS

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

Banking: Branch Closures

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

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

- That since 1996, over 1,500 bank branches have closed throughout Australia, reducing communities access to financial services;
- That since 1996, the fee for a transaction conducted in a banking branch has increased by as much as 400 per cent and that since 1997 banks’ fee income from households has increased by 53 per cent;
- In the last year the number of complaints made against banks increased by 22 per cent.

Your petitioners believe that by closing bank branches and continuing to increase bank fees, banks are not meeting their social obligations to the community.

We therefore pray that the House will immediately implement a ‘social charter’ to ensure that banks properly recognise the needs of the community.

by Mr Pearce (from 101 citizens).

Banking: Branch Closures

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

The petition of certain residents of Blacktown City draws to the attention of the House:

That the Commonwealth Bank have announced that they will close their Marayong Branch;

This will leave no bank branches of any kind in the suburb of Marayong;

The Commonwealth Bank is closing this branch despite new housing developments adjacent to the branch;

The Brother Albert’s Home for the Aged is also located adjacent to the branch and is home to many elderly residents unable to bank at other locations.

Your petitioners believe that by closing bank branches and continuing to increase bank fees, banks are not meeting their social obligations to the community.

We therefore pray that the House will immediately implement a ‘social charter’ to ensure that banks properly recognise the needs of the community.

by Mr Mossfield (from 1,127 citizens).
Workplace Relations: Workers’ Entitlements

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

This petition of employees of Tri Star Steering and Suspension in Marrickville, NSW draws to the attention of the House our strongest objection to comments made by Tony Abbott, Minister for Employment, Workplace Relations and Small Business during the recent industrial dispute, in particular, that we were ‘guilty of treason’ and ‘traitors’ for exercising our rights to take lawful industrial action to protect our accrued employee entitlements.

We believe that the comments by the Minister were unfair to the workers at Tri Star who are legitimately concerned about the protection of their accrued entitlements and who were lawfully pursuing the protection of those entitlements under the Workplace Relations Legislation established by the Coalition Government. We also believe that his comments were an attempt to escalate and prolong the industrial dispute in order for the Federal Government to use it in their attacks against the Australian Union movement.

Your petitioners therefore request that the House call upon the Minister for Employment, Workplace Relations and Small Business to withdraw the statements he made about the workers at Tri Star and offer a public apology to the workers at Tri Star and their families.

by Mr Albanese (from 197 citizens).

Banking: Services

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

The petition of certain electors of the Division of Longman draws to the attention of the House the dire need for a Diabetic Sub-Agency on Bribie Island, Queensland.

There are currently 586 diagnosed diabetics residing on Bribie Island. The closest Diabetes Australia Queensland outlet is Caboolture, Queensland with limited operating days and hours. By car Caboolture is approximately a one hour round trip from Bribie Island with limited and expensive public transport and a single main road on and off the island that is subjected to closure in floods. The geographic location of Bribie Island and the number of diagnosed mature age diabetics residing on the island have resulted in a desperate need for a diabetic sub-agency.

Your petitioners therefore request the House to direct Diabetes Australia Queensland to approve a pharmacy located on Bribie Island to be a diabetic sub-agency which will allow us seven days a week access and optional home delivery service therefore thus preventing further hardship for diabetes sufferers and their carers residing on Bribie Island.

by Mr Brough (from 1,223 citizens).

Electoral Act

This petition of certain citizens of Australia draws the attention of the House to the fact that whereas there have been many recent demonstrated irregularities in the conduct of elections by the Australian Electoral Commission including:

. An Australian Electoral Commission 1988 audit of the 1987 federal election results in 6 non-marginal seats, found an average loss of 445 votes due to irregularities, which, if allowed, could affect results in marginal seats;
. an electoral roll house check by Jim Lloyd MP for Robertson before the 1998 election identified some 4,000 objectionable names of people on the roll. The Australian Electoral Commission, at first dismissive, removed them;
. 415 absentee votes were declared informal, because absentee voters were misdirected to vote for the wrong seat in the 1993 election for the federal seat of Macquarie, which its sitting member lost by 164 votes;
. votes for the House of Representatives were 53,000 less than for the Senate in the 1993 federal election, when usually they are more, due to simplicity of the ballot paper. Votes may have been misdirected, mislaid or ruled informal;
. an Enterprise Council audit of multiple different surnames enrolled at a single street address on the electoral roll for the 1993 Dickson by-election
found 813 had more than 5 listed there. Many had moved. 49 were on vacant caravan lots.

Your petitioners therefore pray that the House amends the current Ombudsman Act 1976 (Commonwealth) to provide for the appointment of an ombudsman with special powers under separate legislation to investigate Parliamentary elections and referenda, including

(a) complaints made by any elector about the conduct of elections and referenda

(b) irregularities in the preparation of the electoral roll, polling and counting and to charge such an ombudsman with a positive obligation to investigate and recommend appropriate action to the Parliament.

amends the current Commonwealth Electoral Act 1918

(a) to empower courts of disputed returns to challenge the electoral roll

(b) to extend the time for disputing an election before courts of disputed returns.

by Mr Cadman (from 1,027 citizens).

Health: RRMA Classification

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

The residents of Nimbin and the surrounding districts draw to the attention of the House that:

The Rural, Remote and Metropolitan Area Classification (RRMA) of Nimbin by the Department of Health and Aged Care is preventing doctors from working in Nimbin.

This crisis is threatening to close the hospital, the medical practice and the pharmacy.

The current rural classification by postcode regards Nimbin as a major rural centre with a population of over 25,000 (RRMA 3) and thus various rural medical incentive programs are not available. Nimbin’s actual population is 319 with an outlying population of 4,000. Nimbin is a rural and remote area over 30 minutes by difficult road from Lismore. Two of Nimbin’s three doctors have resigned over the last twelve months. There is no ambulance based in Nimbin. There is no regular bus service. A large percentage of the population is disadvantaged.

Your petitioners therefore request the House to reclassify Nimbin under the RRMA classification as a small rural centre with a population of under 10,000 (RRMA 5).

by Mr Causley (from 1,355 citizens).

Telstra: STD Charges

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

The petition of certain electors in the Division of Isaacs draws the attention of the House to:

. the severe costs to Cranbourne district residents of STD charges on calls to most of Melbourne, when Cranbourne is clearly part of the Melbourne metropolitan area;

. the unfairness of Telstra’s current call zones and charges being based on the 1960s telephone network and demography of Melbourne, with dramatic changes in technology and Melbourne’s growth patterns over the subsequent three decades being ignored;

. the inequity of call zone arrangements in which Telstra discriminates against some citizens (Cranbourne residents) by denying local call access to most of metropolitan Melbourne, when citizens more distant from Melbourne have such access based merely on historical chance.

Your petitioners ask the House to:

(1) Require Telstra under its Universal Service Obligations to develop equitable policies and criteria to ensure it does not discriminate amongst customers in similar geographic circumstances;

(2) Ensure that Telstra establishes fair and equitable call zones and charging systems for customers in similar geographic situations in the Melbourne metropolitan area.

by Mr Pearce (from 7 citizens).

Banking: Social Charter

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

The petition of certain residents of the Electorate of Canberra draws the attention of the House to the continuing closure and down-grading of banking facilities in the Electorate of Canberra. Bank customers have also suffered from dramatic fee and charge increases, whilst bank profitability has reached record levels.

Your petitioners request the House to create a Social Charter of Banking to ensure that adequate banking services are provided in all communities, and that banks work with customers to negotiate reasonable fee and service structures. Furthermore, if the banks will not participate in the formation of a Social Charter of Banking we call upon the House to implement legislation to do so through the parliament.

by Ms Ellis (from 28 citizens).
Health: Lanyon Valley, Australian Capital Territory
To the Honourable Speaker and Members of the House of Representatives:
The petition of certain residents of the Division of Canberra draws the attention of the House to the lack of general practice medical services available to families and households in the Lanyon Valley. Your petitioners therefore request the House to take whatever action is required to secure the provision of these essential services in this growing residential area of the ACT.

by Ms Ellis (from 707 citizens).

Border Protection Bill
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain electors of the Division of Farrer and certain electors of Australia draws to the attention of the House the legislative matter of the Border Protection Bill.
Your petitioners pray that the House reconsider the Border Protection Bill as a matter of priority to facilitate its early passage and implementation.

by Mr Tim Fischer (from 206 citizens).

Asylum Seekers: Work Rights
To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled:
Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:
That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;
and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.
We, therefore, the individual, undersigned Members of the Surrey Hills Presbyterian Church, Surrey Hills, Victoria 3127, petition the House of Representatives in support of the abovementioned Motion.

by Mr Georgiou (from 13 citizens).

ABC: Independence and Funding
To the Honourable the Speaker and the Members of the House of Representatives assembled in Parliament:
The petition of certain citizens of Australia draws the attention of the House to:
(1) our strong support for our independent national public broadcaster, the Australian Broadcasting Corporation;
(2) the sustained political and financial pressures that the Howard Government has placed on the Australian Broadcasting Corporation (ABC), including:
(a) the 1996 and 1997 Budget cuts which reduced funding to the ABC by $66 million per year; and
(b) its failure to fund the ABC’s transition to digital broadcasting;
(3) our concern about recent decisions made by the ABC Board and senior management, including the Managing Director Jonathan Shier, which we believe may undermine the independence and high standards of the ABC including:
(a) the cut to funding for News and Current Affairs;
(b) the reduction of the ABC’s in-house production capacity;
(c) the closure of the ABC TV Science Unit;
(d) the circumstances in which the decision was made not to renew the contract of Media Watch presenter Mr Paul Barry; and
(e) consideration of the Bales Report, which recommended the extension of the ABC’s commercial activities in ways that may be inconsistent with the ABC Act and Charter;
Your petitioners ask the House to:
(1) protect the independence of the ABC;
(2) ensure that the ABC receives adequate funding;
(3) call upon the Government to rule out its support for the privatisation of any part of the ABC, particularly JJJ, ABC On-line and the ABC Shops; and
(4) call upon the ABC Board and senior management to:
(a) fully consult with the people of Australia about the future of our ABC;
(b) address the crisis in confidence felt by both staff and the general community; and
(c) not approve any commercial activities inconsistent with the ABC Act and Charter.

by Ms Hall (from 13 citizens).
Aeropelican

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

This petition of certain citizens of Australia draws to the attention of the House the crisis faced by the staff of Aeropelican due to the collapse of Ansett. We are concerned that we will lose this vital service and that our local economy will suffer.

We believe the Government should act immediately to ensure the long-term maintenance of Aeropelican. Local families depend on this service to stay in touch with loved ones, and they act as a lifeline for businesses and tourism in the area.

Your petitioners therefore respectfully request that the House act immediately to ensure the long-term viability of Aeropelican.

by Ms Hall (from 538 citizens).

Sydney (Kingsford Smith) Airport: Noise

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

The petition of electors of the Federal Electorate of Barton draws to the attention of the House that:

Our homes are being subject to an intolerable level of aircraft noise which is concentrated in the most distressing periods of the day—late at night and early in the morning. This distress is having a dramatic impact on families living in the Barton electorate including contributing to the development of stress related illnesses and significantly impeding the ability of our youngsters to study because of insufficient sleep.

Your petitioners therefore ask the House to:
(1) Abolish the Long Term Operating Plan for Sydney Airport and wherever practicable direct aircraft movements over the waters of Botany Bay rather than our homes; and
(2) Proceed immediately with the construction of a second Sydney airport to relieve the rapidly increasing congestion at Sydney airport.

by Mr McClelland (from 1,976 citizens).

Second Sydney Airport

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

The petition of certain citizens of Australia draws to the attention of the House the continued suffering of the resident of Sydney’s inner west caused by aircraft noise from Sydney (Kingsford-Smith) Airport due to:

. The Government’s failure to keep its promise of building a second airport for Sydney;
. The Government’s decision to sell Sydney Airport (KSA) without requiring the new owner to build a second airport for Sydney.

Your petitioners therefore request the House to:
(1) Hold the Government to its five-year-old promise to build a second airport for Sydney as a matter of urgency.

by Mr Murphy (from 17 citizens).

Members of Parliament: Conditions of Employment

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

We, the undersigned, being staff employed under the MoP(S) Act 1984 express our grave concern at the lack of action by the Department of Finance towards establishing a genuine consultative and negotiating framework to urgently finalise a new MoP(S) Certified Agreement.

As a measure of our concern at the lack of good faith being brought to the bargaining process by the responsible employer representatives, we now call on all Members of Parliament to support our call for negotiations to commence immediately.

by Mr Murphy (from 4 citizens).

Asylum Seekers

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

The petition of certain electors of the Division of Lowe draws to the attention of the House the unnecessary and unconscionable social and personal disadvantage currently suffered by the men, women and children seeking asylum in Australia caused by the forty-three year old Migration Act 1958.

Your petitioners therefore request the House establish as a matter of priority a full and independent review of the Migration Act with specific reference to the terminology used to define Asylum Seekers; education of the community about asylum seekers, their needs and their issues; equity before the law for asylum seekers; approval processes for assessment of applications for asylum; attention to the needs of asylum seekers; and the facilitation of asylum seekers into the community.

by Mr Murphy (from 109 citizens).
Centenary of Federation: Neville Bonner
To the Honourable the Speaker and members of the House of Representatives assembled in Parliament:
The petition of certain citizens of Australia draws to the attention of the House that the year 2001 being the Centenary of Federation and there is not a lasting memorial to the first Aboriginal Member of any Parliament in the Commonwealth. It is also a time when the citizens have demonstrated emphatically that the Reconciliation of the Nation with its original inhabitants should proceed as expeditiously as possible. Neville Bonner as Senator for Queensland was the first Aboriginal Australian to be a Member of Parliament and as such should be recognised for the special contribution he made to the nation and to his own people.

In spite of great adversity Neville Bonner’s life is a study of courage, conscience and compassion as well as personal and national reconciliation.

Your petitioners therefore pray that the House make due recognition of the late Senator Bonner’s unique place in the history of the Parliament and make suitable financial arrangements to enable a statue of Neville Bonner to be included in the proposed changes to the Public Place in the Parliamentary Zone.

by Mr Nairn (from 43 citizens).

Health: Medical Practitioners, Launceston
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
This petition of certain citizens of northern Tasmania draws to the attention of the House the importance of adequate access to general practitioners in rural and regional areas and the current shortage of such practitioners in the Launceston area.

Your petitioners therefore respectfully request that the House brings to the attention of the Minister for Health and Aged Care the shortage of general practitioners in Launceston and require action from the Minister to redress this shortage.

by Ms O’Byrne (from 721 citizens).

Falun Dafa
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain citizens of Australia and visitors of Australia draw to the attention of the House the persecution of Falun Dafa in China.

Falun Dafa is a peaceful spiritual practice with over 100 million adherents in over 40 countries. In July 1999 the Chinese Central Government launched a propaganda campaign against Falun Dafa and declared the movement be illegal. Tens of thousands of practitioners have been imprisoned without trial, while 159 have been tortured to death. This crackdown is clearly a breach of fundamental human rights.

Your petitioners therefore pray the House urge China’s leadership to immediately:
1) Lift the ban on Falun Dafa and restore its legal status.
2) Withdraw the warrant of arrest of Mr Li Hongzhi, founder of Falun Dafa.
3) Cease the torture of all detained Falun Dafa practitioners and release them forthwith.
4) Guarantee the full civil rights of released practitioners and their relatives.
5) Rectify all false propaganda used to defame Falun Dafa.

We further request that the Australian Government issue a clear statement supporting the right of Falun Dafa practitioners to freely exercise their beliefs, and condemning the aforementioned abuses of human rights.

by Ms Plibersek (from 1,649 citizens).

Terrorist Attacks in the United States: Effect on Sikh Community
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of members of the Australian Sikh Association Inc and the Sikh community in Sydney draws to the attention of the House our sincerest sympathies and deepest sorrow for the thousands of innocent people—including Australians—killed and injured in New York, Washington D.C. and Pennsylvania as a result of the terrorist attacks in the United States on 11 September 2001. We pray to Almighty God to give strength to the families and friends of the victims of these terrible and callous acts of war.

Further we express concern at the inaccurate coverage of the events by certain media organisations which have led to unwarranted retaliatory hostile acts against our innocent, peace-loving community.

Your petitioners therefore request that the House take all necessary steps to convey to the people of Australia and the United States of America:
(a) The Australian Sikh community’s condemnation of the killing of innocent people and of these acts of terrorism;
(b) The Australian Sikh community’s expression of solidarity with, and support for, the President and the people of the United States of America in this dark hour; and
(c) The Australian Sikh community’s prayers to The Almighty for the granting of peace to the souls of the victims and for the return of peace and goodwill to the world.

by Mr Price (from 236 citizens).

Nursing Homes: Bed Shortage

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The following citizens of Australia draw the attention of the House to the lack of funding to provide urgently needed nursing home places with special and high care units in the Maryborough-Hervey Bay area.

Your petitioners therefore request the House to provide adequate funding to allow the erection of additional nursing home places in this area.

by Mr Truss (from 1,212 citizens).

International Treaties

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

This petition of certain concerned citizens of Australia draws the attention of the House of Representatives to an undemocratic procedure presently being used in signing international treaties, conventions and the like, undemocratic in that citizens are not informed about them before they are signed.

Your petitioners seek the support of the House to ensure all such treaties are not only tabled in the House but additionally a summary of their contents is printed at least once in all capital city daily newspapers so citizens know about them and can make comments before they are signed.

by Mr Wakelin (from 7 citizens).

Petitions received.

COMMITTEES

Economics, Finance and Public Administration Committee

Report

Mr HAWKER (Wannon) (3.40 p.m.)—On behalf of the Standing Committee on Economics, Finance and Public Administration, I present the report of the committee entitled Competing interests: is there a balance? Review of the Australian Competition and Con-sumer Commission annual report 1999-2000, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr HAWKER—The report I present to you today is again a unanimous report of the House economics committee. This report reviews the performance of the Australian Competition and Consumer Commission over the past year. It focuses on the operations of the ACCC and relevant legislation, particularly mergers, cartels, misuse of market power by large companies against small businesses, and prices oversight matters.

We are all intimately aware of the significant impact that competition policy, and the ACCC, has on the Australian community. The ACCC has been in existence now for some six years. It has shown itself to be a very powerful but effective regulator. This was particularly evidenced by the ACCC’s handling of its responsibilities relating to the introduction of the new tax system. It is essential that Australia has a good competition regulator, one that is not only fair and balanced in its decision making but also seen to be fair and balanced. Maintaining this balance is always a challenge.

Questions have been raised about the approach the ACCC takes to business, in particular its tactics, including on occasions comments in the media. Some of the concerns raised include: implying the ACCC’s views are ‘law’ when it really means seeking a court ruling; emphasising the threat of penalties; requiring voluminous disclosure from companies without always detailing the ACCC’s concerns; and leaving the impression publicly that a party has breached the law before it is proven. Many of these allegations to the committee arose from the ACCC’s application of its powers in relation to price exploitation, telecommunications and mergers. The committee believes that if the public, or a business, considers that there is a problem with the ACCC, it needs to be dealt with by the commission in a positive way. In other words, it is a reasonable expectation that the ACCC adopts a balanced approach to its responsibilities.
The committee’s report also looks at the call for strengthening the Trade Practices Act in the following three areas: giving the court the option of applying jail sentences for participants in cases of hard core cartels; the addition of an ‘effects’ test to strengthen section 46 on the misuse of market power; and the power to issue ‘cease and desist’ orders to enable the ACCC to quickly halt illegal activity pending legal action. Of the three matters raised, the committee was only inclined to support the first—the imposition of a penalty for participants in hard core cartels. However, even on that matter we believe that there is a need for more research before recommending the implementation of such a penalty.

Since its inception the ACCC has received many new powers and roles. The committee questioned whether the ACCC has too many divergent roles—as price setter, competition enforcer, adjudicator and arbitrator—and whether competition might be better served by separating some functions into another body. Questions also have been asked about whether these roles have been thrust upon the ACCC or whether some have, or are being, sought by it. The committee believes that the future role of the ACCC needs considerably more thought and debate.

The issues that the committee has raised in this report are important. Further investigation of some of these issues is required, and there are a number of Productivity Commission reviews on aspects of the ACCC’s operation and its guiding legislation that are not yet publicly available. Accordingly, the committee sees this report as not only significant but also part of an ongoing process of awareness raising into the powers and operations of the ACCC.

The committee started the normal process of reviewing the annual report with a public hearing with the ACCC. This raised more questions than answers, so it was determined to progress our inquiry with submissions and private briefings. Among these submissions and presentations was work by Professor Pengilley which presented a critical view of the ACCC and, most particularly, its method of operation. The committee has begun a process of open reporting ensures that the operations of Australia’s major competition watchdog and consumer protection agency are transparent.

While the ACCC plays a vital role in consumer protection and has performed this role most effectively, there has been some disquiet about its method of operation. It has been seen as regulating by media release and arm-twisting and, while known as a friend to small business, has become the bogeyman at the end of the garden, particularly in relation to the implementation of the GST. Many small businesses felt that they had to absorb the costs associated with the GST because of the methodology of the ACCC’s press releases.

This then was an important time to review the ACCC most closely. The additional powers given to the ACCC with the introduction of the GST—or, as the government prefers to call it, the new tax system—brought the operation of the ACCC to public attention. The
ACCC came under criticism far and wide for its heavy-handed approach in respect of the price monitoring of the introduction of the GST. The Council of Small Business Organisations of Australia, normally supportive of the ACCC, has raised its concern about the introduction of the GST and price monitoring in particular. This has been echoed far and wide, and I am sure everybody in this House has had constituents, particularly those in small business, who were concerned about the heavy-handed approach of the ACCC. As we stated in the report:

... the heavy-handedness that caused a lot of fear amongst small businesses? They are now saying they have absorbed ... a lot of the price impact of the GST, that we will not really see some of the flow-through of that until next year, and that it has had, in some respects, some negative impact on many small businesses who are going under because they have had to absorb such a lot of the GST load.

In addition, the ACCC used the media extensively to highlight its powers in respect of price exploitation and the GST. At all stages the threat of the $10 million penalties was prominent in ACCC press releases. In a submission to the committee, Professor Pengilley I think correctly stated:

The ACCC also said in its Press Releases that no prices could rise above 10 per cent because its Guidelines, and thus the law, so provided. This was notwithstanding the fact that the preceding day, the Chairman of the ACCC conceded in Senate Committee Hearings that the 10 per cent price cap had no legislative backing. Finally, the ACCC wrongly proclaimed that it, rather than the courts, had the power to fine people $10 million per offence. Professor Fels claims that no one but me—

that is, Professor Pengilley:

would have read this claim. It was, however, in an ACCC publication entitled “Special GST Issue.”

I can assure you that many others had read this statement, particularly people on this side of the House. Professor Pengilley points out the case in respect of Video-Ezy—one I well remember. He states in his submission:

The actuality of the ACCC’s price exploitation “arm twisting” can be seen in its first price exploitation notice. Proceedings were taken against Video-Ezy with a trumpeting by Press Release that it had been guilty, in the ACCC’s view, of price exploitation in 21 of its stores, and that its general manager, a company director and a senior manager were party to price exploitation. The Press Release noted that fines of up to $10 million per offence was the price of company sin and that senior managers involved in corporate decisions could face fines of up to $500,000. The Press Release also noted the failure of discussions with Video-Ezy and that the alleged misrepresentations were not the invention of junior staff but reflected the reasons for price increases given by Video-Ezy management to junior staff. Thus the ACCC had been forced to take Video-Ezy to court.

The matter was settled. No penalty was sought. That was one example of where the price exploitation had been excessive. In the report, I and other members of the committee brought to the attention of the ACCC concerns with the smash repair industry, particularly in respect of large insurers—the RACV and NRMA. We were concerned that the ACCC seemed to be giving glib responses to the concerns raised by individuals, and that again there was a concern about ACCC’s approach. The report also looked into price monitoring and there are grave concerns here. I recommend the report to the House and thank the committee secretariat.

(Time expired)

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

Mr HAWKER (Wannon) (3.51 p.m.)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

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

Treaties Committee
Report

Mr HARDGRAVE (Moreton) (3.51 p.m.)—On behalf of the Joint Standing Committee on Treaties, I present the com-
committee’s report, incorporating a dissenting report, entitled Report 42—Who’s afraid of the WTO? Australia and the World Trade Organisation, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr HARDGRAVE—The report I have just tabled is the result of a yearlong inquiry by the Joint Standing Committee on Treaties. Over the last few years there has been a growing anti-globalisation sentiment amongst some in Australia and overseas, targeting the WTO and other global institutions such as the World Bank, the World Economic Forum and the recent G7 summit in Genoa. Against this background, the committee examined Australia’s practical interaction with the WTO, undertaking a wide-ranging inquiry with the aim of reviewing the impact of the WTO’s 1994 Uruguay Round agreements and suggesting ways for Australia to improve its WTO advocacy. We focused primarily on Australia’s interaction with the WTO’s dispute settlement system, and how this affects our ability to trade. However, the committee’s review also looked at issues of globalisation, at the socioeconomic impacts of trade liberalisation and at challenges before the WTO, such as transparency and accountability, multilateral and regional agreements and inclusion of developing countries.

The committee has made 21 recommendations covering a broad spectrum of WTO issues. The recommendations address major concerns highlighted in submissions to the inquiry and aim to strengthen Australia’s ability to actually participate in the WTO. Clearly, there are winners and losers as a result of trade liberalisation, both in Australia and internationally. While some industries gain from increased access to overseas markets, others find it difficult to compete against increased competition. These industries and their associated communities find it difficult to believe in the overall benefits of trade liberalisation.

The committee has recommended a comprehensive evaluation of the socioeconomic impacts of trade liberalisation in Australia. We have also recommended that, prior to entering any future WTO agreements, Australia should evaluate the socioeconomic impacts of such agreements and the appropriateness of structural adjustment measures to alleviate negative impacts. We found that there is clearly a need for more effective community education about the role, responsibilities and limitations of the WTO. There is also a need for better industry consultation. We have made a number of recommendations in these areas.

We also believe that there could be better parliamentary scrutiny of WTO issues. We have recommended the establishment of a Joint Standing Committee on Trade Liberalisation. The committee would seek community and industry input on WTO issues, particularly leading up to ministerial meetings. We understand that the Canadian parliament did a similar thing in 1999. The committee on trade liberalisation also would review Australia’s performance in the WTO dispute settlement system and canvass the economic and social impacts of trade liberalisation and the effectiveness of structural adjustment packages. The committee has also recommended that the government establish an Office of Trade Advocate within the portfolio of Foreign Affairs and Trade, drawing on existing DFAT resources and augmenting them with public and private sector expertise as required.

Australia’s experience in the WTO dispute process is largely built around agricultural issues. Protection of our high quarantine status carries a high profile within Australia and is a target for many overseas countries wishing to expand access to our markets. We have made three recommendations regarding agriculture, the dispute settlement process and quarantine. There is increasing debate at the international level about trade and the environment, particularly the need to allow domestic governments to legislate for environmental protection without being in breach of WTO agreements. It is important, of course, to ensure that such measures are not protectionist policies in disguise. We have recommend that the Australian government continue its use of its position on the WTO’s Committee on Trade and Environment to ensure that conflict between those agree-
ments is avoided. Australia should also be open to negotiating and securing regional agreements where they can deliver a benefit to Australian industry. We have recommended that, where appropriate, Australia continue to pursue regional trade agreements.

The location of the WTO in Geneva means that members in the Asia-Pacific region, particularly developing countries, need to commit substantial resources to attend negotiations, committee meetings, dispute hearings and other WTO events. The Australian government should advocate the establishment of a regional WTO centre to host trade negotiations, dispute hearings and training for developing countries. Of course, many of those are in our region. The committee has also recommended that the Australian government continue its push to establish an interagency forum to discuss issues of labour and human rights.

Mr Deputy Speaker, as you can see, we have canvassed a very broad range of real issues. We have involved the Australian community, both private citizens and, indeed, groups involved in industry, in our negotiations. The task of the Joint Standing Committee on Treaties certainly is that, and we commend this particular report—our 42nd report in 5½ years—to the House.

Mr ADAMS (Lyons) (3.57 p.m.)—The Joint Standing Committee on Treaties resolved to undertake this inquiry into the nature and scope of Australia’s relationship with the World Trade Organisation, and this report is the result of those inquiries. There were many public hearings and also roundtable forums on issues central to the committee’s inquiry, including agriculture and the WTO, culture and intellectual property, lawyers’ involvement in the WTO, human rights, labour and the environment, and Australian businesses and exporters and their interaction with the WTO.

Along with the formal submissions, there were dozens of letters seeking Australia’s withdrawal from the WTO. The latter takes up a good chapter in the report, which looks at it in the light of transparency and accountability. So a very wide range of views were canvassed, and there were a number of interesting findings from the inquiry, but it seems that more work really needs to be done on the relationship if Australia is to continue to be a part of any WTO agreement. Australia has been facing a number of trade difficulties because of the WTO, especially as it relates to our trade. Very little concern has been given in the past to socioeconomic impacts of liberalising trade. Further work needs to be done and also structural adjustment measures need to be considered to alleviate any problems that might result in Australia participating in the world trade agenda.

When Tasmania faced the WTO on the issue of the importing of fresh salmon from Canada, it was on the basis of the health and safety risk of importing a fresh product into a pristine environment such as exists in our island state. This appeared to have come about because Australia and all other WTO members have moved from a no risk to a low risk approach to quarantine management, yet there is no provision for any retaliatory or compensatory action should something go wrong. The Tasmanians argued, in the event that importing Canadian salmon did result in disease in the Tasmanian industry, it would be a disaster to that industry and to the state’s economy.

Dr Sali Bache, who did an internship with me during her PhD studies, and Marcus Hayward, who I remember coming to see me during Science Week, sought to find a way that the WTO could address the issue of loss associated with the acceptance of risk as part of the sanitary and phytosanitary agreement. They said:

If the WTO has insisted on the importation of fresh salmon and a new pathogen enters the Australian environment as a result, Australia faces the prospect of a significant financial loss. The issue of what happens if a panel decision—based on scientific evidence—has been proven wrong has not been considered.

This section went on to suggest that there should be provision of financial insurance for Australia by the WTO system. That is, if the panel is wrong on an SPS decision, then the nation that has been forced to open its borders to a previously prohibited import would be insured in the unlikely event that such an outbreak occurs. According to the
inquiry, international law has established that countries do have a right to protect their territory from real and grievous injury. But, for some reason, being in the WTO precludes Australia seeking damages, as we have to abide by the WTO decisions. It is not just salmon that has been caught in this area; it is also pork and chicken meat. The quarantine department has borne the brunt—

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allotted for statements on this report has expired.

Mr HARDGRAVE (Moreton) (4.01 p.m.)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

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

Communications, Transport and the Arts Committee

Report

Mr NEVILLE (Hinkler) (4.01 p.m.)—On behalf of the Standing Committee on Communications, Transport and the Arts, I present the committee’s report entitled Local voices: an inquiry into regional radio, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr NEVILLE—As with many of the simple things in life, radio is a service that many of us take for granted. With an average of five radios per Australian household, radio has a pervasive and important presence in our lives. Radio is affordable, accessible and portable. It has qualities of intimacy and immediacy that other forms of media find hard to match. Radio services have been subjected to a number of regulatory, economic and technological developments in recent years affecting the range and quality of radio services for listeners in many parts of Australia; they have unquestionably transformed the environment in which the provid-
also reveal the need for more stringent requirements on broadcasters.

Attending to the needs of broadcasters themselves, we accept that commercial radio services will only be provided if they are commercially viable. The number of licences is part of that equation. We have recommended that a test of commercial viability be restored to the Broadcasting Services Act. We have also recommended that, after the current LAP process has been completed, no new commercial licences should be issued in an area until the audits of the relevant licence areas have been completed.

Radio spectrum access carries with it responsibilities. We demand that radio’s responsibilities be met in times of flood, fire, storm, cyclone or other emergencies or threatened emergencies. There is no room for poor performance. Radio’s responsibility does not cease when programming is delivered in prerecorded or networked mode. We have made a number of recommendations in this area, including that all radio broadcasters be required to broadcast any announcement considered necessary by an accredited emergency service organisation.

This inquiry generated substantial interest, with 290 submissions. We have travelled extensively and held 18 days of public hearings and public meetings in a wide range of locations, including Tamworth, Geraldton, Townsville, Bathurst, Longreach, Darwin and Walpole, a small community indicative of those that have no, or little, radio services at all. In our view, the current industry-listener dichotomy does not provide for balance. Our report calls for balance through 20 recommendations covering national, commercial and community radio sectors. (Time expired)

Mr GIBBONS (Bendigo) (4.07 p.m.)—I rise to commend to the House the Standing Committee on Communications, Transport and the Arts report entitled Local voices: An inquiry into regional radio and to acknowledge the outstanding work of the committee secretariat, in particular Grant Harrison, Jan Holmes and Katie Hobson. All members of the committee have contributed to the report, but I acknowledge the diligent role of the chairman, the member for Hinkler; in particular Mr David Jull, the member for Fadden; Mr Gary Hardgrave, the member for Moreton, and Mr Frank Mossfield, the member for Greenway—all of whom have had extensive experience in the radio industry—and Ms Kirsten Livermore, the member for Capricornia, whose legal expertise was greatly used.

We listen to radio to be informed and entertained. For many, it is also a source of comfort and companionship. Radio reflects and helps define who we are. At its best, it allows local voices to be heard. For people living in regional Australia that is particularly important. However, radio in Australia has changed in recent years, partly because of the ‘light touch’ regulatory environment established by the Broadcasting Services Act and partly because of the introduction of new technologies. In many cases the change is for the better. Most of us have access to more stations broadcasting stronger signals and providing higher quality programming. But in some cases these changes have come at the cost of fewer local voices. More programming than ever before is derived from sources other than local radio stations, and much of that broadcast is not live.

Programming is very often prerecorded and automated, the amount of syndicated programming has increased, and many stations operate as part of groups broadcasting common programs across the network. That begs the question: does that matter and what is the long-term impact? In our view, the warning bells are ringing loud and clear. The industry is able to point to healthy audience figures, but the response to our inquiry suggests that many listeners in regional Australia deeply resent the loss of local voices and the substitution of generic programming.

We have made 20 recommendations aimed at ensuring that broadcasters and regulators act to protect the distinguishing characteristics of radio and its capacity to project local voices. For example, we recommend that all broadcasters identify the originating source of programs when giving their call signs. That is a simple, no-cost and effective means of introducing more transparency into the regional radio industry. It will provide listeners with more information
about their radio services and it should not concern broadcasters, who without exception believe that they are adequately serving their audiences.

We also recommend that the Australian Broadcasting Authority do far more to test community satisfaction with the radio services received in regional Australia. A rigorous series of audits of community opinion should be conducted, beginning in the smallest radio markets where there is little competition in the provision of radio services. If these audits reveal substantial levels of community dissatisfaction, more stringent requirements could be placed on broadcasters. Ideas such as the establishment of local content requirements, tradable ‘localism credits’ or special licences for local broadcasters all warrant close examination.

We were alarmed to find substantial failings in the relationship between broadcasters, especially commercial broadcasters, and emergency service organisations. It is essential that clear and effective lines of communication are maintained in times of flood, fire and storm. We recommend that legislation be enacted to ensure that station managers always have the capacity to interrupt programmed services, especially pre-recorded, automated and networked services, to broadcast locally relevant emergency warnings.

In some areas of regional Australia, the question is not whether radio services are adequate and comprehensive but simply whether there are any radio services at all. To overcome these fundamental problems of access, we recommend a range of measures, including that a radio black spots program be established to extend coverage and improve reception for national and commercial radio services.

Our overall objective has been twofold: to encourage greater transparency in radio broadcasting and to allow communities a greater capacity to comment upon and to influence the nature of the broadcasting services they receive. Our recommendations are not extreme; they do not seek to shake up the industry or to return it to the highly regulated pre-1992 regulatory regime, but they do attempt to strike a more even balance between the interests of broadcasting entrepreneurs and the interests of local communities. I commend the report to the House.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for statements on this report has expired.

Mr NEVILLE (Hinkler) (4.11 p.m.)—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted.

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

AUSTRALIAN COAST GUARD BILL 2001

First Reading

Bill presented by Mr Beazley.

Mr BEAZLEY (Brand—Leader of the Opposition) (4.12 p.m.)—The first task of a government is to provide for the security of the communities they serve, not simply when a crisis erupts or when a political opportunity presents itself; it is a permanent task of government. Security of the nation these days—especially since the terrible events of 11 September—has to be conceived of in a broad way. National security is not simply a matter any longer of preparing to fight against other states or securing international arrangements with other states. It is also about protecting communities from threats which have no clear state base. We need new agencies and structures to deal with the more sophisticated security problems we face this century. That is why I rise today to introduce the Australian Coast Guard Bill 2001. As I speak, there is no single agency with the core role of law enforcement and border protection in Australia’s maritime jurisdiction.

The Howard government has refused to accept the need for an Australian coastguard for too long now. Labor proposed it nearly two years ago. It would have been well and truly established if the government had listened to us. The government says that Coastwatch is adequate for the task, yet the
Prime Minister has had to call on the Australian Defence Force to strengthen patrols in our northern waters. The Prime Minister claims falsely that a coastguard would cost too much. Yet the government is spending more than $3 million a day to provide the flotilla of expensive Defence assets currently patrolling our northern waters—an operation which would not be necessary if we had an Australian coastguard to do the job. This $3 million a day operation is on top of the existing costs of the Navy’s Fremantle patrol boat operations in our northern waters. The significance of that is that Navy’s patrol boat operations are regarded as a coastguard type function. The $3 million a day that we are talking about comes in on top of the contribution they make.

The Australian Coast Guard will be our maritime police force. It will be our cop on the beat, 52 weeks a year, not just for a few weeks on the eve of an election. For the first time, Australia will have a dedicated agency with full-time responsibility and capability to protect Australia’s sea borders and maritime interests. When we have a coastguard, our Defence Force can stop playing policeman and get on with the job it is supposed to do: defending Australia from attack and preparing for war when called to do so. I do not know what commitment will be invited of us by the United States, but when those propositions come before us for a contribution to the affairs that are now taking place in Afghanistan, they will find that the Army in this country is substantially locked into critical commitments in Timor, Bougainville and the Solomons. The commitment in Timor will not go away. It is going to be a powerful influence on the structure and activity of the Australian Defence Force for some years to come. They will also find a Navy many of whose heavy ships are now deeply committed to the essential coastguard task in our northern waters. That is an interesting and inevitable prioritisation. You can draw attention to two operations of the Australian Navy at present, one operating in our northern waters with five ships and one which has had an extended tour of duty in the Persian Gulf associated with the immediate events. That shows the extent to which this commitment to deal with illegal immigration is tying down our heavy ships. The other element of our capital ships engaged in the defence of this country are the submarines. While they are enormously suitable as a strike weapon associated with the defence of Australia, they can play a role in neither of those contingencies.

There has been a massive lock-in of assets into the coastguard function at a point in time when it most exposes to public view—and to allied view—the fact that we have a substantially overstretched capability. For the first time, should our bill go through, Australia will have a dedicated agency with full-time responsibility and capability to protect Australia’s sea borders and our maritime interests. When we have a coastguard, our Defence Force can stop playing policeman and can defend us against attack. We propose to establish the Australian Coast Guard through integrating and rationalising existing coastal surveillance and response assets currently spread across a number of Commonwealth agencies. This will achieve considerable economies of scale through streamlined administrative arrangements, resource sharing and operational coordination.

There is currently an ongoing cost of at least $220 million spent every year on an uncoordinated coastal surveillance and response system. Add to that the cost of the military mission currently operating in our northern waters and it becomes patently apparent that an Australian coastguard is not an exorbitantly expensive initiative, as Peter Reith, in his last few weeks in parliament, would have you believe. In fact, it is a much more economically responsible initiative than anything that the Howard government has come up with. Just as importantly, it is a necessary initiative for protecting Australia’s borders from criminal activity and unlawful incursions.

Threats to Australia’s sovereignty, economic interests and national wellbeing are greater today than ever before. Many of these threats come from criminal activity; many from organised, transnational criminal organisations which exploit the vulnerable for pure profit. People-smuggling is the most visible case in point, but also involved are drugs, illicit arms shipments and other incur-
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sessions. I suppose the influence on this debate in recent days has been our experience with the Tampa and illegal immigration to this country. But the reality is that the Coast Guard is just as important in dealing with issues such as the importation of illicit drugs, in operating quarantine services, in protecting our fisheries and dealing with illicit arms shipments. We have a coastline which is not difficult to penetrate for illegal purposes. We need a force dedicated to dealing with those who would attempt to penetrate it.

During 1999-2000, 76 suspect vessels entered Australian waters carrying 4,100 people. Many of these people had been exploited by professional people smugglers and organised crime syndicates. Organised crime syndicates have started to bring drugs into Australia via our southern waters. Australian fisheries in the southern oceans and other Australian interests beyond our shores are largely unmonitored and unprotected. The Australian Fisheries Management Authority has to charter a ship to patrol our deep southern oceans because Coastwatch does not have the capacity to do it. When this charter ends in 2003, it will leave Australia unable to control fishing in our exclusive economic zone and in the high seas.

Despite these threats, Australia’s coastal surveillance remains uncoordinated, resources are duplicated and competing priorities of different agencies are not adequately met. Because Coastwatch does not have the responsibility for all maritime policing, it cannot develop a coordinated strategy to respond to the changing surveillance environment and the increasing threats to Australia’s borders and interests. Because Coastwatch does not have total ownership of the coastal surveillance budget, it cannot ensure that this budget is spent in the most effective way. Because Coastwatch activities are restrained by the priorities of its client agencies, it cannot undertake activities if these client agencies disagree or refuse to pay. These arrangements do not sufficiently serve the competing demands of the Department of Immigration and Multicultural Affairs, the Australian Quarantine Service, the Australian Customs Service, the Australian Federal Police, the Australian Fisheries Management Authority or the Australian people.

The Australian Coast Guard Bill 2001, which I am introducing today, sets out the framework for the establishment of the Australian Coast Guard—a statutory agency with responsibility for developing effective and efficient systems to respond to the changing coastal surveillance and enforcement environment. It will be Australia’s maritime police agency. Coast Guard officers will have all of the powers and duties which are currently spread across Customs officers, Immigration officers, Fisheries officers, and Australian Federal Police agents in relation to search and seizure; pursuit, boarding, detention and transfer of aircraft and ships; and the questioning, detention and arrest of persons. Coast Guard vessels and officers will be armed.

Under this bill, the functions of the Australian Coast Guard include: the provision of border protection and police services upon Australia’s coastal area, territorial waters, contiguous zone and exclusive economic zone in relation to laws of the Commonwealth; property of the Commonwealth; safeguarding of Commonwealth interests; functions previously undertaken by the Coastwatch arm of the Australian Customs Service, including surveillance of Australia’s coastal area territorial waters, contiguous zone and exclusive economic zone; coordination of search and rescue operations in maritime zones which fall under the responsibility of Australia; response to oil spills and other environmental incidents upon Australia’s territorial waters, contiguous zone and exclusive economic zone; and other functions as prescribed. In times of war or declared defence emergency, the Australian Coast Guard will come under the direct command of the Australian Defence Force. I will return to the operational relationship between the Coast Guard and the Navy in a moment.

This bill provides that details of administrative and employment arrangements and the arming of Coast Guard personnel and vessels are to be presented to the Australian parliament for approval via regulations. One of the prime benefits of bringing our coastal
surveillance and response assets into one agency will be improved intelligence on movements in our maritime areas.

The Australian National Audit Office recently found that Coastwatch has not developed an adequate intelligence collection and management system. Intelligence about criminal activity is one of the most important elements of an effective coastal surveillance and response system. Creating a focal point for coastal surveillance and response in the form of a coastguard will make it easier to fuse the data generated by Australia’s considerable intelligence, surveillance and reconnaissance systems into one maritime picture, which will be available to the Coast Guard through highly-secure, high-speed information systems. This means consolidated data from satellite systems, radar systems, maritime surveillance and early warning aircraft, SIGINT systems—combined with the Coast Guard’s own information sources and data bases—can be made available in one place to guide the efforts of those protecting our sea borders. At present this capability does not exist.

The Fremantle patrol boats are scheduled for replacement. This presents a unique opportunity to purchase a fleet of purpose-built civil standard patrol boats which will have the capacity to operate in our northern and southern waters. The government has recently entered the request for tender stage of the replacement of these vessels. The contract is not scheduled to be entered into until next year. The tender for this replacement should be—and, under a Labor government, will be—given in the context of establishing the Australian Coast Guard. The significant difference between civil and military construction standards and systems will allow for a significant upgrading of our Coast Guard fleet without additional cost.

It is also important to note that while the Navy and other defence components have been doing a sterling job in assisting with the patrolling of our maritime approaches, this is primarily a job for a coastguard service operating as a maritime police force. The establishment of the Australian Coast Guard will free up the Navy from this policing role and allow it to focus on its primary job: training and preparing for the military defence of Australia. Notwithstanding this, Labor envisions that there will be very close links between the Navy and the Coast Guard. In addition to combining their intelligence and surveillance data, as I have already mentioned, it is proposed that Navy personnel be posted to Coast Guard vessels for tours of duty for operational purposes as well as for training in basic seamanship and navigation. There will be other links between the services, including command cross-postings.

Our nation faces an uncertain challenge ahead. We need to commit to this struggle; we have no alternative. If we are committed to democracy and freedom, this very uncertainty means that we have to do everything within our means to prepare our nation for a struggle which has no clear shape and a challenge which has no clear timetable. We have to get, effectively, all our ducks in a row. The Defence Force is doing what it needs to do. The maritime policing force is effectively doing what it needs to do. The intelligence and surveillance capability that we have is coordinated in a way that serves both purposes. If we have an Australian coastguard, as this bill will establish, we will have that capacity. Without it, we simply will not. This is too dangerous an age to let this sort of opportunity go.

Mr DEPUTY SPEAKER (Mr Jenkins)—Does the Leader of the Opposition have an explanatory memorandum?

Mr Beazley—Yes, that has gone with it as well.

Bill read a first time.

Mr DEPUTY SPEAKER—In accordance with standing order 104A, the second reading will be made an order of the day for the next sitting.

CORPORATE RESPONSIBILITY AND EMPLOYMENT SECURITY BILL 2001

First Reading

Bill presented by Mr Beazley.

Mr BEAZLEY (Brand—Leader of the Opposition) (4.28 p.m.)—A private member’s bill is one of the few ways an opposition has to try to force a government to do its duty; in this case, to ensure, through legislation, that
workers can get what is owed to them when their employer becomes insolvent. We want the government to legislate to prevent companies from rearranging their corporate structures so as to avoid having to pay what they owe their employees. For reasons that can only be guessed at, the government has refused to do this. This refusal has been to the great cost of working people and their families. So, for the 11th time over two parliaments, the opposition is once again proposing legislation to help deal with this ever-growing problem.

This bill proposes basically that, when a company is being wound up in insolvency, the court may make an order that a related company should pay the entitlements of the employees affected. It proposes that it would be up to the related or parent company to demonstrate why such an order should not be made. We are proposing that the provisions of the bill be backdated to 12 September 2001—the day that Ansett collapsed and the entitlements of at least 16,000 people were thrown into jeopardy. On this last point, I understand that some in the coalition are unhappy about the idea of retrospectivity. Let me make this clear: if retrospectivity is good enough in legislation to deal with asylum seekers, it should be good enough in legislation to protect Australian workers and their families.

In short, this bill proposes to outlaw the kind of behaviour that was pioneered in the Patrick-MUA dispute—and encouraged avidly by this government and the then minister for workplace relations—and has been used in cases of corporate collapse ever since. The idea that government should allow or even encourage companies to restructure so as to avoid their obligations to their employees would have been totally unacceptable only a few years ago. It should be unacceptable now. The fact that it is not says all that needs saying about the agenda and standards of this government.

The government has another bill coming into the House, a bill which will allegedly place workers in a position where they stand first in line, when a company collapses, among a company’s creditors. What is the point of that bill if the company has restructured so there is nothing in the employing vehicle at all? There is no point whatsoever. It is a very pyrrhic victory for ordinary Australian workers. This election campaign is going to be about security—security abroad and security domestically—and I am going to say a bit more about that later. There is no question at all that, if what you want to do is protect the security of employees’ entitlements, you must do two things and, if you do not do them, there is no security. The first of those is this bill. This means that you can pursue, through a complex set of company structures into related companies, a capacity to get at assets transferred out of the operation, often usually in anticipation of just such a collapse and a willingness on the part of the owners in those circumstances to see employees go to the wall. So you pass this bill. The second bill that you must pass—and we will pass it on assuming office—is one that puts an obligation on all employers to contribute to a universal scheme that protects workers’ rights.

This bill gives the government the opportunity to change its mind and stop behaviour that is a major factor in why the entitlements issue is so serious. If it will not act, absolutely clear: we will do so as a matter of the highest priority. We have been encouraged to anticipate bipartisan support in this by some remarks by the Treasurer about the Ansett case on the ABC’s Lateline last week. He was asked about Air New Zealand directors putting themselves at arms-length from their directorships of Ansett. He answered:

Let’s go to this arm’s length. So arm’s length that the same directors of Air New Zealand were directors of Ansett. So arm’s length that the CEO of Air New Zealand was the CEO of Ansett. So arm’s length that it appears that there was interchangeability of aircraft and parts of aircraft. Now, if you look at those indications, it’s a pretty short arm, but the legal question will be how long that arm was and whether the arm reaches back for liability.

This bill deals with liability. I doubt that the Treasurer will sit with us when it comes to a vote. But he obviously understands the nature of the liability problem. Let us see how he goes when the question is put by a Labor government.
Corporate misbehaviour is one aspect of this issue. The other is the crying need for a system with a structure to protect entitlements as they accrue. We all know how this problem has been growing. Oakdale, Cobar, Braybrook, STP, Woodlawn, Merrywood, Exicom, National Textiles, Grafton and Scone Meatworks, Parrish Meats—there is not a member in this House who would not know immediately what these names meant. Just recently, we have seen the demise of HIH Insurance and Ansett.

The issue is getting bigger. The number of workers who have been victims of it—and have often been ruined by it—is getting bigger. In a couple of cases, the employees got back most of what they were owed, thanks mainly to their unions. In one case, the government made sure that the employees got all they were owed. That was National Textiles, where the Prime Minister’s brother was a director. In most cases, the employees have come out of it very badly.

In all this time, the government has come up with seven different attempts to answer the problem—seven different attempts; making it up as it goes. At no time has it ever tried to deal with the problem at source. Since the National Textiles case, the government has been promoting the Reith scheme, the Employee Entitlements Support Scheme. In this arrangement, employees received limited compensation. The taxpayers had to find the money for what compensation was offered. The Reith scheme had no structure. It was not legislated, though the then minister promised that it would be. It was unfunded beyond 2003. Employers, who share at least some of the responsibility for losing their employees’ entitlements, were not asked to contribute one cent. It was not surprising, therefore, that the states declined the government’s invitation to put their money into it.

The Reith scheme was never going to work. Even the government has admitted that, by replacing it with what it calls the General Employee Entitlements Redundancy Scheme. It is not legislated, which means that governments can turn it on and off, just as the Reith scheme was not legislated. Taxpayers are forced to find the money for it. Again, employers escape their share of the responsibility for dealing with the problem. Again—and most importantly, whatever the minister says—it does not give 100 per cent protection of workers’ entitlements.

It proposes, for example, that workers who lose their jobs will be able to claim up to eight weeks redundancy entitlements ‘as per community standard’. What is that community standard? Eight weeks was established 17 years ago by the Industrial Relations Commission in a case argued in the old centralised system; that is, 10 years before the move to enterprise bargaining enabled workers in various industries to negotiate various kinds of agreements involving trade-offs and productivity agreements. By plucking it out of the past and putting it into its latest scheme, the government is very carefully imposing the greatest penalty on the workers who have given their employer the greatest loyalty—and at a stage in their lives when they have the least chance of getting other jobs.

The major tragedy in company breakdowns like Ansett’s is not that of the worker who is owed $2,000 or $3,000. It is that of the worker who has served for 15 or 20 years. My colleague the member for Brisbane has reminded me of the case of George Kerry, who worked for Ansett for 29 years. Under the government’s new scheme, Mr Kerry will lose nearly $87,000. He will get only about 20 per cent of what he is owed.

Federal and state ministerial councils go to great lengths to avoid dissent in their communiques. The minister for workplace relations went to his minco last week to explain his new scheme. ‘A lengthy discussion ensued,’ the communiqué said. You can bet your bottom dollar on that. ‘Some Ministers expressed reservations and pressed for a national scheme funded by a levy on employers.’ I’ll bet they did. It is what state government, employees, unions, the Labor Party and even some employers have been pressing for: a scheme that is national, structured, legislated, funded and fair.

The Labor Party has put forward just such a scheme. I can assure honourable members that we will be hearing a lot more about it as we get nearer the election. In summary, it
envisages an insurance scheme provided through the superannuation system, which would protect 100 per cent of employees’ entitlements. Ours would be a truly national system which would not need complicated Commonwealth and state negotiations. As in the government’s option, our system would exempt small business, their contribution being met by government. Thus, the cost would be shared between the government and larger employers—compared with the government’s decision that it should be borne by taxpayers alone. Employers whose arrangements achieve the same objectives will be exempt from involvement in our system.

Our scheme will provide that employers should make their superannuation guarantee payments every quarter instead of only once a year, as happens now. It will also provide essentially what is proposed in this bill: it will stop companies restructuring so as to avoid paying employee entitlements. The objectives of our proposal are simple, clear and fair. Workers should receive all that they are owed. The responsibility for achieving this should be equitably shared. This bill is an attempt by the opposition to get the government to accept the urgency of the need to resolve a problem which is growing and imposing ever greater burdens on working people and their families.

As the election approaches, two things are going to be clear—as I pointed out before. The issues of the day, as far as we are concerned, are these: security at home and security abroad. I guess if I wanted two bills to symbolise that approach, I could not have wanted for better than these two. One deals with security abroad: how you get your Navy free to do the things they need to do further than the Australian immediate coastline; how you get them to prioritise their defence role rather than assume a policing role for which they are essentially not trained; how you put in place a decent intelligence gathering system, an information system, associated with an organisation which is the focal point of what are now a multiplicity of agencies capable of substantially, because of that rationalisation, enhancing its ability to protect our borders—that is a classic piece of ensuring Australia’s security abroad.

Then we get to the question of security at home. The emerging issue in this election campaign, apart from those security issues—or at least a feature of those security issues—is job security. The Treasurer stands in this place day after day with mournful demeanour, telling us how badly the economy is going and what a pity, when it was going so well over the course of the last year or two under his benevolent tutelage. That is a desperate attempt to create an alibi. There is no doubt at all that we are going to be hit hard by the consequences of any international recession. But there is also no doubt we are going to be hit harder than we would have been if the Labor Party’s pattern of growth had been sustained and the government had been able to sustain that for its first few years of operation. And then growth, courtesy of the GST, was cut to one-third of what it has been. The Treasurer stands in this place and says, ‘We lead the world.’ In that year, we came 24th out of 30 in the OECD on that front. If the government’s predictions for the next year had been correct on growth, we would not have gone to the best position, we would have gone to 9th—considerably better than 24th, I do concede. But there is now a huge question mark over that growth figure. In any case, that growth figure would in no way, shape or form have taken us to the top of the chart—that is the simple fact of the matter.

So in these circumstances, security of entitlements and job security are going to be a critical part of our election campaign—and jobs as well. Employees these days know, particularly if they happen to be in late middle age or middle age, that if they lose their jobs they are unlikely to get as remunerative full-time jobs again—or many of them will not. Their entitlements are absolutely critical to their lifestyle and their capacities to pay off mortgages, their capacities to enjoy decent retirements. They also know that they need a government devoted to full-time jobs, which this government has lost—we have lost 80,000 of them in this community since the GST was introduced. These are the critical things which, when we get clear air in the
Mr Deputy Speaker (Mr Jenkins)—Order! In accordance with sessional order 104A, the second reading will be made an order of the day for the next sitting.

GRIEVANCE DEBATE

Question proposed:
That grievances be noted.

National Security

Mr Kerr (Denison) (4.43 p.m.)—I commence my comments today by mentioning that on Friday night I attended the annual dinner of the Glenorchy State School Old Scholars Football Club, which was part of a function of the Glenorchy Football Club preparing for their grand final. I do so because it puts in context what I want to say, because two things happened on that night. Firstly, the guest speaker could not come because the Ansett dispute meant they were unable to arrive in Tasmania. Secondly, I had the occasion to sit next to many people, many of them World War II veterans, who had made very significant contributions to their local community. All of them were sensing a great perception that the community that they had worked so hard to build and had given so much great sacrifice for was becoming unravelled. They were angry about corporate greed. They were angry about their government’s indifference to public good. They were very concerned about the approach of their national government to the Ansett dispute—an approach which appeared to them to be, ‘Hands off and hang the consequences, and who cares about the lifeblood of the many people whose employment is thereby affected.’ They were talking about nationalism. They were concerned about the future of Australia. The voice that I heard was expressing the view that true Australian nationalism involves not only credible defence against external aggression but also internal cohesion and a resolve that we can build a better future together.

The Leader of the Opposition has just introduced two pieces of legislation—the first would introduce a coastguard and the second would secure the employment benefits of those who are unfortunate enough to lose their jobs. There are large issues of national security that we have to comprehend. We do need a whole of government response to those who are engaged in criminal activity. We need to see law enforcement now—at a time of growth in international organised crime and terrorism—as also having a national security component. All those issues are ones which Labor has been raising not recently but for a very significant period of time, to the indifference of a government that simply believed they could proceed with business as usual.

But our security abroad and security against criminal threats also requires attention to the insecurities that exist at home. There are many in our community who are wracked by deep feelings of uncertainty. There has been an unravelling of confidence that the future will be better than the past; that we are a united community; that we can rely on public institutions, particularly public education and health; that our jobs are secure; that our old age will be comfortable; that our savings and investments will be safe; that our nation is secure; that our homes and personal security is guaranteed; and basically that there will be a fair go for all.

Superimposed on all of this is the uncertainty that flowed from the external threats so vividly demonstrated by the destruction of the twin towers in New York. We are committed to an approach which will commit Australia to participate in a global response to that terrorism. In the short term, it is no easy task. Governments for some time have sought to identify this as a strategic objective. Within one week of assuming office, Ronald Reagan declared, ‘Let terrorists beware. When the rules of international behaviour are violated, our policy will be one of swift and effective retribution.’

No-one begrudges the right of the United States to take that effective action. Indeed, we on this side of the House endorse it. But we also do so with that degree of caution that is necessary for the internal cohesion of those things that we hold to be of value. We take the warnings of some who would warn...
that the greatest danger to that internal cohe-
sion comes from our willingness to demonise
those within on the basis of race, ethnicity or
religion, and the warning that we must make
sure that our political responses are no
greater threat to democracy than those that
are posed by the terrorists themselves. In the
long term, as Robert Manne said in the Age
today, we have to address some of the inter-
national phenomena that concern us. He said:

In the end, in my opinion, the contemporary
politics of Western self-absorption—the belief
that we will be able to continue in comfort while
much of the world struggles to survive—is not
only immoral but also unlikely to succeed. It is
not true that the clear and present danger of ter-
rorism can be overcome by a long-term change of
attitude with regard to Third World needs. It is,
however, true that indifference to these needs
does provide the ideological soil in which anti-
Western and anti-American fanaticism and hatred
take root.
The same point that Mr Manne makes with
respect to a need for broadening a response
internationally also goes to our need to
broaden our response in relation to security
domestically. It is not going to be sufficient
to respond to the challenges we face by
strengthening the institutions of law en-
forcement if we do not look to those institu-
tions that are necessary to ensure security in
the broader sense. We need a better approach
to combating threats to Australia’s social and
economic security.

Real security for all Australians demands
a lot more than measures to combat terrorism
and external threats—vital as those measures
are. We must also address the grave insecu-
rity posed by unemployment, attacks on our
public health and education systems and cor-
porate collapses. We also must defend those
elements which are essential for the cohesion
of our society, because we are rightly ad-
mired throughout the world for our willing-
ness to accept people of different colours,
creeds and political beliefs. We have shown
in the past that political differences need not
produce violent divisions. Now at this diffi-
cult time we must rise to meet our own stan-
dards. True Australian nationalism does re-
quire of us those responses.

Finally, we also have to look at those
larger issues of globalisation. They now lead
us in some circumstances to situations
where, instead of governments having
authority, decisions are imposed by remote
and unaccountable international institutions
or left simply to the market. The events of
the last few weeks certainly show that leav-
ing these issues to the market alone is not
going to be sufficient. We do need to develop
a public response and a public commitment,
a willingness to take responsibility and not
simply leave things to remote and unidentifi-
able forces. This of course is nothing new. In
its assessment of the impacts of globalisa-
tion, the OECD issued an important warning
in a landmark study called ‘Global markets
matter’, when it said:

There is a presumption that in most instances the
overall gains accruing from market liberalisation
outweigh the disruptive effects. But that only
guarantees that an economy’s average standard of
living rises. The problem is that an economy’s
median standard of living, that at which most
middle-class income earners can be found, may
not rise. Hence the importance of addressing
the question of how to ensure that the gains from
global integration are diffused as broadly as pos-
sible ...
The key is for societies to strike internal bargains
which allow those at risk from open markets to be
compensated ... For market liberalisation to enjoy
broader and continued support, it is important not
only that compensation be available but that it
actually takes place.

Five decades of multilateral trade diplomacy
suggest that similar bargains are required for
spreading gains across countries... Without such
compensatory bargains, the gains to the small
number of large gainers could be too large rela-
tive to those of the large number of small gainers
and the few losers. The end result would be simi-
lar to that observed domestically: namely the risk
of seeing support for further liberalisation eroded.
That is, not only for liberalisation but for
democracy, and the threat to erode that foun-
dational basis for supportive democracy is
very real.

What those people at the Glenorchy din-
ner were saying is that the polarisation and
division between those of growing affluence
and those without is too great, that a national
government that ignores those who are the
losers out of the system is unworthy, that
governments of regions that are not dealt
with in an appropriate way when their cir-
circumstances become less attractive because of the impacts of globalisation should be thrown out of office, and that we do need a new sense of responsibility, a new sense of commitment to nationalism and a sense that involves all of us in commitments to a real and growing equality. (Time expired)

Illegal Immigration: Border Protection

Mr SECKER (Barker) (4.54 p.m.)—I rise to speak in this grievance debate in respect of the whole issue of the illegal boat people and, in particular, the response of the people of Barker to the handling of the Tampa issue. As most members would know, we rarely ever get thanks or accolades for the work that we do or for the decisions that the government makes, especially when we are part of the government that is making the decisions. In my three years as the member for Barker I have never had such a response as I have had following the original decision that the Howard government made on the Tampa issue. In the first two days alone, responses via letters, faxes, emails and telephone calls were over 98 per cent in favour of the strong stance taken by our Prime Minister—over 98 per cent. This is unheard of, and I thank the people of Barker who took the time to show their support. It was an overwhelming vote of confidence in John Howard and the government as a whole. Even to this day, people are coming up to me in the street to say what a good job the government has done and how much the Prime Minister is acting like a real statesman.

Their comments are similar, and I have been particularly pleased at the thorough understanding of all the issues surrounding the attempted incursion into Australian waters of the Tampa and also the amazing flip-flop of the Leader of the Opposition in the last sitting when he supported us at 2 p.m. and withdrew his support just four hours later. How is a government supposed to deal with an opposition that changes its mind virtually by the hour? It is a plasticine opposition with plasticine policies.

I am gratified by the understanding out there that the people know that the Leader of the Opposition flip-flopped around like a beached walrus and used the most spurious arguments to try to tell us why. To suggest, as he did, that he opposed the retrospective element of a mere few hours was unbelievable and to oppose the Border Protection Bill on the basis that he did not have enough warning was ridiculous in the extreme. It took me less than five minutes to read the bill and fully understand it. Surely a Rhodes scholar can do better than that feeble excuse!

I have been constantly reminded by the constituents of Barker that they do not like queue jumpers and they understand that every illegal asylum seeker who uses our legal system to prolong their stay in Australia or eventually gets temporary refugee status means one fewer genuine refugee who has gone through the right channels to come to Australia. They also understand that illegal boat people, for want of a better phrase, have been using our legal system to gain refugee status that far outweighs their chances in virtually any other country in the world.

They also understand that the Labor opposition have been pathetic in their attempts to fix the problem with their only attempt at policy being an uncosted yet expensive coast guard with no legal backup to do much even if they do spot an illegal entry. That is about as much use as a wheel for a walking stick. Not only have they seen the error of their ways over the Tampa issue; they are now supporting a border protection bill that has even more power than the original bill they rejected. The original bill they rejected three weeks ago as too draconian is now okay because it is arguably even more draconian than the original bill. Where is the logic in that? At least the Labor Party have seen some of the errors of their ways, and it will be interesting to see if they do another flip-flop over the other bill that deals with reducing the expensive and time wasting avenues of appeal that other countries do not allow.

Australia has a proud record of treatment of genuine refugees, being the second most generous country in the world—we are only slightly behind the generosity of Canada. However, it is interesting to look at the hand wringing policies of the Greens and the Democrats. Both parties, under their environmental policies, believe in a net zero im-
migration policy under their mistaken premise that Australia is already overpopulated. It is a silly policy because the premise that Australia could not sustain a larger population ignores the fact that our farmers already produce enough to feed five times our population and could probably expand on that with better technology.

However, coming back to the policies of the Greens and the Democrats on illegal boat people and genuine refugees, it is interesting to tie their zero immigration policy with what is on their web sites. The Greens, for example, do not seem to have a limit on the number of refugees we take. If you tie that in with their zero immigration policy, that means Australia would have to expel Australian citizens for refugees. How crazy is that? I suppose the Greens do not ever have to have a policy that actually works. Point 6.3 of their policy, under the heading ‘Short-term targets’, is even more bizarre and unworkable. Part (a) of that policy reads:

... asylum seekers be given the fullest opportunity to establish their individual refugee status.

In other words, the Greens believe not only that illegal boat people should have the right of assessment for genuine refugee status under United Nations guidelines and then have the right of appeal to an independent appeals tribunal—which we all agree with—but that we should allow three other abuses of our legal system, which has been shown to be a failure. The Greens reckon that, after assessment and after an appeal, illegal boat people should be able to go through one judge in the Federal Court and, if that fails, before the full Federal Court—and, if that fails, why not before the High Court? In fact, we have over 160 cases waiting for the High Court, and I am sure that they are really pleased about that! No other country in the world allows such largesse and such an abuse of our legal system—and nor should we.

Then the Greens want to have a bob each way, qualifying that right to abuse the legal system, by saying, ‘This should not interfere with the rights of applicants offshore who are equally anxious to settle in Australia.’ That means either that it is unworkable in the first place—because, if you have a limit like we do and every other country in the world has, it must impinge on the rights of offshore applicants; every illegal from the boat people admitted means one less genuine offshore refugee—or that they do not believe in a limit at all. That means up to 23 million genuine refugees overseas could come to Australia, which makes a complete mockery of their zero-immigration policy. That is the policy they try to hide under their sustainable environment policy.

One has to wonder when the media commentators are going to question this zero-immigration policy, which is arguably more xenophobic than One Nation’s immigration policy. Of course, not to be outdone, the Democrats—the fairies at the bottom of the garden, led by the princess of television socialites—have a policy to double the number of refugees, which would make us twice as generous as the next generous country. The Democrats do not want to be outdone; they want to double the 12,000 that we allow in now. As I said before, we are the second-most generous nation in the world—only slightly behind Canada. And not only that; they want to give priority to the families of these refugees as well, as do the Greens. So tied in with their zero-immigration policy on environmental grounds, they want to kick out double the number of Australian citizens than even the Greens do. In fact, we wonder what limit the Greens would suggest. Why not open all the floodgates and let everybody in! That is what the result would be.

I know that the Australian people know that the Howard government are dealing with this problem, despite the flip-flopping of the Labor Party and the bizarre and unworkable policies of the Greens and the Democrats. I have no doubt that the government have made the strong decision and the right decision in regard to illegal boat people, and I feel very confident that we will gain the respect of the people of Australia as a result of those policies. (Time expired)

Fowler Electorate: Government Policies

Mrs IRWIN (Fowler) (5.04 p.m.)—As we enter the final days of the Howard government, I would like to run down a checklist of the unfinished agenda of this government in my electorate of Fowler—the lost opportuni-
ties to make a real difference to people’s lives and the missed chances to develop this part of our nation to its full potential. I will begin with education—in many ways the most important area of government activity. Since it came to office in 1996, the Howard government has made cuts across all levels of education. The effect of this after five years can be seen in schools struggling to meet outcomes, with resources stretched to the limit.

We have seen adult migrant English services rationed to the point where voluntary organisations are now providing more and more of this important service. At a time when there is a great need for Australia to improve the skills of our work force, we have seen the TAFE sector starved of funds, and training reduced to minimal standards. But this government lavishes funding on wealthy non-government schools. When I visit government schools in the Fowler electorate, I can imagine how much better they could be if they were given a fairer share of resources. When I see school communities which struggle to raise a few dollars to purchase resources that wealthy schools take for granted, I see a widening gap in our education system, and this government seems pleased with that result.

When I look at local health issues, there is one issue that has still not been resolved. As I have told the House before today, back in 1998 in the first weeks of the term of this parliament we had the promise by the Minister for Finance and Administration, the member for Macarthur, that Liverpool Hospital was to receive an MRI scanner. The people of Fowler are still waiting. This was not a never, ever promise but a never, never promise. Just how much longer must we wait for a scanner? Nearly three years ago now, we had the member for Macarthur and the Minister for Health and Aged Care saying that an MRI scanner was on the way for Liverpool Hospital, but we are definitely still waiting. A major teaching hospital still has to send patients to a private scanner, which is not always available, or send patients on a 30-kilometre round trip when a scan is required. Training is important for a teaching hospital, but staff are limited in their training due to the lack of full-time availability of an MRI scanner. We know that part of the reason for the delay was the so-called ‘scan scam’. Everything has been put on hold until the dust settles over that, but how long must we wait for this vital equipment?

Back in December 1998, the Minister for Health and Aged Care issued a press release stating that, subject to supporting documentation, he expected Liverpool Hospital to have an MRI scanner as soon possible. I checked with the New South Wales health minister and was advised that the necessary documentation had been submitted. In answer to my question on notice, the minister replied on 29 August this year that funding for the MRI scanner for Liverpool Hospital would not be approved as the application did not meet the necessary eligibility criteria. The minister said that the application did not meet the necessary criteria. When I contacted the office of the New South Wales health minister, I was told that Liverpool Hospital was at the top, not at the bottom, of the list for an MRI scanner. So if the minister approved a scanner for Liverpool Hospital, who would complain? Certainly not the New South Wales health minister or the Labor opposition, and I certainly would not object. But the minister left the door open. In his answer to my question he informed the House:

I have recently appointed the MRI Monitoring and Evaluation Group. Part of their charter is to revise the original Adjustment and Relocation Scheme in order to provide incentives for eligible MRI units to be relocated to tertiary referral hospitals without one.

The minister went on to say:

The Blandford MRI Review also recommended that up to seven additional units be recognised for eligibility. These are to be located in areas that are comparatively under-serviced and a tendering process will be used to determine these locations.

You would think that being at the top of the list in New South Wales would guarantee an MRI scanner for Liverpool Hospital. But we are still waiting. The minister did give us a glimmer of hope. He concluded his answer by saying ‘Liverpool Hospital may well qualify under one or both of the schemes’.
So here we have a three-year-old promise, and we are still waiting on delivery.

I think I can guess the next stage in this sorry tale. It would not surprise me if we hear an announcement made in the next few weeks. I can just imagine the press release featuring the Liberal Party candidate for the seat of Macarthur, Mr Pat Farmer, announcing that, after his strong representations, the government has decided to allocate an MRI scanner to Liverpool Hospital. It is a funny thing, but we have not heard a peep out of the Liberal candidate for Macarthur about this mess. But I am sure that will not stop him trying to take the credit for getting the scanner. And we have not heard anything from the Liberal candidate for Fowler. In fact, the last time I checked the Liberal Party web site was about five or 10 minutes ago and they did not even have a candidate for Fowler. In the meantime, patients will continue to suffer inconvenience and a great teaching hospital will not be able to achieve its full potential.

Another health issue of special interest to me is that of drug abuse. Over two years ago I asked the minister in this House why the Fowler electorate, which has a high incidence of drug abuse, received only a pittance in funding from the government’s Tough on Drugs policy. All I got was a sarcastic reply from the minister. We have a disgraceful situation where, out of $50 million in funding, south-western Sydney received a mere $75,000. In Cabramatta, counselling and referral services are run off their feet, detox places are limited and there is a wait as long as six weeks for treatment. But all we get is a too smart by half response from the health minister. Drug abuse and related crime are the result of neglect by this government. But no doubt we will see Liberal candidates blaming state governments for these problems. They should instead be asking why south-western Sydney gets short-changed by this government when it comes to dealing with the problems of drug abuse and related crime.

But problems in south-western Sydney, and in the Fowler electorate in particular, are obviously just a tiny blip on this government’s radar screens. This can be clearly seen by the government’s approach to road funding. In the recent Aston by-election, the government was quick to come up with $200 million for the Scoresby freeway. Yet, when it comes to the national highway at its busiest and most congested point, along the Cumberland Highway, the government looks to a private toll road, the Western Sydney orbital, as the solution. It is the only section of the national highway to have a toll. That is how little this government thinks of the people of Fowler; we must pay a toll to use a section of the national highway. We will continue to suffer from congested streets as motorists who are unwilling or unable to pay the toll continue to use local roads, and workers in Fowler will face charges of $50 a week or more just to get to work.

These are just a few of the ways in which the people of Fowler have suffered under this government. Changes to Centrelink have caused hundreds of the least fortunate in our society to miss out on entitlements. The problems are evident when you walk around areas like Liverpool and Cabramatta. Not long ago, homelessness was rare in these areas. Today it is emerging as a major problem. As Centrelink breaches hit more and more people, they drop out of the system. They join the ranks of the homeless. If I had to single out one thing that is different now from 1996, when this government came to office, that would be the most disturbing. But what is this government doing about it? It is doing nothing. It is a mean-spirited government that cares about one thing and one thing only: its own survival. This government will be judged not on what it has done but on what it has failed to do. It deserves to go down in history as a government which locked us into the 20th century rather than leading us into the 21st. (Time expired)

**McEwen Electorate: Community Safety Audits**

**FRAN BAILEY** (McEwen) (5.15 p.m.)—I want to raise an issue today that I have been concerned about for some time because of the number of times constituents have raised with me their concerns about this. Over the past six years, I have taken my mobile office out to the smallest communities and towns in my electorate. I simply set up a
card table and chairs and people come along sometimes to have a chat and sometimes to raise issues that are of concern to them. The one issue that has been constant throughout that entire period is a concern about their safety or their children’s safety. Frequently people will tell me of incidents that have happened in their neighbourhood—for example, where an elderly person living alone has been robbed or brutally attacked and often for only small amounts of money, or where a few young teenagers will travel to Melbourne only to be intimidated by a bunch of thugs on the train, or people’s homes and public property are vandalised. These, of course, are what society describes as ‘petty crimes’, but these are serious and should not simply be written off as pranks or minor misdemeanours.

I have become so concerned about the increasing level of anxiety in my electorate that I have been conducting my own community safety audits across the electorate. The results I have received so far have certainly reinforced my concern. I asked if people had experienced a crime committed against their person or property, including their vehicles. The response so far has been very disturbing because of the number of people who have experienced these crimes. The other disturbing fact is that many of these crimes go unreported to the police. I was therefore very interested to read Andrew Bolt’s story in the Melbourne Herald Sun today entitled ‘Our crime plague’. In his article, Andrew Bolt detailed statistics sourced from the Australian Bureau of Statistics published yearbook Australia and recorded crimes. This book, based on reported and recorded figures, tells a very different story from the one that state police forces release each year which tells us—especially in Victoria—that we live in the safest state and that we have the lowest crime statistics of any state. Andrew Bolt quotes from the ABS source a very different picture, one that shows that over the past three to four decades violent crime has increased by 3,700 per cent; crime against property has increased by 3,000 per cent; the rate of reported rape, sexual assault and drug offences has increased substantially; and the rate of murder has increased to a level over the past decade that exceeds any previous levels in the past 100 years.

How is it that we have all been so accepting of the good news stories fed to us on an annual basis? Is it, as Andrew Bolt suggests, that we have been conned and that unquestioning journalists merely accept the stories they are fed without investigating whether or not they are accurate? Or have we allowed this state of affairs to go unchallenged because we have become so consumed with developing theories about crime or making excuses for the so-called petty crimes against property as merely young people letting off steam? Have we extended our level of tolerance and understanding to levels where the net result is to achieve intolerance and lack of understanding in those to whom we display tolerance?

Perhaps we have had a breakthrough in dealing with this escalating level of crime because, for the first time, we have a Victorian police commissioner, Christine Nixon, who has been prepared to state publicly that the crime statistics that have been hailed as good news are not accurate. The first step in dealing with the problem is to actually admit that the problem exists. The real figures showing continuing increases in crime, against both people and property, are the reason that people like those in my electorate have been expressing their disquiet for several years. No matter how good the headlines were about improved crime statistics, they could look within their own neighbourhood to see that crime was increasing and they had only to watch the TV news to hear of the increasing number of murders and serious assaults. They would not have been surprised by the ABS annual report, which Mr Bolt quoted in his article, where the ABS states: Nationally the number of assault victims recorded by police has increased by 39 per cent between 1995 and 2000.

Add this to the estimation by the Australian Institute of Criminology that only 40 per cent of victims report crimes to the police because they do not believe the police can do anything about it, and the real picture of how crime is becoming endemic in our society starts to become clear.
From the community safety audits that have so far been returned to my office, the majority of respondents in answer to the question, ‘Do you feel as safe living in your community as you did a few years ago?’ have replied that, no, they do not feel as safe, even if they have never been a victim of crime. I congratulate Andrew Bolt for having the courage to challenge the sanitised account of crime statistics that his own paper and most others have accepted over recent years. While his stance is a first step in addressing the problem—by actually revealing the real extent of the problem—it is only a first step. The next step—that is, what do we do about it?—is critical.

I have always been a strong advocate for preventive measures and I have always believed that information and education are the keys not only to enabling individuals to fully develop their potential but also to ensuring a civilised society. Our schools today have been given responsibility for so many areas, ranging from bike education to sex and drug education, that the school curriculum not only has become overcrowded but also has in many ways usurped the responsibility of parents. Like so many of my colleagues travelling home late at night, I see groups of young people, some only in their early teens, hanging about in parks or wandering along the streets. I always wonder why their parents allow this or if their parents know where they are. I have taken part in many activities for young people at risk, including Camp Emmet held at Puckapunyal in my electorate. At each one that I have attended, I have been struck by the commitment of the police who run the camp and the potential of the young people. If only that supervision and support could continue at the completion of the camp.

There is simply not time in this debate today to canvass the reasons for the increase in crime, but I am quite sure that one of the most important solutions is to have an increased police presence. This, I can tell the House, is certainly what my constituents feel is needed. Two towns from my electorate that do not have the level of police presence needed are Wallan and Kinglake. In fact, Kinglake—a growing community—has no police station and it takes at least 40 minutes for police to respond to an urgent call because of the distance they must travel. For many years, the Kinglake community has been trying to get a police station and finally, after numerous public meetings, the then state opposition promised to build a police station. That was two years ago and still not one sod of earth has been turned by the Bracks government. The town of Wallan is the fastest growing area of the Mitchell Shire. Its residents have been strongly making their case for a 24-hour police station, but their calls, backed up by research showing their need for this level of service, have fallen on deaf ears. This decision was made by the state Bracks government, who claim that they listen to people. They certainly have not listened to the people of Wallan. They must, however, listen to the wider community and accept that the level of anxiety and the lack of security felt by so many is actually well founded, as Andrew Bolt has demonstrated in the article that he wrote in this morning’s newspaper.

This increase in crime cannot be tolerated. The people who commit these crimes can no longer be tolerated. We as a society have to say, ‘Enough is enough.’ It is now up to state governments around the nation to change the thin blue line of law enforcement into a well resourced and highly visible force that can send a strong message of reassurance to communities and a strong message to those who break our laws that their behaviour will not be tolerated. We as members of the federal government can continue to provide funding for the Tough on Drugs program and CrimTrac that will enable law enforcement agencies around the country to quickly establish the identity of a criminal through DNA and fingerprinting, using a centralised computer system, but the responsibility for providing a strong police presence in our communities lies with state governments. They must honour their responsibilities.

(Isaacs) Medicare Office

Isaacs Electorate: Medicare Office

Young Australian of the Year Awards

Ms CORCORAN (Isaacs) (5.24 p.m.)—The lack of a conveniently located Medicare office has been an issue in Cranbourne in my
electorate of Isaacs for a number of years. A promise was made during the 1996 election campaign that a Medicare office would be opened in Cranbourne. The then shadow minister for health, Michael Wooldridge, and the then Liberal member for Isaacs went into print promising that, if the coalition were elected in 1996, Cranbourne would get a Medicare office within 12 months. I guess this was one of those non-core promises, as we certainly do not have a Medicare office to this day. The City of Casey is now also on the job, calling for a Medicare office within the municipality. The City of Casey makes the point that it is one of the largest metropolitan councils and covers an area of 400 square kilometres. The current population is 180,000 and, at the moment, about 7,000 people per year move to Casey. We have the largest population of nought to four-year-olds—about 18,000 or 10 per cent of Casey’s population. About 8 per cent of Casey’s population are in the older age group and these people tend to live around the older townships, including Cranbourne.

Casey residents tend to work and use services close to home. This is because of the geographic location of the municipality and the distances between centres. Only 8 per cent of Casey’s employed adults work in the city of Melbourne. Access to services is therefore very important. In Cranbourne, we have a Centrelink office, a community health service and a community information and support service. Many services are also supplied to Cranbourne residents by the Salvation Army, St Vincent de Paul and other church based groups, but we do not have access to a Medicare service. Presently, people living in and around Cranbourne have to travel to Frankston or Dandenong to visit a Medicare office. Neither of these places is convenient or easy to access from Cranbourne or from nearby towns. Offices are also located in Cheltenham, Mornington and Warragul.

The lack of a face-to-face service is becoming more and more of an issue. Medicare claims can be made by post or through a fax system located in many pharmacies these days, and this is useful. The fax service is good and probably quite efficient, if your claim is straightforward and if you know what you are doing. It allows Medicare to start processing your claim once the fax has been received, without waiting for the originals of the paperwork. The paperwork is still required, of course, and is posted by the pharmacist after the fax has been sent. The refund is eventually credited to your bank account, but this can take some weeks. I am not trying to take away from the value of this fax service, but it is essentially only a faster version of the written and posted claim system. It takes the place of the postie; it does not take the place of a claims office.

A Medicare office provides a face-to-face service. It allows people to discuss their claims, to ask about their entitlements and to ask about how to claim. It is useful for those who are unsure of, or not confident about, claiming in writing or for those who are unsure of their particular claim. The other big advantage is that claims can be processed on the spot and money can be refunded on the spot. This is very valuable to the many people who cannot afford to wait the couple of weeks it takes to process a claim through the mail or fax system. Many people are not in a financial position that enables them to pay a doctor’s bill and wait for the refund. They have other bills to pay and food to buy. The situation is becoming more and more urgent as more and more doctors are now moving away from bulk-billing. The young families of Cranbourne and surrounding areas need easy access to a Medicare claims office to ensure that they have access to the health care they need and are entitled to.

I am also keen to explore the option of a model which is part way between a full blown claims office and the fax machine in the local pharmacy. There is an argument for a Medicare agency system. This would involve trained Medicare officers being placed in suitable places throughout the community to provide the face-to-face service for the commonly asked questions and for the cash refunds. I am interested in this option as an alternative to the full blown office as it would meet the two most pressing needs not being met under the existing arrangements: the need for a face-to-face service for those who need to discuss their claim or who can-
not use the mail or fax system, and the need for on the spot cash refunds.

Recently, I received a letter in the mail from the Minister for Regional Services, Territories and Local Government, Senator Macdonald, advising me that the Young Australian of the Year Awards program for 2001-02 was under way. This is good stuff; it is a pity about the timing. The applications were due on the Friday before I received the letter. Further examination revealed that Senator Macdonald’s letter is not dated. Then I discovered that other Labor MPs and senators are in the same boat. We just did not get this information until after the closing date. The Young Australian of the Year Awards are a good opportunity to honour the young people who have been working tirelessly in our communities. It is a good opportunity for the Australian community to say thank you to our young people and to recognise their efforts and contributions. The delay in Labor MPs getting the material means that we have missed out on nominating young Australians for these awards. It means that we have not had the opportunity to notify relevant organisations in our electorates of the awards. I understand that the material was sent by the organisers to the minister in early August, but I and other Labor MPs and senators did not get the information, which was accompanied by an undated letter, until well into September, after the closing date for applications. This is not acceptable and one has to ask why this happened.

Access and equity are important elements in a good democracy, and the proper operation of a program is important. It gives people confidence about decisions of government, both the elected representatives and the non-elected officers. It can hardly be claimed that constituents in Labor electorates have had either access or equity to participate in such initiatives as the Young Australian of the Year Awards when the local MP is not informed of the award until after the closing date.

I have another similar but different issue. Recently, applications have been called for grants under the International Year of Volunteers equipment grants program. This is an excellent opportunity for community organisations to access funds to buy equipment that would help their volunteers in their work. The information about this grants program was received in my office only four weeks before the closing date for applications. The closing date is today, 24 September. The information was received in the week beginning 27 August, with a press release dated 28 August.

This timing shows that this government does not understand how community groups work. The typical community group has very good consultative processes in place, and these processes are an essential part of what makes these groups work. The process usually hinges on monthly committee meetings. The dissemination of this information from an MP’s office would take a day or two, and this leaves the community organisation with fewer than four weeks to deal with the matter. This sort of information would normally go to the committee for discussion and a decision on what was the most pressing and appropriate piece of equipment to apply for, especially so under this system as this grant is a bit out of the ordinary. The lack of time allowed for this grant means that the normal consultative processes have to be abandoned if the application is to proceed.

This is not a good practice for any group. It also means that the people concerned have to abandon their priorities and prepare a rushed application. It means that the application will not be as well thought through as could be expected under different circumstances. It means that the application may not be as well presented as the group would like, again because of the rushed circumstances. This is another example of communities or organisations being denied adequate access to information and access to an opportunity to apply for funds to assist the many volunteers we are so keen to support and to recognise in this the International Year of Volunteers.

The final point I would like to raise today is the collapse of Ansett and the effect that has had on a small part of my electorate. We have talked about it for days. We have talked about the loss of jobs and how appalling all of this is. How many travellers will be out of pocket now as their tickets are worthless?
One group of unhappy would-be travellers is the Chelsea Football Club. Members of the Chelsea footy club have worked hard throughout the year to raise funds for a club trip at the end of the season. I have been told that the members of the club raised and spent around $7,500 on airline tickets with Ansett and on accommodation, all of which is now lost. This is one example of the ramifications of this airline’s collapse which are about to unfold.

The downfall of Ansett Airlines has major implications for other sporting bodies too—for all of Australian sport, not just the Chelsea footy club. Many Australian sporting organisations rely heavily on Ansett for support and sponsorship, and one wonders whether Qantas is going to be prepared to pick it up, or why they would. This is a most serious issue confronting sport in Australia, and it demands action from the minister responsible. Some examples of where Ansett Airlines have supported sport include the AFL, and there is now talk of scrapping the pre-season competition; cricket, where Ansett has been the sponsor of the summer test series; basketball, and now the national championships in Bendigo have been cancelled; and hockey, and the junior world cup in Hobart, due to start in October, is now under threat.

But it is not just the big sports and the big competitions that are being affected. I have already talked about the Chelsea footy club. It is indicative of the many thousands of small sporting clubs that now have to reassess their situations. We have talked about the ripple effect on jobs of the Ansett crash. This has an effect on sports too. Jobs will be lost in sports, and teams and competitions are under threat. The full effect of this on the grassroots sports clubs is yet to be seen, but it will certainly have an effect, and this is a pity. It is these clubs that provide sporting opportunities and recreation to so many people, not just to participants on the field but also to the support volunteers. These clubs keep sport alive and feed into the bigger teams and competitions. These clubs have been hit by the GST and now by the Ansett collapse. (Time expired)

Hindmarsh Electorate: Pollution

Mrs Gallus (Hindmarsh—Parliamentary Secretary to the Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (5.34 p.m.)—I want to grieve today about the proximity of factories to residential areas in my electorate of Hindmarsh—in fact anywhere that this occurs, but particularly in my electorate of Hindmarsh. It is not the fault of the factories nor of the residents that they have each other in such close proximity; it is the fault of past planning which has let factories and businesses that use toxic substances be built next door to where people live. As an example, when Mr Stevenson bought his house in Underdale, there were no businesses there. In fact it was a totally residential area, and the only thing he could see from his door was wide open paddocks. He thought this was a really good place to build a house and raise his family. He did not expect that the state and council planners would give approval for factories to move in opposite where he lives. He moved there in the 1930s, and now his house is amidst industry and his outlook and quality of life are spoilt.

That is an individual who made a good decision, and planning undid it for him. In my electorate of Hindmarsh, we have Hensley Industries in Torrensville, and Castalloy in the suburb of Plympton. But, before I get to those factories, let me go back in time to 1990. In 1990, when I became a member in this House, there was a spill of a compound containing cyanide from one of the workshops in Edwardstown that had not been correctly bunded. When the workers came to work in the morning and found it on the floor, oozing out of drums, they hosed it into the gutters. As anybody who has done elementary chemistry would know, had anybody else been hosing into gutters a mild acidic solution at the same time, they could have gassed half the residents of Edwardstown.

Following that revelation, I walked around the industrial area in Edwardstown and found that there were a number of unbunded chemicals in workshops, and large drums of toxic chemicals in some of the yards. I made
contact with the inspectors of the Department of Labour and Industry—who were very short on the ground—and they assured me that they had exactly the same concerns which were not being dealt with by the then Labor government. I was concerned for the health not only of the residents but of Sturt Creek, which flows through that area and into which all the stormwater goes—and from Sturt Creek into the Patawalonga and out to the ocean.

I took water samples from Sturt Creek and I arranged a meeting of residents in my office. From that, we formed an action group called the EMPRAG: Edwardstown-Melrose Park Residents Action Group. I salute the work of both Chris Sibly and Janet Hillgrove with that group. The group is still going and is still proactive. The situation in Edwardstown has improved markedly, and the Marion council has now done an enormous amount of work to alleviate the problem that has arisen because the residential area is right next to the industrial area—and so too, I might say, has the Liberal state government since coming into government. However, it is important that we do not say that we have done enough. We have to be proactive; we have to continue to reduce the impact of factories on nearby residents in Edwardstown, Ascot Park and Melrose Park.

In the northern end of my electorate I have specific problems with the two foundries I mentioned before, Hensley Industries and Castalloy. Foundries worldwide create more HAPs, hazardous air pollutants, than any other industry. The pollution that comes out of foundries can affect the quality of life of residents and also their health. When I was doorknocking recently in Allenby Gardens, I was struck by the smell that was coming across the river from Hensley Industries. I commented to the person with whom I was doorknocking, and she said that it made her feel sick. However, when we knocked on the door of one of the householders and talked to a woman about the smell, she said, ‘Oh, it’s not very bad today.’ It made us feel sick but, to her, it was not very bad, because she was used to it being much worse. Other residents I talked to in this housing development would not have barbecues in their gardens because of the smell. One woman told me that every night, when the wind came from a certain direction, she put towels under the doors and closed all the windows—otherwise they would not be able to sleep. We have no scientific evidence of the effect of Hensley Industries on the health of residents, but both the residents and I are concerned enough to be determined to see Hensley Industries moved to a different location—hopefully, to Foundry Park.

In Plympton the management of Castalloy has been culpably indifferent to the health of residents. Despite concerns for years and years about the health of nearby residents, Castalloy has stubbornly refused to install carbon filters on any of its stacks. Recently, a local businessman told me that he mentioned this to Castalloy, referring to the very cheap carbon filters that are available for the individual stacks, and was told by the management, ‘Well, sooner or later we might have to put something in but we are not about to do it now.’ I have smelt the pollution from Castalloy, and it has made me sick. I have met with residents in their sitting rooms and heard about the asthma they suffer from, their headaches and their nausea. But, even more telling, I have been approached by residents whom I met in Plympton who came back to me after they left the area and said ‘Chris, once I left, my health improved; I was so much better; the sickness went, the headaches went and the coughing went.’ That to me has been one of the most pertinent and moving stories: these people actually bothered to come back, because they were so concerned, to tell me that their health had improved since they had left the area.

In this climate I was particularly concerned by reports that Castalloy were to be subsidised by the state government to remain in Plympton rather than go to Victoria. Of course, we want to keep the 550 existing jobs and the 220 new jobs in South Australia; nobody wants anything different. But we have to put the health of the residents first. We have no indication really of what Castalloy intend to do with the subsidy that they will get from the state government, or what they are going to do with the considerable
injection of funds from Holden. But I think it is imperative that those funds go to eliminating the pollution that is coming out of that foundry. I will not stop attacking Castalloy until my residents tell me that they are no longer kept awake, no longer made sick and no longer afraid of opening their doors because of the stench from that factory. Similarly, I will not cease from attacking Hensley until they address the problems they currently have. Perhaps the factory is too old to upgrade its present equipment to a standard that I think would be acceptable. If so, it is incumbent on it to move.

In relation to Hensley, I would point out in their favour that Hensley Industries warned the then Labor state government of what would happen if it opened a development in Allenby Gardens and Flinders Park. They said, ‘Do not allow this development, because the residents will be affected by pollution from this factory that is just across the river.’ In spite of that warning, the Labor state government went ahead with the development, and we now have the result of that: residents feeling sick, being affected by the smells and worrying about their health. Neither I nor the residents near Hensley or Castalloy will cease in our endeavours to have both these factories stop polluting the air, and we demand that they ensure a healthy environment for all the residents.

**Bass Electorate: Future Directions**

**Telstra: Sale**

Ms O’BYRNE (Bass) (5.44 p.m.)—I rise today to speak about the future of the electorate I have the privilege to represent. There are five areas that I see as critical issues for Bass that I wish to touch upon today. They are aged care, employment, health, education and majority public ownership of Telstra. Tasmania has a reputation for providing high quality aged care. I have visited local providers who work at the top end of the aged care industry and offer the very best of care. These facilities are under enormous pressure to continue to provide the level of care that they want to under this government’s chronic underfunding of the industry.

I met this year with an aged care interest group in my electorate, which was very concerned about a number of issues in the Tasmanian aged care industry. The overriding concern was that aged care providers are being squeezed—they are trying to do more with less, under enormous pressure and increasing paperwork. Some of the specific problems brought up were heavy workloads, wage parity, staff shortages and an overload of paperwork. Aged and Community Services Tasmania has estimated, that by streamlining the paperwork associated with the resident classification system, the industry could save $4.88 million.

Labor’s five-point plan for aged care will benefit the people of Bass enormously. The national benchmark of care will give Tasmanian families and aged care operators security in the knowledge that we have identified exactly the level of care the community expects and that we will fund the services to provide that care. Minimum staffing guidelines will ensure that there is an adequate number of qualified staff on every shift so that staff are able to provide the level of care that is needed. This will not be an arbitrary guideline without funding to support it. Labor will not see aged care facilities further squeezed.

Tasmanian families will feel reassured by there being more surprise inspections. They will be able to be confident that their elderly relative is getting the very best of care at all times. An aged care ombudsman will ensure that residents in Tasmanian aged care facilities and their relatives have access to a fully independent mechanism for protecting their rights and investigating their concerns. Finally, tougher penalties for substandard homes will address some of the unscrupulous operators that exist in the rest of the country. The actions of below standard providers undermine the excellent work performed by aged care providers in Tasmania. Under a Beazley government, aged care will get the support it so desperately needs and will be recognised for the vital role it plays in the community of Bass.

Another issue critical to the lives of the people of Bass is employment. It is critical that we address the levels of unemployment in our region. To do this, we need to concentrate on attracting and supporting new and
emerging industries. One example of this is the excellent opportunity that is afforded with the coming on line of gas, hopefully in 2002. Properly utilised and supported, this could be a very valuable opportunity to secure long-term employment for Bass not only in the implementation phase but in the industries that could spin off it.

The recent collapse of Ansett has had a devastating impact on our community. Launceston had nearly 500 people employed by either Ansett, Kendell or other companies. This loss of employment just cannot be borne in a small community like Launceston’s. It is the government’s job to ensure that this sort of devastation does not occur. The Howard government’s handling of this crisis has been appalling. The loss of these jobs could have been avoided if the government had responded to the many calls for help it received prior to the collapse. The government must fulfill its obligations to the people of Bass by offering and safeguarding entitlements of former staff, ensuring the adequate provision of passenger and freight air services to Tasmania and providing a structural adjustment package to ensure that there are employment opportunities in Launceston in the future.

Health, and in particular our public hospital system, is one of the most frequent issues raised within my electorate. The Prime Minister believes he has done enough in health care. In question time today, I think the words he used were that he had ‘well and truly discharged his responsibilities’. This shows just how out of touch he is. He does not realise that people are concerned about waiting lists, long waits in hospital casualty clinics and not being able to get the help they need when they need it.

People are concerned about the chronic underfunding of our public health system. The Prime Minister has walked away from Tasmanians needs in health care. In the last health care agreement, Tasmania was dunded by over $13 million. This is the real impact of the states and Commonwealth not cooperating. Labor will put an end to this useless bickering and will address the problems in our health system by restoring Medicare as the universal health system providing for all Australians. Labor will introduce its Medicare alliance, which will bring about a major change in health funding. By combining the state and federal funds in a state based Medicare joint account, Labor will make health funding flexible enough to meet patients needs. Very importantly, both levels of government will commit to 10 years of real growth in funding. This is the only way we can arrest the decline in our health system and build it into one that we can be proud of. We have the potential to have a world leading health care system but, instead, we have a situation where families are frightened into feeling that, if they do not have private health insurance, they will not be able to get proper medical attention they need.

The Prime Minister has undermined Medicare at every opportunity. He is leading us down the road to a US style health care system where, if you do not have cover, you do not get treatment. His treatment of our health care system is a prime example of his obsession with privatisation. Well, Prime Minister, Australians—and certainly Tasmanians—do not want to go down that road. Australians rely on Medicare for its universality and its accessibility; however, that confidence has slowly been eroded by the Liberal government. The people of Bass need to know that, when they go to the LGH or the NESM, they will receive appropriate treatment by staff who have the resources they need to perform their jobs well. The biggest beneficiaries of these measures will be: older people in hospital who either need to go home or into a care facility; people who want to remain in their own community, which can be achieved by giving small regional hospitals the means to provide a greater range of services; people needing to see a GP or go to an emergency clinic; and people who need medicines and care after they leave hospital. The injection of funds into the public system will be very helpful in taking pressure off busy hospitals.

Another measure that will assist my constituents greatly is the Medicare after-hours service. This service will mean one very important thing to the people of Bass: security. I know what it is like to be up at night with a sick child and to not know what to do. Medi-
care after-hours service will be a 24-hour phone line to give qualified advice to people who need medical help out of hours. It will be staffed by qualified nurses who have direct access to doctors.

We need a strong and well supported public education system. Public schools educate over 70 per cent of Australia’s children. To have a thriving education system, we must have appropriate resources. The Minister for Education, Training and Youth Affairs plans to undermine our public system to such a degree that parents feel forced to put their children into private schools. This will not be tolerated in Bass. In Tasmania, we do not even have any of the category 1 schools that the government is so interested in helping.

If we are to provide opportunities for everyone in our society, we must start at the school level. Decades of studies have shown that children of poorer families get lower educational results. That is why Labor’s education priority zones will be of such benefit to the people of Bass. Priority zones will target the communities of Bass who are most disadvantaged and will put extra resources into those school communities. The communities, in consultation with the Commonwealth, will decide which actions help their communities to improve school opportunities for their children. The children who live in the disadvantaged areas will benefit from such specific measures as increased tutoring, community mentoring, additional teacher professional development or any other measure that it is agreed will improve their local community educational outcomes. The government agenda to undermine the public system and frighten parents into believing that they have no choice but to pay for private education will not work in Bass. We have a system staffed with excellent and professional teachers who are struggling under the pressure placed upon them by elitist policies that favour the wealthy of our community.

Finally, I believe that the Labor Party’s commitment to keeping Telstra in majority public ownership is an extremely significant commitment to the people of Bass. I signed the Telstra pledge this year, with the member for Batman, which gives a public commitment to my constituents that we will not sell one more share of Telstra. What this means to my electorate is that jobs and services in Bass are safe. Support for this move in Bass has been overwhelming. It really means something to people that the Labor Party has made such a solid commitment to them. We know that a fully privatised Telstra will mean a focus on profit rather than on service. We know it will mean job losses and reduced services. We know this because we have already seen it with partial privatisation.

The people of Bass are not fooled by the tricky promise that the government will not sell the rest of Telstra until services are adequate. That is a loophole big enough to drive a truck through! Is it adequate that the people in the rural areas of Bass wait weeks to have their phones repaired and connected? Is it adequate that dangerous faults identified by Telstra technicians have waited over a year for repair? Is it adequate that rural and regional residents receive second-class service?

Since 1996, over 400 Telstra jobs have been lost in Tasmania, and more plans to slash jobs in regional areas have been recently revealed. That is 400 families who are left to try and struggle on where once they would have had a safe and guaranteed job to build their lives upon. By making this public commitment to majority public ownership of Telstra, we are saying to the people of Bass, ‘We will make sure your services and jobs are safe.’ This plan for Bass is another pledge that I am making. It is a pledge to the people of my electorate. It says publicly that these five areas are what I see as a priority for improving the lives of the people who live in Bass.

People tell me that what is important to them is their family. They want to have a job, they want to be able to keep their family healthy and looked after and they want to make sure their kids get the best chance possible in life. This is about providing a decent standard of living, and I know that, working in conjunction with a Labor government, we can achieve this.

In the time that I have available to me, I want to touch on an event that occurred in Launceston on Friday night. This was a...
function for the nearly 500 Ansett and Kendell staff who have lost their jobs. The Launceston Federal Country Club Casino hosted a function for free and they paid for a band called In Vertigo to come down to Tasmania. The local brewery, Boags, donated its product and any non-Ansett or non-Kendell person who arrived paid $25 into a fund that is being kept for Ansett staff. That is a symbol of the sort of community we have—people who are prepared to come together to help those people. One of our local childcare centres is also waiving fees for people who have children at that centre and who worked at the Ansett call centre. The reason that Launceston will get through this is not, unfortunately, because the federal government is doing the right thing but because we as a community will do the right thing by the people of Ansett.

Education: Schools Funding

Mr NEVILLE (Hinkler) (5.54 p.m.)—I rise to speak on an issue that concerns every Australian. Education is no longer a privilege but a right and a duty. It is the right of all children to receive a good standard of education and it is the duty of government to ensure that public funds are administered fairly and equitably in the delivery of education to all. That should apply to government and non-government schools alike. I have no favouritism for either system as my children have attended both systems, but I am all about choice.

I fight as hard for state school grants as I do for private school grants in my electorate. Tannum Sands State High School in my electorate received $3.6 million over the last two years, which far exceeds anything received in the private system. There is no doubt in my mind when I attend speech nights at state schools like North Bundaberg State High School and Gladstone State High School that the education that students are receiving there is as good as anything in Queensland.

All taxpayers, when they educate their children, have a right to expect that the government will take some responsibility for Australia’s future by contributing in some way to that vital education. My grievance is with those who seek to prosper from the politics of division, fear and negativity. My grievance is with the education union leaders—the financial and political benefactors and bedfellows of the ALP—and their morally bankrupt war on choice in education. These people purport to represent the state run education sector, yet they are spreading venomous ignorance and, what is more, they are using innocent schoolchildren to wage this disgraceful guerrilla warfare.

In my electorate, the QTU sent home one-sided inflammatory propaganda to parents and I am still waiting for my request to the state education minister for a right of reply with the facts. It seems to be the modus operandi of the union movement that they seek to gag debate, because their views do not hold water in a true democracy. The local QTU spokesman in Bundaberg, Greg Purches—also the Labor Party’s campaign manager for the seat of Hinkler—has waged a one-man letter-writing campaign to the local paper, claiming that somehow state school students are not receiving equitable funding.

Well, according to every truly impartial observer, they are. Writing in the Courier-Mail on August 25, Wayne Smith says:

It is total nonsense to suggest that government funding is skewed in favour of private schools. The opposite is in fact the case.

In their campaign, the union and the Labor Party are relying on age-old stereotypes to try to drive a wedge deep into the heart of our communities. But the funny thing is that people are voting with their feet in many parts of the country where there is choice in education. A staggering statistic from the Centre for Independent Studies, which seems to confirm that, reveals that 30 per cent of private school students come from families with incomes of less than $41,600 a year.

Take Gladstone in my electorate as an example. Many of the parents who find themselves part of a dynamic industrialised economy are able to take control of their children’s education and they opt to send them to schools like St Stephen’s College. This is a small Anglican school of 122 students, ably led by Peter Fowler, which has become the
victim of this absurd, irrational, low-brow pogrom against private school students. St Stephen’s will be denied the October installment of $15,250 from its establishment grant if the Labor Party does not change its position on legislation before the Senate. These are not rich kids; these are not rich parents. St Stephen’s is an interesting case in point because it is a new school. When you see how transparent the QTU’s arguments in all of this debate are, you have to ask yourself why it is so worried. Is it because in the past four years 8,000 Queensland students have swapped from the government to the non-government sector and that this may affect the union’s own membership base? I think the reason for this shift is that people are exercising choice.

In another Courier-Mail article on 5 August titled ‘A Matter of Class’, Steve Paul, headmaster at Brisbane’s John Paul College, is quoted as saying that he believes independent schools hold:

“... far higher congruence between the values of the family and the values of the school.”

“The values of the independent school are very public and very clearly enunciated,” Mr Paul says, “so if parents have a problem with those values, they clearly don’t send their kids to the school.”

It is a good point, isn’t it? Surely this is the ultimate choice and the ultimate sanction all rolled into one.

The Australian Association of Christian Schools has written to me and other members with some very interesting research that should further consign the QTU campaign to the grave of ideological pedantry. The AACS says that school education is primarily a state responsibility because state governments register and accredit schools and teachers and define the curriculum. In fact, under this system, states provide the majority of school funding—that is, 92 per cent to state schools—and the federal government takes responsibility for providing a much lower level of funding to non-government schools—that is, 37 per cent, to be precise. This system, or variants of it, has been in vogue since 1973, and elements even earlier than that.

It is interesting to note that the government that laid the foundations in 1973 for this type of break-up of government and non-government funding was in fact the Whitlam Labor government. It is strange to see the QTU railing against it. It is funny also to see the union and the present wishy-washy ALP leadership railing against it in its present re-defined form. Despite this historical basis for the funding regime, the teachers unions have a fundamental commitment to remove all public funding from every non-government school—I cite as my source the New South Wales equivalent of the QTU. They will move against the Catholic parish schools, the Christian schools and the indigenous community schools.

The AACS says that the measure of the average government school resource cost last year was $6,000 per student; that is the benchmark for measuring costs of government schooling, including salaries and resources. This equates to $30 a day, or $150 per student per week. At the end of the funding cycle in 2004, Bundaberg State High School in my electorate will be receiving $8,172 per student, or $40.86 per student per day. By contrast, the Bundaberg Christian College, which draws students predominantly from families of modest means, will get close to the maximum payment for non-government schools of $5,108 per student, or $25.54 per day. To put that further into perspective, let us look at the beloved whipping boy of the unions and the ALP, Wesley College, which at the end of the same period will be getting $2,346 per student, or $11.73 per day. They talk about this school getting massive funding increases, but when you put it into perspective on a per capita basis those arguments look as shallow as the people espousing them. This school has three campuses and upwards of 3,500 students. No wonder their gross amount is high, but their per capita funding is considerably lower than the ALP would have us believe.

State school students in my electorate will be $10.86 ahead of the benchmark, while parents at the Bundaberg Christian College will have to find an extra $15.42 per student per day to be able to fund their kids to the same level. By contributing to their kids’
education, parents not only exercise control over the environment in which their children learn and the values and educational policies used but also save the taxpayer an incredible $2.4 billion per year, according to the AACS. If you put that into perspective, it means precisely this: if those children were attending state schools or government schools, or whatever you like to call them, the taxpayer of this country would be looking at another $2½ billion a year.

You cannot get away from it, whether the ALP like it or not. This is a figure that the QTU never puts out on the table. The parents of kids who send their children to private schools get 18 per cent of their funding from the state government and 37 per cent from the federal government but, more to the point, they pay 45 per cent themselves. So, far from demonising these people, I think it is high time that the teachers unions and the ALP applauded them. At the end of the day, it comes down to choice, and in a democracy as fiercely protected as ours that should be beyond issue.

(Time expired)

Question resolved in the affirmative.

ASSENT TO BILLS

Messages from the Governor-General reported informing the House of assent to the following bills:

- Financial Sector (Collection of Data) Bill 2001
- Migration Legislation Amendment (Immigration Detainees) Bill (No. 2) 2001
- Corporations (Compensation Arrangements Levies) Bill 2001
- Corporations (Fees) Amendment Bill 2001
- Corporations (National Guarantee Fund Levies) Amendment Bill 2001
- Finance and Administration Legislation Amendment (Application of Criminal Code) Bill 2001
- States Grants (Primary and Secondary Education Assistance) Amendment Bill 2001
- Health and Aged Care Legislation Amendment (Application of Criminal Code) Bill 2001
- Reconciliation and Aboriginal and Torres Strait Islander Affairs Legislation Amendment (Application of Criminal Code) Bill 2001
- Wool International Amendment Bill 2001
- Family Law Legislation Amendment (Superannuation) (Consequential Provisions) Bill 2001
- Agriculture, Fisheries and Forestry Legislation Amendment (Application of Criminal Code) Bill 2001
- Innovation and Education Legislation Amendment Bill (No. 2) 2001
- Treasury Legislation Amendment (Application of Criminal Code) Bill (No. 3) 2001
- General Insurance Reform Bill 2001

TREASURY LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL (NO. 2) 2001

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration forthwith.

Senate’s amendments—

1. Clause 2, page 2 (after line 3), at the end of the clause, add:

(3) Items 2 and 3 of Schedule 5 commence immediately after the commencement of item 1 of Schedule 1 to the Financial Services Reform Act 2001.

2. Page 68 (after line 10), at the end of the bill, add:

Schedule 5—Amendment of other legislation

Australian Securities and Investments Commission Act 2001

1 At the end of Division 3 of Part 1

Add:

4AA Criminal Code does not apply

Chapter 2 of the Criminal Code does not apply to any offences against this Act.

2 Section 4AA

Repeal the section.

Corporations Act 2001

3 Section 769A

Repeal the section, substitute:

769A Part 2.5 of Criminal Code does not apply

Despite section 1308A, Part 2.5 of the Criminal Code does not apply to any offences based on the provisions of this Chapter.

Note: For the purposes of offences based on provisions of this Chapter, corporate criminal responsibility is dealt with by
section 769B, rather than by Part 2.5 of the Criminal Code.

4 At the end of Part 7.14
Add:

1119A Criminal Code does not apply
Despite section 1308A, Chapter 2 of the Criminal Code does not apply to any offences based on provisions of this Chapter.

5 At the end of Part 8.8
Add:

1273A Criminal Code does not apply
Despite section 1308A, Chapter 2 of the Criminal Code does not apply to any offences based on provisions of this Chapter.

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (6.05 p.m.)—I move:

That the amendments be agreed to.

The Treasury Legislation Amendment (Application of Criminal Code) Bill (No. 2) 2001 makes consequential amendments to certain offence provisions in the legislation administered by the Treasurer to reflect the application of the Criminal Code Act 1995 to existing offence provisions from 15 December 2001. The amendments to this bill moved by the government in the Senate relate to the interaction between the Criminal Code and the proposed Financial Services Reform Act. The amendments ensure that the Criminal Code does not apply to offences against certain provisions that are being repealed or amended by the proposed Financial Services Reform Act and that are not compliant with the Criminal Code. The bill does not change the criminal law, rather it ensures that the current law is maintained following the application of the Criminal Code to Commonwealth legislation. I commend the bill to the House.

Mr KELVIN THOMSON (Wills) (6.06 p.m.)—I indicate that the opposition supports the amendments to the Treasury Legislation Amendment (Application of Criminal Code) Bill (No. 2) 2001 which the government moved in the Senate. I have had the opportunity to have a detailed briefing on this matter, and I understand, as the minister has outlined, that these are essentially temporary or transitional arrangements based on the fact that the date of the implementation of the Financial Services Reform Act has been shifted out from 1 October this year until 11 March next year.

I think the government was rather anxious that any compliance issues that might arise from the Financial Services Reform Bill not come during the October period and that they be pushed out into a post-election environment from March next year. Given that that will occur, it does seem to us appropriate that provisions in this bill are amended accordingly to reflect that change of date and that we do not get into a situation where one piece of legislation is producing certain outcomes and the Financial Services Reform Act is producing different outcomes. Against that background, the opposition supports the amendments which the government has moved.

Question resolved in the affirmative.

INTERACTIVE GAMBLING AMENDMENT BILL 2001
First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.
Monday, 24 September 2001

SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2000

Consideration of Senate Message
Consideration resumed from 30 August.

Senate’s amendments—

2. Schedule 2, page 30 (before line 4), before “item 26”, insert:

25A Subsection 4(1) (definition of approved program provider)
Repeal the definition, substitute:

approved program provider means a person or body approved under section 34F or 34H as a rehabilitation program provider and includes a person or body so approved whose approval is renewed under section 34L.

3. Schedule 2, page 39 (before line 26), before “item 26”, insert:

27A Subsection 37(2)
Repeal the subsection, substitute:

(2) A rehabilitation authority must not make arrangements for the provision of a rehabilitation program to its employees other than by an approved program provider.

6. Schedule 2, item 37, page 43 (line 3), omit “Secretary of a Department,”, substitute “principal officer of an Entity:”.
7. Schedule 2, item 37, page 43 (line 8), omit “Department”, substitute “Entity”.
8. Schedule 2, item 49, page 46 (line 23), omit “eligible entity”, substitute “eligible applicant”.
9. Schedule 2, item 49, page 48 (line 9), omit “entity”, substitute “applicant”.
10. Schedule 2, item 49, page 48 (line 11), before “applicant”, insert “eligible”.
11. Schedule 2, item 49, page 48 (line 17), before “applicant”, insert “eligible”.
12. Schedule 2, item 49, page 48 (line 20), before “applicant”, insert “eligible”.
13. Schedule 2, item 49, page 48 (line 26), before “applicant”, insert “eligible”.
14. Schedule 2, item 49, page 49 (line 7), omit “entity”, substitute “applicant”.
15. Schedule 2, item 49, page 49 (line 9), omit “entity”, substitute “applicant”.
16. Schedule 2, item 53, page 61 (line 17), omit “10%”, substitute “5%”.
17. Schedule 2, item 58, page 63 (line 17), omit “a Department”, substitute “an Entity”.
18. Schedule 2, item 58, page 63 (line 21), omit “Department”, substitute “Entity”.
19. Schedule 2, item 59, page 63 (line 29), omit “a Department”, substitute “an Entity”.
20. Schedule 2, item 59, page 63 (lines 30 and 31), omit “or 1 July 2000”, substitute “, 1 July 2000 or 1 July 2001”.
21. Schedule 2, item 59, page 63 (line 33), omit “Department”, substitute “Entity”.
22. Schedule 2, item 69, page 69 (line 27), omit “Departments”, substitute “Entities”.
24. Schedule 2, item 69, page 69 (line 31), omit “Departments”, substitute “Entities”.
25. Schedule 2, item 69, page 69 (lines 32 and 33), omit all words from and including “either” to and including “2000”, substitute “one or more of the financial years starting on 1 July 1999, 1 July 2000 or 1 July 2001”.
27. Schedule 2, item 69, page 70 (line 4), omit “Departments”, substitute “Entities”.
28. Schedule 2, item 69, page 70 (line 6), omit “Departments”, substitute “Entities”.
29. Schedule 2, item 69, page 70 (line 15), omit “Departments”, substitute “Entities”.
31. Schedule 2, item 72, page 71 (line 18), omit “2001”, substitute “2002”.
32. Schedule 2, item 72, page 71 (line 21), omit “a Department”, substitute “an Entity”.
33. Schedule 2, item 72, page 71 (line 27), omit “2001”, substitute “2002”.
34. Schedule 2, item 72, page 72 (line 21), omit “2001”, substitute “2002”.
35. Schedule 2, item 72, page 72 (line 29), omit “2001”, substitute “2002”.
36. Schedule 2, item 72, page 72 (line 35), omit “2001”, substitute “2002”. 

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(37) Schedule 2, item 72, page 73 (line 10), omit “Departments”, substitute “Entities”.
(38) Schedule 2, item 72, page 73 (line 12), omit “2001”, substitute “2002”.
(39) Schedule 2, item 72, page 73 (line 13), omit “Departments”, substitute “Entities”.
(40) Schedule 2, item 72, page 73 (lines 14 and 15), omit all words from and including “either” to and including “2000”, substitute “one or more of the financial years starting on 1 July 1999, 1 July 2000 or 1 July 2001”.
(41) Schedule 2, item 73, page 73 (line 21), omit “2001”, substitute “2002”.
(42) Schedule 2, item 73, page 73 (line 23), omit “2001”, substitute “2002”.
(43) Schedule 2, item 73, page 73 (line 27), omit “2001”, substitute “2002”.
(44) Schedule 2, item 75, page 74 (line 12), omit “Department”, substitute “Entity”.
(45) Schedule 2, item 75, page 74 (line 14), omit “2001”, substitute “2002”.
(46) Schedule 2, item 75, page 74 (lines 16 and 17), omit “a Department”, substitute “an Entity”.
(47) Schedule 2, item 75, page 74 (line 22), omit “Department”, substitute “Entity”.
(48) Schedule 2, item 75, page 74 (line 26), omit “a Department”, substitute “an Entity”.
(49) Schedule 2, item 75, page 74 (lines 29 and 30), omit “Department of”, substitute “Entity or”.
(50) Schedule 2, item 75, page 75 (line 2), omit “Department”, substitute “Entity”.
(51) Schedule 2, item 75, page 75 (line 6), omit “a Department”, substitute “an Entity”.
(52) Schedule 2, item 75, page 75 (line 9), omit “Department”, substitute “Entity”.
(53) Schedule 2, item 75, page 75 (line 12), omit “Department”, substitute “Entity”.
(54) Schedule 2, item 75, page 75 (line 16), omit “a Department”, substitute “an Entity”.
(55) Schedule 2, item 75, page 75 (line 18), omit “Department”, substitute “Entity”.
(56) Schedule 2, item 75, page 75 (lines 20 and 21), omit “a Department”, substitute “an Entity”.
(57) Schedule 2, item 75, page 75 (line 25), omit “a Department”, substitute “an Entity”.
(58) Schedule 2, item 75, page 75 (line 32), omit “a Department”, substitute “an Entity”.
(59) Schedule 2, item 75, page 75 (line 34), omit “Department”, substitute “Entity”.

(60) Schedule 2, item 75, page 76 (line 7), omit “a Department”, substitute “an Entity”.
(61) Schedule 2, item 75, page 76 (line 12), omit “Department”, substitute “Entity”.
(62) Schedule 2, item 75, page 76 (line 15), omit “a Department”, substitute “an Entity”.
(63) Schedule 2, item 75, page 76 (line 17), omit “Department”, substitute “Entity”.
(64) Schedule 2, heading to section 97B, page 76 (line 27), omit “2001”, substitute “2002”.
(65) Schedule 2, item 75, page 76 (line 28), omit “Department”, substitute “Entity”.
(66) Schedule 2, item 75, page 76 (line 33), after paragraph (b), insert: or (c) the financial year starting on 1 July 2001;
(67) Schedule 2, item 75, page 76 (line 35), omit “Department”, substitute “Entity”.
(68) Schedule 2, item 75, page 77 (line 20), omit “2001”, substitute “2002”.
(69) Schedule 2, item 75, page 77 (line 28), omit “2001”, substitute “2002”.
(70) Schedule 2, item 75, page 77 (line 30), omit “a Department”, substitute “an Entity”.
(71) Schedule 2, item 75, page 77 (line 32), omit “Department”, substitute “Entity”.
(72) Schedule 2, item 75, page 78 (line 8), omit “Department”, substitute “Entity”.
(73) Schedule 2, item 75, page 78 (line 11), omit “2001”, substitute “2002”.
(74) Schedule 2, item 75, page 78 (line 14), omit “a Department”, substitute “an Entity”.
(75) Schedule 2, item 75, page 78 (line 23), omit “Department”, substitute “Entity”.
(76) Schedule 2, item 75, page 78 (line 29), omit “Department”, substitute “Entity”.
(77) Schedule 2, item 75, page 78 (line 31), omit “a Department”, substitute “an Entity”.
(78) Schedule 2, item 75, page 78 (line 34), omit “Department”, substitute “Entity”.
(79) Schedule 2, item 75, page 79 (line 5), omit “Departments”, substitute “Entities”.
(80) Schedule 2, item 75, page 79 (line 9), omit “Departments”, substitute “Entities”.
(81) Schedule 2, item 75, page 79 (line 21), omit “2002”, substitute “2003”.
(82) Schedule 2, item 75, page 79 (line 22), omit “Department”, substitute “Entity”.
(83) Schedule 2, item 75, page 79 (lines 25 and 26), omit all words from and including “Secretary” to and including “authority”, substitute “principal officer of an Entity or a Commonwealth authority”.

(84) Schedule 2, item 75, page 79 (line 31), omit “Department”, substitute “Entity”.

(85) Schedule 2, item 75, page 80 (lines 6 and 7), omit “a Department to the Secretary of the Department”, substitute “an Entity to the principal officer of the Entity”.

(86) Schedule 2, item 75, page 80 (line 12), omit “a Department”, substitute “an Entity”.

(87) Schedule 2, item 75, page 80 (line 14), omit “Department”, substitute “Entity”.

(88) Schedule 2, item 75, page 80 (lines 16 and 17), omit all words from and including “Secretary” to and including “Commonwealth”, substitute “principal officer of an Entity or a Commonwealth”.

(89) Schedule 2, item 75, page 80 (line 19), omit “Department”, substitute “Entity”.

(90) Schedule 2, item 75, page 80 (lines 20 and 21), omit all words from and including “Secretary” to and including “authority”, substitute “principal officer of an Entity or an authority”.

(91) Schedule 2, item 75, page 80 (lines 23 and 24), omit all words from and including “Secretary” to and including “authority”, substitute “principal officer of an Entity or a Commonwealth authority”.

(92) Schedule 2, item 75, page 80 (line 25), omit “the Secretary or”.

(93) Schedule 2, item 75, page 80 (lines 28 and 29), omit all words from and including “Secretary” to and including “authority”, substitute “principal officer of the Entity or the Commonwealth authority”.

(94) Schedule 2, item 75, page 81 (line 1), omit “Department”, substitute “Entity”.

(95) Schedule 2, item 75, page 81 (lines 9 and 10), omit all words from and including “Secretary” to and including “Commonwealth”, substitute “principal officer of the Entity or the Commonwealth”.

(96) Schedule 2, item 75, page 81 (lines 12 and 13), omit all words from and including “Secretary” to and including “Commonwealth”, substitute “principal officer of an Entity or a Commonwealth”.

(97) Schedule 2, item 75, page 81 (line 15), omit “Department”, substitute “Entity”.

(98) Schedule 2, item 75, page 81 (line 16), omit “Department”, substitute “Entity”.

(99) Schedule 2, item 75, page 81 (lines 22 and 23), omit “a Department”, substitute “an Entity”.

(100) Schedule 2, item 75, page 81 (lines 25 and 26), omit all words from and including “Secretary” to and including “authority”, substitute “principal officer of the Entity or authority”.

(101) Schedule 2, item 75, page 81 (line 28), omit “Secretary or”.

(102) Schedule 2, item 75, page 82 (lines 8 and 9), omit all words from and including “Secretary” to and including “authority”, substitute “principal officer of the Entity or the Commonwealth authority”.

(103) Schedule 2, item 75, page 82 (line 13), omit “a Department”, substitute “an Entity”.

(104) Schedule 2, item 75, page 82 (line 18), omit “Department”, substitute “Entity”.

(105) Schedule 2, item 75, page 82 (line 20), omit “Department”, substitute “Entity”.

(106) Schedule 2, item 75, page 82 (line 28), omit “a Department’s”, substitute “an Entity’s”.

(107) Schedule 2, item 75, page 83 (lines 3 and 4), omit “a Department’s”, substitute “an Entity’s”.

(108) Schedule 2, item 75, page 83 (line 11), omit “Department”, substitute “Entity”.

(109) Schedule 2, item 75, page 83 (lines 20 and 21), omit all words from and including “Secretary” to and including “Commonwealth”, substitute “principal officer of the Entity or the Commonwealth”.

(110) Schedule 2, item 75, page 83 (line 27), omit “a Department”, substitute “an Entity”.

(111) Schedule 2, item 75, page 83 (line 32), omit “Department”, substitute “Entity”.

(112) Schedule 2, item 75, page 83 (line 34), omit “Department”, substitute “Entity”.

(113) Schedule 2, item 75, page 84 (line 1), omit “a Department”, substitute “an Entity”.

(114) Schedule 2, item 75, page 84 (line 5), omit “Department”, substitute “Entity”.

(115) Schedule 2, item 75, page 84 (lines 21 and 22), omit “a Department”, substitute “an Entity”.

(116) Schedule 2, item 75, page 84 (line 23), omit “Department”, substitute “Entity”.

(117) Schedule 2, item 76, page 85 (line 5), omit “2001”, substitute “2002”.

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(118) Schedule 2, item 76, page 85 (line 7), omit “Department”, substitute “Entity”.
(119) Schedule 2, item 76, page 85 (line 9), omit “2001”, substitute “2002”.
(120) Schedule 2, item 77, page 85 (line 15), omit “2001”, substitute “2002”.
(121) Schedule 2, item 77, page 85 (line 18), omit “a Department”, substitute “an Entity”.
(122) Schedule 2, item 77, page 85 (line 20), omit “2001”, substitute “2002”.
(123) Schedule 2, item 78, page 85 (line 27), omit “2001”, substitute “2002”.
(124) Schedule 2, item 78, page 85 (lines 30 and 31), omit “a Department”, substitute “an Entity”.
(125) Schedule 2, item 78, page 85 (line 32), omit “2001”, substitute “2002”.
(126) Schedule 2, item 78, page 86 (line 4), omit “2001”, substitute “2002”.
(127) Schedule 2, item 78, page 86 (lines 7 and 8), omit “a Department”, substitute “an Entity”.
(128) Schedule 2, item 78, page 86 (line 9), omit “2001”, substitute “2002”.
(129) Schedule 2, item 79, page 86 (line 19), omit “2001”, substitute “2002”.
(130) Schedule 2, item 80, page 86 (line 25), omit “a Department”, substitute “an Entity”.
(131) Schedule 2, Part 11, page 88 (lines 2 to 13), omit the Part.
(132) Schedule 2, items 96 to 99, page 90 (line 27) to page 91 (line 4), omit the items.
(133) Schedule 3, item 12, page 95 (line 2), omit “2001”, substitute “2002”.

Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (6.09 p.m.)—I move:
That the amendments be agreed to.

The Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2000 is essentially a finetuning bill. It is the kind of finetuning which is necessary from time to time to ensure that the Commonwealth Comcare scheme is one of the best performing workers compensation schemes in the country; it is the kind of housekeeping which needs to be done. While the Senate did not accept all of the measures which the government had proposed, I am happy to tell the House that, on the whole, the bill does represent a significant improvement in benefits for workers and a responsible approach by the government to managing costs. I think the amendments, many of which were accepted unchallenged by the Senate, will significantly improve the operation of the Comcare scheme.

Overall, the legislation is a worthwhile package. It represents a reasonable balance between the efficient management of the scheme and providing access to fair compensation for workers. I thank opposition members, both here and in the Senate, for the constructive approach they have taken to this particular piece of legislation. I commend the amendments and the amended bill to the House.

Mr BEVIS (Brisbane) (6.11 p.m.)—When the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill was in this place for its second reading, I made the comment that the Commonwealth scheme was indeed one of the most, in fact arguably the most, efficient scheme in the country: its premiums were low, its claims rate was low by comparison with others and it performed very well by any measure. We were concerned in the House and the Senate to make some improvements to the bill which the government had proposed. I am delighted that the Senate chose to accept the bulk of the amendments that we proposed, although not all the amendments that we sought to have adopted in the Senate were agreed to—and that may well be an issue we return to, in government, after the election. But the bill does provide enhancements for employees and, given the amendments that have been made to it in the Senate, does form an improvement in the operations of the compensation scheme for employees of the Commonwealth.

I take the opportunity to record my thanks to the Labor senators for the work that they did, of necessity in detail, in the Senate. I particularly thank Senator Jacinta Collins for her carriage of the matter in the Senate.

Question resolved in the affirmative.

NATIONAL CRIME AUTHORITY LEGISLATION AMENDMENT BILL 2001

Consideration resumed from 30 August.
Second Reading

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (6.12 p.m.)—I move:

That the bill be now read a second time.

This bill, the National Crime Authority Legislation Amendment Bill 2001, is an important measure to enhance the effectiveness of the National Crime Authority in combating organised crime.

In particular it will create a significant deterrent to those who seek to obstruct and frustrate the authority’s hearing process.

At the same time, the bill contains important accountability measures, notably a role for the Ombudsman and clearer reporting requirements to the parliamentary joint committee on the authority.

The National Crime Authority was established in 1984 as a national law enforcement agency whose purpose was to combat serious and organised crime without the limitations imposed by jurisdictional boundaries.

The continuing support for the activities of the authority from Commonwealth, state and territory governments reflects the important role played by the authority.

The problems caused by serious and organised crime operating across jurisdictional boundaries continue to exist at all levels of society, and it is essential that the authority has sufficient legal authority and operational flexibility to enable it to perform its functions without being hindered or hampered by those whose very conduct the authority is trying to investigate.

It is also essential that the authority is able to operate in an environment that enables the greatest possible flexibility, while at the same time ensuring that the authority remains accountable and responsive.

This bill has been framed to:

implement the government’s response to the third evaluation of the National Crime Authority by the Parliamentary Joint Committee on the National Crime Authority, and

address a number of matters relating to the administration and operations of the authority.

The bill was amended in the Senate in response to recommendations from an inquiry into the bill by the Parliamentary Joint Committee on the National Crime Authority.

I wish to pay tribute to the late Peter Nugent MP, who chaired that committee most efficiently and effectively.

While the government disagrees with some of the amendments made in the Senate, it will accept all of them, in the interests of securing the enactment of this important legislation.

The authority’s task in investigating organised crime has been particularly difficult because of the way persons under investigation have manipulated existing legal rules and procedures to defeat the investigation.

If a person refuses to answer a question in a hearing, it has been possible for that refusal to be litigated through the courts, with delays of months or even years.

In the interim, an investigation might be entirely frustrated, such that when proceedings are concluded and questioning can continue, the criminal trail has gone cold.

It was for this reason that the bill that was introduced in the other chamber also contained a contempt regime.

The government considers that this would have been an immediate, fair and effective means for deterring and punishing deliberate obstruction of NCA hearings.

However, these provisions were removed in the Senate and the government will not pursue them at this time.

Even worse, penalties for failure to answer a question at an NCA hearing have regularly been very modest—a few hundred dollars.

This is not much of a deterrent where obstructing the authority can impede an investigation that might have led to a person being jailed for years for a serious offence such as drug trafficking.

Accordingly, the maximum criminal penalty for failing to answer a question at a hearing will be substantially increased under the bill, from six months prison and a $1,100 fine to five years imprisonment and a $20,000 fine.
Other criminal penalties relating to non-compliance with the authority’s investigatory powers will be increased to the same level.

The bill will also allow an investigatory body to derive evidence from self-incriminatory evidence given by a person at a hearing, and for a prosecuting authority to use that derived evidence against the person at a later trial.

In other words, a person’s self-incriminatory admissions will not themselves be able to be used as evidence against that person, but will be able to be used to find other evidence that verifies those admissions or is otherwise relevant to proceedings.

However, the bill will specifically provide that once a witness has claimed that the answer to a question might tend to incriminate him or her, then any evidence that the person gives cannot be used against the person in any later trial.

The existing mechanism for a special undertaking by the DPP will not be required as this protection will be clearly set out in the legislation.

In addition, the bill will remove the uncertain defence of ‘reasonable excuse’ for conduct such as failing to answer a question, and replace it with more clearly defined Criminal Code defences such as intervening event and sudden emergency.

The removal of the defence of ‘reasonable excuse’ will also mean that a witness is no longer able to delay the authority’s hearing process by challenging, in the Federal Court, the authority’s decision that he or she did not have a reasonable excuse for, amongst other things, failing to answer a question.

The provisions that remove the defence of reasonable excuse, remove derivative-use immunity and increase the penalties for non-compliance with the NCA act are intended to enhance the overall effectiveness of the authority.

It is important therefore to ensure that the amendments have had the desired effect and to this end the bill provides for a review of the operation of these provisions after they have been in force for five years.

This is an important mechanism for assessing the continuing appropriateness of these provisions.

The administrative matters addressed by the bill are designed to improve the operational effectiveness of the National Crime Authority.

The scope of references will be expanded to enable the authority to investigate offences that occur after the date of the reference.

The role of the Parliamentary Joint Committee on the National Crime Authority in relation to access to information held by the authority will be clarified, as will the ability of the authority to disseminate information to overseas agencies.

In addition, the maximum term of appointment of members of the authority will be increased from four to six years, to increase continuity in relation to matters dealt with by the authority.

As a result of a further amendment in the Senate, the class of persons who may issue search warrants will be expanded to include federal magistrates but not state and territory magistrates.

Again, the government will not pursue its preferred option, in the interests of securing the enactment of this legislation.

The bill will introduce the concept of hearing officers, who will be appointed by the Governor-General on the unanimous recommendation of the Inter-Governmental Committee of the National Crime Authority.

The hearing officers will only be empowered to conduct hearings on behalf of the authority, thereby increasing the investigatory capacity of the authority but without expanding the category of ‘members’.

The bill will also clarify a number of matters such as:

- the power of the authority to control who may be present at hearings;
- the application of legal professional privilege;
- the use of reasonable force in the execution of a warrant; and
- the fact that a prohibition on disclosure relating to the authority’s process overrides
any contrary requirement under the Privacy Act 1988 for so long as the prohibition remains in force.

In relation to the last issue, the bill will insert a note into the Privacy Act 1988 to alert the reader of that act to the requirements of the NCA act.

Minor administrative matters include:
  - adopting the definition of ‘document’ from the Evidence Act 1995;
  - including the offences of ‘money laundering’ and ‘perverting the course of justice’ in the definition of offences that the authority may investigate;
  - replacing references to the chairperson and chairman of the authority with references to ‘chair’ of the authority;

Mr Kerr—That is very important.
Dr STONE—Indeed. Those matters also include:
  - repealing ambiguous provisions; and
  - enabling the chair of the authority to delegate certain powers.

In terms of the authority’s accountability, a fundamental reform proposed in the bill concerns the mechanism for investigating complaints.

The bill will amend the Ombudsman Act 1976 to extend the jurisdiction of the Commonwealth Ombudsman to deal with complaints against the authority.

The amendments will deem the authority to be a prescribed authority for the purposes of the Ombudsman Act.

This will have the effect of enabling the Commonwealth Ombudsman to deal with complaints against the authority, members of the authority, and members of the staff of the authority.

The amendments will also give the Commonwealth Ombudsman discretion to transfer a complaint to a more appropriate authority (for example, a state agency for a complaint against a state officer) and enable joint investigations.

State and territory authorities will be able to exercise their full powers under governing state and territory laws.

Both are matters within the powers of the Ombudsman in relation to complaints against other authorities or departments.

The amendments made by the bill will result in a more effective and efficient National Crime Authority to grapple with the ever-increasing complexities of organised and serious crime.

This is an important measure, prepared in consultation with states and territories, and which reflects the results of two inquiries by the Parliamentary Joint Committee on the National Crime Authority.

The bill will enhance our capacity to address serious and organised crime at the national level whilst operating within a properly accountable framework.

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

Mr Kerr (Denison) (6.23 p.m.)—I rise to speak on the National Crime Authority Legislation Amendment Bill 2001. I thank the Parliamentary Secretary to the Minister for the Environment and Heritage for her contribution and for her acknowledgment that this legislation has been the product of cooperation and discussion between the government and the opposition. In a somewhat self-serving way, I note the fact that the bill adopts a number of amendments which were first put forward on 13 March 2000 in the form of a private member’s bill which I introduced. At that time, the government did not endorse those proposals, even though the case at that time was compelling. Plainly, the government now accepts that they are both necessary and appropriate. However, it is a shame that it took 12 months before the substantive reforms were put in place.

On this basis, the opposition supports the principal thrust of this bill in seeking to improve the National Crime Authority’s efficiency and effectiveness. In particular, we accept the need to amend the National Crime Authority Act to remove the defence of reasonable excuse in the provision of answers to inquiries by the authority, to remove the derivative use immunity and to increase penalties. However, the opposition is acutely aware that there is always a fine balance to be struck between giving law enforcement
agencies effective investigation tools and protecting the rights of individuals. The civil liberties of all Australians are fundamental to the concern of this parliament and cannot be overlooked. For this reason, the opposition moved a number of amendments in the Senate which were adopted. They make sure that this bill now commands bipartisan support, and I am very pleased that the government has decided not to press a number of its original proposals which were the subject of amendments in the Senate.

Turning to the main provisions of the bill, it became almost a matter of notorious fact to those who came before the National Crime Authority or those who were advising potential witnesses to such a hearing that those who were called on to provide information to the National Crime Authority could effectively avoid the consequences of the provision of testimony by using one of two routes: they could either make a frivolous claim for immunity on the basis that an answer might incriminate them; or they could simply refuse to answer such a question at all, knowing that the penalties—if any—that would be imposed when the matter was prosecuted were on the very minor scale of criminal responsibility. Over time, that became an almost insurmountable impediment to the National Crime Authority, which is, of course, tasked with investigating serious and organised crime. The private member’s bill which I introduced addressed those particular issues of concern, because in a number of court cases there had been what effectively amounted to trivial penalties imposed by magistrates when those asked or required to provide testimony to the National Crime Authority either frivolously sought to make a claim on the basis that the answer provided might incriminate them, or they refused to answer at all. In those instances, we found that effectively the will of the parliament, which had been to give to the National Crime Authority the power to compel witnesses to give testimony, was being overborne.

At the moment, witnesses who appear before NCA hearings are able to refuse to give evidence if they assert that they have a reasonable excuse to do so. If a witness refuses to answer questions on this ground, the only way that the National Crime Authority is able to pursue the evidence is to obtain a court order requiring the witness to give the answer. The principal claim that justifies the claim of a reasonable excuse is that it would tend to incriminate them. In practice, this is a time consuming and costly process which is rarely pursued by the National Crime Authority. As a result, even if there is no proper basis for claiming any immunity, witnesses at hearings have often been able to frustrate a National Crime Authority investigation by refusing to answer questions.

During the joint parliamentary committee hearings on this bill, the former chair of the National Crime Authority cited a case where a witness before the National Crime Authority refused to confirm a family relationship on the grounds that to do so would be self-incriminating. In other words, when asked whether that person was a brother or sister of a particular person, the person refused to answer that question on the grounds that it would be self-incriminating. Plainly, that is not an excuse available to law. There is no way that such an answer would be self-incriminating, but at that point the proceedings had to terminate and the only way in which that witness could be dealt with was to take the matter to court to seek an order. Court delays are extensive and a witness who went through that process could turn up to the National Crime Authority again, having been through those hearings, perhaps answer that question and then refuse to answer another question on the grounds of self-incrimination and go through the process again. Alternatively, that person could simply refuse to answer, knowing that the worst thing that would happen is that they would be prosecuted in a magistrate’s court, and if so proceeded against, would be liable for a very trivial fine. That would completely defeat the purpose of the law enforcement’s capacity to obtain from that witness the key materials they required to investigate serious and organised crime.

This bill removes the ability of witnesses to refuse to answer a question based on reasonable excuse. The defence of reasonable excuse will be removed and replaced with
the defences set out under the Criminal Code. The reason for removing the defence of reasonable excuse and replacing it with the Criminal Code defences, such as intervening event or sudden emergency, is to deny a witness the opportunity to delay the National Crime Authority’s hearing processes by challenging in the Federal Court the National Crime Authority’s decision that he or she did not have a reasonable excuse for failing to answer a question.

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

Mr KERR—Before the dinner break, I was reflecting on the provisions that currently exist which provide relatively minor inconvenience to a witness who declines to provide information to a National Crime Authority hearing. If I might turn to the existing rules regarding self-incrimination, currently a witness before the National Crime Authority who raises a reasonable claim that the answer to a question or the production of a document may tend to incriminate him or her is entitled to refuse to answer the question or to produce the document or thing that he or she is asked to produce unless he or she receives an undertaking from the appropriate Director of Public Prosecutions that the answer, document or thing, or anything derived therefrom, will not be used as evidence against the person in any later proceeding. I have discussed previously the circumstance where a person makes an unmeritorious claim that an answer might incriminate them, in practice seeking to defy the powers of compulsory taking of evidence before the National Crime Authority; but under the current law, even in instances where a proper objection is taken, the objectives of the National Crime Authority are made considerably more difficult by the existing law.

The bill removes the derivative use immunity. Under the amendments contained in the bill, a witness who does raise a claim of self-incrimination will nonetheless be required to answer the question or present the document, and it will be an offence if he or she fails to do so. That does not entirely mean that we ride roughshod over circumstances where previously the law allowed a claim to be made on the basis of self-incrimination. Where evidence is required to be given, notwithstanding an objection on the basis of self-incrimination, the evidence then given will not be admissible in any future court proceedings, and no undertaking from the Director of Public Prosecutions will be required. In other words, the law itself that we are passing will mean that, where somebody does provide evidence in circumstances where they have properly raised a claim of possible self-incrimination, that evidence will not be admissible in any future proceedings.

However, importantly, evidence derived from the evidence given can be used. That means, for example, if somebody is asked to provide evidence regarding a suspicious death in which a person might have been peripherally involved, that person previously could have refused to give evidence unless the relevant Director of Public Prosecutions had provided a certificate. And even if, as a result of the giving of evidence, some other material was found—for example, as a result of that information provided to the National Crime Authority, let us assume that a blood stained knife is found—the fact of the finding of that knife and the circumstances would not be admissible in a proceeding against that person, because of the derivative use immunity. That obviously imposes significant discounts on the effectiveness of an investigatory agency. What we will now find is that, although the oral evidence given at the time by the person, to the effect that a blood stained knife was secreted by Bill Smith or indeed by himself in some particular place, that evidence would not be admissible; but the fact that a blood stained knife was found and that it had fingerprints on it which corresponded to Bill Smith’s, or indeed to those of the person who was compelled to give evidence, would be admissible in those future proceedings. So the abolition of the derivative use protection is an important one.

This is not unique. It simply brings the National Crime Authority legislation and powers into line with the law as it exists and applies with respect to the Australian Securities and Investments Commission, the Australian Competition and Consumer Com-
mission and the New South Wales Crime Commission. Indeed, many members of this House might wonder that circumstances have evolved to such an extent that we recognise the need to deal with the problems of derivative use immunity and compulsory providing of testimony in those other contexts but not in the instance of the National Crime Authority—which, after all, is an agency of this parliament and other parliaments around Australia devoted to the specific task of investigating serious organised crime. So we have given these powers in the past to, for example, the Australian Securities and Investments Commission, but we have not seen fit until now to provide them to the National Crime Authority. This bill does address those particular issues.

Given these changes, leaving the existing penalties for refusing to provide answers to inquiries by the National Crime Authority would be foolish. Already there are instances where some of the harder-headed persons coming before the National Crime Authority simply thumb their nose at the authority and defy the authority to take them to court and proceed against them. Under the current legislation, the penalty for refusing to answer a question in a NCA hearing is a fine of $1,000 or imprisonment for six months. That is hardly a deterrent to somebody who is making huge profits from illegal activities. First offenders will usually be expected to be penalised at the lower end of what is a relatively light sanction. When faced with a choice between paying a small fine—or, at worst, a very short period of imprisonment—and giving evidence which may lead to conviction for a very serious offence either against themselves or against their colleagues, not giving evidence is far too easy an option.

An effective deterrent to failing to answer or giving misleading answers will substantially improve the National Crime Authority’s ability to investigate the activities of serious criminals and the people who work for them. The bill will increase these penalties to a fine of $20,000 or five years imprisonment. None of the amendments contained in this bill are uncontroversial; they make substantial changes. However, if we want to have law enforcement that can combat sophisticated criminals and the threat of organised crime, we must give the NCA the tools they need. That said, there are limits to the powers that we should give to any law enforcement agency, even to the specialised National Crime Authority.

When this bill was presented to the Senate there were a number of provisions that went beyond what the opposition regarded as appropriate limits and, in the course of negotiations and in the debate, we were able to persuade the government—and I thank the Democrats also for their contribution to this process—that the opposition amendments substantially improved the bill. As such, they were adopted. The opposition amendments that were adopted in the Senate include, firstly, limiting the courts that can issue search warrants. The bill proposed to extend to state and territory magistrates the authority to issue search warrants sought by National Crime Authority members and certain staff members under sections 22 and 23 of the National Crime Authority Act. The opposition put the case that it was not appropriate that state and territory magistrates have the authority to grant warrants for National Crime Authority activities. An opposition amendment that limited the extension to federal magistrates only was passed in the Senate.

Some might fail to understand the importance of this, but the truth is that such authorisations should not be given lightly. They are not to be issued capriciously and it should not be an occasion for the National Crime Authority to approach these instances other than in the utmost of seriousness. There have been instances in the past, regrettably, where state and territory magistrates have, in a sense, given a rubber stamp to the issue of warrants by police and other agencies. With all the weight that it bears, the National Crime Authority going before a state or territory magistrate and claiming that a warrant is in the national interest in response to serious and organised crime is likely to be somewhat overinfluential in terms of that law office’s responsibilities. Some might dismiss this as speculative on my part and on the part of the opposition, but
we believe that it is important to confine those powers to a relatively limited group. The existing powers to issue warrants will be extended but they will be extended, in this instance, only to federal magistrates. They are, under the constitutional framework of Australia, chapter III, 'The judicature', appointed until the formal age of retirement under the Constitution and entirely aware of the significance of their constitutional responsibilities under federal law.

Secondly, the government proposed a new contempt regime for the National Crime Authority. This is not the occasion to canvass all of the details proposed, but, essentially, the opposition felt that having firstly dealt with the issues that went to the capacity of people who refused to testify—increasing the penalties, making sure that we dealt with the issues of derivative use immunity and making certain that people could be compelled to give answers, notwithstanding alleged claims that that would infringe against their rights in respect of self-incrimination—we were going one bridge too far in also introducing a contempt regime. What a contempt regime would have purported to do would be to enable the almost instant imprisonment of somebody for a refusal, a circumstance or an action taken in defiance of the National Crime Authority.

Having made all these significant changes that addressed what we understood to be the principal claims of the authority in the past—and I have been the minister responsible for justice, and we had evidence from former members of the National Crime Authority and from current members of the National Crime Authority—our view was that a contempt regime was inappropriate. It tended also to conflate the National Crime Authority with the court. Courts have precisely such powers. If you act abusively in the face of the court, the court can instantly deal with that matter by way of a contempt proceeding. But, of course, the National Crime Authority is not a court. Indeed, this parliament can also exercise such contempt powers but, in its wisdom now, generally—while I think that, under the standing orders, it would still be available to us to proceed in such a way—since those Browne and Fitzpatrick cases this parliament has thought wiser of any instance of proceeding in such a manner and would proceed in the normal way to have that conduct punished through the ordinary court system. The National Crime Authority is not a court and conflation it, in the way in which the legislation proposed with the powers and the kinds of responses available to a court, appeared to us to be wrong in principle. Even the majority report of the committee, made up of government members, expressed reticence about this proposal. Unfortunately, in our view, it then took the soft option of agreeing to its implementation for a trial period.

In contrast, the opposition shared the concerns which were expressed by the Hon. Trevor Griffin, the Attorney-General of South Australia, and Mr John Broome, the former National Crime Authority chair. Both Mr Griffin and Mr Broome essentially argued two things: firstly, that as a matter of general principle, it was inappropriate to liken an investigatory body like the National Crime Authority to a court; and, secondly, that the contempt provisions were unnecessary if the other proposals in the bill in relation to removal of the reasonable excuse concept and the substantial increase in penalties were enacted. I think it is self-evident, although it needs assertion from time to time, that the National Crime Authority is not a judicial body. Although the law does facilitate and allow for a judge to be appointed as chair of that authority, it is not a judicial body; it is an investigative agency of the executive government.

Therefore, in our view, it is a seriously flawed breach of the separation of powers to imply that hindering or obstructing an investigatory body should be treated in the same way or in an equivalent manner to a contempt of court. On those grounds, the opposition in the Senate rejected the inclusion of the contempt regime that was proposed. We think that this is actually an improvement in the legislation. As the parliamentary secretary indicated, the provisions in this bill will be monitored and there will be a report to the parliament in five years time. If there are any deficiencies that arise in respect of the powers that have been granted to the National
Crime Authority, either by way of excess or by way of inadequacy, they can be ad-
dressed. Indeed, they need not wait five
years, if they become transparent in either
direction. So there will be an occasion to
revisit this issue should it be thought appro-
priate. But, certainly, as a matter of principle,
it is important for us not to violate the sepa-
ration of powers, and most of us at least ad-
here to that in a rhetorical sense—and the
opposition does more than adhere to these
things in a rhetorical sense.

There were also provisions in the bill that
we have rejected regarding proposals to give
the chair of the National Crime Authority the
power to employ persons outside the Public
Service Act. The justification for seeking
those additional powers was that the chair of
the National Crime Authority perceived a
need for more flexibility than the act pro-
vided in relation to terms and conditions of
employment. Mr Crooke argued that much of
the organisation’s funding is directed to spe-
cific operations and that, as they unfolded, he
wanted the flexibility to employ or deploy
persons in particular areas or suddenly en-
gege persons with particular expertise for
short-term appointments. The opposition had
no quarrel with the NCA’s need for flexible
employment provisions, but pointed out that
those provisions already exist in the National
Crime Authority’s current legislation and in
the Public Service regulations. The chair of
the National Crime Authority already has the
power to employ consultants on such terms
and conditions as he or she determines under
section 48 of the NCA Act. While we would
not be keen to see the overuse of this power,
the employment of persons with particular
skills for the short term is authorised under
that section and the use of consultants is a
more accountable process than that proposed
by the bill, given that the NCA’s annual re-
port is required, as a matter of government
policy, to list all consultancies to a value of
$10,000 or more.

If the NCA needs to employ persons to
meet short-term requirements in ‘a proper
employment relationship and not as a con-
sultant coming on board’, the Public Service
regulations introduced in 1999 make ample
provision for just that situation. Regulation
3.5 of the Public Service Regulations 1999
allows for the engagement of non-ongoing
employees for the duration of a specific task,
with no specific time limits applying. The
only requirements the agency must fulfil are
to make a reasonable estimate of the duration
of the task and to ensure that ongoing em-
ployees with appropriate skills are given an
opportunity to apply and be considered for
the position. I do not think that those re-
quirements should be regarded as con-
straints. They are entirely proper to meet the
needs of the National Crime Authority and
all other agencies in the Australian govern-
ment sector. So the opposition rejected those
provisions, and I think we were correct in
doing so.

There are two other points that I should
conclude on. The first is oversight. This bill
remedies a longstanding defect in our law. It
has been recognised by almost everybody
who has looked at the National Crime
Authority that there is no effective and inde-
pendent scrutiny or oversight of its con-
duct—and it can be fairly asked: who polices
the police? That does not reflect on the integ-
rity of the National Crime Authority or sug-
gest that corruption within the authority ex-
ists. But history has shown that it is simply
naive to leave police or investigating organi-
sations to supervise themselves. This weak-
ness has been recognised in principle since
the time of the former Labor government and
there have been a variety of different solu-
tions proposed.

There is no shortage of people who have
raised allegations concerning the operations
of the National Crime Authority. For an or-
ganisation placed in the kind of spotlight of
public attention which the National Crime
Authority is placed, it is surprising that the
government has left in place for so long the
law as it stands. The Ombudsman would
have been established as the oversight body
for the National Crime Authority over 12
months ago if the government had moved to
support my private member’s bill which I
mentioned previously. Unfortunately, again,
politics got in the way of good policy. After
considerable negotiation with the govern-
ment, this bill allows the Ombudsman Act to
be extended to enable complete powers to
review the conduct and operations of the National Crime Authority, subject only to proposed paragraph 9(3)(e) of the Ombudsman Act, which would extend the grounds on which the Attorney-General may issue a certificate to prevent the Ombudsman from requiring a person to provide information in those instances when the Attorney certifies that access may endanger the life of a person or create a risk of serious injury to a person. There will be such instances that emerge from time to time, and it is appropriate that such an exception be provided.

My private member’s bill, I think, has been the impetus for this legislation. It is a rare occasion when an individual member can come before the House and take credit for the passage of law which is shaped in the form that they have suggested, other than through a process initiated by a government minister. One small matter of regret that I have is that we still do not have a joint parliamentary committee for the oversight of Commonwealth law enforcement. There really does need to be a more comprehensive overview of law enforcement that involves scrutiny by this parliament. I think it commands the support of the Joint Committee on the National Crime Authority, of which I am a member. This is the third time we have given the government the opportunity to support the establishment of such an important committee, but again, for whatever reason, the government has not supported it. Certainly, in office, we will do so.

Mr HARDGRAVE (Moreton) (8.23 p.m.)—I am pleased to rise to contribute to this discussion, following the member for Denison who, like me and the two other speakers, the member for Cowan and the member for Cook, is a very active member of the Joint Committee on the National Crime Authority. The role of the committee at about this time last year, in discovering the parameters of the legislation proposed by the government and taking evidence in the public arena, from law enforcement agencies and other interested persons, about the ramifications of it, has led to the refined version of the National Crime Authority Legislation Amendment Bill 2001 before us. The member for Denison noted various negotiations and discussions which occurred, but I think that this legislation is, in fact, in itself testimony to the effectiveness of this parliament to always debate and discover good ideas and better ideas in what I believe to be one of the most critical areas of legislation: our responsibility to legislate to protect innocent people against those who do the wrong thing.

Let us face it: at this particular time we need the National Crime Authority and its coordinating role of various law enforcement agencies perhaps more than we have at any time during its existence and, indeed, at any time during our nation’s fairly young history. At the moment, we have in this country an assault on our citizenry through the trade in human misery in the form of the importation into this country of illegal narcotics, handled all too often by the same crime gangs that are importing illegal arrivals who demand their right to stay in this country. This legislation is certainly all about ensuring that the National Crime Authority continues to have the tools it needs to get on with the job, but always being subject to the accountability that I believe all people in Australia would expect it to have. The principles that underscored why the National Crime Authority was convened included to coordinate the effort to break down the jurisdictional barriers that were feeding in, with great convenience, to the criminal element in our community. It needs to have the tools required to get on with the task of policing our country and discovering those who are organising criminal activities to the detriment of our nation and our citizenry.

This legislation is certainly welcomed by me. Without wanting to detract from the very learned observations of the former justice minister, the member for Denison, I have to say that this sort of legislation is welcomed even at the local Neighbourhood Watch level. The grassroots fighters against crime in my own electorate need to know that at this level of national responsibility tools are being given to the professional law enforcement agencies. It is important for people to know that the conditions that are now placed in law, which have come as a result of recommendations of the parliamentary com-
mittee, look at ways of stopping the criminal elements from using all sorts of means of slowing down the discovery by the NCA of their activities, their knowledge of activities or their contribution to activities. I think the member for Denison put the case very well that someone could appear before the NCA and find a reason, under the derivative use immunity or the reasonable excuse defence, to avoid answering questions. In fact, once they had answered one question—a process forced upon them because a legal action was taken through a court of law to answer a question asked of them by the NCA—they could simply move on and refuse to answer the next set of questions. We see these sorts of things happening through tribunals sorting out those who claim to be refugees. In other forums, we find exactly the same kind of practice taking place now. One family member may be put forward to be, if you like, the weathervane of one particular family's contention that they are refugees and, once that particular weathervane has been proved not to have been a legitimate refugee, another family member applies. That is why other legislation introduced by this government to try and correct those matters is equally as important as the matters contained within this bill.

The bottom line is that we cannot allow witnesses found by the National Crime Authority to continue to frustrate the processes of the NCA in the very important tasks that it is charged with. What is good about what we have before us is that, as I said, so much of it has come as a result of the committee's own role. The original set of legislative parameters that was introduced in the form of a bill last year, on 7 December, on behalf of the then Minister for Justice and Customs, Senator Vanstone, caused the inquiry that the Joint Committee on the National Crime Authority undertook. Ironically, that legislation resulted from a previous report by the Joint Committee on the National Crime Authority. Before those listening to this debate think that there is a never ending circle of committee recommending, government acting, committee recommending, government acting, at the end of the day the process always has to be very deliberative. There always has to be a very deliberate step by step approach taken because that, after all, is what responsible governments do.

Unfortunately, the criminal element never stop to wait for legislation to plan their next response, and the old adage about being one step ahead of the law was never more true than it currently is. As other committee reports have highlighted, the use of technology and so forth to try to profit even far more greatly from crime or to hide the proceeds of crime even more so means that we as legislators are always playing catch-up. The Parliamentary Joint Committee on the National Crime Authority, though, has continued to take its obligation of seeking accountability from the National Crime Authority very seriously in its attempts to report to the parliament to highlight what we believe are ways to improve the legislation which underpins the NCA, and that is what you have here today.

The fact that the NCA targets people who are facing penalties of many years imprisonment or fines of hundreds of thousands of dollars for serious offences such as drug trafficking you would have thought would have been in itself some sort of penalty, but we are talking about people who are making tens of millions of dollars and who see the concept of fines of hundreds of thousands of dollars as not being much of an impediment to their particular activities. In fact, even though there are some significant incentives in one sense to try to obstruct the investigation, nevertheless many of them are not all that threatened. So the bigger the stick that we can carry in a lot of cases, the bigger the sanction that we can enforce in so many ways, which is all to the better as far as I am concerned.

But in the end this legislation is about removing some of the incentive to obstruct the process of the National Crime Authority. The National Crime Authority Legislation Amendment Bill 2001 introduces several major initiatives which are intended to strengthen the NCA's investigative processes. It is intended to make it far more difficult for those who are involved in criminal activities who are questioned by the NCA to avoid the opportunity to actually answer questions. It also ensures that the NCA can
get on with the job of rooting out the people they ultimately want to deal with and to refer those matters on to the courts and other law enforcement agencies.

The government is committed to the capacity of the NCA improving in relation to pursuing those involved in serious organised crimes, especially drug trafficking and the trade in the other form of human misery, those involved in the illegal arrivals. This is a trade which is far more contemporary in people’s minds than perhaps drug trafficking, which is an ongoing major crisis in this country. The government has continued to provide, and does through this bill, enhanced law enforcement legislation to combat drug trafficking. It is a government priority. The bill before us balances powers and accountability. It improves the complaints possibilities for those who feel they have been unfairly treated by the National Crime Authority in its eagerness to get to the bottom of criminal activity by altering the respective acts governing the role the Commonwealth Ombudsman to allow complaints to be referred there. This is subject to the caveat that, should any particular complaints made to the Ombudsman which trigger their own form of inquiry place certain people under investigation by the NCA under some sort of life-threatening difficulty, the Attorney-General will have some final say on some of those matters. I do not think anybody fairly could think that that is an unreasonable caveat to introduce.

The government has continued to show, through its time in office, greater support for the effectiveness of the National Crime Authority than has the opposition, which unfortunately has sought to try to finetune things in other ways. The removal of the contempt regime that the member for Denison talked about in his contribution is a matter of disappointment to the government. The provisions allowing the employment of non-Australian public sector employees is another matter that the government believes reduces some of the flexibility that the NCA would like to have and that the government would certainly like to give. However, in the interest of getting the glass more full than it is empty, in the interest of negotiation, the government has accepted a great range of the observations of the committee, including the minority report recommendations.

As I said at the beginning, this in itself is a positive proof of the role of this parliament in sorting through the various arguments. There is no hard partisanship—apart from occasional comments from me and others—on dismissing out of hand a recommendation that may come from an observation, well-intentioned of course, by the member for Denison and others in the opposition. The government has accepted some of the minority report recommendations, in particular the matters relating to the Federal Magistrates Court being empowered to issue search warrants in lieu of state and territory magistrates. While it may in fact confine some of the flexibility the government was seeking, it is better to get the bulk of this bill passed and through its various stages. As I said, the real test of where this government is is the fact that it has continued to look for new ways to support the National Crime Authority and law enforcement agencies in general in their efforts to fight against the importing of drugs and the importing of human beings by criminal elements both within and beyond our shores.

I would suggest that it will not be long before the National Crime Authority becomes completely involved, completely immersed, in pooling all of its various contacts and all of the various liaison points that it has to deal with the thousands of illegal migrants who are arriving here, trying to arrive here or are already here and in finding the people smugglers. They will face up to 20 years in prison or a fine of $220,000. Before long the National Crime Authority will continue to expand its role into those sorts of areas, because they are areas of criminal activity that are having far-reaching effects across the Australian population. In my own electorate, people who have come through the legitimate channels as legitimate refugees to this nation strongly support the moves by this government to bring about a far more effective regime in that regard. They are greatly offended by those who are involved in criminal activities, smuggling people at thousands of dollars a head to bring them to
this country. To try to bring about a result there is something that even the most recently arrived real refugees support.

I raise this because, at the end of the day, part of the National Crime Authority’s role is to look at these sorts of criminally based, organised crime activities; to look at ways in which the Australian community is burdened, as far as the effect of these activities is concerned; to realise that Australian taxpayers are affording the fight against these sorts of activities; and, at the same time, to look for ways to try and penalise those who are involved in them. When you consider that the same gangs which are involved in the transportation or the attempted transportation of human cargo are also involved in the transportation of drug cargo to our nation, to try and invade the lives of young Australians—those who perhaps are far more vulnerable and less capable of making their own decisions—you realise that the National Crime Authority, as a lead agency in intelligence gathering and coordination of various law enforcement agencies across the country, needs as many tools as it can get. To make our community safer, we need to be tough on drugs; we need to be tough on the criminal elements, those who are importing human misery—either drugs or illegal arrivals. We need to send clear messages that our drug problem needs to be taken seriously. Mick Keelty, the Australian Federal Police Commissioner, just last month said ‘the reality is that the seizures we have had in the last two years particularly demonstrate quite clearly that we are having an effect in the supply reduction strategy, and we are having an effect which is creating a heroin drought’. In the Herald Sun on 16 August, he said:

Our intelligence is showing us that there are indications from drug source countries now that they do not want to send drugs to Australia and that is directly as a result of what we are achieving through these large seizures.

When you consider this, you realise the role of the National Crime Authority as a lead agency is in fact starting to bring home the bacon, as far as their efforts are concerned.

The contrast with the Australian Labor Party on those sorts of matters is startling. With their soft-on-drugs approach and their policy on backing heroin injecting rooms they are sending the wrong messages to young Australians and to people involved in Neighbourhood Watch who are trying to stop the criminal activity at the local level, which is of course costing the community and so many people daily. They are sending the wrong messages to the criminal elements offshore that, should there be a change of government, there will be a softening of attitude as far as drug importation defence is concerned and that there will be a softening of matters as far as the treatment of illegal arrivals is concerned. Those sorts of matters are important to be brought out and discussed in the context of the role of the National Crime Authority.

As I said, this government has been about giving more tools to the trade to fight crime; this government has been about giving more strength to the role of the National Crime Authority. That the Australian Labor Party should be crowing tonight about the fact they have been able to pull back and frustrate some of the government’s determination to give to the National Crime Authority the real flexibility sought is, I guess, unfortunate; but it is a way, if you like, of colouring the facts to suit the argument.

At the end of the day, this government’s determination will remain unwavering. This government is rock solid on protecting Australia’s borders. This legislation is proof positive of our best efforts to get ahead of the criminals—but we are always mindful of the fact that they tend to always be one step ahead of us. No matter how many times the Australian Labor Party may suit themselves and try to water down and prevent the flexibility the government seeks, this government will keep rising to the occasion to reintroduce legislation to toughen up the stand against the drug traffickers and the illegal migrant-traffickers, to ensure all Australians feel very sure and confident that their government is protecting them by the way it legislates. I commend the bill to the House.

Mr EDWARDS (Cowan) (8.41 p.m.)—I listened with interest to the previous speaker, the member for Moreton. I thought he was going pretty well, until he started to inject that note of party politics into a debate which
does not really need party politics. It is un-
fortunate, because I thought a number of the
points he made were quite good but, in the
end, he really showed himself up for what he
is: a person who is desperate to win a seat in
an environment where that is very unlikely.
But I do not want to be too hard on him, be-
cause he made a number of good points, one
of which was that the National Crime
Authority in recent times has worked pretty
well. This is due to the balance and the wis-
dom of people like the member for Denison,
who has been a great contributor—probably
one of the best contributors—to the Joint
Committee on the National Crime Authority
in recent years. He has contributed over a
long period of time.

I came to the joint parliamentary commit-
tee as a former Minister for Police in West-
ern Australia, and I have seen the politicisa-
tion of that committee, of which I am a
member. The states in frustration almost
pulled the pin and walked away from it be-
cause of its politicisation. It would have been
a great pity if that had happened, because the
NCA relies on the other jurisdictions in this
nation, as it should. As no jurisdiction is a
single or separate entity in this nation in the
fight against crime, equally it is true that
every jurisdiction or agency must rely on one
another and must work together—they must
share intelligence, information and a com-
mon goal—to catch criminals. As I said, I
am a member of this committee, as is the
previous speaker, the member for Denison,
and as is the next speaker, the member for
Cook, who is the chairman. This committee
has an important role to play in setting a
non-political lead and in endeavouring to put
forward legislation that addresses inquiries
and reports and enhances the capacity and
the capability of our law enforcement offi-
cers to deal with organised crime in this na-
tion.

I want to refute a couple of things the pre-
vious speaker said. We are not soft on drugs
in the ALP. What we want to be is hard on
the drug dealers. I sit on another committee,
which put forward a report today. We put it
forward on a very strong bipartisan basis.
One of the things we said in unison was that
there needs to be—indeed, the community
should demand—a bipartisan approach to the
issue of drugs and drug abuse in this nation. I
am really disappointed at the concluding
comments of the previous speaker. They
were not based on fact; they were simply
based on a wont of politics. Having pointed
that out, I want to move on.

I want to try to bring a human side to this
debate. A couple of weeks ago I went to a
funeral in Perth. It was a big funeral, atten-
ted by many thousands of police offic-
ers—police officers who need the support
of the National Crime Authority and who
need the support of federal and state parlia-
ments around Australia. I will read a eulogy
given by Mike Dean, the Chief Executive
Officer of the WA Police Union, at the fu-
neral. Mike Dean said:

It is a difficult and humbling task to present a
fitting eulogy for such a unique and special per-
son, Donald Leslie Hancock. Don was a very
special person. His death shocked and stunned us
all. It was sudden and unexpected, an outrage
against Don and his family and the community as
a whole. I know that when I heard the news that
night, I was shaken and angry. Such crimes have
no place in our society. I know that Don trusted
and respected the principles of law, and I know
that Don was very proud of the professionalism
and commitment of the people of his Criminal
Investigation Branch. He would have been very
proud to see the effort of his brothers and col-
leagues over the last nine days.

In any tribute to a man, it is important to con-
sider what you most admired—the friendliness,
the compassion and consideration for others, the
earthiness, the quiet strength, the tremen-
dous commitment and the charismatic nature of true
leadership. Rare qualities. This man was a true
friend and confidante to the youngest police offi-
cer, the oldest prospector, the sandalwood cutter,
the horse trainer, the Queen’s Counsel and the
member of parliament. His intelligence, strength
and character attracted people of diverse back-
grounds and stature. He always had time to listen
and offer a friendly word to all.

As Commander of the Criminal Investigation
Branch, Don’s personal ambitions were truly ful-
filled. He brought an attitude that serious crime
must be solved, and I know that he believed that
it was his personal responsibility to the victims
and to the people of Western Australia. His work
ethic and dedication set a personal example to his
troops.
Commander Hancock’s career was noteworthy, and he participated in the investigations of some of the most infamous crimes of the day. These inquiries covered almost the full scope at every level of the criminal justice system. His friends and colleagues would be aware that his Kalgoorlie days as a police officer held very fond memories for him.

Of the many great men and women who have served in the Western Australian Police Force, very few have achieved the level of respect and admiration from their colleagues through their careers that Commander Donald Hancock received. When I ask myself why he was held in such high esteem, I put it down to his unique qualities. He respected all people, refused to judge others and freely offered his friendship. The hundreds of men and women who worked with him are better people for the experience.

In summation of his career, I know that the greatest compliment you could give him would be to say, “Don, you were a great detective.”

On reflection, Don Hancock was one of the most satisfied men I have ever met. He loved and adored his wife and children. They were his strength and he was always so very proud of them. He enjoyed his country and city lifestyles and his diverse friends. Truly he achieved in his life what many others never will; he was a contented man, very happy with his lot in life.

The many challenges and trials of Don’s life were accepted by Don as part of the job. Part of being a police officer. The last 11 months has certainly been a trial for him and his family. It was unjust and unfair, but no complaint ever came from Don. Commander Don Hancock, on behalf of your family and friends, I salute you. You will be missed but I will remember the good times. They were very good times.

That was a eulogy delivered by Mike Dean. Mike Dean was joined by others, including Jim King, a former copper who served with Don Hancock and others who attended that funeral that day. When I walked behind the coffin that day and looked at those many hundreds of police officers, I saw a very steely determination in their eyes, which will eventually see the perpetrators of that horrific murder—that horrific assassination—brought to trial. We in this place must reflect and share that steely determination to deal with crime and to deal with those who trade in drugs, death and misery. That is why we need to work on a bipartisan basis as much as we can in this parliament. The Joint Standing Committee on the National Crime Authority has an important but often underestimated role as far as that goes. As long as we can bring to bear the human side of the police officers, who are our frontline, and those people who are caught up in drugs—the victims—we will be continually reminded of the need for us to work on that bipartisan basis. It is a good committee.

Earlier this year we unfortunately lost a person who I thought was a very good committee chairperson. He had a good feel for the committee and the work that we were doing. He also had a good understanding of the need for there to be flexibility: for there to be a hardiness on the issues of crime but also a balance and accountability which are necessary in our legislation for protecting the public and protecting the crime fighters. So there is nothing soft about the ALP in its approach to crime, to those who deal in drugs and to those who engage in other sorts of crimes, whether it be people-smuggling, gun-running or whatever. We have a very firm attitude and a very firm approach, but I would also like to think that we have a very balanced approach.

I know that the next speaker, the member for Cook, who has taken over as chair of this committee, will probably have something to say. I hope they are not of a political nature. This is important legislation. We might not have the balance right and we can probably argue about a few things, but I do not think there is a political nature to these arguments—I would hope not—and I would hope that people on both sides of this parliament would reflect the steely attitude of those police officers that I saw and other crime fighters in Western Australia.

Don Hancock was assassinated by people who need to feel the full brunt of the law. We cannot allow them to be brought before a court or investigatory body and escape by saying that they have some ‘reasonable excuse’ for not wanting to answer questions. This legislation deals with that. I guess it could have been dealt with 12 months ago when the member for Denison brought in a private member’s bill. We can argue about why it was not dealt with then—perhaps
there is good reason why it was not—but the fact is that it is here today and it needs to be supported in a bipartisan way.

There is a very serious problem in our community. The issue of drugs is a major challenge for governments—state and federal—jurisdictions, agencies, police forces and police officers, and it must be dealt with in a bipartisan way. Above all, just as we must deal with the issues of terrorism that we saw in America a couple of weeks ago, so too must we deal with the issues of terrorism which we saw perpetrated in the streets of Perth almost one month ago. Hopefully, this legislation will help to do that. I think this legislation has the true support of members of parliament from both sides. I hope that in some way it might help bring to justice the people who commit crime in our society and those who caused the death of Don Hancock. I commend this bill to the House.

Mr Baird (Cook) (8.56 p.m.)—I join the member for Cowan in commending the National Crime Authority Legislation Amendment Bill 2001 to the House. It is an appropriate piece of legislation. In my role as Chair of the Parliamentary Joint Committee on the National Crime Authority, I regard it as a significant step forward and one which is supported by all members of that committee. The bill will ensure that law enforcement and investigative bodies are given the appropriate power to pursue those who are involved in organised crime in this country, and it will do much to improve the level of penalties that exist so that we do not have this evasion of responsibility to provide information that we have seen in the past. It is worth while and it is something which the Chairman of the National Crime Authority, Mr Gary Crooke, has been pushing for some time in various committees: I remember when I was a member of the Attorney-General’s committee, he came before us and explained his position. The National Crime Authority is an organisation which evolved from debates that occurred in the 1970s about organised crime developing in the country and the need to do something about it. We had royal commissions, one under Justice Moffitt, and finally in December 1982 the National Crimes Commission was created. It soon became evident that there was a lack of an effective role for the states and territories in the new body and in 1984 the National Crime Authority Act received royal assent as well as there being corresponding legislation in all states and territories.

The NCA has been with us for 17 years now and we have reached the point where we are discussing legislation to reform the National Crime Authority and to address some of the more recent problems. It has been pointed out that a number of people under investigation by the authority have been able to frustrate or stall inspections by refusing to answer questions at NCA hearings and allowing proceedings to go to court litigation. Many prefer to accept the relatively low penalty of a $1,100 fine or may use the ‘reasonable excuse’ defence at NCA hearings. The result of this stalling is that investigations can lose their momentum and fail.

There is no more important task in relation to crime in this country than that those involved in organised crime should be required to provide the evidence that is necessary for the NCA to be able to uncover the networks that exist and those who are running the crime mafias in this country and to pursue them relentlessly.

We only have to see the toll of drugs in this country to recognise the damage caused by people who distribute drugs. We also see the toll in this community caused by those who are involved in money laundering and those who are involved in organising major crime. We only have to look at the illustration of the recent horrendous crimes in the United States to see the necessity for information to get to the core of those malevolent forces in our community, and this legislation will attempt to move one step closer to that.

This bill has not been without its controversy. Following its introduction into the Senate, it was referred to the Joint Standing Committee on the NCA, and a number of recommendations were made. Some of its provisions were changed by the Senate, including the planned contempt regime that would enable a court to more rapidly deal with conduct that interfered with an NCA
investigation. That did not proceed, which is somewhat unfortunate.

Apart from that, there are a number of important aspects to the bill. I will go through them seriatim. Firstly, penalties are increased. Instead of having a fine of $1,100 and six months jail for refusing to answer questions, the penalty has now being increased to five years jail and a $20,000 fine. The recommendations here are obviously significant. Five years jail is going to provide some degree of intimidation for the witnesses, and they will not so easily dismiss the requirement to answer questions.

Secondly, in relation to self-incriminatory evidence, the bill removes immunity from derivative use—that is, when a person gives evidence that is incriminating to them. In the past, this could not be used in prosecution against them. This will disallow an incriminating statement during an investigation being used against the person, but the statement will be able to be used to piece together other evidence that may verify an incrimination. This is also most important. The NCA committee has recommended that this provision be approved, subject to being reviewed after five years and reporting to parliament. I believe that is appropriate.

The third aspect of the legislation is the issue of reasonable excuse. This has been exploited by witnesses who claim they have some reasonable excuse because of their relationship to various individuals. During the hearings of the committee, the example was given of witnesses appearing before the NCA who failed to even confirm a family relationship with another person on a reasonable excuse basis that the evidence may incriminate them. That contention then had to be tested in a court, frustrating the NCA's proceedings. The removal of the reasonable excuse defence is consistent with the government's move to synchronise all types of defence under chapter 2 of the new Commonwealth Criminal Code, which comes into effect on 15 December this year. Reasonable excuse is being replaced with more clearly defined defences, such as sudden emergency or intervening event. So removing that aspect, which many of those being compelled to answer simply use to escape their responsibilities, is important.

The fourth part of the legislation is NCA accountability, which is also significant. While we recognise and applaud the role the NCA have in our community, it is important that they are accountable to the public. The legislation will submit the NCA to being a 'prescribed authority' as defined in the Ombudsman Act 1976. This means that the Commonwealth Ombudsman will be able to deal with complaints by members of the public against the authority. This is a significant step forward in terms of accountability.

Fifthly, there are minor housekeeping changes. They include: the extension of the maximum term of appointment of members of the authority from four to six years, thus ensuring continuity; the inclusion of money laundering and perverting the course of justice in the definition of relevant offences that the NCA can investigate; and the third part of this minor amendment, which will make a large number changes to various acts, is to replace the word 'Chairperson' with 'Chair'.

In conclusion, this is a significant piece of legislation. It has the full support of the Joint Standing Committee on the National Crime Authority. It moves us further in the pursuit of those involved in organised crime in this country. I am certainly aware that in my electorate crime is one of the biggest issues of concern to the community. The fact is that major figures involved in crime simply seem to elude us when they are pursued by using all the legal mechanisms and excuses available to them. This bill will cut off many of their retreats and will push them further into providing the type of evidence that we would seek. We would like to see the NCA pursuing those in this country involved in organised crime, money laundering and the distribution of drugs. It is a very important piece of legislation. I am very glad to see that it has bipartisan support within this House, and I certainly commend the bill to the House.

**Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.05 p.m.)—in reply—** In summing up this debate, I would like to thank all members for their contribution. The National Crime Authority Legislation
Amendment Bill 2001 has received close scrutiny and the opinions expressed are indicative of the fact that the bill addresses a number of matters that are of serious concern to all members of this House. I would also like to thank those who sought personal briefings on the complex issues addressed by the bill before determining their position on it.

The member for Denison, who was the first of the opposition speakers, was very happy to reflect that this bill picks up on Labor’s private member’s NCA Bill 2000 introduced by him. Indeed, both bills draw on the recommendations made by the parliamentary Joint Standing Committee on the NCA in its third evaluation of the National Crime Authority. The extra time spent on the government’s bill involved addressing and including additional reforms sought by the NCA and consulting the states and territories. As well, the processes of this parliament included the review of the bill by the parliamentary Joint Standing Committee on the NCA.

Among the additional important features in this government’s bill are complete removal of reasonable excuse defences and application of the Criminal Code, and provision for the NCA to employ hearing officers. We think they are very important aspects of the bill. The member for Denison, however, felt that the government had failed to take up Labor’s proposition for a law enforcement oversight committee. The government does not favour the law enforcement oversight committee suggested by the member for Denison. The government considers that the focus on the NCA by the existing parliamentary joint committee has been appropriate and a proper reflection of the special function and powers of the authority. The responsibilities and jurisdiction of agencies like the Defence Force, the quarantine service and the Federal Police are too diverse to be sensibly brought within the purview of a single committee. We think its focus would have been lost.

The honourable member for Cowan spoke of attending a funeral just two weeks ago in Perth for Donald Hancock, a Western Australian police officer who, as we all know, died under very sad circumstances; indeed, to use the word ‘assassination’ would not be inappropriate. I thank the member for Cowan for referring to the very difficult task we place in the hands of police. It is important that we acknowledge that. The death of a police officer in the course of duty is a very tragic event and reminds us of the commitment and sacrifice that the community receives from its law enforcement officers. I endorse the comments of the member for Cowan. These strategies underline the importance of giving appropriate tools, in particular legal tools, to law enforcement and the NCA.

The bill is an important measure to enhance the effectiveness of the National Crime Authority in fighting organised crime. In particular, it will create a significant deterrent to those who seek to obstruct and frustrate the authority’s hearing process. At the same time, the bill contains important accountability measures, notably a role for the Ombudsman and clearer reporting requirements to the parliamentary joint committee on the authority. The continuing support for the activities of the NCA from Commonwealth, state and territory governments reflects the important role played by the authority. There is no doubt, however, that the problems caused by serious and organised crime in its operations across jurisdictional boundaries continue to pervade all levels of society. This reinforces the need for a national law enforcement agency such as the National Crime Authority.

It is essential that the authority has sufficient powers to enable it to perform its functions without being hindered or hampered by those whose very conduct the authority is trying to investigate. It is also essential that the authority is able to operate in an environment that enables the greatest possible flexibility, while at the same time ensuring that the authority remains accountable and responsive. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.
Third Reading
Leave granted for third reading to be moved forthwith.

Bill (on motion by Dr Stone) read a third time.

ASSENT TO BILLS

Message from the Governor-General reported informing the House of assent to the following bill:

Environmental Legislation Amendment Bill 2001

TAXATION LAWS AMENDMENT BILL (No. 6) 2001

Second Reading

Debate resumed from 30 August, on motion by Mr Slipper:

That the bill be now read a second time.

Mr KELVIN THOMSON (Wills) (9.12 p.m.)—I move:

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

“whilst not declining to give the bill a second reading, the House notes that this bill proposes amendments to the A New Tax System Act 1999 and calls on the Government to take this opportunity to include further improvements in the legislation that would:

(1) remove the GST from the price of women’s sanitary products;
(2) remove the GST from funeral expenses;
(3) remove the GST from fees paid by long-term caravan park and boarding house residents;
(4) compensate charities for the extra burden imposed by the GST; and
(5) simplify the GST for small businesses”.

I want to spend a bit of time talking about that part of my amendment which goes to removing the GST from funeral expenses. Recently, the Labor Party received a submission from the Australian Funeral Directors Association which indicated, amongst other things, that in their role as the industry’s peak body they had recently conducted a 12 months review of the GST regime in order to assess its impact on their members and clients. Based on this review, the association submitted that the GST has had a detrimental impact on funeral directors and their clients, and therefore sought the removal of the GST on funerals and related services on a number of grounds. Their submission noted that the GST was introduced on 1 July 2000 with certain transitional provisions concerning the funeral industry which were effective from 1 December 1999.

Since the introduction of the GST, the association, their members and allied industries have fielded numerous concerns and complaints from their respective clients regarding the impact of the GST. The common theme of this feedback is that the GST is perceived by consumers to be akin to the reintroduction of a death duty. It is said that in life nothing is certain but death and taxes; in the case of the GST, this government has managed to ensure that death goes with taxes. The association says it is clear from their review that Australian people resent the fact that someone who has worked hard and paid taxes throughout their life is also taxed upon their death via the GST imposed on funerals and related services.

The Australian people perceive that the GST unfairly taxes the aged when they are the population demographic least able to afford the additional tax. The paper included some statistics concerning older people’s income and life expectancy which indicate why the community would be reasonably entitled to hold those views. Essentially, people see GST on funerals and related services as the ultimate insult. As has been widely commented on in the media, the small business sector has been particularly hurt by GST compliance costs and the time consuming and cumbersome business activity statement system. Like other industries that are predominantly small business, family owned and operated, the Australian funeral industry has been very much affected by these issues. In addition, due to the general resentment of GST in the community, consumer anxiety and anger are being expressed to the funeral provider. This often places funeral directors and association members in the very difficult situation of explaining the workings of the GST to elderly and anxious consumers who are already experiencing difficulties in coping with the loss of a loved one. The association’s submission points out that, human nature being
what it is, the explanation generally comes down to a broad statement to the effect that you can blame it on the government.

The 12-month review also indicates that for many families, and particularly the elderly, funerals and related services are an un-budgeted and high-ticket purchase relative to most products and services affected by the GST, and the additional costs brought about by the GST have caused many to rationalise the choice of products and services they would normally consider in order to honour and memorialise their loved ones. As they say in their submission, it is tragic that something as sacred as a funeral ritual, which after all is the oldest of humanity’s rituals, is being impinged upon in this way by government policy.

A Beazley Labor government will abolish the GST on funerals. Services provided by funeral directors which go towards a funeral service will be made GST free. This includes, for example, the funeral notice, venue hiring, securing a grave or memorial plaque, the celebrant, coffins, wreaths and floral tributes. Labor will also refund the GST already paid on prepaid funerals where the service has not been delivered by the time the GST is removed from funerals. This is another instalment of Labor’s plan to take the GST off some essential goods and services to ease the pressure on Australian families. Imposing a GST on funeral expenses is an unfair burden on Australian families, especially the elderly. It is the equivalent of a death tax. It is a terrible time in any family when someone loses a life partner, and it is particularly tough on older Australians, and the last thing they need is to be slugged with a tax on top of that. People bear it in the same way in which they have to bear their grief, but it is a burden that they should not have to bear. Under a Labor government they will not have to bear that burden. Labor will get rid of John Howard’s death tax.

The unfairness of imposing a GST on funerals is raised regularly with Labor members by older Australians, their families and the people who provide a funeral service. It is worth pointing out that before the GST was introduced the service component of funerals was untaxed and specific items such as coffins and wreaths were wholesale sales tax exempt. Now, almost all funeral costs are subject to the GST, which has forced significant price rises. Making funeral services GST free will allow funeral directors to lower the funeral expenses faced by families in their hour of need and it will lower their administrative burden without complicating it for anyone else. It is further evidence of Labor’s belief that the GST can be made fairer and simpler. Labor will work closely with Australian funeral directors and other interested parties to settle the fine detail of this important measure to ensure that it delivers maximum simplicity and fairness. I call on members on the other side to support the idea of removing the GST from funerals.

Taking the GST off funerals is just one way that Labor will deliver a GST tax cut for families. It is one of a number of reforms that we have already announced in which we will remove the burden of John Howard’s unfair GST from Australians whom it hits hardest. We will make it fairer by taking it off funeral services; we will make the GST fairer by taking it off caravan park site fees, an issue on which my colleague the member for Grayndler has campaigned vigorously. Labor will make the GST fairer by taking it off women’s sanitary items, and Labor will make the GST fairer by compensating charities for the cost of the GST when they help the poorest Australians. Like our other plans to remove the GST from some of life’s essentials, making funerals GST free is permanent. Once it is taken off, it will not be put back and it will not be eroded by inflation. We can make the GST fairer and simpler, but only Labor is prepared to do it.

I also refer to that item of my amendment which talks about compensating charities for the extra burden imposed by the GST. This is another issue which my colleague the member for Grayndler is very familiar with and interested in. For example, he recently highlighted the report released by the Salvation Army, Stepping into the breach, which points out that the burden faced by charities has been increased—exacerbated—by the Howard government’s breaching regime and the unfair GST. The Howard government’s breaching policies have seen a 189 per cent
increase in unemployed people being fined. Those people have to live somehow, so they then go to charities such as the Salvation Army for help, but they find that these organisations have less available in the way of emergency funds on account of the impact of the GST. The Salvos have suggested that the Howard government is trying to cost shift. That is exactly right; they have hit the nail on the head. The report, *Stepping into the breach*, reveals that more than 50 per cent of people now seeking emergency relief from the Salvos do so because of the government’s breaching policies. However, you then have the GST clawing back a total of $15 million every year from emergency relief agencies like the Salvos, and that clawback of funding means that 900 agencies like Anglicare, St Vincent de Paul and the Salvation Army have less to give to the growing number of people who are struggling to survive.

Kim Beazley indicated in his budget reply earlier this year that we are committed to relieving the pressure on charities arising as a result of the GST. Labor will provide an additional $45 million of emergency relief funding over three years, a 57 per cent increase, to return the amount of GST lost as a result of the government’s GST slug on front-line charitable activities. This payment will be funded by limiting the tax deduction for political donations to just $100 instead of the Howard government’s policy of a $1,500 limit on such tax deductions. This achieves two worthwhile purposes, the first of which is helping the charities and ensuring that their funds for emergency relief are not impacted on by GST. Secondly, it keeps Australia’s political processes clean in that it does not allow people to influence the policies of political parties via tax deductible donations. The Prime Minister has been heard to say that there is no finer organisation than the Salvation Army. That kind of observation would have more credibility if the Salvation Army was not battling under the impost of GST, the government’s breaching policies and the like.

The issue of the impact of the GST on charities is one of the terms of reference of Labor’s inquiry into the business activity statement, which I have had the honour of chairing. An area of particular concern to our business activity statement committee has been to hear of the impact of the GST and business activity statement compliance obligations on not-for-profit or community groups. It is particularly ironic that, in the International Year of Volunteers, we learned that the task of attracting and retaining volunteers has become more difficult than ever as a result of the GST workload burden. Office bearers are proving harder to come by. Labor’s candidate for the electorate of La Trobe, Phil Staindl, pointed out to me that the tax office had sent to the treasurers of community organisations a guide to dealing with the GST which was in the form of three volumes and hundreds of pages. If you are a volunteer treasurer, things like that can often be the last straw.

Mr Cadman interjecting—

Mr KELVIN THOMSON—I know members opposite do not care about voluntary organisations. They simply treat the work of voluntary organisations with contempt. They have done a great deal to damage voluntary organisations with their GST and business activity statement workloads.

Similar problems were reported to our inquiry by community organisations in Perth, including by a local community radio station. We saw the intricacies of calculating GST input credits and whether GST was payable on cups of tea and coffee provided to staff as opposed to visitors. This led the elderly volunteers at the Bundaberg and District Historical Society to give up selling tea, coffee and biscuits to visitors to that historical centre. The value of work of volunteers in organisations like that is inestimable. They are essential to the health of our cultural life, and it is simply not good enough for the business activity statement and GST to carve a swathe through these important activities. When the inquiry visited Lismore in the federal electorate of Page, we heard from Miss Hazel Bridget, the past president of Northern Rivers Legacy, of the problem of GST on payments made by Legacy to widows. This is exactly the sort of problem that Kim Beazley’s budget reply announcement would address as it would involve compensation for charitable payments made in these circum-
stances. That is one of the things that a Labor government would do to make the GST simpler and fairer.

Regrettably, we have a government which is out of touch with ordinary Australians, has no idea how much ordinary people are hurting and how the GST has made families worse off and is not listening to ordinary Australians. In particular, its treatment of older Australians and low income earners indicates just how out of touch the government is. It is happy looking after the better off, while ordinary Australians are doing it tough. Those Queensland Liberals who indicated that this was a government which was mean and tricky are absolutely right. The GST wiped out most of the families’ promised tax cuts; pensioners had their GST compensation clawed back; and, while the GST has been making it ever harder to make ends meet, the Prime Minister has broken that promise that no-one would be worse off under the GST. We see millions of Australians now under more financial pressure with the GST increasing the cost of living, hurting small business, costing jobs and putting millions of Australian families under financial pressure.

There was some talk earlier this year of tax cuts from this government. The Prime Minister ought to have been laughed out of town. Just like the last tax cuts, any tax cuts that John Howard promises will be taken away by the GST and increased costs of living. We were never, ever going to have a GST. Nobody was going to be worse off. Now he says that the rate is not going to go beyond 10 per cent. Frankly, that is about as credible as his previous promises. You will find tax cuts for the rich being paid for by ordinary Australians with an increase in the GST.

Having made those remarks in relation to my amendment, I want to turn to a discussion of the specific provisions of the legislation. The first item I want to refer to is the income tax exemption for local government businesses. Schedule 2 to this bill amends the income tax legislation to extend income tax exemption to businesses that are owned or controlled at the local government level. That measure was announced in the Treasurer’s press release of 19 June 2000, and the amendments apply to income derived after 30 June 2000. The exemption is unlikely to involve any loss of Commonwealth revenue, because municipal corporations and local governing bodies are currently exempt under section 50-25 of the Income Tax Act 1997. The amendment is designed to assist local government bodies which seek to restructure their activities in order to improve their business efficiency. This amendment simply treats local government in the same way that state governments are treated, and it is supported by Labor.

The second item I want to refer to concerns superannuation fund residence requirements. Schedule 3 to this bill amends the Income Tax Assessment Act 1936 by amending the definition of ‘resident superannuation fund’ and also by replacing the definition of ‘active member’ with new definitions of ‘active member’ and ‘non-active member’ respectively. The amendments will allow a fund, in particular a self-managed superannuation fund, to retain its residency status while the trustees and/or members of the fund are temporarily overseas, so long as certain conditions are met. That measure was announced in the Assistant Treasurer’s press release of 4 October 2000. It adds some clarity to the law in this area. It is a sensible reform that will benefit self-managed funds, we would expect, and it is therefore supported by Labor.

I mention in passing that the Howard government has a very poor record on self-managed funds and, indeed, on small business generally. It introduced a range of changes to what were known as ‘do-it-yourself’ superannuation funds but are now referred to as self-managed superannuation funds, involving transfer of regulation from APRA to the tax office, and a new definition of self-managed superannuation funds whereby they must have fewer than five members where all the members are trustees and there are no other trustees. Labor had to amend some of the requirements here so that employees could not be members of a self-managed fund unless they are related to the employer sponsor. They also tightened the investment rules on all superannuation funds,
to restrict holdings in certain asset classes to no more than five per cent; however, funds may be able to purchase up to 100 per cent of real business assets. Funds not complying had until 30 June 2001 to comply with the new investment rules. Changes to the investment rules for self-managed superannuation funds cost these funds thousands of dollars to unwind current investment arrangements in a short time. It was another significant cost in time and money—and, once again, this from a government that had promised to reduce red tape for small business.

The next area of the bill I want to talk about is schedule 4 and the issue of tax relief for shareholders in listed investment companies. Schedule 4 provides shareholders in listed investment companies with the benefit of capital gains tax discount on the eligible gain component of a dividend paid to shareholders. That measure was announced in the federal budget this year. Broad details of the concession can be found in the Treasurer’s press release of 22 May this year. The measure contained here provides taxpayers with greater access to the benefits of the capital gains tax discount. It has support from industry. We would expect that the net benefit of this change is the diversification of investment available for Australians choosing to invest. It will result in a cost to revenue of an estimated $20 million, except for this first year, for which I understand the estimate is around $5 million. I did receive some letters concerning taxation treatment of capital gains made by investment companies, as distinct from other forms of collective investments, such as public unit trusts. There have been discussions about the effect of this policy on the share prices of listed investment companies; and various organisations, such as the Australian Foundation Investment Corporation, have been making submissions to government concerning these issues. The amendments in the bill are regarded by us as appropriate, and we accept them.

I also want to refer to the part of the bill that goes to petroleum resources rent tax. The petroleum resources rent tax imposes a secondary income tax on the profits of oil producers. It is aimed at taxing the economic rent—that is, the profits above the level of profit needed to actually undertake the project—associated with petroleum products production. This was first introduced by Labor back in 1983-84. This kind of legislation is an economically efficient method of ensuring that the Australian people gain a fair share of the value of Australian petroleum production, without interfering in the incentives for efficient exploitation of the resource. The bill purports to remove the uncertainty surrounding the determination of a price for gas produced in integrated gas-to-liquid projects. There are not any projects of this kind operating at the moment, but it is suggested that some certainty is needed and is important in a potentially critical area for development of the industry. The act is being amended to reduce the uncertainty surrounding the determination of a price for gas produced in such integrated projects. The amendments provide for a new methodology to determine the price of gas where there is no comparable uncontrolled price and there is not a sale at the taxing point, or where there is a sale at the taxing point but the sale is not at arms-length.

What has been said to the parliament with regard to this bill is that the new methodology will be incorporated in regulations. Unfortunately, the bill only provides the framework for determining the rules concerning the pricing of gas for petroleum resources rent tax purposes. The actual rules are to be made by regulation. The industry, which is supportive of ending the uncertainty—for obvious reasons—is pretty nervous about what will be in the regulations and is anxious for the draft regulations to be made public prior to passage of the legislation, with some reasonable period to allow for informed comment from the stakeholders. Labor thinks that is a quite reasonable position. Accordingly, Labor will not be opposing these provisions in the House. But we do call on the government to release draft regulations as soon as possible so that stakeholders, including the Senate, can consider the bill properly when it gets there. I understand that the industry supports the other measures in the bill.
There is also a part 2 of schedule 1 to the bill, which amends the petroleum resource rent tax legislation to modify the operation of what is known as the five-year rule. Broadly, the five-year rule applies to classifying expenditures for the purpose of calculating petroleum resource rent tax liability. The amendments change the date used for classifying these expenditures, from the day the production licence is issued to the day the government has received sufficient information to determine the successful production licence application. This is something that will result in a small but unquantifiable cost to revenue.

The legislation also makes some changes to issues to do with personal services income. I do not have time to go right through the amendments that are made here, but I have to say that the government’s latest backflip on the alienation of personal services income suggests, once again, that we have an extremely incompetent Treasurer. This is a government that has messed up tax reform and it has messed up alienation of personal services income. We support moves to protect genuine contractors and the self-employed while, at the same time, meeting the original purpose of the legislation to crack down on sham contractors and not erode the revenue base. It is extraordinary that the Treasurer and Prime Minister claimed that they were going to look after genuine contractors; their handling of this issue resulted in a set of complex arrangements that hurt genuine businesses and tied them up in a new mountain of red tape.

I would just make the observation in passing that what the government has done is move the situation much more in the direction of self-assessment. Those of us who follow the tax legislation a little will know that there is an ongoing issue in relation to mass marketed tax schemes, in which self-assessment is at the heart of a lot of grief on the part of those who have engaged in self-assessment only to have the tax office come back several years later and say, ‘No, you’re wrong. We’re not going to allow these deductions and we’re going to hit you with penalties and interest.’ I say to some of those who are engaged in personal services income that self-assessment does not necessarily resolve a lot of the problems in this area. It may simply be a matter of the government seeking to postpone this problem and get it away until after the election, and it can be a problem for people in years to come.

The other area of the legislation that I want to refer to is the HIH rescue package. Schedule 5 to this bill amends the Income Tax Assessment Act 1997 to ensure that the income tax consequences of payments under the HIH rescue package are the same as if those payments had been made directly by HIH and exempts the HIH trust from income tax. The government’s handling of the HIH collapse was absolutely appalling. It is a matter I have referred to in the parliament frequently. We have had eerie reminders of this in the last week in the shape of the Ansett collapse—an almost identical fact situation in a number of respects: the government ministers are alerted to a developing crisis, a developing catastrophe, and they sit on their hands during, in the case of the HIH collapse, the largest financial collapse in Australian history, and in the case of Ansett, I expect, the largest industrial collapse in Australian history. On this government’s watch we have seen failures—HIH, One.Tel and Ansett—this year on a scale we have never seen before in the life of this country. The government’s handling of these matters has been appalling. For those who think that this government has been a good economic manager, you ought to ask a policyholder at HIH, a worker at Ansett or a customer at One.Tel just what they think.

Miss Jackie Kelly interjecting—

Mr KELVIN THOMSON—The less we hear from the Minister for Sport and Tourism—she regarded the collapse of Ansett as a blip—the better. (Time expired)

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

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

Mr CADMAN (Mitchell) (9.42 p.m.)—Last year Paul Kelly wrote in the Australian:

The strategic issue is whether Labor has spent too long deluding itself about the GST as a political saviour not only to find it miscalculated but to
confront a deeper issue—that it has not sufficiently addressed its own policy direction. This is the decisive question and Hobart should offer some answers.

Tonight’s debate on the Taxation Laws Amendment Bill (No. 6) 2001 indicates that the Labor Party has not learned or done anything within that 12-month period. The previous speaker, the opposition spokesman on financial matters, Mr Kelvin Thomson, has moved an amendment to this legislation that outlines the changes, the so-called ‘roll-back provisions’, that the Australian Labor Party wants to put into the goods and services tax.

Just looking down the five or six points made by the previous speaker, one would have to say that the changes are so loose, so poorly defined and so ill informed that they will create huge turmoil and definitional problems should they ever be introduced. All of those small businesses that the Australian Labor Party have suddenly found they want to represent would be thrown into chaos as they tried to readjust their databases, as they tried to rewrite their MYOB and Quicken software packages to take into account all the changes that the Australian Labor Party want to make to the goods and services tax. It would throw the whole industry, the whole record keeping process of small businesses, into absolute confusion.

What the Labor Party have failed to understand is that what they consider to be a simplification, a change or a roll-back—whatever you want to call it—is a change that creates difficulty of definition and uncertainty as to whether goods are in or out of the goods and services tax. Some of the problems created by the Australian Democrats in the definition of what food was—whether it was fresh or not fresh, whether it was ready to eat or was not ready to eat—when the goods and services tax was introduced are very obvious when one goes to the supermarket or goes shopping. All the chaos, the difficulty and the problems of management which were created for retail grocers and small shopkeepers are going to be multiplied many times over should the Australian Labor Party ever be given the opportunity to implement some of these proposed changes in what they call a simplification or a roll-back. They will find some nice soft words for it, but what it means is continuing change to the goods and services tax—something that not one single small business in Australia wants. Small businesses want to get on and accept things as they are, and not have changes, adjustments and modifications that will create further complexity, difficulty and additional cost for them.

The Australian Labor Party, in developing these policies, have to demonstrate that they have moved ahead of where they claim they stand on the goods and services tax and that they will not plunge Australia into debt. The Labor Party claim that a reduction in the goods and services tax will not create a problem for the budget. They claim that they are going to collect less tax but they are not going to raise any more debt. They claim that they are going to create a roll-back and lessen the amount of money that they take in, but they are not going to put Australia into debt and that they will, in fact, increase the surplus. So we have a confusion of ideas about how they can actually reduce the amount of money that the government takes in taxation but not have a deficit—in fact, they claim they will have a larger surplus. The Labor Party claim they are not going to put Australia into debt—as one would think would happen if they collect less tax. They claim they are going to collect less tax but have a larger surplus. The sums do not add up.

The Australian people saw those sorts of calculations when the Australian Labor Party were previously in government, and they were not at all persuaded that the clever words of people like Paul Keating were an adequate explanation for the huge debt that Australia racked up—a debt of $90 billion, two-thirds of which is now thankfully paid back. I realise that the people of Australia are not too worried about debt provided it is under control, but to quickly move to such a huge debt, as the Australian Labor Party did, and to allocate so much taxation to repaying the interest charges and repayments of that $90 billion debt did worry people. It worried them greatly, and it was one of the reasons that the Australian Labor Party were voted
out. This government has brought the debt under control and is managing the debt. It has reduced the debt by two-thirds. That is the sort of management that gives confidence to the Australian people. The Australian people want to see a government which, if in debt, has a plan to manage that debt. We are managing that debt. Within the short period of five years, we have brought the budget deficit under control, we are running surpluses and we have been able to pay off the Australian Labor Party’s debt.

When one looks at the proposed amendments to the legislation that we are dealing with tonight, one can only be amazed that the Australian Labor Party have learned so little in the past 12 months. The Hobart conference of the Australian Labor Party demonstrated that they had no wish to cope with what they thought was the main issue and they found no reason to move on. There has been a continuing commitment to domination of the Australian Labor Party by the trade union movement. The Labor Party are the captive of the union movement. Even though only 25 per cent of our community are members of the union movement, 60 per cent of the delegates at the Labor Party conference have to be members of the union movement. The Labor Party must have a biased and prejudiced outlook of Australia if two-thirds of the delegates to the Australian Labor Party annual conference have to be drawn from the union movement. What a very limited and very precious approach that offers of Australian society. I am really bitterly disappointed that there has not been a better approach to the true needs of Australia and the true needs of Australian families.

This legislation moves ahead and makes some significant changes. Briefly, the changes are: amendment to the income tax law to provide shareholders in listed investment companies with the benefits of the capital gains tax discount on certain capital gains made by those companies—a further modification of the capital gains tax, which was introduced by the Australian Labor Party; a change to remove the tax distortion on indirect investment choices for investment and to allow shareholders the benefit of the GST discount; and, following the Ralph review, there are provisions to deal with the alienation of personal services income—that obnoxious area about which Simon Crean said, ‘We will do better; we will change that.’ The Labor Party will not stand for the definitions of small business, private operators, contractors and subcontractors offered by this government. Instead, Simon Crean said that they would go harder, they would make it tougher. There is $700 million that he wants to get, and he will go after it to make it tougher for the subcontractors, the battlers and the hard workers who keep Australian industry moving. Then, of course, we have the process of self-assessment, and the scorn that has been poured on this process by the Australian Labor Party and the shadow Treasurer in particular.

In this legislation there are also provisions associated with the financial collapse of HIH. The proposal is to establish a scheme to assist certain qualified individuals and small businesses who experience financial hardship as a direct result of the collapse—to assist those in need. The Taxation Laws Amendment Bill (No. 6) 2001 contains measures to ensure that there are no unintended income tax or GST consequences arising from transactions occurring as a result of an HIH rescue package—again, a thoughtful consideration. It is a tragedy that this should occur. It is a tragedy that it was not spotted, that the views held in the industry that HIH—and FIA before that—was a problem were not noted and not acted on. That process is going to be dealt with by the royal commission, which has just commenced its hearings. However, this government is moving to change tax law tonight to make sure that there are no unintended consequences for small businesses or individuals suffering direct financial hardship as a result of the collapse. There is also a provision to remove the uncertainty surrounding the price of gas produced in integrated gas to liquid projects. This is an amendment which will continue the government’s role of conservation of fuel and of giving better flexibility in the choice of fuel types.

Finally, in schedule 3 of the bill there is an amendment to the residency rules for superannuation funds. It will allow funds—in par-
particular, self-managed superannuation funds—to retain their residency status while their trustees are temporarily overseas for up to two years. That is a typical situation when a person with a superannuation fund is called to employment overseas or when they go on an extended holiday but wish to retain their superannuation. It is not a process that I see in any way avoiding an Australian’s responsibility to pay tax, prepare for their retirement or make a contribution to our society. It is nothing like the situation we saw under the Australian Labor Party, when people gained access to benefits and were able to leave Australia and live on Australian benefits for protracted periods. This government has sought to change that, to modify that process, and it is fair. There are now bilateral agreements with various countries from which people come as migrants so that we can make sure that the exchange of benefit is fair to all concerned. This provision is not in those terms; it relates purely to those people who fund their own superannuation and who have built up an asset over a period of time so that they may be free of government contribution on their retirement.

I want to look at, in particular, the alienation of personal income services. This legislation provides for people in certain categories who have had difficulty fitting within the Australian Taxation Office’s definitions. Over a period of time, a person has had to make their own judgment about whether they are self-employed or whether they work for somebody else. This has created a difficult situation. The people in the electorate of Mitchell and I admire the skill and energy of people who are self-employed. It is a goal of many of the young people in our district to gain self-employment. They are not interested in working for somebody else but want to establish the freedom and opportunities that self-employment gives. The definition of self-employed has been a test for the Australian Taxation Office and is a factor in industrial relations laws. The Taxation Office and the Treasurer felt that it was necessary to find a definition, instead of leaving it to people to declare themselves self-employed. Attempts have been made and, gradually, having listened to the needs of the Australian community, this government has moved close to what I believe is a fair assessment as to who is self-employed.

The legislation contains provisions to deal with the alienation of personal services income. It is directed at people who earn income as individuals but who claim to be self-employed so as to avoid paying income tax at individual rates. This applies to people who may work for set hours, are paid at an hourly rate, have their superannuation paid and have some holiday paid, but are declared by their employer to be contractors. BHP at one stage this year declared 1,200 of its employees to be self-employed and asked them to create companies or independent corporations so that they could be declared self-employed. That may be an accurate description of their work; it may be a process that is of greater advantage to BHP than to the people involved. One of the key factors that has driven this process over the last five or six years has been the onerous imposition of the unfair dismissal proposals, first introduced by Laurie Brereton and the Labor Party. Companies did not want to continue with permanent employment for their staff if they could avoid it, so they required them to become self-employed by establishing a company, or they declared them to be contractors. The costs and the risk attached to the termination of an employee are so great that many small businesses have not employed the staff that they would have employed. Small business organisations have estimated that the number of people who could be employed but who are not employed, simply because of the impact of the redundancy requirements of unfair dismissal, could be as many as 50,000.

The on-costs of employment are also factors that have encouraged employers to change their view on who is employed and who is self-employed. The government has moved to clarify that. Whilst in my opinion it is not yet quite where it could be, it is a very reasonable approach to what has been a vexed question. In particular, the areas of concern to the government were independent contractors in the building industry and those who were providers of services, particularly financial advice services. Another area that needed attention was the courier owner driv-
The commissioner has confirmed that the standard industry contract meets the independent contractor test for the courier owner drivers. In the construction industry, all taxpayers who are part of the prescribed payments system are subject to transitional arrangements, and then after that they are declared to be open for the self-assessment process that previously applied to them. The rules for financial advisers have also been changed so that those who give financial advice who, at first blush, appear to earn all their income from a particular finance company or insurer are in fact regarded as self-employed. They are in fact working for clients, delivering to clients the best financial advice that they can put together. They are truly independent, self-employed business people.

This is an interesting piece of legislation. It brings to mind the capital gains tax introduced by the Australian Labor Party and the denials by Bob Hawke and Paul Keating that that would ever happen. It is interesting to read the transcripts of this parliament as, day after day, they denied that the capital gains tax would be introduced and then, lo and behold, with one meeting it came into the parliament and, for the first time, Australia had a capital gains tax. Those two said that it would not produce much revenue at all; in fact it is producing massive revenue and is a real detriment to the life and energy of Australia. But this government has gradually reduced it, and I am pleased to support the legislation. (Time expired)

Mr MURPHY (Lowe) (10.02 p.m.)—I rise tonight to speak on the Taxation Laws Amendment Bill (No. 6) 2001. While I support the legislation before the House, I also support the second reading amendment by the shadow Assistant Treasurer to allow a general taxation debate on the GST and other taxation issues. I also specifically support his amendments to this legislation to remove the GST from long-term residents of caravan parks and boarding houses, women’s sanitary products and funeral expenses. I notice that the member for Mitchell was complaining about the Democrats making the GST more confusing. The Democrats supported our condemnation of the Howard government’s attempt to impose a GST on food. Does this mean that the member for Mitchell wants to extend the GST to food after the next election if the government is returned?

This legislation is urgently required to repair the way the alienation of personal services provisions applies to certain agents. This legislation will allow taxpayers earning personal services income to use the results test to self-assess whether they are independent contractors or employees. The need for these changes after the introduction of the alienation of personal services income rules is another example of the government’s mismanagement of tax reform. When the GST was introduced, the government did so by legislating a framework, a skeleton, which it then handed over to the Australian Taxation Office to fill in the detail. This indolent government lay back waiting for the millions of dollars from the new tax to roll in. The tax office, endeavouring to maximise the tax take, set about applying the GST to every form of taxable life in this country. Since July of last year, the sound of protesting taxpayers, especially businesses and contractors, became so loud and persistent that even this arrogant government could no longer ignore their protests. With this legislation, it is obvious that the government has finally woken up to the electoral consequences of ignoring these concerns.

First, the business activity statement reporting requirements were substantially revised by the tax office. This was followed by the justified complaints of approximately one million independent contractors, angry because they were threatened with PAYE taxation rates through the alienation of their personal services income. Again, the government took an eternity to intervene in the formulation of the tax office rulings. This government, which prides itself on the introduction of the GST, lazily left the detail and the implementation of the GST to the bureaucrats and, as usual with this government, the devil was in the detail. A crusading tax office, armed with a new weapon with which to bludgeon Australian taxpayers, then assaulted the taxpayers of Australia. The government’s response was simply to forsake Australian taxpayers to the new tax.
Now we have before us tonight another backflip on the GST, the so-called ‘perfect tax’. The way the government has failed to pay proper attention to the detail from its own changes is shameful. The introduction of anything new, taxes or otherwise, requires extra attention and concentration, not indolence, to ensure that the implementation can be as smooth as possible and that there are no unintended consequences. That is a key responsibility of any government, but it is one this government has failed to properly manage. It still has not fulfilled its responsibility. Individuals, estimated to number in excess of 160,000, who earn personal services income in the information technology industry are just one example of the business activity that remains exposed to the anomaly the government is trying to attend to in part of this legislation.

However, one area that seems beyond this government is tax avoidance. Earlier this year, it was revealed that the tax office had been in pursuit of numerous members of the legal profession for either avoiding tax or, despicably, paying little or no tax at all. The tax office seemed to be hopelessly unsuccessful until February this year, when the Sydney Morning Herald began a series of articles which included ‘tax office research’ to the effect that some 20 per cent of the legal profession was involved in tax rorts of one kind or another. This figure was 10 times more than for the rest of Australian taxpayers. In March 2001, the Australian Tax Office announced that, as part of its investigation into tax avoidance, approximately $8.5 billion in taxes was still owed by Australians. Lawyers, accountants and company directors led the way in comprehensive tax avoidance.

Paul Barry in the Sydney Morning Herald, in a report published on Monday, 26 February 2001 under the heading ‘Bankrupt in Paddo: barrister’s $3m unpaid taxes’, identifies an example of the disgraceful tax avoidance the government is continuing to ignore. He reports that Sydney barrister Stephen Archer is a specialist in bankruptcy law and at the same time a serial bankrupt. Mr Archer’s conduct is a monumental triumph for hypocrisy and double standards. This morally bankrupt parasite and his corrupt wife participated in the worst type of complicity visited on the long-suffering taxpayer. Incredibly, this bludger is still allowed to practise and is still at large; and he and his wife continue to live a life of luxury. Ordinary taxpayers, those not earning six- or seven-figure incomes, are outraged at the Howard government letting this go unchallenged.

How incredible it is that, in a period of large scale corporate collapses—totalling $11 billion when only adding up the HIH, OneTel, Pasminco and Ansett catastrophes—those corrupt professionals so heavily involved in dishonest tax avoidance schemes should be those same professionals the community looks up to to uphold good corporate governance! These are the people to whom shareholders, increasingly coming from the PAYE population, entrust their retirement savings, either directly or through their superannuation schemes. At the same time the government is encouraging investment in shares as a means by which average wage and salary earners can supplement their savings plans and retirement futures. But we find that many of these investments made in good faith by PAYE investors are being managed by sharks and tax avoidance specialists who ignore the rules of corporate governance and also break the law.

How has this been allowed to happen? We have ordinary citizens so clearly being ripped off by failed corporate managers and tax cheats. These criminals and their slippery legal and accounting advisers escape justice through liquidation and bankruptcy, as exposed graphically by Paul Barry. But where does the PAYE investor find any relief when their savings and retirement funds disappear before their very eyes? Certainly not from the Howard government. The answer from this government is to sing the praises of the market while crying crocodile tears over so-called isolated failures of the market that have brought calamity and insecurity to small shareholders and people whose superannuation has been slaughtered by these corporate failures. This can never be good enough.
While tax avoidance flourishes in Australia amongst those most directly charged with the responsibility for corporate governance, taxpayers are entitled to doubt the credibility of the regulators, who only seem to watch the cheats get away with it. Overwhelmingly, PAYE citizens only have their labour to sell to secure their retirement incomes, either by way of savings or superannuation or both. When these savings and superannuation funds are lost to the corporate cowboys, these citizens are faced with the real and immediate threat of a crash in their living standards to poverty levels and even with the prospect of losing their homes.

People in my electorate of Lowe have had enough of the tired and arrogant responses from the government and regulators. The government and regulators must become activists and interventionists in the name of good corporate governance, in order to protect the integrity of the savings and retirement plans of ordinary PAYE Australians. Nothing less is good enough. The government must do all it can to ensure good corporate conduct. The government has not really been interested. Before coming to office, the coalition was loud in proclaiming its intention to wage war on the tax avoidance industry. The government also was loud in defence of the GST, saying that it would wipe out the cash economy. The coalition was very quick to give up on both tax avoidance and the cash economy. It took a rigorous investigative journalist like Paul Barry to bring the issue of tax avoidance by members of the legal profession to public notice. Incredibly, the response from the government was not a crackdown on the legal profession but a directive—

Mr Baird—Mr Deputy Speaker, I rise on a point of order. I have listened for some time to the member for Lowe, and he is really making the whole of his speech on tax avoidance, which we all know went on for years under the previous government—

Mr DEPUTY SPEAKER (Mr Nehl)—What is your point of order?

Mr Baird—The question is that the bill is about personal services income, listed investment companies and the HIH rescue package. It does not deal with the whole tax avoidance regime that the member is talking about.

Mr DEPUTY SPEAKER—I thank the honourable member for Cook. The member for Lowe will of course direct his remarks to the contents of the bill. I know he sometimes finds that difficult, but tonight would be a good time to start.

Mr Murphy—Mr Deputy Speaker, with great respect, there have been amendments which you might not be aware of but which were moved in this House, before you arrived here, by the shadow Assistant Treasurer; and the member for Cook was not in the chamber when they were moved. They allow a general discussion. I thought he would welcome, being a senior member of the government, my bringing these issues before the parliament and would not deny me this opportunity, because they are relevant to the amendments before the House.

Incredibly, the response from the government was not a crackdown on the legal profession but a directive that lawyers who have been made bankrupt would not be allowed admission to any work made available by the government. It did not even bother to order that the tax office audit all lawyers to ensure that each one has an ABN number. The modus operandi of these tax cheating lawyers is to have themselves declared bankrupt and therefore avoid all their financial obligations to the tax office. The ABS recently found that the average annual earnings for a legal counsel with 10 years experience were just under $228,000. At the top rate of taxation, 48.5 per cent, that would mean, without concessions or deductions, a tax payment of approximately $110,000. Based on a working life of 30 years, that income equates to over $3 million owed to the tax commissioner. This is not an insignificant sum, and ordinary payee taxpayers are entitled to know why these lawyers—

Mr Baird—Mr Deputy Speaker, I raise a further point of order. I have now had the opportunity to see the amendments that the member for Lowe has referred to. I cannot see on any of them the question of tax avoidance. So the question of tax avoidance, which has occupied the member for Lowe for the past 12 minutes, is not in the provi-
sions of the bill and it is not in the amendments proposed by the opposition. I would ask that you rule him out of order.

Mr DEPUTY SPEAKER—I thank the honourable member for Cook. In response to his point of order, I cannot really rule the member’s speech out of order. But the member for Lowe, in his intervention following the original point of order, did suggest that the chair was not aware that amendments had been moved. The chair was aware, but was not aware of the great detail. I have now seen the amendments, I have read them in detail and I would certainly uphold the member for Cook’s point of order. I would suggest, member for Lowe, that you speak to the bill.

Mr MURPHY—I believe I am speaking to the bill, and I think the member for Cook, like you and everyone else in this House tonight, Mr Deputy Speaker, should be concerned about tax avoidance. We are looking at the revenue that is derived from all sources, and the government has introduced a GST that hits home at those people who can least afford to pay the taxation. It savagely affects those who earn the least amount of income because it is a regressive flat tax. The very wealthy—the privileged people I am talking about like barristers and lawyers—pay very little or no tax. That has been detailed by Paul Barry in the Sydney Morning Herald.

Mr Fitzgibbon—They may be friends of the member for Cook.

Mr MURPHY—I do not know whether the member for Cook is trying to protect the barristers and lawyers who are not paying very much tax, but I ask this House tonight, for the benefit of the member for Cook, just how many lawyers and barristers have used the escape route of insolvency, tax avoidance and bankruptcy to escape their liabilities. I would like someone to come back to the House and say how many barristers and lawyers—pay very little or no tax. That has been detailed by Paul Barry in the Sydney Morning Herald.

Any further taxation reform must include a reconstitution of the board of taxation so that it can truly function as a means by which all the best advice can be brought to bear and can be tested, evaluated and exposed to the Australian people for comment and consultation. Unfortunately, the government is too often only interested in short-term political advantage and not the public good. The public good is often forgotten by the government, which instinctively aligns itself with the big end of town. A recent study by the National Centre for Social and Economic Modelling revealed that one in eight Australians—that is, 12.5 per cent, more than two million Australians—do not have the money to provide themselves with the basics of life: food, clothing and shelter.
This government does not want to deal with the tax avoidance industry because it would mean tackling their corporate mates who keep the donations rolling in. For the Australian people, tax avoidance results in their paying more tax than they should. Before we talk about tax cuts, let us talk about everyone paying their proper share of tax. Let us make sure that the tax office pursues its responsibilities to make that happen. Taxation is each citizen's financial contribution to Australia. It is an obligation of citizenship. A perfect example of the taxpayer making their contribution is the rescue of the policyholders of HIH Insurance. The downside is that HIH Insurance was run by company directors who were not interested in their policyholders, only in themselves. So obsessed were they that they brought the company down and the public had to rescue the policyholders.

Under the Howard government, the regulators were hopelessly inadequate. They failed the policyholders and the Australian people miserably as a result. Now the taxpayers are being asked to carry the burden of the Ansett collapse for the survival of the employees, the regions and passengers. Again the failed managers look like escaping from their responsibilities. The government were asleep and, even when woken up and told in June-July, they stayed in bed. In this regard, the government have failed everyone except their corporate mates. The government has watched while billions of dollars were lost from HIH, One.Tel and now Pamasino and Ansett. The government has watched as thousands of workers lost their jobs. They slept while thousands of contractors, suppliers and small businesses were decimated by these corporate failures and regulatory negligence.

The government refuses to accept there was a role for it to intervene before disaster struck, yet it wants the public to be grateful for responding when it was too late. This government expects the taxpayer to pay twice: firstly, to pick up the pieces from corporate collapses arising from the government's negligence; and, secondly, to rescue all the other victims. This government truly has had its head in the clouds during these debacles. Our country deserves much better than that. I am sure that the public will have the opportunity when the election is held on 17 November to do something about this. Before the member for Cook speaks, I ask him this: does he support the tax avoidance industry? I will be happy to table in this House Paul Barry's articles. It is a serious matter that the so-called people who are supposed to uphold the law are setting an example by not paying their tax. Little wonder the government has argued—and it is fair for it to argue—that it needs to broaden the tax base. There are bludgers who are well paid, who pay little or no tax and, with the very clever setting up of trusts and discretionary trusts, avoid paying their fair share of tax. When they get into deep water, they transfer their assets to their spouse and use the escape route of bankruptcy so they do not have to pay any tax to the taxation commissioner.

Mr BAIRD (Cook) (10.22 p.m.)—It is very interesting to follow the member for Lowe. Good guy though he might be, I am sure that he did not read what the Taxation Laws Amendment Bill (No. 6) 2001 was about before he came into the House. He did not address one issue in the bill. He talked about tax avoidance. If anybody wants to know what tax avoidance is about, they should talk to the Labor Party. For 13 years they presided over the biggest number of tax avoiders that you have ever seen. They went to their corporate functions—and they still do. When Bill Clinton was out here they all paid a million dollars to go along and add to your slush funds.

Mr Murphy interjecting—

Mr BAIRD—We are very happy any time you stand to your feet. All it does is revive those years of Labor and Labor's corporate mates and their tax avoidance background and history. It is all there and you did not address one aspect of it in relation to this bill. This is a significant bill, and it is with great regret that the member for Lowe has not bothered to read it.

Mr Murphy interjecting—

Firstly, this bill is about personal services income, which a lot of people in Lowe would be very concerned about; in particular, the question of the alienation of personal serv-
ices income. Changes were made because it was felt that some people were avoiding their tax responsibilities. They were setting up their own companies even though they were employed by one organisation or one company and then claimed that they were separately contracting out. The government attempted to sort it out. This bill defines how people can self-assess and so determine whether they are due to come under the province of this legislation.

The bill contains important improvements to the measure, which will reduce compliance costs for taxpayers. I thought the member for Lowe would be interested in reducing the cost of compliance for the taxpayers of Lowe, but, of course, he is not—he is more into rhetoric. The bill provides that all taxpayers earning personal services income will be able to self-assess whether they are independent contractors against the results test. If the results test is passed, then they are not affected by the alienation measure. Under provisions of this bill, such independent contractors will be allowed to self-assess their status. They will not have to seek a determination. Even when 80 per cent or more of their income comes from the same entity, they can self-assess as a personal business where they derive income from producing a result, where they supply their plant equipment or tools of trade, if required, and where they are liable for rectification.

The announcement was greeted with quite a lot of support in my electorate, because there are a whole number of people who were caught up in this legislation. They are very pleased with the ability to self-assess, and it was a considerable step forward.

Mr Murphy interjecting—

Mr Baird—I am glad the member for Lowe is still in the chamber, because he might find out about the bill on which he was supposed to be speaking. Secondly, the bill addresses the issue of listed investment companies. As announced in this year’s budget, the government will provide capital gains tax relief for shareholders in listed investment companies. In particular, this bill will amend the income tax law to provide shareholders in listed investment companies with the benefit of the capital gains tax discount on certain capital gains made by these investment vehicles.

Thirdly, the bill addresses the issue of the HIH insurance rescue package. The bill includes provisions associated with the financial collapse of the HIH group of companies. The Commonwealth has established a scheme to assist certain qualifying individuals and small businesses that experience financial hardship as a direct result of the collapse. This bill contains measures to ensure there are no unintended income tax or GST consequences arising from transactions occurring as a result of the HIH rescue package.

Schedule 5 of the bill amends the Income Tax Assessment Act 1997 to ensure that the income tax consequences of payments under the HIH rescue package are the same as if those payments had been made directly by HIH and exempts the HIH trust from income tax. The bill also amends the GST act to ensure that the GST provisions relating to insurance apply to transactions between an HIH rescue entity and either HIH policyholders or third parties making claims under HIH insurance policies. Put simply, this bill seeks to simplify the taxation position of payments made from the HIH support trust and other support schemes and aims to place payments from the schemes in the same position as if they had received the payments from HIH.

This bill contains three important provisions: first, as I have said, it clarifies the situation for people involved in personal services income—for those who have their own company and where more than 80 per cent of their income comes from one organisation; second, it sets out the requirements for listed investment companies to clarify some of the taxation provisions; and, third, it sets out the HIH insurance rescue package. These three provisions are most important at this time of uncertainty and this bill provides clarification. It is a great pity that the member for Lowe did not consider the concerns of the members of his electorate. This is an excellent bill and I am very pleased to commend it to the House. It will be well received by the people of the electorate of Cook.
Mr Murphy—Mr Speaker, I raise a point of order. I was being totally misrepresented. I was sticking up for my electorate, because my electorate—

Mr Speaker—The member for Lowe will resume his seat. The member for Lowe is well aware that misrepresentation is not of itself a point of order. If he has been misrepresented, he should seek a personal explanation and I will accommodate him tomorrow if that is necessary.

ADJOURNMENT

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

That the House do now adjourn.

Newcastle Knights Rugby League Team

Mr HORNE (Paterson) (10.29 p.m.)—Next Sunday, history will be made. Even if the Prime Minister calls an election, I can assure you that it will pale into insignificance compared with the victory that the Knights will inflict on the Eels. Having been born and bred in the Hunter, having lived and worked there most of my life and having reared my family there—just as the member for Hunter here at the table has—I am very proud of the achievements of the Hunter. People who do not even follow rugby league will have heard of the Newcastle Knights. This was a team that gave our region a great lift in 1997, beating, against the odds, a much more fancied Manly. That was the year that the announcement had been made to close the BHP plant. The Knights certainly brought about a revival of spirit, and we soaked up the greatness of that first victory.

Already grand final mania is taking hold in the Hunter. Red and blue will feature prominently for months to come, particularly when we do beat the Parramatta Eels on Sunday. To those people who are not Hunter residents, it may be hard to comprehend the loyalty we have for our region. I believe it originated with our working-class background and with the way our community supports local industry, local service and, of course, the local team. Our commitment to sport is second to none. Junior and senior sport are well catered for, and the loyalty we give our teams is legendary. When Joey Johns leads the Knights on to the ground at Stadium Australia next Sunday, they will have at least half a million fans willing them to win. We may not be there in body, but we will all be there in spirit, urging on Joey and the boys.

Mr Fitzgibbon—I’ll be there!

Mr HORNE—Fortunately, the shadow minister at the table will be there, and I envy him greatly. We will be willing them on to make history again—this time for the Telstra Cup. And it has been a complete competition, with all of the teams having competed. There has been no diminishment here because of Super League.

There is an element of sadness for Knights’ supporters. Despite our loyalty and despite the fact that the Knights consistently attract the greatest number of attenders at games, our ground is an embarrassment. There has been no $14 million federal pork-barrelling or, I must admit, state pork-barrelling, as there was for the North Power Stadium to relocate the Northern Eagles. This could now be called the white elephant stadium, with the demise of the Eagles.

Football is an industry in the Hunter. It creates jobs and it ignites a community; yet we still have the highest rate of unemployment in the state. If the government were fair dinkum about rewarding effort, loyalty and achievement, they would meet with the management of the Knights and establish a funding program to give the people of the Hunter the football stadium they deserve. It will create jobs, it will generate goodwill, and I assure you we will fill it to capacity on a regular basis. All I ask is that there be a special place where the Telstra Cup can be placed, because I am sure it is going to be housed there for many years to come.

Banking: Westpac Banking Corporation

Mr JULL (Fadden) (10.33 p.m.)—I rise tonight to speak about a most serious issue. It concerns a case that has involved a friend of mine of some 40 years with whom I was at school. It deals with the Australian banking system and the Australian legal system. This particular gentleman is a self-made entrepreneur who was running a very success-
ful business in Sydney. As with a number of these businesses, he was involved in borrowing quite a deal of money from a bank to manage the expansion of this particular business. It was some eight years ago, when the economy became tight, and the bank moved in and closed him down. He believes that he has been very wrongly done by through the action of this particular bank. Examining the documentation of the case and seeking some advice from legal contacts that I have, I think he is probably very correct in his assessment.

The thing that worries me and the reason that I am bringing this to the attention of the House is that approaches that have been made to the bank concerned, the Westpac Banking Corporation, have resulted in a stony silence. The correspondence to the bank has not been replied to. Approaches to see senior management in the bank have met with nothing. Allegations have been made about some of the legal advice that was being given. He has been continuing this fight for some eight years. It has been to ASIC and to Commonwealth ministers, yet we still cannot get a resolution, and we cannot even get a conversation under way between the bank and this particular gentleman. The name of this gentleman is Paul Makucha, who had the Makucha group of companies that operated near Sydney airport in New South Wales.

Because of the frustration that this particular gentleman has experienced—whether or not he has been legally wronged is not for me to judge, but definitely he has been morally wronged—I bring to the House the full documentation about this case, so that members can see some of the very real difficulties that are faced in corporate Australia, particularly when some of the giants of corporate Australia decide that they are going to take on a small entrepreneur and in fact try to lead to his ruin. The thing that I admire about this particular gentleman is that he is fighting back. Despite all the odds and despite the fact that he virtually lost everything, he is now rebuilding that business some eight years later, but he still cannot get the satisfaction of having any discussions with the bank or of having any discussions with a number of agencies, and I thought that this should be brought to the attention of the House.

Therefore, Mr Speaker, I seek leave to table all the documentation, including all the correspondence, background and details, that I have been provided with surrounding this case. I have checked with the responsible opposition member on duty tonight.

Leave granted.

Chisholm Electorate: Voters’ Concerns

Ms BURKE (Chisholm) (10.37 p.m.)—For the past three years I have had the pleasure on most Saturday mornings in my electorate of Chisholm of conducting what has become known as the standard mobile office. It is a tool of campaigning I learnt from a former member of this House, the late Greg Wilton. To the great displeasure of many of my visitors, I do not actually have a caravan that I tow around the electorate. I set up a card table and sit on the sidewalk and talk to the people of Chisholm.

The voters of Chisholm are terrific people who have always been willing to share their views and experiences and to raise genuine concerns with me about our electorate, our country and, indeed, our way of life. One of the phrases most often quoted to me is that the former member for Chisholm would never have been seen doing such a thing on a Saturday morning! One of the sad things about this place is that sometimes we forget we have been elected to represent the voters. And to do that accurately we actually need to go and ask them what their views are.

It is interesting that, in the past three years, never once has a voter raised with me the issue of taxation—well, not in the way that the Prime Minister or the Treasurer talk about it. Never once has someone told me they believe they have been overtaxed. But I certainly have had myriads, absolute cascades, of comments about the GST, particularly the impost upon pensioners and self-funded retirees. And I, like everybody in this place, without a doubt, have had comments and concerns from business, particularly small business, about the impost of the GST and the BAS on their lives. On one occasion when a husband and wife came up to me they both ended up in tears over how their
lives had been fundamentally ruined by this impost and how they no longer had a family life. These are the issues that have been raised with me.

But, without a doubt, the biggest issues that come up in these talks on Saturday mornings are ones that do not get talked about enough. Two of these are world globalisation and the environment. The greatest concern people have about the environment is that it is missing from our public debate; fundamentally, it is just not part of our agenda. People find this just staggering, considering that it is the basis of all good policy making. They say, 'If we do not have clean water, stable soil and a predictable weather pattern, who cares about the economy? Who cares about the Australian dollar, its influxes and ups and downs, if we cannot breathe the air, grow food or drink the water?' And it is not just one individual saying that; it is raised constantly: literally every Saturday somebody will come up and raise this concern with me. Most particularly, obviously, it is a concern of younger people and younger voters, but a myriad of people raise it. So I would like to express to the House the concern of many of my voters that we are not talking enough about this very genuine concern.

I am fortunate that in my electorate of Chisholm, which is fundamentally a suburban seat, I am blessed with a myriad of great green groups who ensure the survival of our local community and our plant species: Green Link, Friends of Damper Creek, Friends of Scotch Creek, Friends of Gardiners Creek, Friends of Wattle Park, just to name a few. These groups have played a vital role in my local community. They spend countless hours voluntarily revegetating local areas. They spend hours propagating seeds to ensure that the indigenous plants of our area are planted, recycled and can be used by other groups. They ensure that the weeds and the tropical species are taken out. Now they have ensured that our wonderful parklands, particularly around our creeks, are areas that can be enjoyed by the many residents who want to walk their dogs off leads—which is another big issue that gets raised a lot—and we have open spaces that reflect our original vegetation and native areas. I would like to commend all the people in those groups who volunteer tirelessly throughout their lives to ensure that we have a wonderful environment. Schoolchildren in particular raise with me issues about the environment and are continually concerned that it is just not an issue on the political radar.

The other issue that has come up time and again in recent weeks has been the crisis of the refugees. Most people in my electorate are coming up to me and saying, 'We do not want to be counted in the 70 per cent of people who are backing the stance taken by the Howard government. We want you to know that we are not part of the 70 per cent. Actually, we are appalled, disappointed and completely and utterly frustrated about the approach being taken. We want you to register our concern that we are not showing humanity to these people, that we are not giving consideration to the lives, trauma and suffering of these individuals.' Most particularly they want me to say that their voice should be heard in this debate, that they believe they have been forgotten.

I thank the people who take the time each Saturday to come up and spend time with me, having a chat about what they think. It is wonderful that people feel they can do that. I genuinely thank them for their efforts. (Time expired)

Arnolds Ribs and Pizza Franchise

Mr LINDSAY (Herbert) (10.42 p.m.)—Another serious matter that I would like to bring before the parliament tonight concerns the operation of a franchise arrangement which has been brought to my attention by a constituent of mine who was very badly affected it. It concerns the fast food chain Arnolds Ribs and Pizza Pty Ltd. The franchise is run by owners and directors Robert and Michael Azzopardi, Phil Kilazoglou and Eric Chan and the Queensland master franchisee Brad Oliver. My constituent has alleged that Arnolds Ribs and Pizza franchise owners have failed in their duty of care to their franchisees and that their behaviour must be scrutinised and questioned.

In 1997 the Hon. Peter Reith revised the Franchising Code of Conduct to ensure that
unfair practices would stop. Our government does not make rules to allow franchisors to blatantly and without conscience engage in unconscionable behaviour by breaking the Franchising Code of Conduct, by breaking certain sections of the Trade Practices Act and by misrepresentation.

Constituents in Townsville and Thuringowa, and other franchisees, fear for their livelihoods. They tell me that they have lost all trust in people because they have been mentally and financially destroyed by the unfair actions of the franchisor. They have experienced mental and physical breakdowns and bankruptcies and their houses have been taken from them by the banks. Some have sold their family homes to try to keep their franchise business running. Others have experienced marriage difficulties due to the stress of their franchise going into rapid decline.

During a meeting in my electorate office in Townsville in the middle of September, and again through written correspondence, my constituent, a former franchisee, said that after walking away from their franchise, the owners of Arnolds Ribs and Pizza took over their failed franchise and resold it to—the words of this person—the ‘next victims’ to start the practices again. This was their method of practising: reselling the franchise or taking the equipment from the store which Mr Robert Azzopardi of Direct Catering Pty Ltd, co-owner and director of Arnolds Ribs and Pizza, took charge of storing. In Queensland, Mr Brad Oliver, master franchisee of Arnolds Ribs and Pizza, conducted these unfair practices as he had the rights of all the Queensland Arnolds stores.

My constituent informs me that, on known knowledge, no franchise has traded successfully, which is very alarming and justice must be served. The Australian Competition and Consumer Commission have dealt with this case for two years. My constituents forwarded their complaints to the ACCC in September 2000 and since then more franchisees have indicated similar complaints. This is a very complex case. The ACCC are nearing the end of their investigations into Arnolds Ribs and Pizza, its franchisors and master franchisee of Queensland.

Last year alone, four stores in Newcastle closed. The entire network of Arnolds Ribs and Pizza closed within six months. Arnolds Ribs and Pizza store at Sunland Plaza in Kirwan, Queensland, closed in August last year after only nine months of trading. The Bondi Junction, New South Wales, store closed in December after six months trading. Liverpool, New South Wales, closed its store this year after opening in late 1999. Gold Coast Arnolds Ribs and Pizza folded this year after opening in July 1999.

I ask that the ACCC act methodically and swiftly in upholding the law so that these practices may be dealt with once and for all. My constituent asks that the victims receive the justice that they deserve so much so that they do not feel absolute failures, as they do at present. My constituent appreciates that the parliament has listened to her concerns tonight and thanks it for allowing her to voice her concerns about Arnolds Ribs and Pizza, its owners and directors and the master franchisee of Queensland.

Hunter, Dr Arnold ‘Puggy’

Mr JENKINS (Scullin) (10.47 p.m.)—Tonight I wish to mourn the passing away three weeks ago today of Arnold ‘Puggy’ Hunter. Puggy was the chair of the National Aboriginal Community Controlled Health Organisation, but I got to know Puggy through his role as an adviser to the House of Representatives Standing Committee on Family and Community Affairs inquiry into indigenous health, which culminated in the tabling of the report entitled Health is life. Puggy was a remarkable Australian—a truly great Australian, and a great advocate on behalf of indigenous Australians. But there were many things about Puggy that were of a personal nature in the way in which he was so open and so generous in sharing his life experiences with the committee. I remember that it had a remarkable effect on me because Puggy was only about a year older than I. Puggy told us many things about Peggy that were of a personal nature in the way in which he was so open and so generous in sharing his life experiences with the committee. I remember that it had a remarkable effect on me because Puggy was only about a year older than I. Puggy told us many things about not only his life but also the life of his family. He first lived in the Northern Territory and then went to live in Broome. I can remember, as we toured around, Puggy in a resigned way saying, ‘I’m getting tired of attending the funerals of people from my mob of my own
As I said, because he was roughly the same age as I, it had a remarkable effect upon me, because, with very rare exception have I had to attend the funeral of somebody my age, somebody who I grew up with, or somebody who I knew through my family.

The other thing that was remarkable about Puggy’s ability to share his experiences with us and to be the great advocate he was for his people and for the causes of his people was that his health was not very good, but he never complained; he continued on. Think of somebody who required dialysis treatment but had to travel from home in Broome to Perth to receive it—somebody who was a diabetic from a young age. He represented his people and he was involved in the great Aboriginal controlled health organisations in Broome and the Kimberley. His experiences that he shared with the committee we could not place sufficient value upon, because they helped and were a driving force for our work. I am very pleased that the original chair of the committee when the inquiry started, the honourable member for Mallee, and the honourable member for Grey, who saw the inquiry through, are here in the chamber as I make these remarks. I wish to read some comments from a discussion group that we put together as part of the inquiry. Puggy said:

Yes, I hope my son and my daughter are not sitting here asking the same stupid questions.

The honourable member for Grey, as chair of the committee, said:

No, the questions are not stupid, I can assure you.

Puggy replied:

We seem to think they are because no-one takes any notice of them, and that is really the sad part of it. I always talk about how they tell us that we have hearing problems.

The chair then went on to say:

Others have hearing problems too.

Puggy said:

You white people have the hearing problems because you do not seem to hear us.

For Puggy, as a great advocate for his mob but, most importantly, as a great Australian, we have to dedicate ourselves as members of this place, as members of the Australian parliament, to ensure that Puggy’s family do not have to go through any further inquiries and that the work we did as a committee, along with the work that we try to do in a bipartisan way for indigenous Australians, is continued so that Puggy Hunter is remembered and that the outcomes that we achieve are a true testament to the work that he achieved.

Grey Electorate: Whyalla Steelworks

Mr WAKELIN (Grey) (10.52 p.m.)—I thank the member for Scullin for his comments. Tonight I want to talk about a great South Australian and Australian success story. It is not perhaps fashionable or necessarily even popular to stand in parliament and talk about a steelworks. However, I want to talk proudly about the Whyalla steelworks tonight.

For those people who are not familiar with the Whyalla Steelworks, it is run by OneSteel. It is based on the low-cost iron ore in the Middleback Ranges, the haematite of which has an iron content of 63 per cent. However, there are many other parts to this enterprise. There is the iron ore from the mine that has been mentioned, the dolomite, the ancillary fluxes and the integrated steelworks. There is also OneSteel Traklok, which is a sleeper manufacturer and rail fastening system. The management team is capably led by the president, Leo Selleck, and his very able team.

Let me remind the House of what a steelworks in modern Australia endeavours to produce and what it markets. That ranges from non-residential construction, rail, mining, engineering and residential construction, manufacturing and exports. There are many inputs from coal, transport, energy, water, gas, subcontractors, and railway expertise, to name a few. As I have mentioned, the key competitive advantage is the low-cost iron ore in the Middleback Ranges at the Iron Duke, the Iron Duchess and Iron Knight mines. With their average Fe content of 62.8 per cent, the iron ore reserves have a current life to the year 2020.

The process in the steelworks reminds the financial markets and the country at large that we have a very modern plant in Whyalla. Production of export pellets began in 1968 and flux pellets were produced in
1981. However, in 1998 under the previous owners, the waste gas cleaning plant was installed at a cost of many millions of dollars. The coke ovens in battery 1 were installed in 1968 while the coke ovens in battery 2 were installed in 1979. The magnificent blast furnace, No. 2 furnace, was blown in in 1965. It was refurbished in 1981. The cast house floor revamp occurred in 1993 and there was world record productivity in 1999.

Because of time, I will not go into the details of the BOS. However, I think you attended the opening, Mr Speaker, of the combination slab/bloom caster in 1992. The five strand billet caster was constructed in 1999 when there were significant changes in the steel industry in Australia. The rolling mill commenced rolling ingots in 1965 and the rail finishing end in 1983, while there was a revamp for slabs/blooms in 1992. There was the cooling beds and capacity upgrade in 1996.

This is the story of regional Australia. This is a story which is almost 100 years old. This magnificent steel producer in Whyalla is still running strongly. It is not big by world standards, but it is very important to South Australia and to Australia. It is a privilege tonight to stand in the House and to acknowledge the generations of the past and the contribution that OneSteel is still making to the economy of the region, of South Australia and of the nation.

Newcastle Knights Rugby League Club

Mr FITZGIBBON (Hunter) (10.57 p.m.)—Not surprisingly, I want to join the member for Paterson in extending our very best wishes to the Newcastle Knights who, this Sunday night, will play the Parramatta Eels in the Australia Rugby League grand final at Stadium Australia. It is a good result for the Australian Rugby League because both the Newcastle Knights and the Parramatta Eels are working-class teams who enjoy very large followings. No doubt Stadium Australia will be full to capacity on Sunday night. As the member for Paterson indicated, I am very privileged and very fortunate to be able to say that I will be there to watch the Newcastle Knights once again take out the premiership. I say that quite naturally because I am the member for Hunter, but I also personally know a number of the players. Andrew Johns, and Matthew Johns, who of course is no longer with the Knights, both attended the same primary and high schools as I did, and both played for the same junior clubs as I did, albeit at a somewhat different time. However, I have a very close affinity with the team and its players.

More importantly, as the member for Paterson indicated, this is not just a game of rugby league in Newcastle or in the Hunter. As is the case in Parramatta, this is a lifestyle for the followers of the game in those regions. You cannot overrate the economic impact that the game has in both those regions. I agree with the member for Paterson that it is very unfortunate that the Newcastle Knights have a substandard stadium and playing field. It would make enormous sense to me if the Commonwealth once again engaged itself in the funding of sporting infrastructure in this country. We did that for a while under a scheme which was discredited in the end only because of what I would describe as some loose administrative arrangements. That scheme worked very well in ensuring that the Commonwealth has a role to play in ensuring the provision of good infrastructure, particularly in regional Australia. You cannot overestimate the impact that the provision of such infrastructure could have on the Hunter economy.

Because he is the patron of the Newcastle Knights, I am sure that the Leader of the Opposition would join me as I extend my very best wishes to Joey Johns and his team for every success on Sunday evening.

Mr SPEAKER—Order! It being 11 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

NOTICES

The following notices were given:

Mr Hawker to move:

That this House:

(1) acknowledges the arid nature of the Australian continent;

(2) recognises the need for water to be conserved in order to maximise the potential for Australia to grow in its economy;
(3) calls for greater efforts to move towards more efficient use of water to reduce the impact on the environment; and

(4) calls for a commitment from State and Federal Governments to fund the completion of the piping of the Wimmera Mallee Stock and Domestic Water Supply Scheme.

Mr Slipper to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported: RAAF Base Townsville redevelopment Stage 2, Townsville.

Mr Slipper to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported: Redevelopment of the Army Aviation Centre, Oakey, Qld.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Transport and Regional Services Portfolio: Staff Recruitment**

(Question No. 2559)

**Mr Martin Ferguson** asked the Minister for Transport and Regional Services, upon notice, on 22 May 2001:

1. How many apprentices or trainees have been employed in each employment category by (a) his Department, (b) Airservices Australia, (c) the Civil Aviation Safety Authority and (d) the Australian Maritime Safety Authority for each of the past 6 years.

2. Have any staff been appointed under any graduate entry programmes, if so how many.

3. Have any targeted recruitment campaigns been conducted, if so, when and what was the aim of those campaigns.

4. What sum has been spent on external recruitment agencies for recruitment to each employment category.

**Mr Anderson**—The answer to the honourable member’s question is as follows:

1. (a) The Department of Transport and Regional Services (DoTRS) has not employed any apprentices or trainees in the past six years.

   (b) Airservices Australia (AA) has employed a variety of trainees and apprentices in the past six years. The details are depicted in the table below:

<table>
<thead>
<tr>
<th>Classification</th>
<th>95</th>
<th>96</th>
<th>97</th>
<th>98</th>
<th>99</th>
<th>00</th>
<th>01</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation Data Systems Officer (in training)</td>
<td>79</td>
<td>62</td>
<td>42</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td></td>
<td>187</td>
</tr>
<tr>
<td>ATC Trainee</td>
<td>73</td>
<td>74</td>
<td>57</td>
<td>5</td>
<td>12</td>
<td>19</td>
<td></td>
<td>240</td>
</tr>
<tr>
<td>Apprentice Various Metal Trades</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Flight Data Coordinator Trainee</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Office Trainee</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Technical Trainee</td>
<td>2</td>
<td>1</td>
<td>48</td>
<td>4</td>
<td>12</td>
<td>19</td>
<td></td>
<td>433</td>
</tr>
<tr>
<td>Grand Total</td>
<td>75</td>
<td>153</td>
<td>122</td>
<td>48</td>
<td>4</td>
<td>12</td>
<td>19</td>
<td>433</td>
</tr>
</tbody>
</table>

   (c) The Civil Aviation Safety Authority (CASA) has not employed any apprentices or trainees in the past six years.

   (d) The Australian Maritime Safety Authority (AMSA) has not employed any apprentices or trainees over the last six years.

2. (a) The number of staff appointed under the DoTRS Graduate Administrative Programme for each of the past six years is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>19</td>
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<tr>
<td>2000</td>
<td>24</td>
</tr>
<tr>
<td>2001</td>
<td>16</td>
</tr>
</tbody>
</table>

   (b) AA has employed nine staff under graduate employment programmes over the past six years.

   (c) CASA has not appointed any graduates under any graduate employment programme, however, the Authority has hosted a graduate as part of their placement with the Department of Transport and Regional Services.

   (d) AMSA has not appointed staff under a graduate entry programme over the last six years.

3. (a) DoTRS has advertised positions for its Graduate Administrative Programme in April/May each year for the last six years. The target of the Department’s graduate recruitment programme has been to attract high performing graduates, from a range of disciplines, to the Department. For the years 1996-2000,
the Department’s graduate recruitment programme was marketed nationally through Recruitment Services Australia. In 2000 and 2001, the Department independently advertised graduate positions in all major national and regional newspapers and indigenous publications.

(b) (i) Campaigns for recruiting Air Traffic Control Trainees within AA have been conducted continuously since 1995. The aim of the recruitment campaigns has been to attract individuals to train as Air Traffic Controllers under the new Australian Advanced Air Traffic System (TAAATS).

(ii) Two recruitment campaigns have also been conducted by AA, with the aim of supplying base level clerical support, and providing individuals with the opportunity to develop specific skills.

(c) Due to the points raised in questions 1 and 2, CASA has not undertaken any targeted recruitment campaigns.

(d) AMSA has not conducted any targeted recruitment campaigns.

(4) (a) In 2000, DoTRS engaged an external provider to undertake graduate recruitment for this year’s programme at a cost of $84,536. Previously, graduates were recruited through Recruitment Services Australia.

(b) (i) AA conducted the two recruitment campaigns identified at (3) above through the Government’s Skillshare Programme and the cost was nil.

(ii) AA manages internally its recruitment campaigns for Air Traffic Services staff. From time to time during those campaigns, and dependent upon requirements, Airservices may engage the services of external contractors to provide assistance with some of the selection and assessment phases, eg initial review of applications, conduct of assessment centres, assisting with interview of candidates, etc. To ascertain the costs of each of those instances would require the examination of all file records and individual invoice records related to each ATS recruitment campaign since 1995, the majority of which are archived. However, figures readily to hand for the past financial year, indicate that for the Air Traffic Controller Ab Initio Recruitment Campaign conducted during the year 2000, Airservices did contract the services of a recruitment agency to assist in the initial assessment phases, at a cost of $13,967.

(c) CASA has not engaged an external recruitment agency to employ apprentices, trainees or new graduates over the last six years.

(d) AMSA has not engaged an external recruitment agency to employ apprentices, trainees or new graduates over the last six years.

Aged Care: Prospect Electorate

(Question No. 2571)

Mrs Crosio asked the Minister for Aged Care, upon notice, on 22 May 2001:

(1) Following her announcement on 3 April 2001 that the Government will fund a total of 9541 new aged care places worth a reported $182 million, how many of these places will be located within the electoral division of Prospect.

(2) How many of these will be Residential (a) High Level Care, (b) Low Level Care and (c) Community Care Places.

Mrs Bronwyn Bishop—The answer to the honourable member’s question, in accordance with advice provided to me, is as follows:

(1) Allocations of aged care places are made to Aged Care Planning Regions, not electorates. The electoral division of Prospect is partly in the South West Sydney Aged Care Planning Region and partly in the Western Sydney Aged Care Planning Region.

(2) Ninety new low care places and 45 Community Aged Care Packages have been targeted for the South West Sydney Aged Care Planning Region and 80 low care places and 45 Community Aged Care Packages for the Western Sydney Aged Care Planning Region.

In addition to the places targeted at these two regions, the following places are targeted to the whole of New South Wales: 80 low care places for people from non-English speaking back-
grounds; 160 Community Aged Care Packages for Aboriginal and Torres Strait Islander communities; and 30 Community Aged Care Packages for people from non-English speaking backgrounds. Homes within either of these regions may apply for Statewide places.

**Australian Public Service: Superannuation**

(Question No. 2679)

Mr Murphy asked the Minister for Finance and Administration, upon notice, on 7 June 2001:

(1) Further to his reply to my question No. 2380 (*Hansard*, 2 April 2001, page 22432), how safe are the contributions made by the contributors to the Commonwealth Superannuation (CSS) and Public Sector Superannuation Schemes trust funds.

(2) Was all of the 15.1% interest gained by the CSS, as reported in its 1999-2000 annual report, reinvested in the CSS Scheme; if not, why not.

Mr Fahey—The answer to the honourable member’s question is as follows:

The management and investment of the personal contributions of members of the CSS and the PSS is the responsibility of the CSS Board and the PSS Board respectively. The Chief Executive Officer of the Boards has supplied the following information in relation to the matters raised:

(1) The CSS and PSS Funds are invested in accordance with the requirements of the Superannuation Act 1976, the Superannuation Act 1990, the Superannuation Industry (Supervision) Act 1993 and all relevant general law. The members of the CSS and PSS Boards are appointed under the Superannuation Act 1976 and the Superannuation Act 1990. The Boards and the Funds are subject to all of the accountability and reporting obligations that are common to Commonwealth entities such as reporting to the Minister and the Parliament, and audit by the Auditor-General. In addition, the Boards and the Funds are subject to prudential supervision by APRA. The CSS and PSS were the subject of an audit by APRA in late 2000.

One key legislative obligation placed on the CSS and PSS Boards is to develop and implement appropriate investment policies and strategies of the Funds. The Funds are invested by professional investment managers using investment mandates that are in accordance with these policies and strategies.

Information on these matters is in the Annual Reports of the Boards. Additional information is available on the Boards' websites.

(2) All of the earnings of the CSS and PSS are reinvested in the Funds.

**Employment: New Apprenticeships Centres**

(Question No. 2741)

Ms Gillard asked the Minister for Education, Training and Youth Affairs, upon notice, on 21 June 2001:

(1) Has his Department implemented a new computer system for the administration of the National Apprenticeship Centres incentives program; if so, what difficulties have been identified by users of that new system.

(2) Were staff using the new computer system adequately trained before implementation of the system.

(3) What resources were provided to Apprenticeship Centres to assist in staff training.

(4) What is the current expected turn around time for delivery of incentives to employers once an application is lodged.

(5) Has the turn around time for processing incentive payments to employers increased since the introduction of the new administrative system; if so, by how much.

(6) Are some employers being told that they will endure a 5 to 6 month payment processing delay.

(7) What is his Department doing to improve the computer system and efficiency in getting money to employers taking up the government scheme.

(8) When will the mandated turn around times for the provision of incentive monies to employers be met.
Dr Kemp—The answer to the honourable member’s question is as follows:

(1) The Training and Youth Internet Management System (TYIMS) was introduced nationally by the Department of Education, Training and Youth Affairs (DETYA) on 17 April 2001. A number of New Apprenticeships Centres experienced initial teething problems related to factors outside DETYA’s control. For example, some New Apprenticeships Centres did not, at the time of implementation, have sufficient bandwidth to operate the system effectively; some did not adjust their browser settings as instructed; and some had local network configurations that prevented the system from operating at full speed. These issues were rectified quickly through site visits and other support. A recent round of consultations with New Apprenticeships Centres indicated they are, in the great majority of cases, satisfied with the operation and performance of the system.

(2) Staff from each New Apprenticeships Centre as well as DETYA staff were comprehensively trained in navigation and functionality of the system before its implementation. Feedback from all the training sessions has been highly positive.

(3) Each New Apprenticeships Centre was provided with training manuals, on line help, a National Help Desk 1300 number and a free play training environment. Feedback from New Apprenticeships Centres indicated that the new system is much more user friendly than the previous system.

(4) TYIMS specifications guarantee a 5 working day turnaround time for payments, with most payments received within 3 days. This is an improvement over the previous system of several days on average.

(5) No, they have been reduced.

(6) No.

(7) DETYA will seek further opportunities to enhance the system as opportunities arise and fresh needs develop in the future.

(8) There are no mandated turnaround times for New Apprenticeship Incentives payments. TYIMS specifications guarantee a 5-day turnaround time for payments, with most payments received within three days.

Electricity: Prices
(Question No. 2787)

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 28 June 2001:

(1) Has the Minister’s attention been drawn to an ABC 7.30 Report broadcast on 25 June 2001 titled “State meeting to address increasing electricity prices”.

(2) Is the Minister aware of problems associated with the supply of electricity caused principally by air-conditioners in Victoria and South Australia.

(3) Has the Minister been made aware of the demand for electricity peaks during summertime daylight hours as a result of air-conditioning loads.

(4) Is the Minister able to say whether solar-powered electricity generators in California are now being used to help meet peak electricity summer loads in that state.

(5) Did the 7.30 Report state that the electricity generating peak capacity will have to be increased by 50% over the next decade, or by between 4000 and 7000 megawatts of new generating capacity to meet this growing demand in Victoria and South Australia.

(6) What would be the increase in carbon dioxide emissions in percentage and absolute terms if the 50% increase in demand over the next decade in electricity in South Australia and Victoria were sourced from fossil fuel.

(7) What would the cost be of new fossil fuel power stations to meet this demand.

(8) What would be the cost if this demand were met from solar-powered, wind-powered and hydro-powered generators.

(9) What steps will the Minister take to ensure that this additional 50% generating capacity to meet the demands of South Australia and Victoria’s electricity needs will be taken up by alternative energy generators such as solar, wind and hydro power.

(10) Will the Minister examine the California solar power station experience; if not, why not.
Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) I am aware of the report featured on the ABC’s 7.30 Report of 25 June 2001 regarding the first meeting of the National Electricity Market Minister’s Forum and issues relating to peak demand in the electricity market.

(2) The Commonwealth has no jurisdiction over the generation of electricity in the States and Territories. The Commonwealth understands that the relevant State and Territory authorities are acutely aware of these matters and are addressing the issue of increasing power demand both through providing additional power facilities, improved interconnections between States and demand side management.

There are currently proposals for over 1,000 megawatts (MW) of new generation in Victoria and over 600 MW in South Australia, which includes around 270 MW of wind generation across both States. In addition, a new interconnector between South Australia and Victoria is currently under construction and proposals for Basslink and reinforcement of the Snowy interconnector are well advanced. The Commonwealth, State and Territory governments have adopted a number of demand side policies to encourage reduced electricity consumption.

(3) There are difficulties associated with electricity peaks during summertime daylight hours and the governments of Australia are addressing this. To attract sufficient investment to meet Australia’s long term supply needs, to be fully efficient, and to address the greenhouse implications of electricity supply and use, the electricity sector must operate in a national market that is competitive, open and innovative.

Because of this, the Council of Australian Governments or COAG, at its meeting of 8 June 2001, established a national energy policy framework to guide future policy decision-making by jurisdictions, established a new Ministerial Council on Energy and agreed on an independent review of national energy policy. COAG agreed that an objective of the national energy policy is mitigating local and global environmental impacts, notably greenhouse impacts of energy production, transformation, supply and end-use.

(4) Solar-powered electricity generators are helping to meet peak summer loads in California, but to a very limited extent. In 2000, electricity from solar energy sources contributed less than 0.5% of California’s electricity generation according to the California Energy Commission, and solar electricity generation does not feature significantly in the Commission’s Peak Load Reduction Program. According to the US National Renewable Energy Laboratory (NREL), in recent months the rising cost of fuels and the California power crisis have spurred a surge in installation of solar electric systems for homes and businesses. However, the contribution to be made by solar energy towards meeting California’s electricity needs is expected to be minor given its relatively high cost, which the US National Centre for Photovoltaics indicates to be several times more expensive per unit of electricity generated than natural gas, and other renewable energy sources such as wind and geothermal energy.

(5) On the 7.30 Report, Mr Keith Orchison, Managing Director of the Electricity Supply Association of Australia, stated that, between 4,000 and 7,000 MW of new generating capacity would be needed in order to meet increasing demand over the next decade. I understand, however, that this estimate was for the entirety of the national electricity market, not just Victoria and South Australia. The National Electricity Market Management Company (NEMMCO) has forecast that peak demand in South Australia and Victoria will increase by around 3,000 MW by 2009-2010. As noted above, an increase of this order could be addressed not simply by building additional power stations, but through improved interconnections between States and demand side management.

(6) If it was assumed that new power stations using fossil fuels were built to meet the additional demand, then the greenhouse gas emissions would depend on generation type, fuel mix and generator efficiency. For example, combined cycle gas generation, although it is a fossil fuel, results in significantly lower greenhouse gas emissions than other forms of fossil fuel generation. In very general terms however, CO2 emissions from an additional 4,000-7,000 MW of generating capacity using fossil fuels would be in the vicinity of 2 to 3 megatonnes per annum. According to the most recent National Greenhouse Gas Inventory this is equivalent to around 1 to 2% of Australia’s total annual greenhouse gas emissions.
If it was assumed that new power stations using fossil fuels were built to meet the additional demand, then using an estimate of cost of $1500 per kilowatt to build a new power station using fossil fuels, the overall cost of building sufficient power stations with between 4,000 and 7,000 MW capacity would be in the vicinity of $6 to $10.5 billion.

A direct comparison of fossil fuel generation and renewable fuel generation is difficult because the capacity factors for renewable generation are much lower. The overall cost of an additional 7,000 MW of renewables-based generating capacity would depend upon the mix of renewable technologies. Major factors influencing this mix include installed cost per MW and resource availability. Also, the costs of renewable generation capacity are based on peak watts—ie the output when the source is at its peak (eg the sun or wind). For the demand to be met entirely by solar photovoltaics, and assuming a cost of $10 per peak watt, the total installed cost would be around $70 billion. If the demand was met by large-scale wind power alone, assuming a cost of $2 per peak watt, the total installed cost would be approximately $12 billion. Assuming that the hydro resource limitations in Victoria and South Australia would restrict development potential to small-scale, low to medium head applications, and assuming a cost of $1.50 per peak watt, the total installed cost would be approximately $10.5 billion. The actions being undertaken to mitigate growth in demand, however, suggest that it is unlikely the growth will be as dramatic as has been forecast, and it is expected that renewable electricity can form a significant portion of the generation required over the next decade.

The Commonwealth Government already has in place a broad range of initiatives designed to promote the increased uptake of renewable electricity throughout Australia. These measures include:

- The Renewable Energy Action Agenda, a strategic framework developed by government and industry which aims to achieve a sustainable and competitive renewable energy industry with annual sales of $4 billion by 2010.
- The landmark Mandatory Renewable Energy Target, a cornerstone of Australia’s drive to reduce greenhouse gas emissions, which will guarantee a market for an additional 9,500 gigawatt hours of renewables-based electricity generation per year by 2010, and is expected to drive in excess of $2 billion of investment in renewables.
- The $31 million Photovoltaic Rebate Program, which assists householders and owners of community-use buildings who install grid-connected or stand-alone photovoltaic systems by providing a rebate of up to 50 percent of system capital costs.
- The $264 million Remote Renewable Power Generation Program, which aims to increase the uptake of renewable energy technology in remote areas of Australia by providing rebates of up to 50% of the capital cost of converting diesel-based electricity supplies to renewables.
- The $55.6 million Renewable Energy Commercialisation Program which provides funds for projects leading to the commercialisation of innovative renewable energy equipment, technologies, systems and processes. This program also supports projects that assist in the development of a sustainable, internationally competitive renewable energy industry in Australia.
- The $26.6 million Renewable Energy Equity Fund, which focuses on facilitating the commercialisation and application of renewable energy technologies through the provision of equity finance to companies undertaking specific renewable energy projects.

In line with its commitment to provide leadership and support to Australia’s renewable energy and electricity industries, the Government will continue to monitor and learn from international renewable energy developments, including those in California.

Sydney (Kingsford Smith) Airport: Noise
(Question No. 2812)

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 6 August 2001:

Further to the answer to part (3) of question No. 2672 (Hansard, 6 August 2001 page 29255), upon what advice does the Minister rely in assessing the aircraft traffic relationship between Sydney and Sydney West Airport.
Further to the answer to part (4) of question No. 2672, will the Minister assess the total impact of all Sydney’s airports in the Sydney metropolitan area and propose a basin-wide environmental assessment of all Sydney basin airport impacts; if not, why not.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) Chapter 20 to the Supplement to the Environmental Impact Statement for the Second Sydney Airport Proposal discusses issues relating to operations in a multi airport environment.

(2) Environmental assessment of any actions relating to airport development and operation in the Sydney Basin will need to be considered against the requirements of the Environment Protection and Biodiversity Conservation Act 1999 and the Environmental Reform (Consequential Provisions) Act 1999.

Sydney (Kingsford Smith) Airport: Pollutants
(Question No. 2813)

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 6 August 2001:

(1) Further to the answer to part (1) of question No. 2673 (Hansard, 6 August 2001, page 29256) has the Minister received advice from the NSW Roads and Traffic Authority (RTA) in respect of the anticipated expansion of Sydney Airport as a traffic generating event; if so, what is that advice.

(2) Further to the answer to part (2) of question No. 2673, what safeguards is the Minister proposing to minimise or eliminate the adverse effects of the increase in air toxins from increased road and traffic due to the expansion of Sydney Airport.

(3) Further to the answer to part (4) of question No. 2673, is the Minister now able to say that the expansion of Sydney Airport requires environmental assessment for air quality in the Sydney Basin; if not, why not; if so, when will that environmental assessment occur.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) No.

(2) Refer to answer to part (1) of question 2673.

(3) No. Any proposal for upgrading the facilities and operational aspects of Sydney Airport will need to be considered against the requirements of the Environment Protection and Biodiversity Conservation Act 1999 to ascertain whether formal environmental assessment of such a proposal is required.

Australian Broadcasting Corporation: 2002 Anzac Day March
(Question No. 2814)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 6 August 2001:

Will the Australian Broadcasting Corporation televise the 2002 Anzac Day march in Sydney; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

The ABC has advised that it will undertake a live broadcast of the 2002 Anzac Day march in Sydney and other cities as in past years, and that no consideration of any kind has been given to any proposal to cease these broadcasts. The ABC is aware of unfounded rumours circulating in relation to the broadcast of the 2002 Anzac Day marches, and is concerned that unnecessary anxiety should be caused to Australia’s returned service personnel, their families and other Australians.

The ABC has further advised that ABC Television will continue to provide full and comprehensive live coverage in each state and territory of the Anzac Day marches. In addition, where appropriate and subject to available resources, the ABC will seek opportunities to provide other programming such as occurred in 2000 with the live broadcast of the special Dawn Service from Gallipoli.
Sydney (Kingsford Smith) Airport: Pollutants
(Question No. 2846)

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 8 August 2001:

(1) Further to the answer to questions Nos. 2673 (Hansard, 6 August 2001, page 29210) and 2674 (Hansard, 6 August 2001, page 29211), what precautionary actions has the Government taken to protect citizens from increases in health risks due to long-term exposure to air toxic transport emissions from Sydney’s Airport’s total-airport operations, including aircraft emissions and emissions from road traffic going to and from the airport, and taking into consideration background levels of air toxic pollution from other sources, over the anticipated lifespan of the airport.

(2) What, if any, precautionary actions remain to be implemented to protect citizens from increases in health risks due to long-term exposure to air toxic transport emissions from Sydney Airport’s total-airport operations, including aircraft emissions and emissions from road traffic going to and from the airport, and taking into consideration background levels of air toxic pollution from other sources, over the anticipated lifespan of the airport.

(3) Why are road traffic congestion and air toxic transport emissions generated by motor vehicles which use Sydney Airport’s car parks excluded from the Federal Government’s area of social responsibility, given that the revenue-generating potential of Sydney Airport’s car parks is of significant commercial interest to current and future Sydney Airport operators, and a major commercial factor in the Federal Government’s privatisation of the airport.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) The Government currently oversees the Sydney Airport Corporation Limited’s (SACL) environmental management of the Sydney Airport site, including all operations that are undertaken at the site. In this framework, SACL has undertaken extensive air pollution monitoring at the site, in conjunction with the NSW EPA. This work includes monitoring of sulphur dioxide, particulates, carbon monoxide, ozone, oxides of nitrogen and non-methane hydrocarbons. The airport currently complies with all air quality standards set by both State and Federal agencies. Despite these findings, that Sydney Airport is not a significant contributor to airshed pollution around the Sydney region, SACL has established, under its Airport Environment Strategy, management actions to reduce the amount of air pollution generated at the site over time. Some of these measures have already been implemented including the introduction of a rail service to the airport and installing ground power to aircraft to reduce use of on-board power generators.

(2) SACL is proposing to continue to monitor air quality at the airport site and has committed to maintaining air emissions at the site to 1999 levels. A major part of this program involves targeting major emission point sources at the airport site and implementing appropriate management measures to ensure this commitment is met.

(3) The NSW State government has jurisdiction at the airport site for matters relating to pollution generated by motor vehicles. This entails that motor vehicle traffic pollution at Sydney Airport is handled the same way both on and off the airport site for environmental consistency across the jurisdictional boundaries. As such, the environmental issues associated with motor vehicle pollution at Sydney Airport carpark are dealt with in the same fashion as pollution generated at such places as the Westfield shopping complex carpark in Parramatta.

Aviation: Aircraft Emissions
(Question No. 2848)

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 8 August 2001:

(1) Has the Minister’s attention been drawn to a 25 July 2001 issue of The Guardian newspaper reporting that emissions from aircraft are a growing contributor to climate change, according to a recent government consultation paper on the future of British aviation.

(2) Is the Minister familiar with the government consultation paper; if so what is the name of the consultation paper.
Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) My attention had not been drawn to the relevant article in The Guardian newspaper. However the importance of the air transport sector to long term greenhouse emission growth has been recognised for some time. While relatively small in absolute terms, the rate of growth presents long term challenges. In 1999 the Intergovernmental Panel on Climate Change released a report on the special challenge and possible solutions to aviation emissions. The International Civil Aviation Organisation (ICAO) has commissioned a study of policy options to limit or reduce the greenhouse gas emissions from civil aviation, which is due to be presented to the ICAO later this year.

(2) I am aware of the consultation paper. The title of the consultation paper is The Future of Aviation—The Government’s Consultation Document on Air Transport Policy, released by the then Department of Environment, Transport and the Regions, on 12 December 2000.

Second Sydney Airport: Sydney West (Question No. 2858)

Mr Murphy asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 9 August 2001:

(1) Further to the answer to question No. 2619 (Hansard, 6 August 2001, page 29200), has the Minister’s attention been drawn to the reply by the Minister for Transport and Regional Service to question No. 2599 (Hansard, 6 August 2001, page 29198) in which he says the Government has made no decision on the site for a second major airport for Sydney.

(2) In light of the Minister’s answer to part (2) of question No. 2619 in which it is stated that the Second Sydney Airport proposal for which an EIS was conducted was a proposal to locate a second Sydney airport at Badgerys Creek, where does the Minister understand the site for a second major airport for Sydney to be.

(3) What is the location of the Second Sydney Airport proposal as understood by the Minister pursuant to the provisions of the Environmental Assessment (Impact of Proposals) Act.

(4) Is the proponent of the Second Sydney Airport the Minister for Transport and Regional services; if not, who is the proponent of the proposal.

(5) In light of the Minister for Transport and Regional Services’ answer to question No. 2599, is the Minister able to say what is the effect of Commonwealth environmental law.

The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:

(1) Yes.

(2) Refer to the Minister’s answer to question 2619 (Hansard, 6 August 2001, page 29200).

(3) If the honourable member is referring to the assessment undertaken under the Environment Protection (Impact of Proposals) Act 1974 then the member should refer to the answer to part 2 of question 2619 (Hansard, 6 August 2001, page 29200).

(4) No, there is no current proposal.

(5) Any proposal to construct a Second Sydney Airport will need to be considered against the requirements of the Environment Protection and Biodiversity Conservation Act 1999 and the Environmental Reform (Consequential Provisions) Act 1999.

(6) No. The Second Sydney Airport proposal for which an EIS was undertaken was assessed in accordance with the provisions of the Environment Protection (Impact of Proposals) Act 1974.
Australian Defence Force: Recruitment  
(Question No. 2861)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 9 August 2001:

(1) What was the duration of the pilot outsourcing contract with Manpower Services Australia Pty Ltd for the provision of Defence recruiting services in Victoria, Tasmania and southern NSW.

(2) Did the contract for the pilot incorporate a formal evaluation requirement; if so, what were the details; if not, why was there no such requirement.

(3) Has Defence now completed an assessment of the success or otherwise of the pilot project; if so, what were its findings.

(4) Is it proposed to publicly release the results of the assessment; if not, why not.

(5) Has Defence now entered into a further contract with Manpower for the provision of recruitment services; if so, (a) when was this contract signed, (b) what geographical area and how many recruitment offices does it cover, (c) what is the duration of the contract, (d) what is the estimated total cost of the contract and (e) what evaluation arrangements will apply.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) The duration of ‘pilot’ phase of the Contract for the Provision of Recruiting Services to the Australian Defence Force was originally over the period 4 September 2000 to 3 September 2001.

(2) Under the terms and conditions of the Contract with Manpower Services (Australia) Pty Ltd a formal evaluation was not required. Defence was required to advise Manpower Services (Australia) of its intentions regarding Phase Two of the Contract (National roll out) by issuing a preliminary notice not less than 84 days prior to the end of Phase One (8 June 2001). Defence conducted an ongoing evaluation from contract signature. To provide a broader analysis Defence conducted an evaluation by a team comprising both Defence personnel and civilian contractors led by Mr Jim Longworth of Cogent Business Solutions. The evaluation considered factors such as: target achievement, candidate care (ministerial and other complaints), stakeholder feedback, contract administration, management of embedded staff, and waivers.

(3) Defence has completed an assessment of the performance of the Manpower Services (Australia) during the pilot phase and determined that extension of the trial is the most appropriate course of action.

(4) It is not proposed to publicly release the results of the assessment as the content is Commercial-in-Confidence.

(5) As a result of negotiations between Defence and the Manpower Services (Australia), a Deed of Amendment to the Contract was executed to extend the trial.

(a) The Deed of Amendment to the Contract was executed on 20 August 2001.

(b) The extended trial will be conducted in the Victoria, Tasmania and Southern New South Wales region, utilising three recruiting offices located in Melbourne, Hobart and Albury.

(c) The amended contract is for the period 20 August 2001 to 28 February 2003.

(d) Based upon full recruitment target achievement within the trial area by Manpower Services (Australia), the estimated cost of the Contract is $14.5m.

(e) There will be ongoing evaluation of the performance of Manpower Services (Australia) throughout the extended ‘pilot’ phase. The evaluation will be conducted by an independent consultant using a terms of reference and assessment criteria that will be agreed by both Defence and Manpower Services (Australia). The evaluation criteria have been included in the amended Contract. The evaluation will consider the following factors: quality of applicants; quantity of applicants; contractual compliance; cost effectiveness; stakeholder satisfaction and innovation.
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