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SITTING DAYS—2002

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>12, 13, 14, 18, 19, 20, 21</td>
</tr>
<tr>
<td>March</td>
<td>11, 12, 13, 14, 19, 20, 21</td>
</tr>
<tr>
<td>May</td>
<td>14, 15, 16, 27, 28, 29, 30</td>
</tr>
<tr>
<td>June</td>
<td>3, 4, 5, 6, 17, 18, 19, 20, 24, 25, 26, 27</td>
</tr>
<tr>
<td>August</td>
<td>19, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
<tr>
<td>September</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>October</td>
<td>14, 15, 16, 17, 21, 22, 23, 24</td>
</tr>
<tr>
<td>November</td>
<td>11, 12, 13, 14</td>
</tr>
<tr>
<td>December</td>
<td>2, 3, 4, 5, 9, 10, 11, 12</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following
Parliamentary and News Network radio stations, in the areas identified.

<table>
<thead>
<tr>
<th>City</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA</td>
<td>1440 AM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630 AM</td>
</tr>
<tr>
<td>NEWCASTLE</td>
<td>1458 AM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936 AM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026 AM</td>
</tr>
<tr>
<td>ADELAIDE</td>
<td>972 AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585 AM</td>
</tr>
<tr>
<td>HOBART</td>
<td>729 AM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5 FM</td>
</tr>
</tbody>
</table>
Ministerial Arrangements ..................................................................................... 989
Questions Without Notice—
  Health: Program Funding ................................................................................ 989
  Zimbabwe: Election......................................................................................... 989
  Health: Program Funding ................................................................................ 990
  Economy: New Tax System............................................................................. 990
  Health: Program Funding ................................................................................ 991
  Trade: Steel Industry........................................................................................ 992
  Foreign Investment Review Board: Australian Defence Industries ................. 993
  Aviation: Reform............................................................................................. 994
  Immigration: ‘Children Overboard’ Affair ...................................................... 995
  Immigration: Population.................................................................................. 995
  Immigration: ‘Children Overboard’ Affair ...................................................... 997
  Trade: New Caledonia...................................................................................... 998
  Immigration: ‘Children Overboard’ Affair ...................................................... 998
  Workplace Relations: Workers’ Entitlements .................................................. 999
  Immigration: ‘Children Overboard’ Affair ...................................................... 999
  Small Business: Government Policy ............................................................. 1000
  Immigration: ‘Children Overboard’ Affair ...................................................... 1000
  Education: States Grants Primary and Secondary Education Legislation ......... 1001
  Immigration: ‘Children Overboard’ Affair ...................................................... 1001
  Prime Minister—
    Censure Motion ............................................................................................. 1005
Questions Without Notice: Additional Answers—
  Workplace Relations: Workers’ Entitlements .................................................. 1011
Personal Explanations......................................................................................... 1012
Questions to the Speaker—
  Standing Orders ............................................................................................. 1012
  Hansard.............................................................................................................. 1012
  Notice Paper...................................................................................................... 1013
  Notice Paper...................................................................................................... 1013
  Joint House Department: Child-Care Survey ................................................ 1013
  Notice Paper...................................................................................................... 1014
  Notice Paper...................................................................................................... 1014
Auditor-General’s Reports—
  Report Nos 33, 34 and 35 of 2001-02 ........................................................... 1014
Papers.................................................................................................................. 1014
Matters of Public Importance—
  Economy: Debt Management ...................................................................... 1014
Committees—
  Standing Order 324........................................................................................ 1024
Higher Education Legislation Amendment Bill (No. 1) 2002—
  Report from Main Committee ....................................................................... 1028
  Third Reading.................................................................................................. 1028
Business—
  Rearrangement............................................................................................... 1029
Australian Citizenship Legislation Amendment Bill 2002—
  Second Reading............................................................................................... 1029
Security Legislation Amendment (Terrorism) Bill 2002—
  First Reading.................................................................................................. 1040
  Second Reading............................................................................................... 1040
<table>
<thead>
<tr>
<th>Bill Title</th>
<th>First Reading</th>
<th>Second Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppression of the Financing of Terrorism Bill 2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1043</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1043</td>
</tr>
<tr>
<td>Criminal Code Amendment (Suppression of Terrorist Bombings) Bill 2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1045</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1045</td>
</tr>
<tr>
<td>Border Security Legislation Amendment Bill 2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1046</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1046</td>
</tr>
<tr>
<td>Telecommunications Interception Legislation Amendment Bill 2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1049</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1049</td>
</tr>
<tr>
<td>Christmas 2001 Bushfires—</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1051</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1051</td>
</tr>
<tr>
<td>Bills Referred to Main Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1051</td>
</tr>
<tr>
<td>Parliamentary Zone—</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1051</td>
</tr>
<tr>
<td>Australian Citizenship Legislation Amendment Bill 2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1051</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1060</td>
</tr>
<tr>
<td>Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1060</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1071</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1071</td>
</tr>
<tr>
<td>Adjournment—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paterson Electorate: 2001 Election</td>
<td></td>
<td>1071</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1073</td>
</tr>
<tr>
<td>Jacobi, Hon. Ralph, AM</td>
<td></td>
<td>1073</td>
</tr>
<tr>
<td>Brownbill, Miss Kay Cathrine</td>
<td></td>
<td>1074</td>
</tr>
<tr>
<td>Middle East</td>
<td></td>
<td>1075</td>
</tr>
<tr>
<td>Zimbabwe: Election</td>
<td></td>
<td>1076</td>
</tr>
<tr>
<td>Banana Industry</td>
<td></td>
<td>1076</td>
</tr>
<tr>
<td>Public Liability Insurance</td>
<td></td>
<td>1077</td>
</tr>
<tr>
<td>Media: Cross-Media Ownership Rules</td>
<td></td>
<td>1078</td>
</tr>
<tr>
<td>Eden-Monaro Electorate: Aviation Services</td>
<td></td>
<td>1079</td>
</tr>
<tr>
<td>Notices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governor-General’s Speech—</td>
<td></td>
<td>1081</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business—</td>
<td></td>
<td>1103</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1103</td>
</tr>
<tr>
<td>Questions on Notice—</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1104</td>
</tr>
<tr>
<td>Foreign Affairs: Aid Package to Nauru—(Question No. 141)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Tuesday, 12 March 2002

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

MINISTERIAL ARRANGEMENTS

Mr Howard (Bennelong—Prime Minister) (2.01 p.m.)—I inform the House that the Minister for Regional Services, Territories and Local Government will be absent from question time today and tomorrow. The minister is on government business on Christmas Island. The Deputy Prime Minister and Minister for Transport and Regional Services will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Health: Program Funding

Mr Crean (2.01 p.m.)—My question is to the Treasurer. Does the Treasurer recall saying, when he released the Mid-Year Economic and Fiscal Outlook on 17 October 2001, that it incorporates:

All decisions that were made by the government up until the issue of the writs.

Can the Treasurer now confirm that page 31 of the MYEFO disclosed that Dr Wooldridge’s GP House was funded from ‘within the agency’s existing resources’? Treasurer, why did you fail to tell the Australian people the truth before the last election that the funding had actually been taken from the specialist medical outreach service and the asthma management program rather than the health department’s existing resources?

Mr Costello—The government’s Mid-Year Economic and Fiscal Outlook disclosed on page 31 a decision by the government for the co-location of national general practice organisations, including GP House. It also showed that the costs of that would be met from within the agency’s existing resourcing, which was the decision that had been made by the relevant minister. As was said yesterday, the Prime Minister has called for a full report on this matter from the relevant departments and given an assurance that no less money will be allocated to the relevant asthma and medical specialist programs as a result of the contract offered to the Royal Australian College of General Practitioners. The government intends to support these programs in full. As the Prime Minister said yesterday, he has not ruled out withdrawing the Commonwealth’s offer in relation to the Royal Australian College of General Practitioners, and certainly I can speak from my own point of view: I would be very interested to get the legal advice on what the Commonwealth’s legal obligations in relation to that are.

There it is: it is disclosed on page 31 of the Mid-Year Economic and Fiscal Outlook. I just cannot resist pointing out that it would never have been disclosed under the Labor Party’s Mid-Year Economic and Fiscal Outlook, because there wasn’t one. There never was one. In addition, can I also say that they never actually released a table of measures, so if it had not been for this government introducing measures and introducing the mid-year review, it would not have been there. Sorry, but it has been there since before the election—since October 2001. There it is on page 31.

Zimbabwe: Election

Mr Bruce Scott (2.05 p.m.)—My question is to the Minister for Foreign Affairs. Would the minister update the House on progress in Zimbabwe’s presidential elections?

Mr Downer—I thank the member for Maranoa for his question and take the opportunity to remind the House of the excellent job he did as the Minister for Veterans’ Affairs. I think that many Australians have a great interest in the events unfolding in Zimbabwe, in the Zimbabwe presidential election which has taken place over the last three days. It is worth recalling that it was the Australian government of Malcolm Fraser and in particular Mr Fraser himself who played such a significant role not only in helping to establish the modern Zimbabwe constitution but in working with President Mugabe in the early years of President Mugabe’s prime ministry. Therefore, for that reason and also for many other reasons including historical reasons, we follow very closely in this country events in Zimbabwe.

I can inform the House that the polls have now closed in Zimbabwe’s presidential elec-
tion. Booths were to have closed on Sunday evening, but given the very lengthy queues outside the polling booths, Zimbabwe’s High Court quite rightly ordered that they remain open on Monday. Still, notwithstanding the extra time given to voters, particularly in the Harare urban area, our High Commission in Harare assesses that some Zimbabweans have been denied the opportunity to vote. Counting of the vote is expected to commence during the course of today. All votes must be counted in an honest and honourable way. Commonwealth observers will monitor the count along with other teams of observers, including personnel from our own High Commission. I remind the House that two members of this House, the members for Curtin and for Griffith, are amongst the Commonwealth observer team. There are in total four Australian observers, the others being Senator Alan Ferguson and a former head of the Australian Electoral Commission.

I cannot say whether the outcome of this historic election will reflect the will of the people of Zimbabwe, though it would appear the lead-up to the election has been neither free nor fair. I look forward to receipt of the report of the Commonwealth Observers Group. This report is crucial to any subsequent action that may be decided by President Mbeki of South Africa, President Obasanjo of Nigeria and our own Prime Minister, in accordance with the Harare declaration and the Millbrook action program. Measures that may be decided by the troika of leaders as mandated by the Commonwealth Heads of Government Meeting range from collective disapproval to suspension.

Finally, I have received today a report that the Secretary-General of the opposition party, which is called the Movement for Democratic Change, and another senior official of the MDC have been arrested on unspecified charges. I have instructed our High Commission in Zimbabwe to make urgent inquiries about these latest arrests. We look forward in a very short period of time to hearing the results of the election. We look forward to getting the report of the Commonwealth Observers Group. Then we will be able to make more fulsome judgments about this election.

Health: Program Funding

Mr STEPHEN SMITH (2.09 p.m.)—My question is to the Prime Minister. Does the Prime Minister recall advising the House yesterday in relation to his state of knowledge of the Wooldridge health scandal: I have no recollection of having been informed of this at the time the original decision was taken. Prime Minister, given that the Treasurer has now admitted that you knew that the funding for GP House was disclosed in the Mid-Year Economic and Financial Outlook, why didn’t you tell the Australian people the truth before the last election and why didn’t you tell the House the truth yesterday?

Mr HOWARD—By the standards of the Australian Labor Party that is an extraordinary piece of misrepresentation of what I said yesterday. What I said yesterday was that I had not been informed, from recollection, at the time the original decision was taken. The original decision was taken by the former health minister and the former minister for finance. I know you are struggling on this issue, but really! You will have to do a lot better than this. The member for Brand was much better at these things. The member for Brand was not too bad at these sorts of questions. I am almost nostalgic about the member for Brand already. Isn’t it interesting?

Seriously, what I said yesterday was that, from recollection, I had not been informed of the decision at the time it was taken. It was taken, so I understand, around 27 or 28 September. Subsequently, it was referred to, as the Treasurer has indicated—contrary to what was claimed by the opposition yesterday—in the midyear economic review. In those circumstances, any suggestion that I have misled the House or misled the Australian people is not only untrue but even contemptible.

Economy: New Tax System

Mr FARMER (2.11 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House how the new tax system is impacting on the cash economy?
Would he comment on the findings of any independent reports on this area of tax evasion?

The SPEAKER—Before I recognise the Treasurer, I point out to the member for Macarthur that, while I will allow the question to stand, it is inappropriate to ask the Treasurer to comment on anything. I ask the Treasurer to address the question on the new tax system and its impact on the cash economy.

Mr COSTELLO—I thank the honourable member for Macarthur for his question. I thank him for the interest that he shows in the new taxation system. The new tax system which was introduced by this government has placed the Australian Taxation Office in a better position than ever before to deal with the black economy. More than 3.9 million Australian business numbers have now been registered, after an original estimate of 2.1 million, which is pretty amazing, and more than 2.1 million businesses are registered for GST when our original estimate was 1.4 million. The system of the Australian business number, as you know, allows the Australian Taxation Office to trace credits and liabilities in relation to GST and it also gives the Australian Taxation Office the ability to crosscheck against income and company tax.

The Australian National Audit Office has recently conducted a performance audit on the Australian Taxation Office’s progress in addressing the cash economy. The results are very positive. The audit concluded that the tax office has substantially implemented the recommendations of 1998 and that there has been substantial compliance achieved against the black economy. With the policy document released by the government in 1998, the tax commissioner estimated that the impact of the new tax system measures would result in a compliance dividend of $3.5 billion over three years, and of this the largest component would be $2.6 billion in additional income tax in 2000-01, 2001-02 and 2002-03. The Auditor-General’s finding was that:

ATO projections, based on revenue to date, show that expectations have been exceeded.

That is, the Australian National Audit Office says that the tax office expectations of picking up the cash economy have not only materialised but been exceeded. I think both sides of this House would welcome that.

But there is only one side of this House that actually supported the measures to clamp down on the cash economy, and that was the coalition. The Australian Labor Party opposed the new tax system root and branch and, in doing so, opposed measures to clamp down on the black economy. Let us bear in mind the finding of the ANAO: that the commissioner’s expectations have been exceeded. We can recall in this House prognostications from learned people telling us that the GST would never clamp down on the black economy. Who do you think might have made those prognostications? Old Ben from Bentleigh. This is the finding of the ANAO and this is what he said in this parliament on 28 June 2001:

... far from shutting down the black economy, your GST has encouraged a massive growth in the black economy ...

The thing that amazes me about the Labor Party is they will get in here and they will analyse the semantics of sentences to see whether there was a misleading word or a misleading verb or a misleading adjective or whether a date was wrong on 7 November or 8 October. But let us come to the point about who engages in the grossest misrepresentations in this House: none other than the man they have decided to make their leader—a man who was saying in June 2001 that the black economy was growing. He said this:

Rather than celebrating the GST crackdown on tax avoidance and the black economy, they are flourishing ...

Not only do we have the Australian Taxation Office, which has now predicted a dividend; we now have a finding from the ANAO that that has been met, if not exceeded. From this side of the House, we believe that people who do not pay their fair share should so that decent, hardworking, honest Australians can have lower taxes. That is what we believe in, and we only wish that the Australian Labor Party did too.

Health: Program Funding

Ms BURKE (2.17 p.m.)—My question without notice is to the Prime Minister.
Prime Minister, didn’t the coalition’s health policy, which was released on 25 October 2001—just eight days after the release of the MYEFO—state on page 9 that the government had committed ‘$48.4 million’ over four years ‘for GPs to manage patients with asthma better’? And didn’t page 11 of the health policy also state that the government had committed ‘$48.4 million’ over four years ‘for greater specialist access in regional Australia’? Prime Minister, given that the government had already approved the transfer of $5 million out of these programs to fund Dr Wooldridge’s GP House, weren’t both of these claims made by you simply untrue because they overstated the amounts by the $5 million transferred to fund Michael Wooldridge House?

Mr Howard—I certainly do remember the health policy that we released. As to the quotation from it, like all quotations that are put to me from the opposite side, I always like to check them before I accept them. I have not had experience of the member for Chisholm having misrepresented anything to me in the past, but unfortunately some of those in her party who sit closer to me have—

Mr Martin Ferguson—Like Reith!

The Speaker—The member for Batman is in no position to comment on serial offenders.

Mr Howard—The former member for Flinders was never a member of the Australian Labor Party—never. The former member for Flinders inflicted a lot of damage on the Australian Labor Party, and that is why those who sit opposite are still very sensitive about him. The position regarding the asthma program and the rural health program, as I indicated yesterday, is that not one cent, not one dollar, will be lost from either of those programs. That is an assurance that I give to the Australian people: not one cent, not one dollar will be lost from those programs.

Trade: Steel Industry

Mr Baldwin (2.19 p.m.)—My question is addressed to the Minister for Trade. Would the minister update the House on progress made by the government on securing the future for Australian steel industry workers?

Mr Vaile—I thank the honourable member for Paterson for his question. As was announced yesterday and pointed out in the House by the Prime Minister, we have now reached an understanding that will allow around 85 per cent of our steel exports to the United States to continue to enter that market without being hit by the tariffs that were announced by the US administration last week. Obviously, this is great news for the Australian steel industry and particularly for steel workers in the Australian steel industry, their families and their communities.

It should be recognised that this is unprecedented consideration being given to Australia by a US administration on a trade issue—something that was never, ever able to be achieved by Labor governments. This is because they did not get to establish a strong working relationship with their US counterparts. During the lifetime of the previous Labor administration, the trade portfolio was like a revolving door—there were seven ministers in 13 years.

Mr McMullen interjecting—

The Speaker—Member for Fraser!

Mr Vaile—They were never able to achieve this sort of outcome. When the then US administration applied the EEP subsidies to the wheat program—

Mr McMullen interjecting—

The Speaker—Member for Fraser!

Mr Vaile—you were unable to achieve any consideration in that regard.

Mr McMullen interjecting—

The Speaker—I warn the member for Fraser.

Mr Vaile—It is quite possible, Mr Speaker, that the member for Fraser might have been the perpetrator at the time who was unable to achieve any outcome as far as his relationship with the United States was concerned.

This outcome has not been achieved easily, and it has not been achieved through a rush to the US and a rush to the phones in the last week. We have been working on this relationship since we were elected to office in 1996, and it has been a policy of active, positive engagement with the United
States—and it is something that the previous Labor administrations had not been able to achieve.

You do not just rush off in reaction to a decision and expect to get an outcome. If our relationship with the United States was not in the excellent state that it is then we would not have been able to achieve this outcome for Australian men and women who work in the steel industry.

Mr Zahra interjecting—

The SPEAKER—The member for McMillan is warned!

Mr VAILE—I quote a comment in the press that was made by the US Ambassador here in Canberra. Ambassador Schieffer told the Australian last night:

I think what we’re doing is working towards something we can both live with ... contrary to what some people say, this is an administration that listens to its friends.

And that is at the heart of this. The other side will bemoan the credibility that this government has built up in the relationship with the United States, but there are some Labor politicians in Australia that recognise the importance of this. There are some Labor politicians in Australia who recognise good policy when they see it. Unfortunately, none of them is sitting on the other side of this chamber today.

Yesterday, we had the instance of the Premier of Queensland, who arguably may end up here down here—after the last election there was talk of maybe drafting Peter Beattie to come down here and lead the Labor Party in Canberra. But at least the Queensland Premier can recognise good policy. Yesterday it was the GST; today it is the Liberal-National government’s policy of a free trade agreement with the United States. There is ambiguity about this on the other side and there is certainly ambiguity about this in the Labor Party movement. The Leader of the Opposition should be asked how he is going to reconcile the view of the industrial branch of the Labor movement in Australia with the view of the sound thinkers in the Labor Party, such as the Queensland Premier.

The Queensland Premier, who is in the United States at the moment, was on television this morning—I think he was on the Today program—and he said:

... one of the things I do support is a bilateral free trade—

free trade—we need to send this message and the Labor Party needs to send this message to Doug Cameron. Mr Beattie said:

... one of things I do support is a bilateral free trade agreement with the United States—

I repeat it again:

... a bilateral free trade agreement with the United States. That’s being negotiated now.

I am pleased that he has recognised that we are moving along quickly with it. He went on to say:

The sooner it happens the better.

It then means you can’t have these 30 per cent tariffs imposed.

He is agreeing with our policy and it is something that the members on the other side have not come to terms with yet. At least the Queensland Premier recognises good policy. There is no policy on the other side and, of course, there is no forward-looking policy in the industrial branch of the Australian Labor Party either.

Foreign Investment Review Board: Australian Defence Industries

Mr ANDREN (2.25 p.m.)—My question is to the Treasurer. Amid reports the Foreign Investment Review Board is investigating an application by the French company Thales to buy out the 50 per cent stake in Australian Defence Industries, currently held by its joint partner, the Australian company Transfield, can the Treasurer explain to the House whether the government is comfortable with the prospect of full foreign ownership of this Australian defence supplier? Assuming the application is approved, what assurances would there be of continued regional jobs such as at ADI Lithgow, given that such regional jobs were part of the criteria sought by the government in the original sale of ADI to the joint French-Australian consortium?

Mr COSTELLO—Applications under the Foreign Acquisitions and Takeovers Act
are lodged with the Foreign Investment Review Board. They are considered by the Foreign Investment Review Board and a recommendation is made to the Treasurer. The Treasurer’s obligation in considering applications under that act is the national interest, and the legal advice that has been tendered to me is that one cannot make prejudicial comments about bids before a decision is made without triggering a possible claim of denial of natural justice, or bias or some other administrative remedy. In those circumstances, I have adopted the policy of not commenting on bids until they have been determined. Indeed, I am not commenting on bids for commercial-in-confidence reasons. That is the policy that I have followed in relation to all previous applications and that I will follow in relation to this one.

I am then asked about various issues that might follow from the acceptance of such a bid. Let me make it clear that no-one should presume such acceptance from any comment I am about to make. But, of course, conditional approval can be placed in relation to an application. Most recently, some were placed in relation to BHP Billiton, as I recall. That is a matter to be considered again on its merits in accordance with the national interest and I can assure the honourable member that the procedure will be followed.

Aviation: Reform

Dr WASHER (2.27 p.m.)—My question is addressed to the Deputy Prime Minister, the Minister for Transport and Regional Services. Would the minister update the House on the progress the government is making in the implementation of its airspace reform agenda? Is the minister aware of any alternative policies?

Mr ANDERSON—I thank the honourable member for Moore for his question. I can assure the House that we are vigorously pursuing quite a range of aviation reforms which are designed to ensure the Australian aviation sector is harmonised with and enjoys all of the advantages of world best practice at the same time as it is sensitive to the particular needs of this particular country.

I was able to recently outline to aviation players in a meeting here in Parliament House the key elements of our reform agenda. They include the corporatisation of Air Services Australia; the finalisation of future responsibility for rescue and firefighting services for terminal navigation and tower ATC services; the establishment of an air standards task force to complete the reform of the aviation regulations; a review of the structure and reporting arrangements for CASA, including consideration of that very important aspect of their relationship with their clientele that goes to dispute resolution—and in particular the charge often made by industry that CASA is judge, jury and executioner and whether we ought not to move towards a different set of mechanisms, including perhaps resort to a tribunal in the instance of a serious charge leading to a need to cancel an AOC.

We are also again looking very seriously at airspace reform, which goes to the heart of the question that you asked today. All of these are being taken forward vigorously. While I think it is generally known that we have the best upper level airspace system in the world, it has also been my view, and the view of many others for quite a while, that we could improve our lower airspace management in this country. We have indicated that we intend to move to harmonise Australia’s airspace arrangements with international best practice. Three years ago we had the class G airspace trial. The objectives were, in my view, laudable but we were not able to successfully execute it because the implementation procedures were perhaps not as well thought through as they might have been.

Two airspace proposals are now before me: the low level airspace reform plan, or LAMP, as it is known; and the national airspace system proposal, which is closely related to the North American model. Accordingly, I have convened a special aviation reform group, comprising the chairman of CASA, Mr Ted Anson, the chairman of Airservices Australia, Mr John Forsyth, and well-known Australian identity, Mr Dick Smith. Dick and I are big enough to acknowledge that we have not always agreed on the implementation of reforms but our
objectives in airspace reform have never been far apart.

Mr Howard—There is not much of a separation.

Mr ANDERSON—The separation has closed a bit, Prime Minister, that is right. I am determined to harness his energy and his knowledge of airspace in the interests of the travelling public of Australia, and I think that is the right thing to do. I notice that there is a lot of interest from the other side of the House in this announcement. They will be backed by the special services of a technical group that I have set up and made available to them. I expect their recommendations by 25 March, which is quite close. We will then make a decision on the best airspace model for Australia. I want to say quite clearly that, having made that decision, we will move in sensible, consultative ways to implement that decision in the interests of the safety of the travelling public in Australia.

We want to reform the present system in a way that reduces, where possible, costs for the aviation industry and the travelling public, while at the same time maintaining or enhancing safety. Safety will always be the key consideration, but I do believe that a move towards international best practice will maintain and increase safety while reducing complexity and cost. These are very difficult, very technical areas, requiring great expertise. We need to draw on the best knowledge and experience we have in this country, but we need to draw on the best advice we can get from overseas as well, to maximise safety and to do so in a way that claims the greatest cost advantages for the Australian travelling public. I was asked about alternative proposals. I can conclude by simply observing that the opposition has been totally and completely silent on this matter.

Immigration: ‘Children Overboard’ Affair

Mr CREAN (2.33 p.m.)—My question is to the Prime Minister. Can the Prime Minister confirm that the government has banned ministerial staff from giving evidence to the Senate inquiry into the ‘children overboard’ incident? Prime Minister, just what have you got to hide?

Mr HOWARD—In answer to the Leader of the Opposition I can confirm that the government’s approach to this matter is based upon what I regard as a fairly succinct statement of principle that reads as follows:

In my view, ministerial staff are accountable to the minister and the minister is accountable to the parliament and, ultimately, the electors.

That is a succinct statement. That statement was, in fact, made by the now shadow Treasurer. I think he was in another position in another place, but it was the same man who made that statement. What we are doing in relation to this issue is following the convention, and the convention is that ministerial staff do not appear. That applies to people who may now be back in the Public Service but who were previously employed in a minister’s office, particularly if they were employed under the MOPS Act. We are just following the procedure that the Labor Party followed in government. Incidentally, I note that the Victorian Labor government is, even as I speak, upholding this in relation to an inquiry in the Victorian parliament.

You have the inquiry—I think the Australian public knows that it is a politically motivated inquiry. It will be conducted in the normal fashion. That means that any public servant who is invited to attend will naturally go and answer questions truthfully. As for ministerial advisers, as so eloquently enunciated by the member for Fraser, the now shadow Treasurer—he could not have put it better—he said:

In my view, ministerial staff are accountable to the minister and the minister is accountable to the parliament and, ultimately, the electors.

I could not have put it better. I rest my case.

Immigration: Population

Mr PEARCE (2.36 p.m.)—My question is addressed to the Minister for Immigration and Multicultural and Indigenous Affairs. Minister, what work is the government doing in the area of population? Are you aware of any alternatives being advocated, especially in the light of the recent population summit held in Melbourne?

Ms Gillard interjecting—

The SPEAKER—The member for Lalor! The minister has the call.
Ms Gillard interjecting—

The SPEAKER—The member for Lalor is defying the chair.

Mr RUDDOCK—I thank the honourable member for Aston for his question. I have to say that there has been a well-developed and articulated approach on population issues in a number of speeches that I have given over a period of time. Of course, those issues are closely considered by the government in its annual consultations when we look at the question of our migration intake. Information on population directions is provided through that announcement, and through the conferences on population and immigration that I hold, in particular.

We have invested very considerable resources in looking at a wide range of relevant issues in this area. For instance, the Department of Family and Community Services had an information paper on low fertility—looking at fertility and causes of fertility decline. The research associated with the National Strategy for an Ageing Australia looked at the impact of population ageing across government, business and community sectors. There was work done by Access Economics for that, as well as the work done by noted demographer, Peter McDonald, who spoke at the summit conference in Melbourne. A well-targeted immigration program is part of a well-developed approach to immigration questions and we have a rigorously tested, highly successful skilled intake. We also promote family friendly policies which minimise falls in fertility. We have labour force, retirement income and health and aged care policies and we have been working on improved environmental management practices.

It is a great pity that many of those who attended this so-called summit did not bother to read the research that had been undertaken. I have to say that those who did attend perhaps took more notice of those who had been informing the debate in a realistic way over a long period of time, like Peter McDonald. If they had listened to him before, they may not have been taken away with many of the arguments about what should happen here. But the very important point that ought to be made is that many of those people who spoke at the conference demonstrated an abysmal understanding of current immigration and humanitarian programs.

Opposition members interjecting—

Mr RUDDOCK—for example, one speaker—the Leader of the Opposition, Mr Crean—alleged that, in 13 years of ALP government, immigration had averaged 100,000 people a year; whereas, in fact, in the financial years when Mr Crean was a minister and able to influence policies, the net overseas immigration was 69,283. In 1992-93 it fell to 30,000.

Mr Crean interjecting—

Mr RUDDOCK—For example, one speaker—leader of the Opposition, Mr Crean—alleged that, in 13 years of ALP government, immigration had averaged 100,000 people a year; whereas, in fact, in the financial years when Mr Crean was a minister and able to influence policies, the net overseas immigration was 69,283. In 1992-93 it fell to 30,000.

Mr Crean interjecting—

The SPEAKER—the Leader of the Opposition will not interject. The minister has the call.

Mr RUDDOCK—You recognise the error of your ways, Leader of the Opposition, when you respond in that way. You also asserted in relation to these matters—

Mr Albanese—He didn’t say kids were thrown overboard.

Mr RUDDOCK—that the government had undershot its skilled migration targets by 20 per cent and that work force growth, productivity and economic growth would suffer as a result.

Mr Albanese interjecting—

The SPEAKER—I warn the member for Grayndler!

Mr RUDDOCK—that the government had undershot its skilled migration targets by 20 per cent and that work force growth, productivity and economic growth would suffer as a result.

Mr Albanese interjecting—

The SPEAKER—I warn the member for Grayndler!

Mr RUDDOCK—that the fact is that minor shortfalls have occurred only in 1996-97 at minus 1.6 per cent and in 1997-98 at minus 1.7 per cent. That contrasts with the last year in which Labor was in office when Senator Bolkus, the then minister, capped off the skilled independent category and there was a shortfall of minus 21.6 per cent. The people who are meant to be informed and to be informing others could not even get right the policies that were operating when they were in office. It is pretty strange that they are out there arguing that we ought to have a formal population policy and a target of the sort that they never set when they were in office and which they now say they could
only define and deliver after further consultations. The ridiculous nature of some of the debate that has proceeded, where you get people out arguing that you can have a population for Australia of something in the order of 50 million people without recognising that in order to achieve that outcome—

Ms Gillard—Who said that? It was Malcolm Fraser who said that.

The SPEAKER—The member for Lalor!

Mr RUDDOCK—What they do not recognise is that you would need to have an immigration program of between 400,000 and 500,000 people per annum to achieve it. Then, presumably, if you want it to stabilise at 50 million—after you had programs of half a million a year for something like 40 years—you would have to turn it off like a tap. It shows how ridiculous it is when you have got people out there—

Opposition members interjecting—

Mr RUDDOCK—No, the Leader of the Opposition—arguing for a numerical population target.

Ms Gillard interjecting—

The SPEAKER—The member for Lalor is warned!

Mr RUDDOCK—Professor Jack Caldwell, one of the most distinguished demographers of Australia, said that we must avoid numerical population targets because pretending that we can calculate them is utter nonsense. The fact is that both of the significant population inquiries of the last decade have found that an optimum population target is not appropriate for Australia and there is no developed or democratic nation that has ever successfully set and delivered population targets.

Immigration: ‘Children Overboard’ Affair

Mr CREAN (2.42 p.m.)—My question is to the Prime Minister and it follows the answer he gave to the previous question. Prime Minister, if you genuinely believe that the basis for banning staff from giving evidence before the ‘kids overboard’ inquiry is that ministers should be accountable for their staff, will you now call on former Minister Reith to appear before the Senate inquiry and, if not, why not? If you do not call on him to appear under that principle, does it not just show that you have got something to hide?

The SPEAKER—Before I recognise the Prime Minister, I did not see that the latter part of the question in any sense added to the question. I call the Prime Minister.

Mr HOWARD—As is so often the case, the question asked by the Leader of the Opposition is based on a non sequitur. What I said was that the minister was accountable to the parliament. He was a member of the House of Representatives. The question of whether the former minister appears is a matter for him. He is no longer a member of my government and he is not a member of the House.

Opposition members interjecting—

The SPEAKER—The Prime Minister has the call.

Mr HOWARD—I am told he has obtained some advice from the Clerk of the House.

Mr Crean—What is your advice?

The SPEAKER—The Leader of the Opposition! The Prime Minister has the call.

Mr HOWARD—The position that I have on this is the position that I am explaining to the parliament; that is, in relation to the appearance of ministerial staff, I am following exactly the approach that you lot followed when you were in government, and you know that. In fact, in relation to the appearance of public servants, years and years ago when I was first in this place, the Whitlam government would not even allow public servants to appear before the Senate.

Opposition members interjecting—

Mr HOWARD—We had that unedifying spectacle of public servants of the repute of the late Sir Frederick Wheeler having to inform the Senate that they had been instructed by their ministers and instructed by Prime Minister Whitlam that they were not allowed to appear.

What we are doing in relation to this is treating this Senate inquiry in the way that Labor governments treated Senate inquiries
when they were in office. We are doing no different. We are treating it in exactly the same fashion. The public servants will be allowed to appear, in accordance with the convention that was established during the 13 years of the Hawke and Keating governments—in accordance with the time-honoured convention. Let me repeat the words of the member for Fraser, because it is almost Lord Chief Justice McMullan enunciating the principle, and he put it well. Senator McMullan, as he then was, had this to say:

In my view, ministerial staff are accountable to the minister and the minister is accountable to the parliament and, ultimately, the electors.

Game, set and match.

Trade: New Caledonia

Mr DUTTON (2.46 p.m.)—My question is to the Minister for Trade. Could the minister advise the House what steps the Howard-Anderson government have taken to create new export opportunities for Australian small businesses in New Caledonia, and is the minister aware of any alternative policies?

Mr VAILE—I thank the honourable member for Dickson for his question. Our government take very seriously our responsibility of representing Australia’s exporters’ interests in all markets of the world—not just the large markets but also the very important markets of the Pacific rim. New Caledonia is part of that market, which generates about $4 billion worth of trade. It is very important to a lot of exporters, particularly along the eastern seaboard and in Queensland. We know how important the Queensland government see trade in the economic make-up of the state of Queensland. Last week I had the opportunity of visiting New Caledonia. To my knowledge I was the first Australian trade minister to visit New Caledonia. To the Howard-Anderson government was to send their trade minister to New Caledonia. Another first for the Howard-Anderson government was to establish the Department of Foreign Affairs and Trade and Austrade, around the Pacific, generating billions and billions of dollars worth of trade and investment opportunities for Australian businesses. Out of this new agreement that has been signed with New Caledonia we will be able to provide the opportunity for New Caledonians to be able to enjoy Foster’s beer made in Australia not Scotland, and to be able to enjoy having Weet-Bix for breakfast and not just croissants.

Immigration: ‘Children Overboard’ Affair

Mr CREAN (2.49 p.m.)—My question is again to the Prime Minister. I refer him to his failure yesterday to answer the question he took on notice on 18 February, when he was asked who had received the 13 photos from the Department of Defence. Prime Minister, will you now answer that question? Specifically, which members of your staff received those photos, and did they include Tony O’Leary or Tony Nutt?

Mr HOWARD—Poor old Tony! You leave Nutty alone! You keep him out of it! I will analyse that question, I will analyse the question that was asked yesterday, and I will analyse the former question. Can I just repeat to the Leader of the Opposition that I will analyse them and, if there is anything I should add, I will.
Workplace Relations: Workers’ Entitlements

Ms PANOPOULOS (2.49 p.m.)—My question is to the Minister for Employment and Workplace Relations. Can the minister inform the House what steps the government is taking to protect the entitlements of employees of companies which have gone bust? Is the minister aware of any alternatives? What would the impact of alternative policies mean for jobs and Australian working families?

Mr ABBOTT—I thank the member for Indi for her question and I congratulate her on her outstanding beginning to her parli-amentary career. This government is very proud of the fact that it is the first government in Australian history to put in place a comprehensive scheme of protection of employee entitlements. Thanks to this government’s policies, Australian employees whose businesses go bust can be certain that they will receive 100 per cent.

Honourable members interjecting—

The SPEAKER—Order! The minister will resume his seat. The member for Bruce, the member for Melbourne: the minister has the call. The member for Fremantle! I remind members on my left that if they wish me to apply the standing orders equitably there would be very few conferences on my left, either, which are a frequent event. The minister has the call.

Mr ABBOTT—Thanks to the policies of this government, Australian workers whose businesses fail will receive 100 per cent of their statutory and community standard entitlements. This is the first government in Australia’s history to do anything like this.

Yesterday, the opposition announced their entitlements proposal and, typically enough, their proposal is just another tax. Last year, Premier Bracks of Victoria, talking about how to protect worker entitlements, said:

The better scheme is one which operates around Europe and other countries for a simple surcharge of about 0.5 per cent of salary. Also last year, the member for Barton, the shadow minister for workplace relations, said:

We have calculated—on expert advice, I have got to say, with actuaries and so forth—that a 0.6 per cent levy in addition to the superannuation levy would guarantee worker entitlements.

After saying last year that a 0.5 per cent levy or, after consulting with actuaries, a 0.6 per cent levy is necessary to protect entitlements, yesterday the opposition said that a 0.1 per cent levy would do the trick. I think the member for Barton needs to go back to his experts and his actuaries and he needs to work out why what was necessary last year is not necessary now. Perhaps he might set himself one of Labor’s notorious 1,000 day deadlines to come up with a clarification. Of course, with rostered days off and union picnic days, that would certainly take the clarification well past the next election!

The first problem with Labor’s entitlements policy is that the figures are completely untrustworthy. The second problem with Labor’s entitlements policy is that, notwithstanding the ASIC investigation into whether Air New Zealand has breached Australia’s Corporations Law, Labor want to confiscate the assets of Air New Zealand to pay workers’ entitlements. This would create the biggest trans-Tasman ruckus since the underarm bowling incident. The third problem is that members opposite do not believe their own policy, because, if they did, the six state Labor governments would immediately put in place—as they are entitled to—a 0.1 per cent levy on payrolls. Labor had 13 years to do something to protect worker entitlements. They did not have 1,000 days; they had nearly 5,000 days to do something about worker entitlements. They never did something when they were in government and they do not deserve to be believed on this subject now.

Mr McCLELLAND—I ask the minister to table the document from which he was reading. I am after the source of the quote, which I suspect I know.

The SPEAKER—Was the minister quoting from a confidential document?

Mr ABBOTT—Yes.

Immigration: ‘Children Overboard’ Affair

Ms GRIERSON (2.56 p.m.)—My question is to the Prime Minister. I refer the Prime Minister to his admission to the House
yesterday that Mr Reith had told him on 7 November that ‘there was debate and doubt about the veracity of the photographs’. Prime Minister, why did you fail to tell the ABC’s Fran Kelly, and through her the Australian people, that you knew of this doubt when she asked you about the photographs, and only the photographs, at the National Press Club on 8 November?

Mr HOWARD—Could I first of all correct the member for Newcastle in the assertion contained in her question that it was an admission, because what I was doing yesterday was repeating what I had said at a press conference—therefore the suggestion that in some way it was an admission. As to whether I should or should not have said certain things to Fran Kelly, I was asked that question, if I recollect correctly, on Four Corners by another employee of the ABC, and I made the point to her, as I think I have made it to other people, that the government believed that the important thing at that time was the release of the video—and of course we did release the video.

It fascinates me that the opposition see some kind of point in this. The question of how I answer a particular question is conditioned by my knowledge of circumstances, and on that particular occasion—which was the Press Club address before the election—by my desire to make certain that the video was released and that therefore the Australian people had an opportunity of viewing that material before the election. So, far from that representing some attempt to cover up or some attempt to obfuscate, I think it was an exercise in total candour. I compare it with a lack of candour. My mind wanders back to 1993. My mind wanders back to the 1990 election, and I am reminded of GST on fresh foods three days before that election. I was releasing a video, even though it was, on the advice I had received, inconclusive, yet three days before that election, the Leader of the Opposition was falsely alleging that we were going to put a GST on food. The frauds of Australian politics are those who sit opposite.

Mr Adams interjecting—

The SPEAKER—I warn the member for Lyons!

Small Business: Government Policy

Mr HARTSUYKER (3.00 p.m.)—My question is to the Minister for Small Business and Tourism. Can the minister inform the House of the current concerns of small business operators around the country? Minister, what solutions might be offered to assist those operators?

Mr HOCKEY—I thank the member for Cowper. Is this his maiden question? It should have been his maiden question. The concerns of small businesses in electorates such as Cowper are similarly displayed right around Australia. In fact, last week in Tasmania I attended a number of small business forums organised by Senator Guy Barnett, who is our newest senator on board. He came straight out of small business into the Senate. The two major forums were in Hobart and Launceston. As the member for Cowper would know, small business are concerned about the state of the economy and they think we are doing just great. They are concerned about consumer confidence and they think that is great too, they are concerned about keeping interest rates low and we are delivering on that and they are concerned about keeping inflation low and we are delivering on that. They like what we are doing and they are pretty pleased with the fact that we are continuing to work away at reducing taxes and the tax burden on small business.

At the public meetings in Tasmania, particularly in Launceston, I must say that I was a little disappointed that the member for Bass was not present. The Launceston Examiner was there—and the member for Bass was not—its a public meeting. The member for Lyons was at the public meeting in Launceston. I think at last we have found a champion for small business in the Labor Party. He is a rare and endangered species—a rare bird. The member for Lyons—a defender of small business in the Labor Party! I have already canvassed with the Minister for Environment and Heritage whether we can put him on the endangered species list.
At that public meeting there were nearly 100 small business operators, and I asked them this question: how many businesses have been affected by Labor’s unfair dismissal laws? The hands went up. I asked the question: how many businesses had to settle claims for unfair dismissal away from lawyers because they could not afford either the legal fees or the time away from their work to fight their case? A huge number of hands went up. The member for Lyons was there and he saw it. I thought to myself and I said to the meeting that the member for Lyons should go and tell the Leader of the Opposition how deeply the unfair dismissal laws are biting into small business.

Over the last few days I have been expecting to get a phone call from Ben from Bentleigh or to perhaps get a phone call from the member for Lyons saying that in fact he told the Leader of the Opposition about it. But the member for Lyons has disappointed me. I thought he was a champion of small business and I went to his web site—the Dick Adams web site. It has got, at the top of the page, ‘Vote for Dick’, and then it has got, ‘About Dick’. It says: See what I have to say on issues that affect us all. I went down the list and I found small business. I went to small business, clicked the page up and said, ‘Here is Dick’s blueprint for small business’—and it is a blank page, completely blank! I want to table the blank page because it is indicative of the fact that the Labor Party stands for nothing and believes in nothing, and the Leader of the Opposition has nothing different in his policy platform from that of the member for Lyons when it comes to small business.

**Immigration: ‘Children Overboard’ Affair**

Ms LIVERMORE (3.05 p.m.)—My question is to the Prime Minister. Prime Minister, when the ABC’s Tony Jones asked you, during your second *Lateline* interview on 8 November, about the veracity of the photographs on no less than four occasions, why did you tell Mr Jones:

Mr Reith has been in the air flying back from Perth over the last few hours so it’s not been possible for me to speak to him.

Prime Minister, why did you fail to tell Mr Jones and the Australian people the truth about your conversation with Mr Reith on 7 November?

Mr HOWARD—I do not have that transcript with me and I certainly do not intend to accept that—without disrespect to the member for Capricornia, who has not to my knowledge personally been guilty of a ‘Cre- anism’ when it comes to quoting statements made by members of the frontbench. I will have a look at that, but my recollection is that—and I think you said that I was interviewed by him on the 8th—the context of that interview was some comments that had been made by Admiral Shackleton during the afternoon and that the second interview was in fact consequent upon a statement which had been issued by Admiral Shackleton that afternoon in which he had confirmed that Defence had advised the minister that children had been thrown overboard.

**Education: States Grants Primary and Secondary Education Legislation**

Mr BARTLETT (3.07 p.m.)—My question is addressed to the Minister for Education, Science and Training. Could the minister update the House on the progress of States Grants (Primary and Secondary Education Assistance) Amendment Bill 2002, otherwise known as the establishment grants bill? Is the minister aware of any other polices in this area?

Dr NELSON—I especially thank the member for Macquarie for what have been six very strong years of advocacy for his electorate and in particular for education. Most recently he has been to see me, and he has phoned me twice, in support of $2,250 being made available to the Kindlehill Hill
school in his electorate, which—along with 57 other newly established non-government schools—is being denied funding. It is obvious that Ben has been very busy.

I told the House yesterday that, throughout the last year, the Australian Labor Party has been adamant in its opposition to the States Grants (Primary and Secondary Education Assistance) Bill 2002. In fact, it has opposed the bill twice. In doing so, it is trying to prevent 58 schools—two-thirds of which service some of the poorest communities and families in the country—from getting access to important funds that they need to get these schools established and up and running. That is inflicting pain and grief on everyday Australian families and their children. The member for Jagajaga was in this place just a month ago offering potentially obstructive amendments, which I have been considering, but still at that time refusing again to pass the bill. The member for Fisher, who is a very effective member of this place, has also been—

Ms Macklin—Mr Speaker, I rise on a point of order: as the minister knows full well, we did not oppose the bill when it went through the House.

The SPEAKER—The member for Jagajaga will resume her seat. That is not a point of order. The member for Jagajaga knows that is not a valid point of order.

Dr Nelson—The member for Fisher has also been to see me and has had his staff contact my office on several occasions, in relation to the Pacific Lutheran College in Caloundra, which is short of funding which is the equivalent to the funding for a full-time teacher in a staff of eight. So if you have eight teachers in a school and you cannot fund one of them, then perhaps the member for Fisher will now be able to go back and tell those families what the reaction has been from the Australian Labor Party to his efforts to try to get funding for that school.

Ms Macklin—There’s a new doctor in the House!

The SPEAKER—Order! The member for Jagajaga is warned!

Mr Edwards—Mr Speaker, I believe that the minister’s constant use of the word ‘you’ is a reflection of the chair.

The SPEAKER—The member for Cowan will resume his seat or indicate to me for what reason he has drawn my attention. Does the member for Cowan have a point of order?

Mr Edwards—Yes, I do.

The SPEAKER—I thank the member for Cowan for that indication. He may now proceed.

Mr Edwards—Thank you very much, Mr Speaker. I believe that the constant use of the word ‘you’ is a reflection on the chair. I believe you should call the minister to order.

The SPEAKER—The member for Cowan has a valid point of order. I ask the minister to address his remarks through the chair.

Dr Nelson—As I said yesterday, the member for Barker is to be congratulated for his very strong advocacy for the Encounter Lutheran School in Victor Harbour and the Vineyard Lutheran School in Clare, which has had to cut $30,000 from the professional development of its teaching staff because it is being denied urgently needed establishment funds, which we are waiting for the Australian Labor Party to pass unamended in the Australian Senate. Yesterday, I told the House about the Chabad Jewish Day School in Bentleigh in Victoria and the commendable efforts of Ben from Bentleigh—Ben’s our man down there!—to pursue the money that is owed to the school, presumably, one would think, on behalf of the member for Hotham, who happens to be the leader of the Australian Labor Party in name. So it has been a long running and difficult affair for these schools, but perhaps things are about to change. As an avid reader of newspapers, and the Melbourne Age in particular—

Mrs Crosio interjecting—

The SPEAKER—The member for Prospect is warned!

Dr Nelson—The Melbourne Age reports today:

Fortunately for the school—and presumably for Ben—
Labor has changed its tune on the legislation since the election, and there are hopes that it will pass.

The question is: what has changed? Why is the Australian Labor Party reportedly now going to pass the legislation, which it has opposed twice and foreshadowed to amend in the Senate?

Opposition members interjecting—

Mr Swan—Mr Speaker, under standing order 76, there are personal reflections being made by the minister. One of the reasons this side of the House is rowdy is that they take objection to the personal reflection and offensive words from that minister. I ask you to bring him to order.

The SPEAKER—The member for Lilley will resume his seat. There is no point of order.

Mr Pyne interjecting—

Mr McMullan—Mr Speaker, I also raise a point of order, and it is further to that raised by the member for Lilley. As you would be aware, Mr Speaker, there are precedents in this House showing that, when a member has denied an allegation in a personal explanation, it is disorderly to reiterate that allegation. That is exactly what the minister is doing, and that is exactly why the member for Lilley is saying, correctly, that it is disorderly and offensive to so proceed. That is why he raised it with you and that is why I seek to raise it with you again, based on those precedents.

The SPEAKER—That is precisely why I am listening to the minister’s reply and will take action if appropriate.

Dr NELSON—As I was about to remind the House, Ben, who is doing a great job for the Bentleigh Chabad Jewish Day School, phoned my office twice on 26 February. He also sent a fax and pointed out to us what the problem is for the Chabad Jewish Day School, which is being denied $6,000—which might not seem a lot to some members on the opposition benches but, if you are trying to get a school going with struggling families, it is a hell of a lot of money.

Mr McMullan—Mr Speaker, I raise a point of order. In response to my previous point of order you said you would wait to hear if the minister acted, as I had outlined, in a manner that is offensive under standing order 76. The minister is making personal reflections upon the Leader of the Opposition and is using offensive words about a member of his staff; I ask you to bring him to order.

The SPEAKER—The member for Lilley will resume his seat. There is no point of order.

Mr Martin Ferguson interjecting—

Mr Swan—Mr Speaker, under standing order 76, there are personal reflections being made by the minister. One of the reasons this side of the House is rowdy is that they take objection to the personal reflection and offensive words from that minister. I ask you to bring him to order.

The SPEAKER—The member for Lilley will resume his seat.

Mr Crean interjecting—

The SPEAKER—I warn the Leader of the Opposition!
order 76, which he just explicitly did. He reitered the allegation that the Leader of the Opposition explicitly denied under personal explanation after question time yesterday, when you were present, Mr Speaker, and heard him do so. To reiterate an allegation that has been denied by a member under personal explanation is, according to precedent, disorderly and should not be done. You should prevent the minister from doing so.

Mr Pyne interjecting—

The SPEAKER—The member for Sturt is warned!

Mr Abbott—Mr Speaker, further to the point of order raised by the former Manager of Opposition Business, if a personal explanation is to gag debate in this House there would be no possibility of raising any controversial matter, because it could simply be denied, spuriously or otherwise, on a personal explanation.

The SPEAKER—My memory serves me well, and the precedent for this particular point of order is one that I introduced myself. I am therefore well aware of its implications. I have been listening closely to the minister’s reply and I will take action if the minister in any way abuses what has become a precedent in the House.

Dr NELSON—I would like to return to giving credit to Ben, who works in the electorate office of the member for Hotham. Obviously, Ben has made a difference. The simple thing that the Leader of the Opposition needs to do now is to get up and say that the legislation will be passed. In concluding, I return honourable members to the Bird in Hand Inn, in the electorate of Macquarie, which was mentioned in an article in the Sydney Morning Herald on 26 November 2001. Against the noise of greyhound racing and the pokies in the Bird in Hand Inn, Greg Fletcher, who is a factory worker, said:

... the Labor Party’s pledge to take money away from private schools had not been popular.

The final quote—

Ms Hoare interjecting—

The SPEAKER—The member for Charlton!

Dr NELSON—This is how working men and working women in this country feel about this issue.

Ms Hoare interjecting—

The SPEAKER—I warn the member for Charlton!

Dr NELSON—Greg Fletcher from the electorate of Macquarie, explaining why he thought it was important that the Howard government be returned, said:

People around here don’t have much money—

Ms Hoare interjecting—

The SPEAKER—The member for Charlton will excuse herself from the House.

The member for Charlton then left the chamber.

Dr NELSON—Greg Fletcher—when explaining why he and his wife, Gina, so strongly supported the re-election of the Howard government—said:

People around here don’t have much money but they save and save so that they can send their kids to a private school and get a good education and then Labor says you shouldn’t try to do this.
Pass the legislation!

Immigration: ‘Children Overboard’ Affair

Mr CREAN (3.22 p.m.)—We did pass the legislation.

The SPEAKER—The Leader of the Opposition will come to his question or I will require him to resume his seat.

Mr CREAN—My question is to the Prime Minister. Prime Minister, when I asked you in the House on 14 February this year about your conversation with Mr Reith on 7 November—

Opposition member interjecting—

The SPEAKER—Member for Dunkley! The Leader of the Opposition has the call.

Mr CREAN—I will start again. Prime Minister—

Opposition member interjecting—

The SPEAKER—The member for Forrest is defying the chair.

Opposition members interjecting—

The SPEAKER—The Leader of the Opposition will resume his seat. If I have inadvertently misrepresented the member for Forrest, I apologise. The Leader of the Opposition.

Mr CREAN—My question is to the Prime Minister. Prime Minister, when I asked you in the House on 14 February this year about your conversation with Mr Reith on 7 November, specifically in relation to the veracity of the photographs, why did you fail to admit, as you did to the House yesterday, that you knew of the doubts about the veracity of those photographs? Prime Minister, how can the Australian people believe a single word you say?

Mr HOWARD—I will have a look at what the Leader of the Opposition asked me and what I replied. Just for the record, at no stage have I misled the House or the Australian people. At no stage have I misled the House or the Australian people. Can I also, while I am on my feet, refer to an earlier question that was asked by somebody on the other side—I do not know whether it was by the Leader of the Opposition—about the photographs. Since being asked that question, I have checked and I have been informed by Mr Tony O’Leary, Mr Tony Nutt and also Mr Miles Jordana that they have not received any photographs at the relevant times. In relation to other people who may have received any, a request has been made of the Department of Defence for that information, and until I get clear and unequivocal advice from the Department of Defence I will not be saying anything further in relation to that.

The SPEAKER—Before I recognise the Leader of the Opposition, consistent with my earlier comment, I have misrepresented the member for Melbourne, it would seem.

Mr Bevis interjecting—

The SPEAKER—But since the member for Brisbane insists on having it threaded into the Hansard record, I have clearly not misrepresented the member for Brisbane!

PRIME MINISTER

Censure Motion

Mr CREAN (Hotham—Leader of the Opposition) (3.26 p.m.)—I move:

That so much of the standing orders be suspended as would prevent the Leader of the Opposition moving forthwith—That this House censure the Prime Minister for:

(1) his failure to ensure that he upheld his own Guide to Key Elements of Ministerial Responsibility, particularly:
(a) his failure to correct the public record through his repeated failure to disclose to the Australian public on 8 November 2001, and through his misleading of the House on 14 February 2002, that he was aware of doubts as to the veracity of the photographs of the alleged children overboard incident;
(b) his misleading of the House yesterday in which he failed to disclose that he knew of the transfer of funding for GP House on or before 17 October 2001; and

(2) his failure to ensure that the former Minister for Defence, Mr Reith, upheld the Prime Minister’s own Guide to Key Elements of Ministerial Responsibility, particularly the failure of Mr Reith to disclose at the earliest available opportunity that he had been advised on 7 November 2001 by the Acting Chief of the Australian Defence Forces, Air Vice Marshall Houston, that the photographs were not of the alleged children overboard incident; and
his failure to ensure that the Treasurer and the then Minister for Finance, Mr Fahey, upheld the Prime Minister’s own Guide to Key Elements of Ministerial Responsibility, particularly the Treasurer’s and the former Minister for Finance’s failure to fully disclose the source of the funding for GP House in the Mid Year Economic and Fiscal Outlook released on 17 October 2001.

This is the third censure motion that I have had to move against this government within the space of two weeks that this parliament has sat. It is because the government has lied and it is because the Prime Minister has shown that he cannot be trusted. Today he told us that he was expressing candour in the release of the video. There has been no candour represented by you, Prime Minister—only cant. You have consistently misled the Australian public on the issues surrounding the ‘children overboard’ incident.

Let me go to the two deceits that are involved in this censure motion. The deceits associated with the ‘kids overboard’ and the deceit associated with Wooldridge House. What we have now established in this parliament as a key issue for focus is the night of 7 November. That was the night there was a meeting at the Prime Minister’s Lodge in which he was preparing, as we know, for his final appearance at the National Press Club, his final address to the nation before the election two days later. He was asked a question at that Press Club as to whether there were any doubts in his mind about the veracity of the ‘kids overboard’ incident. At the Press Club that day, the Prime Minister told everyone that he had checked on this and he had found that there was nothing that had changed.

This is not the first time that the Prime Minister has been asked this question. He was also asked this question on the Tony Jones program, Lateline, on the same night, and that was the thrust of one of the questions asked today in the parliament. Tony Jones and Fran Kelly specifically asked the Prime Minister about the photographs. Again you saw the Prime Minister trying to move from the photographs to the video, because the video that he did release—was inconclusive—and he tries to tell you that that release was because he was showing candour. What hypocrisy! Why didn’t he release the photos? Every time you go through these transcripts the Prime Minister says he does not have them in front of him. If I had been allocated the time given to a full censure motion, I would have done that, but they have limited my time. So let me just make this point: Fran Kelly asked the question, Tony Jones asked the question four times, and if anyone saw the Four Corners program last Monday week they would have seen Liz Jackson asking this same question 10 times.

Government members interjecting—

Mr CREAN—Here they are—they ridicule, they laugh. They laugh at interviewers who have them on the program for one purpose and one purpose only, and that is to get the Prime Minister to answer specifically the question that he refuses to answer in this place. He simply will not tell the truth. He denied it to Tony Jones, he denied it to Fran Kelly in front of the whole Press Club and he denied it on the Four Corners program.

Let us paint the picture of that night in the Lodge. Who were the lodgers in there with you, Prime Minister? We know that you were there with your senior staff: Tony O’Leary and Mr Nutt, sitting over there in the box. Our question, the question that you had to address that night—and we have asked who had the photos, and we are still waiting on that—has now been asked eight times, including today, and you say you will analyse this. What sort of a Prime Minister keeps ducking and running, gagging people attending the Senate inquiry and will not give a commitment to get Reith there? This is a Prime Minister who has used every opportunity to avoid this question. He still has not answered it. But there they were in the Lodge that night, on 7 November, and they were facing up to Who wants to be a millionaire? They were facing up to that million-dollar question: were the kids thrown overboard?

They knew the answer but they did not want to tell the Australian public. So what did they do? They were in such desperate straits that they went for both the lifeline and the call-a-friend option. They called the discredited Peter Reith. They called him on the night, and we now know from the Prime
Tuesday, 12 March 2002  REPRESENTATIVES  1007

Minister’s own mouth, yesterday in the parliament—the first time he has admitted in this place—that Peter Reith told him on the night of 7 November that they discussed the photos and he said there was doubt about them. That is the first time you have told this parliament that, Prime Minister. If it is true that that conversation took place, and it has now taken us until March to get an answer to a question that you were asked back in November, what else are you hiding? That is the real question that the Australian public needs to know. What else are you hiding?

This is the very reason that you are gagging people attending the Senate inquiry. You do not want the truth to come out because the truth will sink you. The kids were not thrown overboard, but you will be thrown overboard if the truth gets out. That is the truth of it, Prime Minister. You have said consistently in this place, Prime Minister, that you were not told. We now know from your own mouth that Peter Reith told you. He told you, but you did not fess up at the Press Club on 7 November. Why is it, Prime Minister, that you misled the Australian people two days before the nation went to the polls? Don’t you think it was important to know that their Prime Minister could be believed? Don’t you think that you, standing for office, were expected to tell the truth? We now know that you knew the truth, Prime Minister, but you would not tell it. It has been only because we have persisted in this place at getting to the bottom of these claims—and we will continue to persist with this—that you have now been forced to own up to having had that conversation with Minister Reith on the night of 7 November in which the doubts were expressed. Yet you, Prime Minister, went to the National Press Club and said you had no advice to suggest contrary to what you had already been saying.

What we have got is this: a former minister, Peter Reith—and we will be pleased to see if he does respond to the invitation to turn up to the Senate inquiry; he must. He is not in this chamber any more to be accountable. If the Prime Minister’s principle is right about ministers having to accept responsibility, Mr Reith should attend the Senate, and the Prime Minister should insist that he attend the Senate. That is what he should do. But there are four others: Miles Jordana, Jane Halton, Mr Scrafton and Mr Hampton. We know all these people were involved, and you. We know it either from the evidence that has been tabled or from advice that we got through questioning in this place. Ms Halton will be required to attend because she is a public servant, but the other three are MOPS staff—they are on the minister’s staff; at least they all were at the particular time—and the Prime Minister is gagging them. Wouldn’t you if you were in as much strife as the Prime Minister is? If you have four witnesses lined up against you, the odds of four to one against you are looking pretty lousy. At least try and limit the odds—let only one turn up, because she cannot be denied; she has to turn up.

This is a government into cover-up. This is a government that has deceived. This is a government that has misled. We will not allow that cover-up to go unchallenged. This is a government that deserves to be censured and the Prime Minister, for leading it, deserves the greatest censure of the lot. (Time expired)

The SPEAKER—Is the motion seconded?

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

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.37 p.m.)—Mr Speaker—

Mr Crean interjecting—

The SPEAKER—Order! The Leader of the Opposition might remind himself of his status in the House or I will be forced to take action and I will do so.

Mr ABBOTT—What we have seen over the last few weeks is a Leader of the Opposition who has totally debased the currency of censure motions by constantly moving censure motions when there is no ground whatsoever to proceed with the heaviest penalty that this House can bestow upon a member of the House. The fact that the Leader of the Opposition is still, six months into a new parliamentary term, dwelling on the events
of October and November of last year—the fact that he is still dwelling on the past—is an eloquent statement that he is a man who has no ideas and no clues whatsoever about the future. That is the real issue here—the fact that the Australian Labor Party are utterly bereft of any ideas for the future of the Australian people, and this is why they are still dwelling on their bitterness and disappointment over an election they thought they could coast to victory in. What we are seeing yet again today is sour grapes from sore losers. What we are seeing yet again is the great Labor dummy spit of 2002 over the election that they lost in 2001.

Let us look at the basic situation as it applied with ‘a certain maritime incident’, as it has come to be known. This government received formal written advice that children had been thrown overboard. At some point, some doubt arose in the minds of officials about exactly what had happened, but we never, never before the election received formal written advice to contradict the original formal written advice that we had.

As late as the last parliamentary sitting fortnight, no less a person than the Chief of the Defence Staff, Admiral Barrie, was saying that he still—five months after the incident—thought there was no reason to disbelieve the original advice. If we look at the facts as admitted by all, those children went into the water because of the actions of their parents on that boat. That is the basic fact that cannot be controverted by any of the self-righteousness and the indignation of members opposite who now feel guilty about the policy they took to the last election because they know that they did not believe it and they know that they would not have stuck to it had they won the election.

The basic problem that the Leader of the Opposition has, which all this huffing and puffing, all this sound and fury and all this constant dwelling on the past is supposed to overcome, is the chronic division inside the Australian Labor Party between those decent, honest Australian patriots, those representatives of old Labor and traditional Labor, and the cafe latte set who have taken over the party. That is the basic problem that the Leader of the Opposition is trying to paper over with his confected indignation constantly paraded, again and again before this House, to disguise the fact that there is no consistency of view amongst the opposition. On the one hand, we have the member for Fremantle and 10 other Labor members telling us that they feel utterly ashamed of themselves because of what they did before the election supporting the government’s policy, and on the other hand we have people like the member for Werriwa and the member for Reid saying that it is absolutely essential to back the government’s border protection policy.

But the real division is not just inside the Labor Party itself; there seems to be this shocking division inside the mind of the Leader of the Opposition. The Leader of the Opposition is running around trying to be all things to everyone. He is running around trying to say, ‘Yes, Labor will be compassionate, but yes, Labor will be tough. Yes, Labor will be black; Labor will be white. Labor will be hot; Labor will be cold. Labor will be whatever you want us to be.’ That is the basic problem—‘Labor will be whatever you want us to be’. To one audience they will say, ‘Yes, we will do this’ and to another audience, ‘No, we won’t do the same thing.’ The basic problem that the Leader of the Opposition has is that he is rapidly becoming the Captain Contradiction of Australian politics. He is rapidly becoming the oxymoron of Australian politics. He doesn’t know where he stands on anything. These constant, repetitive, pointless, time wasting censure motions are eloquent proof of that fundamental problem that he has.

Mr Swan—You’re struggling!

The SPEAKER—The member for Lilley!

Mr ABBOTT—I am not struggling nearly as much as the Leader of the Opposition. The fact is that members opposite, for understandable reasons, dislike the Prime Minister of this country because this Prime Minister has consistently outperformed them, consistently outthought them and consistently outsmarted them—and they do not like it. They do not like the fact that this Prime Minister is the greatest Prime Minister since Bob Menzies and he is just getting better all the time. That is what they do not like.
Mr Swan interjecting—

The SPEAKER—Order! The member for Lilley now seeks to defy the chair.

Mr ABBOTT—The other thing that they do not like is the fact that the former member for Flinders, the former Minister for Defence, was one of the most effective politicians and parliamentarians, certainly as Minister for Employment, Workplace Relations and Small Business. He was the most effective minister for workplace relations that this country has ever had. It takes a lot for me to say that, but there is no doubt whatsoever in my mind that thus far, at least, the former member for Flinders was the greatest worker’s friend this country has ever had. Members opposite obviously cannot take it. They cannot take the fact that this is a coalition government which truly stands for the working people of this country. This is a coalition government which has amongst its ranks former cane cutters, former shearsers, former crocodile shooters and former itinerant abattoir workers—that is who we have in our ranks. We are the true representatives of the Australian working class, the decent, honest, patriotic Australian working class, while members opposite, as was so eloquently put by the father of the former Leader of the Opposition, who once represented the cream of the working class, today do nothing but represent the dregs of the middle class. That is the basic problem that members opposite have and that is the basic problem that the Leader of the Opposition is constantly trying to obscure with his huffing and his puffing about the past.

The other target of this censure motion is the former member for Casey—he was also a former member for Chisholm—the former minister for health. Dr Wooldridge. Dr Wooldridge was an absolutely outstanding minister for health. It was none other than the former minister for health who began the unravelling of the credibility of the former Leader of the Opposition with his splendid and stirring attack on the former Leader of the Opposition’s mendacious story about what had allegedly happened in a Perth hospital late last year.

I say to the Leader of the Opposition: ‘Move on and grow up. Move on. Get over it. You lost. Get over it and get on with life. Try to do the things that you can usefully do. Try to learn how to be an opposition. Try to learn how to come up with some decent policy.’ The only people in this parliament who talk about Labor policy are the people on this side. The only thing that members opposite can talk about is alleged incidents which may or may not happened sometime in October or November last year.

It is time for the Leader of the Opposition to move on, to grow up, to reform his own party, to get his own house in order and to scrap his 1,000-day deadline. He will wear each day like a crown of thorns unless he actually gets on with the job of trying to reform his own party, getting his own house in order and forgetting about the fact that he lost the unlosable election. This debate is really a complete and utter waste of the House’s time. We are doing it because we must. The Leader of the Opposition really has to learn to live with what has happened and to get on with his job of trying to be a decent opposition.

Mr STEPHEN SMITH (Perth) (3.47 p.m.)—This is the government that will do or say anything to save its political skin. This government will do or say anything to save its political hide. It is one story before the election; another story after. This is a government that operates on the basis of deceit and dishonesty. The Leader of the Opposition has gone through the reasons why the House should censure the Prime Minister for his deceit and dishonesty so far as ‘truth overboard’ is concerned. Let me deal with why the House should censure the Prime Minister so far as ‘Wooldridge House’ is concerned—for the dishonesty and the deceit on that matter, for the failure of prime ministerial responsibility, for the failure of the responsibilities of the Treasurer to be discharged and for the Prime Minister misleading this House in the last two days.

It is interesting to very quickly run down the timetable for the scandal which is ‘Wooldridge House’. On 27 September, the former minister for health, Dr Wooldridge, made a policy decision to give $5 million to the Royal Australian College of General Practitioners for the purpose of constructing...
a building in Canberra. The next day, 28 September—a week before the election was called—a contract was signed. What does that say about a government who says its priority is $5 million for a building in Canberra and then it rips away $1 million for asthma spending and $4 million for rural and regional health care services? Subsequently, we see the former minister for health popping up as a consultant to the royal college.

So a week before the election there was a secret deal in the dead of night. So proud was the government of that deal that there was no public announcement; there was no indication of what had occurred. The first indication we find was on 17 October: the publication of the midyear estimates—MYEFO documents. What do we find? On page 31 of those documents, we find a mention—a disclosure but a disguising. It refers to it as a zero entry and says that the cost will be found from the agency’s existing resources, creating the impression—no doubt deliberately—that it will be found from the funds for the administration of the health department. There is no advice about the cut in funds for the outreach program to rural and regional Australia and there is no advice about the slashing in funds for asthma programs by $1 million.

The next day, 18 October, the Charter of Budget Honesty was disclosed and it was dealt with in precisely the same way, disguising and deliberately creating the impression that this money—$5 million for a building in Canberra, that amount not identified—was a zero sum gain which would come from the department of health’s existing resources. That was the chance for the government to let the Australian public know, in the context of the election, of their twisted priorities—that they believed that spending $5 million for a building in Canberra was more important than $1 million for asthma and for kids and $4 million for rural and regional services.

On 25 October, the next point when the government and the Prime Minister could have fully disclosed to the Australian people their twisted priorities, the Prime Minister launched the government’s health policy. That document said that $48.4 million over four years would be spent on asthma programs and $48.4 million on outreach programs. Those were precisely the same amounts as were in the May budget. In other words, the government’s health policy document released by the Prime Minister on 25 October during the election campaign did not disclose the ripping away of the $5 million in funds.

When do we first find the opportunity? It was on 14 February, when the supplementary additional estimates papers were published for the Department of Health and Ageing for the purposes of Senate estimates. For the first time, that disclosed the rort and the twisted priorities of the government—ripping away $1 million from asthma programs and $4 million from rural and regional health programs.

So from 27 September, when Wooldridge did the deal in the dead of night, secretly, to 14 February there is a gap. It takes five months, effectively, and one election before the government fesses up. One story before the election; another story after. And what have we seen since then? The minister for health on Sunday endorsing the deal, the Prime Minister yesterday saying, ‘I know nothing’ and the Treasurer not disclosing the detail fully in the MYEFO documents.

The Prime Minister should be censured for this, for his deceit and dishonesty. He will do or say anything to save his political skin. He will say one thing before an election and another thing after. He will show twisted priorities: that it is more important—until you are sprung—to construct a $5 million building in Canberra rather than spend money on asthma and kids. Then there is the conflict of interest, with the former minister for health popping up as a lobbyist for the royal college less than three months after he slipped them $5 million in the dead of night.

Then there was the misleading by the Treasurer in disguising the MYEFO documents to not fully disclose the fact that the building was to be funded by $1 million from asthma and $4 million from rural and regional, and the Prime Minister misleading the House yesterday when he said that he knew nothing—yet it is quite clear that he knew from at least 17 October, courtesy of
Tuesday, 12 March 2002

the MYEFO documents, that this was a matter in respect of which the government had made a decision. The Prime Minister did not stand up and tell the Australian people in the course of the election campaign what he was really on about and he deserves to be censured accordingly.

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

The House divided. [3.56 p.m.]

(The Speaker—Mr Neil Andrew)

Ayes………… 60
Noes………… 79
Majority……… 19

AYES
Adams, D.G.H. Albanese, A.N.
Beazley, K.C. Bevis, A.R.
Breerton, L.J. Burke, A.E.
Byrne, A.M. Cesar, V.A.
Cox, D.A. Corcoran, A.K.
Crosio, J.A. Crean, S.F.
Edwards, G.J. Gash, J.A.
Emerson, C.A. Griffin, A.P.
Ferguson, I.D.T. Hall, J.G.
George, J. Hatton, M.J.
Gillard, J.E. Irwin, J.
Griffin, A.P. Jackson, S.M.
Hatton, M.J. Jenkins, H.A.
Jackson, S.M. King, C.F.
Kerr, D.J.C. Law, M.P.
Latham, M.W. Lawrence, C.
Livermore, K.F. Lawrence, C.M.
Martin, S.P. Macklin, J.L.
McFarlane, J.S. McClelland, R.B.
McMullan, R.F. McLeay, L.B.
Mossfield, F.W. Melham, D.
O’Byrne, M.A. Murphy, J.P.
O’Connor, B.P. O’Connor, G.M.
Price, L.R.S. Pilbrow, T.
Ripoll, B.F. Quick, H.V.
Rolph, R.W. Roxon, N.L.
Sawford, R.W. Sercombe, R.C.G.
Sharp, P.S. Smith, M.
Swan, W.M. Smith, S.F.
Thomson, K.J. Smith, S.F.
Wilkie, K. Snell, S.

NOES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.G.

Bishop, B.K. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Cioobo, S.M. Cobb, J.K.
Costello, P.H. Downer, A.J.G.
Draper, P. Dutton, P.C.
Elson, K.S. Entsch, W.G.
Farmer, P.F. Forrest, J.A.*
Gallus, C.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Hawker, D.P.M.
Hockey, J.B. Howard, J.W.
Hull, K.E. Hunt, G.A.
Johnson, M.A. Jull, D.F.
Kelly, D.M. Kelly, J.M.
Kemp, D.A. King, P.E.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
May, M.A. McArthur, S. *
McGauran, P.J. Moyle, J.
Nairn, G. R. Nelson, B.J.
Neville, P.C. Panopoulos, S.
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Ruddock, P.M. Schultz, A.
Scott, B.C. Secker, P.D.
Slipper, P.N. Smith, A.D.H.
Somlyay, A.M. Stone, S.N.
Thompson, C.P. Ticehurst, K.V.
Tolner, D.W. Truss, W.E.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Windsor, A.H.C.
Worth, P.M. * denotes teller

Question negatived.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Workplace Relations: Workers’ Entitlements

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.00 p.m.)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.
Mr ABBOTT—I understand that the member for Barton was concerned about the provenance of a quote. The quote was from the Illawarra Mercury of 19 March last year, and I will read it. It said:

... that a .6 of one per cent levy ...

That was the quote. If I misread it in my original answer, I am sorry about that. I table the relevant article.

Mr Martin Ferguson interjecting—

The SPEAKER—The member for Batman seems to have a very short memory about his status in the House.

PERSONAL EXPLANATIONS

Mr McCLELLAND (Barton) (4.05 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr McCLELLAND—Yes.

The SPEAKER—Please proceed.

Mr McCLELLAND—I appreciate that the minister has referred to the source. He in fact referred to that same article on 26 September last year, at which time I also made a personal explanation indicating I had not been interviewed by the Illawarra Mercury. I suspect that they have obtained that information from an alternative source, but that reference to the figure is certainly a misquote.

QUESTIONS TO THE SPEAKER

Standing Orders

Mr MURPHY (4.05 p.m.)—Mr Speaker, I noticed that during question time the member for Oxley raised a point of order on the Minister for Education, Science and Training. I happened to notice when he stood to his feet—he was standing right beside me and I looked around—that, although you were looking this way, it took you about 30 seconds before you stopped the minister from giving his answer. I had a look at the standing orders to see if there were any guidelines on what duration the Speaker should allow the speaker to continue speaking before the point of order is heard. Could you inform the House what the protocol is in this regard?

The SPEAKER—At the risk of misrepresenting either the member for Cunningham or the member for Watson, I consider that the way in which I deal with points of order is largely consistent with the action taken by previous Speakers.

Mr Leo McLeay interjecting—

The SPEAKER—The member for Watson, I am on my feet! The member for Watson is warned! Why on earth every opportunity has to be used to denigrate the chair I do not know. I was responding to the member for Lowe. I was indicating to the member for Lowe that it is fair to say that I had noticed the member for Oxley on his feet. I thought the minister may be about to conclude his answer. He had already been interrupted by a number of points of order, and I made a judgment accordingly. It would normally be my obligation to recognise someone who wishes to raise a point of order as quickly as possible.

Hansard

Mr ADAMS (4.07 p.m.)—Mr Speaker, I have a question to you about Hansard and the changing of words in Hansard. It was reported in the press that the Prime Minister changed his speech in relation to Princess Margaret and the Queen’s father—he changed a number; I think he got the specific King George wrong. I can understand that, but it was reported recently in the press that the Prime Minister referred to the ‘mob’, meaning the Australian people, and I understand that that was changed to the ‘Australian community’. I was wondering whether you gave permission for that to occur? What is the process that occurs to change the Hansard in that way?

The SPEAKER—I have never had any occasion in 19 years in this place to question the integrity of Hansard. Members normally approach Hansard and Hansard assesses whether or not the change that has been made changes in any way the meaning of what was said. I think most members in this place would have experienced occasions when they have been very grateful for the accommodation of Hansard in that regard. I have no reason to believe that anything that Hansard has done would have changed the
meaning of anything the Prime Minister sought to convey. I am not aware of the specific quote the member for Lyons refers to. I will follow it through if he wishes, but I am content that Hansard has always acted in the interests of all of us impartially.

Mr Adams—If the criteria that are used are available, I would appreciate them, Mr Speaker.

The Speaker—I can indicate to the member for Lyons that the criteria are established criteria. He can approach Hansard and discover what they are. I have largely outlined them, and I am happy to discuss them further with him if necessary.

Notice Paper

Mr Adams (4.09 p.m.)—The other question I have, Mr Speaker, refers to the fact that I am missing my Notice Paper, which is now done electronically. I think I believe that most members of the House are missing their Notice Paper as well. I was wondering whether you would do a survey of members to see whether they would seek its return to individuals’ desks as it was before. When we change things, like a lot in life these days, those changes which occur to save one area effort and money just reflect them back onto another; and now every individual office has to print out its own Notice Paper. Could we do a survey of members to see whether we could seek some change?

The Speaker—It would not be my intent to conduct a survey of the House about whether or not members like the present Notice Paper arrangements. If, however, sufficient members were to approach my office expressing disquiet with the arrangements, I would take that matter into consideration. The decision not to make the Notice Paper readily available was taken not only on economic grounds but on environmental grounds as well, and the fact is that the Notice Paper is readily available by email.

Opposition members interjecting—

The Speaker—There are clearly some members wanting a very early minute. The Notice Paper is available by email. I do not believe members have been inconvenienced. If they have, I will reconsider the matter.

Notice Paper

Mr Latham (4.11 p.m.)—To follow up that matter: the Notice Paper is not available by email; it is on the Internet. Could you possibly ensure that it is emailed to every member at the beginning of the sitting day? That would be more convenient. It would be readily available in this electronic format—no cost, no environmental damage but more convenient for us to have it emailed at the beginning of every sitting day. I join with the member for Lyons in missing the Notice Paper desperately. In fact, in my seat, attending to the Notice Paper is part of the job description imposed by a former member, so we are obliged to look at it every day—

Mr Martin Ferguson—Checking his questions!

Mr Latham—Checking his questions and mine. Could we do that by email, please?

The Speaker—I will follow up the request from the member for Werriwa and report to the House if there are any difficulties in making it available electronically.

Joint House Department: Child-Care Survey

Mr Leo McLeay (4.12 p.m.)—To my recollection, the Joint House Department is conducting a survey of members and, I think, other people in the building about whether or not they want access to child-care facilities. As I understand it, that survey is being done on request, so if you have not heard about the survey you do not know to ring up and say you want a copy of the survey. I know you cannot do anything for senators, but for members could you ensure that a copy of the survey is sent to every member so that we do actually get a proper reflection of what people want to do rather than have the Joint House Department, as usual, run one of these secret surveys because they do not want child care?

The Speaker—As a member of the Joint House Committee in the former parliament, the member for Watson will be aware of the fact that this survey was requested by the Joint House Committee. I had thought that everybody was aware of it and I
will take steps to ensure that, one way or another, they are all made aware.

**Notice Paper**

Mr MURPHY (4.13 p.m.)—Mr Speaker, I pick up on the point of the member for Werriwa in relation to the Notice Paper, because I raised this with you in the last sitting week. In making inquiries about whether the Notice Paper could be distributed electronically, could you also inquire as to whether our printers are able to print the Notice Paper front and back? If you are worried about environmental issues, may I say that we are able to get copies of the Notice Paper from the Table Office and it is printed front and back by them. I do not know whether our printers have the capacity to print it front and back. If not, could we do something so that the Notice Paper could be printed front and back? I have a great interest in the Notice Paper.

The SPEAKER—In my indication to the member for Lyons about the Notice Paper I will take up all of the matters raised by the member for Lowe.

**Notice Paper**

Mr PRICE—Mr Speaker, I wish to ask this: in the assessment of the savings in the printing of the Notice Paper, were the additional costs of wear and tear on members’ printers in printing the Notice Paper and of the extra paper taken into consideration? If so, what were those additional costs?

The SPEAKER—I will respond to the member for Chifley in his office rather than to the House.

**AUDITOR-GENERAL’S REPORTS**

Report Nos 33, 34 and 35 of 2001-02

The SPEAKER—I present the following Auditor-General’s reports for 2001-02 entitled Audit Report No. 33, Assurance and control assessment audit: Senate order of 20 June 2001 (February 2002); Audit Report No. 34, Assurance and control assessment audit: Management of travel: Use of taxis; and Audit Report No. 35, Performance audit: ATO progress in addressing the cash economy: Australian Taxation Office.

Ordered that the reports be printed.

**PAPERS**

Mr ABBOTT (Warringah—Leader of the House) (4.16 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

** MATTERS OF PUBLIC IMPORTANCE **

**Economy: Debt Management**

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

The gross financial mismanagement of the Government’s foreign currency swaps which has led to accumulated losses of billions of dollars for Australian taxpayers.

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

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

Mr McMULLAN (Fraser) (4.16 p.m.)—Today is a day which shows that one of the problems with being the opposition to this government is that there are too many scandals; you cannot get to deal with them all in one day. Of course, the second problem is that the parliament does not sit often enough to give you enough chance to ask all the questions that need to be asked. This issue has been seen by many as very complex, but in its essence it is very simple: the Treasurer was asleep at the roulette wheel and as a consequence the Australian taxpayers have lost $4.8 billion. What is complicated about that? That means $1,000 for every Australian household flushed down the toilet by the Treasurer, who would be leader. That is why he does not pay attention to these jobs; he is spending all his time focusing on the campaign to be the Prime Minister. You might have seen a cartoon on the back of the Fin. Review the other day that said: ‘Treasurer, have you got your mind on the job?’ He said, ‘I never think about anything else.’ They said, ‘What about managing the economy?’ He said, ‘Oh, that job!’ He was only thinking about the Prime Minister’s job, because he has avoided every opportunity to provide
Let me briefly outline the background to this bungle. For most of the time since Federation, Australian governments have borrowed money to pay for investment and government programs. Most of it has been borrowed in Australian dollars, but some of it has been borrowed overseas. In 1987 it was decided to end the practice of borrowing directly in foreign currencies and we entered into a process called ‘foreign currency swaps’. Everyone talks in jargon and it sounds very complicated, but it is actually very simple: a swap is an agreement between two parties to exchange or swap one entitlement or obligation for another. Treasury uses swaps to exchange its obligations to repay interest in Australian dollars for an obligation to pay interest in US dollars. But there was always a risk, the risk that the Australian dollar would fall against the US dollar or that the interest rate differential would narrow.

For all the period of the Labor government management of this program it was prudently managed. That risk was managed and we ran at a profit of $2.1 billion. In 1997—that is, five years ago—the underlying rationale for the program collapsed but the Treasurer kept running it, and for five years after that the interest rate differential disappeared and the currency collapsed from 76c when he took over to 51c now. He had reduced it by a third in six years. After all that time, what has happened? He kept on gambling. The risk was there, he let it slip the first year—in 1997-98 he lost $2 billion—but instead of walking away from the table he went double or nothing so that in 1999-2000 we lost another billion and in 2000-01 we lost another two billion—$5 billion, and on his watch.

Yesterday he put out a press release which articulated the underlying argument for the failed policy. But what we can never find out and what I challenge the parliamentary secretary to say in the answer is: when did the Treasurer first know about this? Yesterday we asked him and he pretended that the first he heard of this was on 9 November 2000. He lost $2 billion in 1997 and nobody told him until 9 November 2000! Yet the Auditor-General tells us that the strategy for investing these swaps is approved by the minister every year. What a surprise! Let me say that again. The Auditor-General tells us on page 19 of his report of 1998-99—and that is a little bit before 9 November 2000—that ‘there is ministerial endorsement of the annual swaps strategy’. I wonder which minister that is—the Minister for Foreign Affairs? It is the Treasurer. He is the minister responsible, and he approves the swaps strategy every year. Just in case you missed it, the Auditor-General says again, on page 36, that the Treasury’s decisions:

... on these matters are guided by an annual borrowing strategy that is approved by the Treasurer, usually as part of the budget process.

Doesn’t this mean, Parliamentary Secretary, that the Treasurer was informed about these swaps and therefore about these losses in 1998, in 1999 and in 2000 and he did nothing, and while he did nothing we lost billions? He paid no attention to the detail, and that is typical of this Treasurer. This issue is important in one very simple sense—we lost $5 billion. That is pretty important. I reckon most Australians reckon that is pretty important. They would pay a bit of attention to that—the odd five billion here or there! It is important for a second reason: it gives us an insight into the man who is the Treasurer of this country. He pays no attention to the detail.

Let us look back at the issues for which he has had administrative responsibility—and there are some terrific ones. The introduction and administration of the goods and services tax— wasn’t that terrific! Didn’t all his back-bench love the way that was introduced! I say to my colleagues who were here in the last term: remember the enthusiasm with which his detailed and careful attention to the administration of that portfolio was welcomed! Then we had the question of public liability insurance, where 18 months ago the member for Riverina was trying to get the government—in this instance through the Attorney-General, but at ministerial level—to pay some attention to the crisis in public
liability insurance. The Treasurer has been out to lunch for 18 months.

Then there was the question of the supervision of auditors, where the Treasurer had advice years ago that this was a problem and did absolutely nothing. In each of those instances it was a crisis that cost other people money and then he stepped in to try to solve the crisis that he had caused. It is a continuing story of failure to attend to detail.

What does the Treasurer rely on for his defence? The first—and this will be very familiar to anyone who has been here in question time—is the ‘I wasn’t told’ defence: ‘Nobody told me I was losing all this money—I just approved it every year. I approved it four times. You mean I was supposed to read those pages before I signed them? Nobody told me that; I just signed it every year!’ Then he has tried to confuse the issue. When you ask him when he was first told that we were losing money, you start to get a detailed account of what happened in November and December 2000 when they varied the benchmark. It is a significant decision to vary the benchmark, but this issue has been going on for nearly five years. You can get the Treasurer to give you a detailed exposition of what happened in those two months and nothing else. Not a word about what happened at any other time. He will give you chapter and verse on why other people advised him to cancel the benchmark in November and December 2000 and why he took their advice. But on why he did not take any action in 1998, 1999 or 2000—not a word.

He then tries to blame the advisers, consultants and the senior officials. If we called an inquiry, he would not let them appear to give evidence, I will bet that. We all know and the Prime Minister knows—given an outline of the line of responsibility today quoting an impeccable source—that ‘advisers advise, administrators decide and they are accountable in here’. I thought his source was very good for that quote. Nevertheless, it applies very well today. It may be true that all the advisers, all the consultants and all the senior officials recommended that the program should proceed unchanged, although I believe it is not true. I believe that UBS did advise change and I believe the Auditor-General clearly on the record suggested review and revision. But, even if it is true, I challenge the Treasurer to do two things now that he has come in. One is to answer when he first new that this money was being lost; how many years he approved a strategy with regard to the administration of this program; how many years he signed off on the strategy; whether he signed off on it after 1997-98, 1998-99, and 1999-2000; whether in any of those circumstances he was aware when he signed off on the strategy that the year before they had lost billions of dollars;
whether he sought advice on the basis of that as to whether they should continue; and, what that advice was. I ask him to release that advice and to release the basis of the decisions he made on that advice. I challenge him to do that first: to say when he first knew, how many times he approved this program, and how many times he signed off himself that this should continue. As the Auditor-General asked in his report, how many times did he give ministerial endorsement for the annual swaps strategy?

That is a very clear and important question because we lost nearly $2 billion in 1997-98, over a billion dollars in 1999-2000, and then nearly $2 billion again in 2000-01. Treasurer, is it just that you were not paying attention to that troublesome hard detail of the policy implementation? Let us be clear once and for all: nobody believed that you did not know we were losing money until 9 November 2000. Nobody in this House, including you, believes that. You know it is not true. So tell us when you did first know and, when you did first know, why you took no action, why you allowed the losses to continue to multiply until they became $5 billion. Then, when you have given us that explanation, I would like to know why, although you said you closed the program in November 2000, you in fact started to introduce new forms of derivatives, forward contracts, that allowed the liability to be maintained for nine more months while we continued to accumulate losses. You claimed that it closed in December 2000 but right through until September 2001 we continued to enter into new contracts. There was no run-down of the liability, and your gambling debts were exposed to further adverse currency movements. We continued to make more losses. We want to know the answers to those questions. We want to know what you knew, when you knew it, why you failed to act, how many times you approved the strategy, and why, when you claim you had closed it down, it continued for another nine months under ‘new programs’. And I will be very interested to know how many times the people managing the program got performance bonuses for their efforts in the years in which we were making those billion-dollar losses. They are answers we would all like to hear. (Time expired)

Mr COSTELLO (Higgins—Treasurer)

(4.32 p.m.)—Mr Deputy Speaker, I think I have heard the weakest MPI speech that has ever been uttered in the 12 years that I have been in the parliament. I think I waited for the first ‘Hear, hear’ during the course of the 15 minutes, but it did not occur. I do not think the backbench raised one single ‘Hear, hear’ during the course of that speech, and now as they file out of the chamber they will not remember today as one of the great days of parliamentary debate.

The interesting thing was the way in which the MPI ended with the member for Fraser saying, ‘We want to know the answer to this question; we want to know the answer to that question; we want to know the answer to the other question.’ I point out, Mr Deputy Speaker, as you will know, that questions are asked at question time. If you actually want to know the answer to a question you generally come to the dispatch box and you ask a question. We have just been through 20 questions at question time, but you did not manage to get to your feet on any one of them. You did not manage to get to your feet on any one of those questions. After question time finished, and after the Labor Party had a suspension on an issue that it actually considers important, in came the member for Fraser with some questions—questions which he could not get to his feet during question time to ask. Not on the first, the second, the third or the fourth, not during the 20 questions of question time, not during the suspension, not during debate—did he ask; he asked during the MPI.

I think anybody who has been here will know that if a person has a question they generally get up in question time, which is the time to ask questions. But if you cannot get to your feet with a single question during question time, anybody who has been around this place knows that there is a legitimate question to be asked. It is not as if you have been brimful of questions, as if you felt you had to do the national accounts or as if you felt you had to do inflation, or as if you thought you had a position in relation to the international economy which you have been
taking your time to put. No, there was not one question during the course of question time. Then you followed up with an MPI which is as lame as lame can be.

Let us recap the position in relation to Commonwealth debt. I think it can be stated quite simply. Since the 1930s, the Commonwealth government has borrowed in foreign currency. The reason the Commonwealth borrowed in foreign currency was that it thought it could get cheaper interest rates. That meant that since the 1930s whenever there was a devaluation there was an exposure in relation to foreign currency. The fact that swaps were entered into does not change the position. If it had been done in physicals, it would be the same position. In fact it was the same position. So back in 1984 and 1985, when the Labor Party was managing a foreign currency portfolio, there were very large losses. These losses do not arise because of the currency swaps; they arise because you borrow in a foreign currency. So why, after all of those years since the 1930s, in 1989 did the Commonwealth decide to borrow in Australian dollars and swap? If you borrow in Australian dollars and swap, it has precisely the same effect as borrowing in the foreign currency. You borrow in Australian dollars and immediately you do so you swap into foreign currency in order to get the value of lower interest rates.

Why was it that the policy that had been in place since the 1930s changed in 1988 and 1989? I will tell you why. Because the Treasurer of the day wanted to say he was not borrowing any money overseas. No, what he was doing was borrowing in Australia and swapping it into borrowings overseas. He went into the Australian parliament and he sought the right to engage in swaps. Now he was technically accurate; he could technically say he was not borrowing from overseas. No, he was borrowing Australian dollars which he immediately swapped into overseas currencies. But the currency risk in relation to foreign borrowings or in relation to swaps was essentially the same. Treasurer Keating changed the law to enter into swaps in 1988, as I said in yesterday’s question time. From that time until June 2001 the policy of the Treasury—indeed the policy of all successive federal governments—was to continue a foreign debt exposure.

What made the sums large was not just the policy but the amount on issue. This is the point which the member for Fraser can never actually bring himself to: why did the foreign currency exposure increase? Because the borrowings increased. I have kept making this point: 15 per cent of no borrowings would have been $1.5 billion. But what really made this an issue was the Labor Party ramping up debt to $96 billion. And all of a sudden 15 per cent of $96 billion became a very large sum. So in 1988 the Labor Party entered into a swaps policy, but what really gave the Commonwealth debt portfolio management scale is that between 1990 and 1996 Commonwealth debt, which had been $16 billion in 1990, became $96 billion.

Senator Conroy, in one of those ingenious justifications on radio recently, was asked this question: ‘But we are talking about Labor Party debt here, aren’t we?’ He said, ‘No, we are talking about all the debt which was accrued in the first 96 years of Federation.’ Let me tell you that in the first 90 years of Federation Commonwealth debt had got to $16 billion and in the next five it got to $96 billion. They are very quiet. This is never a point which actually gets a mention in any of the speeches that are made by the member for Fraser. Nor does he, interestingly enough, ever get around to mentioning that this government, during the time that it has been in office since 1996, has not borrowed in net terms and has reduced Labor’s $96 billion by $57 billion.

Mr Cox—By asset sales.

Mr COSTELLO—No, not exclusively by asset sales. This is another point that I like reminding the adviser to Mr Willis of: where did the Labor asset sales go? They did not go into retiring debt. You ran a deficit, you sold the asset and you still borrowed. I am waiting for the comeback. That was a good interjection, that one, because whatever you say about these asset sales, every single dollar of asset sale went into debt retirement, whereas with Labor every single dollar of asset sale went into recurrent expenditure—
Tuesday, 12 March 2002  

Representatives

and then they still borrowed, after their asset sales, $80 billion. I do not think it has ever occurred to the members of the Labor Party frontbench what damage they did to this country, the awfulness and the magnitude of the situation. You did not just borrow $80 billion; you borrowed $80 billion net after the proceeds of the asset sales were expended in full. After you had sold the Commonwealth Bank, after you had sold Qantas, you still had to borrow another $80 billion. If you had used any of that money for the repayment of debts, such an interjection would have some force, but I do not think the enormity of this position has never actually dawned on the Australian Labor Party; hence the interjectors fall silent.

Let me give you the figures in relation to the reduction of $57 billion of Labor Party debt, because this is the per head thing that they really love. When this government was elected, debt per head was $5,240, and now it is $2,023. We have paid back $3,200 of debt per head, none of it run up by this government. As I said in the 1996 budget, we did not run up this $96 billion but we will take responsibility for paying it back. And we have now paid back $57 billion, with no help from Labor. In fact, if the Labor Party had voted for our legislation we probably could have done more.

In relation to the policy, which, as I said, was introduced in 1989, which became significant, as I said, because of the run up of debt, which has now not been added to in net terms—Commonwealth general government debt—by this government, $57 billion has now been paid. I think that is probably enough to settle the argument in relation to this particular matter. But I do want to come to the misrepresentations that the member for Fraser has been peddling around the place. Actually, I pay credit to you. You did a good job of misrepresentation yesterday afternoon and you even got—

Opposition member interjecting—

Mr COSTELLO—Thank you, he says. Somebody over there said thank you. You did a good job of misrepresentation and managed to convince a couple of journalists to write it. What you did was selectively quote from the ANAO report of 1999-2000.

You quoted that the ANAO had gone through this policy which had been in place since 1989. They had gone through the upside and they had gone through the downside, and you selectively quoted that they noted that in relation to foreign currency borrowing, as had been the case since the 1930s, there was always going to be a risk. They noted that. That is in the report. But what you did not say is what they concluded. What they concluded was this:

The management of the Commonwealth debt portfolio in accordance with specific benchmarks can only be effective if the benchmarks are appropriate. In the light of market developments, Treasury has reviewed the assumptions underlying the benchmark recommendation for US dollar exposure on three occasions in recent years with the most recent (August 1998) review concluding that the recommendation remain valid.

So what they said is that it has been reviewed and it is valid. Of course they noticed that there were going to be risks, but what did they find? That the Treasury had reviewed it and it had become valid. What did the ANAO report recommend? Did it report winding up foreign currency exposure? There it is: all you have to do is point to the fact that it recommended it. What they recommended, actually, was that the benchmark should be referred to the Treasurer after another review had been done. The recommendation is there in 3.44. They recommended that, as part of the ongoing management activities, Treasury continue to evaluate the data, that it re-examine the benchmark portfolios target and that it obtain formal ministerial endorsement.

I have been asked when the portfolio benchmark was first referred to me. It was first referred to me on 9 November, and that was after the Treasury secretary had waived the benchmark. After speaking to the Treasury secretary and the Reserve Bank governor on 6 December, I suspended the policy. I ordered a complete review of the policy. The review came back for the first time from Treasury recommending that the policy not be continued in June 2001. That was accepted by me in September 2001, and it was wound down.
From 1988 to June 2001, the Treasury recommendation was that this policy be maintained. Not only was it the Treasury recommendation that it be maintained; it had been recommended by JP Morgan, UBS Warburg and BT Consulting. The Auditor-General had not recommended against it, the Joint Committee of Public Accounts had not recommended it, and most of all the Labor Party had never recommended closing it down. In fact, I have been through the record. The Labor Party were actively promoting it, so much so that the member for Fraser himself went into the Senate estimates committee to justify this policy in April 1992. He was asked what monitoring process was being conducted. Listen to this expert on currency swaps; listen to what he said when he was asked whether he could explain it. He said—

I hope somebody else can.

This is a man who now wants to parade himself as being on notice at all times as understanding currency swaps. He operated currency swaps himself without any understanding whatsoever of the policy. He was in the Senate estimates committee justifying it, and now after the day he wants to say that everybody should have turned their back on the Treasury advice, on the UBS advice—something he never did—on the expert advice and taken a different view. This ought to be seen for the charade that it is. This is an absolute charade by the Labor Party, which do not understand the policy of currency swaps, notwithstanding that they operated them and seized cheap political, nonsensical mileage. (Time expired)

Mr LATHAM (Werriwa) (4.47 p.m.)—What we have just heard from the Treasurer is 15 minutes of irrelevance, 15 minutes of evasion. This Treasurer did not for a single moment address any of the issues that have been raised by the member for Fraser. This Treasurer did not for a single moment address his own guilt in this shocking financial scandal. He is guilty of the greatest financial loss in the history of the Commonwealth, greater than any of the state government losses, greater than any of the federal losses in the past—$5 billion worth of lost taxpayers money. The Treasurer is guilty of these things and all we got from him was 15 minutes of ducking and weaving.

Our charge against the Treasurer is simply this: he knew from 1997 onwards that currency swaps were a bad investment, and he did nothing about it. He knew for four or five years that currency swaps were a bad investment and he did absolutely nothing about it. The dog was asleep on the porch while the Commonwealth lost $5 billion. The Treasurer did nothing while the Treasury lost five thousand million dollars. It sounds like a lot of money. It is a lot of money and, unfortunately, there is a human cost in these sorts of losses. There is a human cost to the nation. Five billion dollars would buy every Australian child a computer to aid their education; $5 billion would double the size of the Australian Army; $5 billion would deploy enough labour market and employment schemes to get every unemployed person in this country back into work; $5 billion would build another 15 public hospitals; $5 billion would do a lot of work in the health portfolio. Imagine how excited Michael Wooldridge would have been if he had known that there was $5 billion available! He could have built a thousand buildings, a thousand headquarters for the college of GPs. While we are talking about government fiascos, $5 billion would pay for the entire Pacific solution in their asylum-seeker policy.

Five billion dollars is the greatest waste of taxpayers’ money in the history of this parliament. The Treasurer’s defence is that nobody told him until November 2000. This defence is simply fantastic. We are being asked to believe the currency swaps lost $2 billion in 1997-98, yet nobody told the Treasurer. We are being asked to believe that currency swaps lost $1.1 billion in 1999-2000, yet nobody told the Treasurer. We are being asked to believe that currency swaps lost $5 billion between 1997 and 2000, yet nobody told the Treasurer. It is said that the Treasurer is watching the Prime Minister’s job. I would say that he is watching too closely, because what he is doing is imitating the Prime Minister’s defence in these sorts of matters. The Prime Minister’s defence in ‘kids overboard’ was to say, ‘Everybody
know but me. I am only the Prime Minister. Don’t blame me, I’m only the Prime Minister.’ Now we have a Treasurer who loses $5 billion on his watch, and his defence is, ‘Don’t blame me, I’m only the Treasurer. Blame everyone else.’ He spent 15 minutes talking about everyone else, from Paul Keating when he was Treasurer to Paul Keating when he was Prime Minister, the member for Fraser when he was a senator, the member for Kingston, and on he went. He talked about everyone bar himself and his own guilt in this shocking financial scandal. They threw the truth overboard and now they have thrown the money overboard as well.

You only need to restate the Treasurer’s defence to understand its absurdity: ‘Nobody told me until November 2000.’ Either way he is damned. If he did not know that the Treasury was accumulating losses of $5 billion in the four years to 2001, he should not be the Treasurer. If he did know about these losses, he has misled the parliament, he has misled the public, and he should not be the Treasurer. So, either way, on the absurdity of his defence, he is damned. The point is this: he should have known. As the Treasurer of the Commonwealth, he should have known, and we say he must have known. You only need an elementary understanding of economics to understand what is going on. The only reason for engaging in currency swaps was if two economic conditions were met: firstly, that United States interest rates were substantially lower than Australian interest rates, and, secondly, that the Australian dollar was in a strong position against the United States. Well, wakey-wakey, Treasurer. These conditions have not been met since 1996. These conditions have not been in place since the end of 1996, yet the Treasurer did nothing. He did nothing in 1997. He did nothing in 1998. He did nothing in 1999. He did nothing for most of the year 2000. Four wasted years wasted $5 billion of public money. Four wasted years produced a record loss of taxpayer funds in this parliament.

My favourite description of the Treasurer does not necessarily come from this side of the parliament. The best description of the Treasurer has always come from one of his colleagues Jeff Kennett, who called him ‘dog’—not ‘a dog’ or ‘the dog’, just ‘dog’. Of course, this is very much a case of the dog being asleep on the porch. Jeff Kennett said that he has all the qualities of a dog bar loyalty and keeping watch on public money—keeping watch as he should as the Treasurer of the Commonwealth.

The warning bells were ringing between 1997 and 2000. He had ample warning. In May 1997 the Treasurer approved the continuation of the 15 per cent benchmark. He could have abandoned the program at that stage but the dog was asleep on the porch. In mid-1997, Australian interest rates fell below those of the United States for the first time in a long while. It was the end of the interest rate differential. It should have been the end of the policy, but where was the dog? Asleep on the porch. In November 1997, the Treasury reviewed the policy—another chance, but the dog once more was asleep on the porch. And at the end of 1997, the Asian economic crisis hit. Anyone who was in the parliament at the end of 1997 would remember the lectures we got from the Treasurer about the Asian economic crisis. Blind Freddy could have seen that that crisis would have weakened the position of the Australian dollar relative to the US currency. Any high school economics student would have known that the Asian crisis would drive down the value of the Australian dollar. That was the big alarm bell that should have rung.

It was an unsustainable policy by the end of 1997, but the Treasurer once again was asleep on the porch. Of course, at that point, at the end of 1997, this became more than financial management; it became a gamble with the money of the Australian people—the greatest gamble in the history of the Commonwealth. No wonder the Treasurer’s brother Tim Costello is running a personal campaign against gambling. Imagine the discussions they have over Christmas dinner: ‘Peter, what did you do this year?’ ‘Oh, Tim, I gambled away $5 billion of Commonwealth money in currency swaps.’ It just proves the lesson: Baptist boys should not gamble and treasurers should not take roulette risks with the funds of the Australian people.
The list of warning bells goes on: June 1998, August 1998, May 1999 and the Audit Office report in October 1999, which said:

... there is ministerial endorsement of the annual swaps strategy.

There was warning bell after warning bell but still the dog was asleep on the porch. Then, finally, we got to 15 May 2000 when it took the member for La Trobe to work out what was going on. The member for La Trobe has been asleep in this place for 10 years but he still knew what was going on in terms of these currency swaps. He put out a press release on that day as the Chairman of the Joint Committee on Public Accounts and Audit to alert the Treasurer to the problem. But still the Treasurer did nothing; still the dog was asleep on the porch. Warning bell after warning bell was unanswered.

We do need to amend Jeff Kennett’s description. The Treasurer has all the qualities of a dog bar loyalty and the ability to guard taxpayers’ funds. On his watch the government has lost $5 billion of valuable funds that should have been used elsewhere. And what of his other defence? His other defence is to say that it is all Labor’s fault. It is a comical defence. The defence runs along the lines of, ‘Paul Keating made money out of this; I’ve lost $5 billion. Therefore it’s all Paul Keating’s fault.’ It is absolutely absurd to blame Paul Keating for a policy which was successful in the early 1990s. It is like Warwick Fairfax saying when he sent the company broke that it was the fault of all those generations of Fairfax families and business managers who made money out of the Fairfax company, his predecessors. It is an absolutely absurd defence to try to blame Paul Keating. The one thing you can say about Keating is that he had his hand on the levers. One can only wonder where this Treasurer has had his hands in recent times. Keating at least had his hands on the levers. Where have this Treasurer’s hands been?

He has not always blamed the ALP. He started his political career in Young Labor and the Social Democratic Association. For our financial credibility, I am glad we got rid of him. It would have hurt our financial credibility to have someone on this side of the parliament who was responsible for a loss of $5 billion of taxpayer funds. We are glad that he left Young Labor and the Social Democratic Association all those years ago. He has been oscillating around ever since in the Liberal Party, the HR Nicholls Society and now as the leader of the moderates. The truth is that he is all over the shop. He believes in nothing bar himself and, in public life, where there is no belief there can be no results. The sad result here is a loss of $5 billion. (Time expired)

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.57 p.m.)—What a lot of claptrap and hot air we have heard from the honourable member for Werriwa. On page 902 of the New Oxford Dictionary of English appear these words: ‘the practice of claiming to have higher standards or beliefs than is the case’. Those words are a description of hypocrisy. A hypocrite is a person who indulges in hypocrisy. Regrettably, the standing orders of this place do not permit me to accuse members of the opposition of being hypocrites but the words in the dictionary speak for themselves.

There is nothing I love more in this House than a debate on financial management, especially when it involves the honourable member for Fraser, a former parliamentary secretary to the Treasurer. When it comes to sound financial management, I certainly know what side of the House I would prefer to be on. On the opposition benches we have the Labor Party who, after 13 years, were hounded from office. They left a huge government debt, record high interest rates, record high unemployment rates and, of course, Mr Beazley’s $10 billion black hole. On the government side, by comparison, we have the Treasurer, a man who in this office has reduced government debt—Labor’s government debt—by $57,000 million. He has lowered interest rates to record low levels and delivered on tax cuts that have benefitted the Australian economy as a whole and Australian families in particular. The choice between the government and the opposition, when it comes to financial management, is simple, especially when the alternative Treasurer is someone who had his hands on
the levers during the Hawke and Keating years.

The motion today is nothing but another example of the Labor Party attempting to rewrite history, a history which spells out quite clearly how the Australian taxpayer, the Australian people and the Australian government came to have a debt of $96 thousand million. The coalition did not create the problem, but we did accept the responsibility for fixing it. This MPI is also an attempt by the opposition to try to detract from the fact that the Howard government has successfully reduced Labor’s debt by nearly $60 billion over the past five years.

The member for Fraser and the member for Werriwa both struggled; they were desperate and they were hopeless. I could see the dismay on the faces of the few opposition members who were obviously forced by the opposition whip to come into the chamber to listen to those pathetic performances. They were pathetic, absolutely pathetic. Anyone who is listening to this debate would know that it was a fortunate day for Australia when the Labor Party was defeated last year. It was fortunate for Australia, especially because the member for Fraser and the member for Werriwa are a long way from the Treasury benches.

This MPI is an absolute, desperate beat-up by a party that continues to prove it has no idea about economics or economic management. So why are we having this debate? If we look at the history of government currency swaps, some very interesting facts will emerge which will expose the honourable member for Fraser, and Labor more generally, as having an approach which is hypocritical. The way they have sought to misrepresent this matter over the past few weeks is completely despicable.

Let us look at the fact that the Hawke government instituted cross-currency swaps to create a US dollar exposure in government borrowings in 1988. I am not trying to further besmirch or even ridicule the status of a former Prime Minister, so I need not point out who was the Treasurer at the time. Needless to say, this particular man described himself as the best Treasurer in the world. It must therefore go without saying that in 1988 Labor was pretty keen on the idea of using currency swaps to manage debt. The rationale used at the time was that the premium on Australian interest rates was high and that access to US interest rates would provide long-term cost advantages. That, at the time, was a fair argument. It was a concept that was not particularly new. But what happened from that point onwards is, however, where the story gets interesting.

From the beginning of the 1990s, when Labor built up an additional $80 thousand million in debt, to the time when they were hounded from office in 1996, Australia as a nation—the Australian people—amassed a debt of $A96 billion. This meant that, when we were elected to office in 1996 and discovered the black hole and the true extent of Labor’s reckless spending and their profligate approach to economics, the Treasurer had no choice but to develop a budget strategy that would enable us to manage Labor’s massive debt.

The Howard government, unlike Labor, have not borrowed one cent in net terms. We have focused on paying back debt and on not building it up. The Treasurer has been a champion of this cause. From the moment he was sworn in, the Treasurer has tirelessly fought to reduce Australia’s debt, and I am proud of the fact that, under the Treasurer’s stewardship, $57 billion of Labor’s debt has been repaid. When Labor left office, as the Treasurer pointed out, the debt they had built up over 13 years of gross economic mismanagement was equivalent to $5,240 per person. Now that debt has been reduced to $2,023.

So when the honourable member for Fraser has the gall to stand up in the chamber and talk about financial mismanagement, I think he needs to turn around and look at those sitting on his side of the House. He needs to look at the honourable member for Brand, the finance minister in the Keating government. He needs to look at the honourable member for Lilley, who is at the table, the honourable member for Perth, the Leader of the Opposition and every other Labor member who was in the Labor caucus during the Hawke and Keating years.
The member for Fraser should also take a good look at his past support for managing Labor’s debt through currency swaps. It is now common knowledge—and it has come out in question time; it came out in the Treasurer’s contribution a moment ago—that, as Parliamentary Secretary to the Treasurer in 1992, the honourable member appeared before a Senate estimates committee to justify the policy of entering into currency swaps. Can you believe the exchange that took place? Senator Watson asked: Could the Parliamentary Secretary comment on the monitoring process in relation to the swap interest regime conducted by Treasury? Senator McMullan responded: I hope somebody else can.

When you listen to what he has sought to say in the debate before the chamber at the moment, it is pretty clear that, in the 10 years that have elapsed since 1992, the honourable member for Fraser has not learnt anything. He still hopes that somebody else can explain what the Labor Party has done.

This government has a sound record of economic management. In 2001, stronger spending helped our economy grow by 4.1 per cent. This makes Australia’s economy the fastest growing economy in the developed world, according to recent Australian Bureau of Statistics figures. Further, the economy is now in its 11th year of extraordinary expansion and is outperforming all of the major industrial economies. In 2001, retail trade grew at 8.7 per cent. Company profits were up by almost eight per cent in the December quarter. Businesses expect to lift investment in the next financial year, with planned spending of $40 billion—which is up 21 per cent. If you look at the papers, you can see that there are laudatory comments about the sound economic management of this government.

Upon election to office, the coalition continued to use the cross-currency financial model developed by Treasury and used by Labor to manage Labor’s debt. This model was developed in consultation with JP Morgan in 1989. It was subsequently reviewed and endorsed by the Union Bank of Switzerland in 1996; by BT, Carnichael Consulting, and Coopers and Lybrand in 1997; and by UBS Warburg Dillon Read in 1998.

We have to recognise that the Labor Party is being inconsistent and hypocritical with regard to this matter. We ought to recognise that in regard to the policy complained about by the member for Fraser, firstly, it was Labor policy; secondly, the debt was Labor Party debt; thirdly, the coalition government started repaying it; and, fourthly, we have ended the policy. The case rests: the opposition in this matter has been exposed. The people of Australia are sick and tired of politicians who have no principles and who come into the House and mouth platitudes such as those mouthed by opposition speakers in relation to this debate. (Time expired)

The DEPUTY SPEAKER (Mr Jenkins)—Order! The matter of public importance is concluded.

COMMITTEES
Standing Order 324
Mr ABBOTT (Warringah—Leader of the House) (5.08 p.m.)—I move:
That, unless otherwise ordered, the following amendment to the standing orders be made:
Omit standing order 324 and substitute the following standing order:
324 (a) The following general purpose standing committees shall be appointed:
(i) Standing Committee on Aboriginal and Torres Strait Islander Affairs;
(ii) Standing Committee on Ageing;
(iii) Standing Committee on Agriculture, Fisheries and Forestry;
(iv) Standing Committee on Communications, Information Technology and the Arts;
(v) Standing Committee on Economics, Finance and Public Administration;
(vi) Standing Committee on Education and Training;
(vii) Standing Committee on Employment and Workplace Relations;
(viii) Standing Committee on Environment and Heritage;
(ix) Standing Committee on Family and Community Affairs;
Standing Committee on Industry and Resources;
Standing Committee on Legal and Constitutional Affairs;
Standing Committee on Science and Innovation; and
Standing Committee on Transport and Regional Services.

A standing committee appointed pursuant to paragraph (a) shall be empowered to inquire into and report on any matter referred to it by either the House or a Minister, including any pre-legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or paper.

Annual reports of government departments and authorities and reports of the Auditor-General tabled in the House shall stand referred to the relevant committee for any inquiry the committee may wish to make. Reports shall stand referred to committees in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee.

Provided that:

(i) any question concerning responsibility for a report or a part of a report shall be determined by the Speaker;

(ii) the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that department or authority is presented to the House; and

(iii) if a committee intends to inquire into all or part of a report of the Auditor-General, it shall notify the Joint Committee of Public Accounts and Audit, in writing, of its intention.

Each committee appointed under subparagraphs (a)(i) to (a)(xiii) shall consist of 10 members, six government and four non-government members. Each committee may be supplemented with up to two members for a particular inquiry: provided that a maximum of one government and one non-government member may be appointed as supplementary members.

I do not wish to long detain the House on this matter. I simply wish to point out that there is going to be an expansion of the number of standing committees from nine to 13. This is to ensure that the standing committee structure better reflects the portfolio arrangements under the administrative arrangements put in place after the election. Two committees have been hived off from previous committees: the transport and regional services committee has been separated from the old communications committee, and the education and training committee has been separated from employment. There are two entirely new committees: the Standing Committee on Science and Innovation and the Standing Committee on Ageing. The government believe, as I said, that these revamped committee arrangements will better reflect the portfolio arrangements put in place. We believe that this will give both members and ministers, and the polity generally, a better opportunity to express themselves and to devise new and better policies. I commend this motion to the House.
Consider this figure: between the last sitting of the parliament before the election and the return of the parliament this year there was a gap of 138 days. In surfing terms, in my home state, they would call 138 days an endless summer. I know the minister would understand that. That is pretty good for the government, but it is not a great deal for the Australian people. One of the things that we fight hard to do when we want to get elected and come to this parliament is to ensure some accountability and to give value to the people of Australia—that is what we are here for. But they are not getting it. That is why these committees are so important.

If we are to protect the excellent work undertaken by standing committees in this place, we must address the problems surrounding standing committees. We only have 1½ sitting weeks before the budget. What do we now see if we look at the blue today? We see the government rushing very important bills which go to the heart of national security matters into this House and out of the blue. I sincerely hope that this parliament does have the opportunity to effectively scrutinise these bills, because at the moment we have too many bills and too little time for them to be debated. The problem we have here is that avoidance of accountability and excessive partisanship have become key hallmarks of this government.

You saw the deceit at question time today. The principal deceiver—the Gollum of Australian politics, the man that would do anything for the ring—was up there again telling untruths about his knowledge of the photographs and what occurred on that evening of 7 November. We only got to the heart of that via the Senate estimates committee process, when those brave airmen appeared before the Senate committee and blew the whistle on former Minister Reith. When the Prime Minister first came into this parliament when the parliament returned, he denied any knowledge of these events. Until Air Marshal Houston told the Senate that he had had a conversation with Minister Reith around lunchtime on the seventh, the Prime Minister’s word was unchallenged. That is why we need committees to sit to expose the deceit of this government, which will do anything to save its political hide. It will do anything to save its political hide because this government is master of the great camouflage, the great diversion.

Why is it that suddenly today all of these bills emerge that are going to be dumped into the parliament with very little sitting time to adequately scrutinise them? I will tell you why: because the government do not want to talk in this parliament about a lot of the other issues that they have got into deep political trouble on. The committees that we are looking at establishing will have a very important role in exposing the deceit. For example, the committee on family and community services will have a lot to say about the 600,000 Australian families who have incurred debt through their family tax payments. It will have a lot to say, as the Senate estimates committee did, about the fact that 200,000 of those people who were to receive debt letters because they had a bill of over $1,000 did not receive those letters before the election because they were suppressed by the government—another example of the government saying one thing before the election and another thing after the election.

Indeed, the evidence in the Senate estimates committees was that the government had been exposed for lying again. Before the election Minister Vanstone and her sidekick Minister Anthony had said that all of these people were being written to—or being phoned if they were not being written to—and told that they had debts. But what emerged during the senate estimates committees was that only one-fifth of 600,000 Australian families with a total debt of $500 million were notified before the election that they had a debt. The only people who were written to or phoned were those who had their debts waived—that is, those who had debts under or around $1,000, not the 200,000 who received debts greater than $1,000 and who on average received a debt of over $1,000. They were more people who suffered from the deceit of the government.

The family and community affairs committee that we are talking about establishing today would have a lot to say about that. I
Tuesday, 12 March 2002

am sure that the legal and constitutional committee would have a lot to say about how the government did not tell the truth about children overboard. They would have a lot to say about truth overboard because it says so much about the style of the government. We have had the Leader of the House in here today enthusiastically supporting his Prime Minister, the chief deceiver, the Gollum of Australian politics, the man who would do anything for the ring, anything to save the hide of this government. He was running around like John Howard’s lap dog. The minute he sees the Prime Minister he runs around in circles and starts barking, ‘John, you’re a great man. You’re fantastic. You saved us in the election.’ He is barking the whole time—barking mad.

One of the reasons why we need to keep this government accountable is that it has become insufferably arrogant. Only an insufferably arrogant group of people who have been in power too long could produce a parliamentary timetable such as the one that they have given us today. That is another reason why we have to support these committees. I am sure the economics, finance and public administration committee would have a lot to say about Wooldridge House. They would have an enormous amount to say about Wooldridge House. And I am most certain that the economics, finance and public administration committee would have a lot to say about Costello’s casino—the loss of $4.8 billion.

I know who else would be very interested in the accountability of this government—all of those people in this community who depend primarily on the government for their day-to-day existence—that is, recipients of social security, families struggling to make ends meet through family payments, unemployed Australians and age pensioners. What we have seen leaked by this government over the last week or so is that they intend to make the disabled of this community pay for Costello’s losses of $4.8 billion. This government have had a long-term agenda to take the axe to disability support pensioners in this community. It was there under Senator Newman, it is there under Senator Vanstone and after the election it is out there again. They have also got an agenda to cut back on the indexation of social security benefits, particularly those measures that they put in place under the GST compensation package, which they claimed were extremely generous—those measures, for example, which linked benefits to 25 per cent of average weekly earnings. You can be sure that that is for the chopper because of Costello’s loss of $4.8 billion in his gambling on the international money markets and finance markets.

Those people are going to be extremely concerned and they would like a committee of the parliament to look into what the government is up to. They most certainly would. It is not just those people; it is the wider Australian community who desperately want much more accountability from this government. They want a government that is in touch with their needs. They want a government that is concerned about the kitchen table, not the boardroom table. They want a government that understands that when prices go up in supermarkets they hurt the hip pocket. They want a government that understands that they are under financial pressure. They want a government that understands that the pressure of work and family is having a material impact on their lives. They want a government that is committed to having an industrial relations system which recognises the problems that they face on a daily and weekly basis.

That is the role of this parliament: to raise those concerns and to articulate them in this House. This pre-eminent House ought to directly represent the needs of all Australians, but it does not. And the reason it does not is that it is not sitting. It is barely sitting enough. I hope that the Leader of Government Business can come to an arrangement where there is time to discuss these very important bills which have suddenly appeared in the parliament. We all know that since September 11 concerns of national security and border security are to the forefront of the views of all Australians. The response of an Australian government to those has to be in this parliament. When statements are made about these matters they should be made in this parliament and when responses are made
they should be made in this parliament. That cannot happen if this parliament does not sit.

I hope that the government are going to make adequate time available to discuss these very important matters, the detail of which we are as yet entirely unaware. If they make that time available, they will receive the cooperation of the opposition because these are very important matters. But if the time is not made available, if we do not have time to adequately scrutinise this legislation in the interests of the Australian people, then there will be a very vigorous exchange in this parliament because our responsibility is to make this government accountable to the Australian people and we will not shirk from it.

Mr Abbott (Warringah—Leader of the House) (5.22 p.m.)—I think it is obvious that the member for Lilley is a bit upset that he did not get the MPI today, because certainly the speech he gave was more of an MPI speech than it was a speech on a formal motion such as this. Let me just answer a couple of points that the member for Lilley made. The member for Lilley claimed that this is a government which is running away from accountability. As the member for Lilley well knows, the premier way to hold the government accountable to the parliament is through question time. Question time is something which has been elevated by this government. Unlike the former government, which believed that question time was a privilege extended by the executive to the parliament, we believe that question time is a right that members of parliament have. We believe, and have put into practice, that there should be 20 questions every day, and we are prepared to let question time go on for up to an hour and a half—as the Prime Minister repeatedly demonstrates—in order to ensure that this parliament is given every opportunity to hold the executive to account.

It is true that there was a significant gap between parliament rising in about September last year and coming together again in early February this year. The member for Lilley said that it was a 130-day gap: 138 days is quite a long time, but it is not nearly as long as the notorious 1,000-day deadline that the Leader of the Opposition gives himself to reform his own party! But the fact is that it is typical of the situation that has applied in the past. When an election is held late in the year, parliament does not come back until some time in the new year, and typically at election time there is a significant gap between the rising of the old parliament and the assembling of the new parliament.

The member for Lilley believes that Australians want a government which is familiar with the kitchen table. Certainly that is what they have got. If the member for Lilley wants members of parliament to be familiar with the rhythms of ordinary life, we have got to be in our electorates quite a bit of the time. It is important that the parliament does not sit constantly to provide occupational therapy for bored ex-trade union officials. We cannot sit constantly. We cannot endlessly debate things which are of interest to people in this place and the press gallery but which are of very little interest to the man and the woman in the street and the family around the kitchen table. That said, I am pleased that the member for Lilley supports the motion, and I commend it to the House.

Question agreed to.

Higher Education Legislation Amendment Bill (No. 1) 2002

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of the bill presented.

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

Mr Hardgrave (Moreton—Minister for Citizenship and Multicultural Affairs) (5.26 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
BUSINESS
Rearrangement

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs) (5.26 p.m.)—I move:
That notices Nos. 2 to 7, government business, be postponed until a later hour this day.

Question agreed to.

AUSTRALIAN CITIZENSHIP LEGISLATION AMENDMENT BILL 2002

Second Reading

Debate resumed from 11 March, on motion by Mr Hardgrave:

That this bill be now read a second time.

Mrs DE-ANNE KELLY (Dawson) (5.27 p.m.)—I rise to make some brief comments on the Australian Citizenship Legislation Amendment Bill 2002. This bill will amend the Australian Citizenship Act 1948. It is also the coalition government’s response to the report Australian Citizenship for a New Century, prepared by the Australian Citizenship Council.

Citizenship is something to be valued. It binds us together as individuals in Australian society. It also binds us together as a nation. In my own electorate there are a great number of constituents that have come from different nations. Mackay, for instance, boasts the largest population of people of Maltese extraction outside Malta itself. It is home to the largest group of Australian South Sea Islanders, whose forebears were brought to Australia as indentured workers in the cane fields. In my electorate we have people who have come from all parts of Europe, including the United Kingdom, Italy, Spain, Germany and a host of other countries. They are all proud Australians, committed to this, their new country. Obviously they retain emotional and family links to the country of their birth, but there is one thing that they all share: pride in being an Australian citizen. Many hundreds of arrivals in Dawson take the oath of allegiance every year, and I am always pleased—as, no doubt, are my colleagues in the chamber—to attend citizenship ceremonies whenever I can.

I note from the Annual Report of the Department of Immigration and Multicultural and Indigenous Affairs that the percentage of overseas born people who are now Australian citizens stands at 75.2 per cent. This is very encouraging. In 1986, it was only 64.8 per cent. In fact, in the United States, a country that we know prides itself on the bonds of citizenship—and, in many cases, rightly so—the rate is only 50 per cent to 60 per cent. So Australians can feel justly proud that our rate of citizenship is extremely high.

The principal amendment contained in this bill is a repeal of section 17. This means that an Australian citizen will no longer lose their citizenship if they become a citizen of another country. This is an important issue, particularly for those who look to furthering their careers by working and living overseas. The repeal of this section brings us into line with other countries such as the UK, the US, New Zealand and Canada, which also do not impose such restrictions.

I am pleased the bill also updates the act in respect of the deprivation of citizenship. While we appreciate those who, for the call of work and for furthering their careers, may have to take out dual citizenship, we also have to address those who in fact are not, regrettably, worthy of citizenship. If a person is convicted of a people-smuggling offence committed before a decision was granted on a certificate of Australian citizenship and is sentenced to 12 months or more of imprisonment, they may be deprived of their Australian citizenship. This is entirely appropriate as we value citizenship. You see very few people who do not value their citizenship as much as those who attend citizenship ceremonies. I think most members in the House would see that as well.

I am reminded of the value of migrants, particularly skilled migrants, to those of us in rural and regional areas, and that includes my electorate of Dawson. I recently met two new citizens who had taken out citizenship—a husband and wife from Russia. They are both mathematics teachers; in fact, they are lecturers at our campus in Mackay. They are great new citizens to have as Australians, making a contribution to education at our campus in Mackay. They join the hundreds
of other people every week around Australia who take out citizenship and contribute to rural and regional Australia.

This is a very sensible measure. I am delighted that the minister was at the table earlier to hear the addresses on this bill. This is a strong bill that will encourage those seeking to take out citizenship, but also it will discourage those who are involved in the people-smuggling industry—something that, quite rightly, we all deplore. I am pleased that the opposition is apparently supporting this sensible bill, and I trust that it will have a speedy passage through the Senate. I commend the bill to the House.

Mr HOCKEY (North Sydney—Minister for Small Business and Tourism) (5.32 p.m.)—I would like to commend the member for Dawson for her excellently executed speech on this citizenship bill. I note just how committed she is to representing the people of Dawson across a whole range of issues. As one of those people who have been seared by the blowtorch of the member for Dawson, who has been fighting hard for the people of her electorate, I know of very few people who are as committed to standing up for particularly the small business and tourism operators in her electorate. I look forward to having the opportunity to visit her electorate soon.

Mr HATTON (Blaxland) (5.33 p.m.)—I am glad to speak in this debate on the Australian Citizenship Legislation Amendment Bill 2002. It finally gives justice to all of those former Australian citizens—about 600 or so a year—who have been deprived of their citizenship under section 17 of the Australian Citizenship Act 1948 because they did something to occasion that citizenship being taken away. By and large, the vast majority of those 600 or so a year chose—because of the responsibilities they had in taking up work opportunities in other places in the world; the world is a more open place and the opportunities were there—to benefit themselves and their families and, more broadly, to benefit Australia. We should take into account that people who take up senior positions with companies overseas return to Australia, after they have fulfilled the goals of their working lives, and bring back a range of experience and a range of skills that simply otherwise would not have been available to them in Australia. The penalty they have had to pay for that is that they have had to give up their Australian citizenship.

That penalty has in fact been too harsh, too unremitting and too uncompromising. This has been the general situation in Australia for many years now, since Australian citizenship first came into being. It started only 53 years ago. One of the acts of the Chifley government was to bring in what became known as the Australian Citizenship Act 1948. They did that in conjunction with putting together the great postwar migration program that helped build Australia. Mr Deputy Speaker Price, you and I share electorates in the south-west and west of Sydney. Our electorates were built in the postwar period and built out of a confluence of the existing Anglo-Celtic people who were a part of those areas, and in my case they were a part of Bankstown.

Up until the end of the Second World War, effectively, Bankstown was a local rural village—although it is hard to believe that now, but it was—of about 5,000 people. In fact, when my grandparents on my father’s side first came to Bankstown prior to 1920 and established their small businesses in Bankstown, the local Torch newspaper, which began its operation in 1920 and still continues today, had on its front page an ad from my grandfather. But the world in which he operated in Bankstown was a very small one. At that time only about 2,000 people were a part of the Bankstown community. In 1925 when my mother, who was then only a year old, came with her mother and father from West Wyalong in New South Wales, they came to a rural Bankstown. Bankstown has dramatically changed as a result of what happened after the Second World War.

During the Second World War Bankstown was known for two key things. One was that, unbeknownst to almost everyone within the area, underneath Black Charlies Hill was the command centre for Australia’s air war in the Pacific. At one stage, after General MacArthur moved his headquarters from Melbourne, it became for a period of time his headquarters in Sydney prior to a move up to
Brisbane and then a move on to the island-hopping campaign. That played a significant part in our war effort, as Bankstown as a major war airfield played a significant part as well. Part of what happened there was also the tracking of coastal shipping and so on.

The world of Bankstown during the Second World War was dramatically transformed. Bankstown had been an area where, in its broader reaches at Villawood, there had been a small RAAF base and there were ammunition works in Villawood and Chullora. But after the Second World War had been prosecuted successfully and after so much toil and so much effort on the part of the Australian population and the allies worldwide, the Chifley government initiated a program to bring people in from all over the world. They came to the electorate of Blaxland, which was only initiated in 1949, and there were two reception centres for migrants—one in Villawood and one in Chullora. Chullora ceased as a reception centre many years ago but it is only a few years ago now that Villawood ceased operation as a migrant reception centre.

Of the people who came to those reception centres, many decided to live locally. They sought work locally in the then only—after you go from Alexandria—seven days a week, 24-hour manufacturing facility that was to be found in Sydney. Bankstown and the electorate of Blaxland were built on the back of the postwar expansion of its industrial and manufacturing capacity. Migrant workers from all over the world streamed into Bankstown through those reception centres and they, in hard times, built their lives and helped to build Bankstown as a significant area. When I went to school there were 30 to 40 different nationalities of people in the Bankstown area, through the 1950s and 1960s, and Bankstown has continued to be a place to take in people from overseas.

The key point I wish to make about the nation building aspect and the local electorate building aspect of those people who chose to emigrate to Australia is that many of them were able to retain dual citizenship. In those days you had to be in Australia for five years before you could apply for Australian citizenship and after the expiry of that time many of those people took it up. That has since been transformed into just a two-year period. Those people who decided to give their blood, their passions, their work and their lives to Australia were able to do so within the context that, in becoming Australian citizens, by and large they were not required to renounce the citizenship that they had previously acquired.

So, under the operations of the act, the people who were penalised were Australian-born and bred citizens who chose to work outside the country and who chose to take up opportunities in other countries in the world, whether in Britain, Europe or the United States. We have a situation where more than 600 a year are in that position. Sitting opposite we have one member of the House who originally came from the United States and chose to spend his life and efforts in Australia and bring his skills here, working in a series of fields and then becoming an Australian parliamentarian. Under section 44 of the Constitution, Bob Charles was in the position that, as the member for La Trobe, he had to make a choice. He did so, because there was no way around this—he had to give up his original American citizenship in order to become a member of this parliament. Duncan Kerr is another member, the member for Denison, who had dual citizenship and had to give that up.

I hope for the speedy transmission of the Australian Citizenship Legislation Amendment Bill 2002 from this House through to the Senate. The Labor Party is completely supporting this bill. The bill's foundation measures were undertaken by Labor in government. The report that was not acted upon in 1995—just before the election—laid the groundwork for this and the reports that the government has had given to it strongly endorsed the situation in 1994 and 1995 through to 1997, 1998 and 2000 that the times have significantly changed. Where a previous committee of the parliament totally rejected the notion of dual citizenship, the time has come for us to accept and grasp this opportunity to give to Australian born and bred citizens the capacity to deal at large with the world, to expand their horizons, to open businesses worldwide, to go to where
they may be able to achieve the best for themselves and ultimately for Australia if they return by adding their skills into our skill pool.

They will not have to do this on the basis of having something that is important to them—their Australian citizenship—ripped away, because this bill recognises that it is possible to have a duality in terms of citizenship without having a disjunction or duality in terms of loyalty to those countries that you are a citizen of. Many people have had the experience that where they grow up, of course, is the most important place to them—it is what rests in their heart at the deepest level. But they are able, in making a transition as migrants, to give themselves to a new society and hold within their hearts two loyalties, to hold within their hearts two remembrances and to hold within their hearts and minds two fundamental feelings of openness to the originating country and their country by adoption. So for Australians who choose to take that overseas and then bring that back this bill will redress a fundamental problem. We already have in the order of four million of our citizens—just under that—who enjoy dual citizenship.

In terms of the broader pattern, some of those people who enjoy dual citizenship are able to communicate that dual citizenship to their children. The world is a bigger, more open place as a result of what has happened in the past two decades and the opportunities are much greater. It is open for our citizens—if they have the luck because of their parentage or their grandparentage—to go to the United States or Europe, actually take their capacities and their skills there and build a business career within those areas. It is of key importance to us, with both the Asian region and Europe in particular, for Australians who are able to build jobs, industries and businesses that directly connect Australia to the largest centres of economic activity in the world. Given our base of the fifties and sixties, those people who have parents from the Mediterranean and Europe are in a position of utilising the language skills that they have from their parents and their community and the links that are there, so the opportunity is there for us to build substantial businesses and substantial links with a Europe that is opening up economically from the prior torpor that existed through the sixties and seventies. So the opportunities are very great. We need to allow our young people to snatch those opportunities without paying the penalty of losing their Australian citizenship, and that is one of the key reasons why this bill is so important.

Added to that, we have a situation where the penalties provided for people involved in people smuggling and the penalties provided where people have committed crimes against Australia have been toughened up in this legislation. I applaud that move on the government’s part to toughen up penalties in those two areas, because we need to ensure not only that this bill makes it more generous in terms of Australian citizens being able to gain a second citizenship but also that we see that the restrictions are tightened for people who transgress, so that it is possible for the minister, acting in a number of ways as covered within this legislation, to take away the citizenship of someone who has transgressed. Although that has been there previously, there are a couple of particular applications within this bill that make it appropriate that where one part of the process is not complete—either the allegiance giving or the certification—the minister can actually take action in those respects.

I will just put in one last comment because I have abbreviated speeches today. When I was a member of the House of Representatives Standing Committee on Legal and Constitutional Affairs and we looked at the matter of dual citizenship for members of parliament, we recommended within our report that it should not stand as it was. The government has not taken that up. This is not a matter that has been put to referendum. But I would hope that after the passage of this bill, when the regularisation of Australian citizens is made and they are not penalised, we would actually look to section 44 and look to the prohibition against someone being a member of this parliament and actually losing their citizenship as a result of that. This is a matter that needs to be put to referendum, and that can be done after this bill has been put through the House.
Mr CHARLES (La Trobe) (5.48 p.m.)—I rise to support this legislation, the Australian Citizenship Legislation Amendment Bill 2002, and I do so believing that it has been a long time coming. I thank the member for Blaxland for his words about my desire to be a member of this place, but actually he was wrong. I did not voluntarily give up my citizenship of the country in which I was born; it was taken from me. I would like to explain those circumstances in the few minutes I have available this evening, to explain why I so strongly support the intent and in fact the actions of this legislation. It is an irresistible, unimpeachable, absolute fact that the world’s populations are becoming more mobile. In saying that, I in no way countenance or condone illegal immigration, but I countenance the legal movement of people from place to place all over this great world at will and within the laws of the countries in which they travel.

I came to Australia in 1969. I came as an employee of an Australian subsidiary of a giant American owned corporation. I came to tender on a major contract for a mine up at Gove, on the tip of the Gulf of Carpentaria, for Nabalco. We won the contract, I stayed to be project manager and soon they kept me and made me managing director of the company. We worked very hard—we did—and I fell very much in love with Australia, Australians and our way of life, and I determined that I wished to stay.

In 1973 I had a falling-out with an American director of my company. I sent a rather nasty telex—remember what telexes are? They are hard to remember, but I remember what telexes are and I remember what I told him. He did not want to put his job where I told him to put it but, in any case, I did. After some lengthy negotiations I refused to take back my decision, and I left the employ of the company. When I did, I determined that I was not going back to the country of my birth although I valued my heritage greatly, and I still do. I will say more on that in a moment. But I determined that I was not going back and that my life was in Australia. I had married an Australian, I had my first Australian child under way and I voluntarily sought Australian citizenship. I was granted that citizenship through a certificate which was issued on 7 May 1974 and confirmed in a citizenship ceremony at the public hall in Doveton, Victoria, on 20 September 1974. I became an Australian citizen, and I was very pleased about that.

Unfortunately, on 6 October 1975 I received a letter from Dean Rusk, Secretary of State of the United States of America at the time. The State Department of the United States believed that people came to the United States but that no-one ever left. His letter to me, personally addressed, three pages as I recall—I cannot find the letter, unfortunately—was titled, ‘A Uniform Loss of Nationality Letter’. It was not a very nice letter and I was not a very happy vegemite, I can tell you. Essentially, they said that I had given up my citizenship—my heritage, my birthright—because I had sworn allegiance to Queen Elizabeth II, and the State Department did not think that was right. I was more than annoyed; I was really upset. A couple of professors at Michigan State University two years hence did a survey in Australia and a few other countries about expatriate Americans who had changed their citizenship and joined the citizens of another country. They were trying to find out how many of them there were and what their attitudes were and what they thought about the State Department’s attitude to people leaving the United States. They said that the Department of State’s attitude was essentially ‘Nobody ever leaves the United States; everyone wants to come here’. That was not right.

Subsequently, I found that there was another gentleman in Mexico who did exactly the same thing I did; that is to say, he changed his citizenship because he wanted to vote. That, essentially, is why I swore allegiance to the Queen—I wanted to vote. I was a bit annoyed at Gough Whitlam and his merry men. They had destroyed the interests that our company sold for capital development and had helped precipitate my leaving the company, of which I was managing director. So I wanted to vote out the merry men of Gough Whitlam et cetera and I could not do that if I were not a citizen. This bloke in Mexico had the same reason. I do not know what happened to him there, but he wanted
to vote, so he took out Mexican citizenship. But he did not take Dean Rusk’s letter lying down. He said, ‘No, no, no, I don’t like this.’ So he took it through the entire court system of the United States all the way up to and including the Supreme Court, on which our High Court is directly modelled, and he won. The Supreme Court said that the Department of State had no right to take from him that which was his by virtue of birth—that it was his right to be and remain an American citizen. The Supreme Court decided that and the Department of State gave him back his citizenship. I could have applied for mine but, by then, I was so well and truly annoyed that I was not interested.

In 1978 the Consul-General of the United States of America finally got around to sending me a letter. It read:

Department of State, Foreign Service of the United States of America, Certificate of Loss of Nationality of the United States, Consulate-General of United States of America, Melbourne, Victoria, Commonwealth of Australia.

I, Thomas B. Killen, hereby certify that, to the best of my knowledge and belief, Robert Edwin Charles was born in Covington, Kentucky on 24 July 1936; that he resided in the United States until 16 September 1969; that he resides now at 67 Buchanan Road, Berwick, Victoria, Australia; that he acquired the nationality of United States by virtue of his birth therein; that he acquired the nationality of the Commonwealth of Australia by virtue of naturalisation; that he obtained naturalisation in a foreign state, to wit, the Commonwealth of Australia, upon his own application on 20 September 1974; that he thereby expatriated himself on 20 September 1974 under provisions of section 349 (a)(i) of the Immigration Nationality Act of 1952 ... 

And it goes on. It was signed, ‘Thomas B. Killen, Consul of the United States of America’. All unpleasant and totally unnecessary; there was no necessity for the exercise. As it turned out, the honourable member for Blaxland, who spoke and said that I had given up my citizenship, was slightly wrong: I did not; I did not have to because Dean Rusk did that for me together with Thomas Killen.

There are many Australians who will go overseas in the course of employment, in the course of business or in the course of seeking further education who may want for one reason or another to become a citizen of that country but not lose their citizenship in Australia. I point out to the House that there are approximately 4.4 million Australians who have come here from another country and who have retained the citizenship of that country when they have taken out citizenship in Australia. I attend citizenship ceremonies at every possible opportunity and I consider it a great privilege and honour to be there. For those individuals, taking out Australian citizenship is one of the most important days of their lives. I tell them that they need not give up their heritage—that which represents the country of their birth. We do ask them to be good Australians and to abide by the law. We ask them to participate in our society and we ask them to be active citizens, but we do not expect them to give up their heritage or their birthright. This is a piece of legislation which is long overdue. I congratulate the government in bringing it forward, I thank the opposition for their support and I thank the House.

Mr SERCOMBE (Maribyrnong) (5.58 p.m.)—As the member for La Trobe said, the Australian Citizenship Legislation Amendment Bill 2002 is, indeed, a welcome piece of legislation and somewhat overdue. Many speakers have been through the importance of the bond of citizenship for people from many parts of the world who now reside in Australia, so there is no point in me recapitulating other than to note that my electorate is probably one of the most ethnically and culturally diverse in the country. It is a great honour to be able to see the way in which Australian citizenship brings people together and provides a common characteristic. In my electorate, it is quite common for people of, say, Serbian cultural heritage to be living in relative harmony alongside people of Croatian, Bosnian or Albanian heritage—or people of Sri Lankan heritage, both Tamils and Singhalese, and people from Cyprus, both Turks and Greeks. They are able, through that common bond of citizenship, to have a common view and, hopefully, and I think in many tangible ways, actually, to contribute not only to reconciliation within Australian society but also through their example to progress in relations in their former
homeland as well. So our citizenship is a most important phenomenon and one that all members of the House ought to put great premium on.

As other members have indicated, we live in a rapidly changing, rapidly globalising world, so we do have a situation where a great many Australians quite naturally spend extended periods of time overseas. Those Australians should not be disadvantaged vis-à-vis other Australians—as I think happens under the shortly to be repealed section 17—when it comes to their rights in Australia or, for that matter, their rights overseas. They should have the opportunity to have the same status as some four million other Australians who were referred to earlier who, by right of birth and subsequent migration to Australia, do enjoy dual citizenship rights. From that point of view the legislation is important as it encourages Australians to play an important role in the globalising world. Australia is a country that has a particular need to maintain strong and powerful links. We are a trading nation and we are a nation that has historically needed strong links with other parts of the world, so this legislation has provision to make it easier for Australians to play that role and not be disadvantaged as a consequence.

The bill has an additional number of very useful aspects. It is helpful that children who have become citizens under the grant of their parents will now, through this legislation, be able to obtain their own certificates. Clearly, family circumstances—and sometimes very tragic circumstances—change, and people can have difficulty in obtaining a certificate from their parents. So the new provision is a sensible and welcome change. Also, the provision for extending citizenship by descent—allowing children born overseas to an Australian citizen to register as an Australian citizen until they reach the age of 25—is a welcome provision. Also welcome is the provision that allows young people who, not necessarily as an act of their own will, directly renounced Australian citizenship to become eligible to resume that citizenship before the age of 25. As the minister said, between the ages of 18 and 25 many young people examine their identity, so it is an important time.

Whilst this particular provision is welcome, though, I do not believe that it necessarily goes far enough. In my own electorate—in fact, in my own family—I have quite a deal of contact with the Maltese Australian community. Fairly frequently I come across Maltese people who, perhaps as children, were part of the great wave of migration to Australia in the 1950s and 1960s—and of course this applies to people who came here from many other countries. These people may have been educated to a certain point in Australia and then may have returned, perhaps because of family or other circumstances, with their parents to Malta, say. Now, aged over 25, often they still maintain very close family connections with Australia and with Australians. Members who have been to Malta, as have I, will be very aware that just about everywhere you go in Malta you will meet someone who has been to Australia or whose aunt or uncle is in Australia. One gets the impression in an electorate such as mine—St Albans—that there almost as many Maltese as there are in Malta itself. It is a very common situation, and one that often imposes severe hardship, for young people who have gone back to Malta who are now over the age of 25 to have considerable difficulty having their citizenship restored here. I think the opportunity ought to be taken sooner rather than later for this to be looked at again.

To quickly use Malta as an illustration, I am advised that when Malta attained independence from Britain in 1964, I suppose not unnaturally the newly independent country adopted a fairly nationalistic position regarding its own citizenship. Laws were introduced in 1964 whereby, when a person reached the age of 18, they were required by the authorities to choose to either retain or renounce their foreign status. That act of renunciation was required before the age of 19; otherwise their Maltese citizenship went out the window. That would have had extremely dramatic effects on many young Australians who had returned with their parents to live in Malta. For example, tertiary education in Malta is free to Maltese citizens, and they
can in fact receive a stipend from the government. However, had they remained Australians, they would have been required to pay tuition fees and they would not have received a stipend.

In relation to many areas of employment—the public service, the banks, the armed forces and the legal profession—foreign passport holders are ineligible. A work licence is required by a person holding a foreign passport. A foreign passport holder is required to obtain a permit to purchase property, and significantly different considerations apply which, given the brevity of this speech, are too numerous to go into. It is important to note, though, that a person holding an Australian passport who is living in Malta would certainly not be able to take advantage of cheaper housing opportunities, concessional loan arrangements and so on. Similarly in the banking system there are significant disadvantages for foreign passport holders. This is also the situation with social security benefits and the like.

Many young people who for all practical purposes regard themselves as Australians returning to Malta with their parents in the past who are now over the age of 25 are at a significant disadvantage. I certainly suggest that during the life of this parliament, without delaying this legislation, the government might consider that an appropriate parliamentary committee should look at whether there is a case for having another look at the situation of people past the age of 25. As I understand it, there are provisions in the legislation whereby people can have their circumstances considered if they can make a statement in relation to intention to return to Australia within a relatively short period of time after their case has been considered. As some people have suggested, it may well be that there is a bit of an incentive in the system for people not to be totally frank when they answer questions about their future intentions. It seems to me that a much cleaner and clearer approach is to have a situation where in fact people in countries such as Malta who have spent a significant part of their childhood in Australia, and who continue to enjoy close family and sentimental attachments to Australia, could have opportunities beyond the age of 25 considered. I certainly urge this parliament, whether through a committee or otherwise during the life of this parliament, to give those issues very close consideration.

Mr PRICE (Chifley) (6.08 p.m.)—Like all other speakers, I am speaking in support of the Australian Citizenship Legislation Amendment Bill 2002, which essentially removes section 17 of the Australian Citizenship Act and permits dual citizenship in Australia. Quite a number of countries are now allowing dual citizenship: as of June last year—if I could just read some of those 27—Canada, France, Ireland, Italy, Malta, Netherlands, New Zealand, Portugal, Spain, Switzerland, United Kingdom and the United States. We are hardly breaking the mould in agreeing to this proposal. Having listened to some of the other contributions in the House, I am strongly of the view that we are a very fortunate country in terms of the number of migrants we have had come to Australia. It assists us not only economically but also politically in engaging with the rest of the world. I think it gives Australia a considerable advantage. It gives us an advantage economically, it gives us an advantage culturally and I believe it also gives us an advantage politically. I am very strongly in favour of this particular proposal.

I do have some strong views about citizenship. I welcome another of the recommendations of the Citizenship Council—the one that is being introduced being one of them—and that is the ability for Australian citizens to reaffirm their oath or affirmation of allegiance. For people like me, to prove that you are an Australian citizen, your birth certificate is your passport to citizenship. I am sure that all other honourable members do the same thing and feel exactly the way I do at citizenship ceremonies. We are really pleased and very proud that people who have made a tough decision in so many cases to come to Australia—to forsake all their relatives, their friends and the things that they feel very comfortable with—come to Australia and become Australian citizens. I congratulate them. I love writing to them and expressing my sincere congratulations and appreciation, firstly, for their decision to be-
come a citizen and, secondly, for joining the
great Australian family.

I do not want to sound like a whinger, but they get a beautiful citizenship certificate. It is very nice and, invariably, it is a source of pride for our newest citizens. I think it would be nice that, if Australian citizens are of a mind to reaffirm their allegiance and citizenship, they be permitted to do so and also be given a certificate of Australian citizenship. I think it is a great irony that our newer citizens have a certificate but people like me and so many others who are born into citizenship really only have a birth certificate as evidence. I understand that the Citizenship Council did not recommend it but it is something that I feel very strongly about. The older I get and the more I have an opportunity to see different parts of the world, the more I come home intensely proud of Australia and intensely proud to be an Australian citizen. Some people might object and say that this is just a bit of nationalism going too far but, for my part, I am never embarrassed to confess how intensely proud I am to be an Australian, to be part of this country and to be a citizen of this country, and I too would like a certificate. I suspect that there would be a lot of other people who would welcome an opportunity to reaffirm their allegiance as citizens, to reaffirm their citizenship and to actually get a certificate that they too could proudly display.

Another aspect about citizenship, which was briefly touched on by the honourable member for Blaxland, was the period of time it takes to become an Australian citizen. I am fervently of the view that we should treat citizenship as something of the utmost seriousness. I think it is true to say that councillors do a pretty good job in administering the oath or affirmation and I never fail to thank them on behalf of the federal government, whatever particular flavour it may be. But I think we could do even more in terms of the ceremony. My main point is that I believe that we should revert to the five-year period and I suggest that when people come here on what is currently permanent residency they should come here on either temporary or transitional residency for a period of maybe one or two years. Once they are through that period, they should have a period of permanent residency and then, finally, citizenship. The argument is that a lot of people would fail to become citizens for a further three years rather than the current two years. My belief about the five years is underpinned by the importance and value I attach to citizenship; hence, I would recommend a five-year period.

In relation to dual citizenship, I need to make the following comment: every time I go to a citizenship ceremony in my electorate, the largest group is usually Filipinos. They are the most rapidly growing group in my local government area and are making a great contribution to the electorate of Chifley. We also get a whole variety of other people. Occasionally, you will get someone who has been in Australia for maybe 20 or 30 years. They are often citizens of the United Kingdom. I am very delighted that they have made a decision to become Australian citizens. In fact, I have persuaded a few of them to become Australian citizens. The highest number of permanent residents who are not citizens are in fact people from the UK. There are a number of reasons for that. One reason is that they used to enjoy every right, including voting. But the change to electoral legislation means that, if they were to fall off the roll for whatever reason, they would have to become citizens to get back on it. They had pre-existing rights, and I guess they felt very comfortable with them and maybe did not see the need to become a citizen of this country. The other reason may be that they valued having a British passport and returning to the UK. If they had become Australian citizens at that time, they would not have been able to enjoy that privilege. I hope that the provision for dual citizenship in this legislation will mean that the take-up rate for citizenship amongst permanent UK residents will increase quite dramatically. If that is one of the outcomes of the bill, I would be very delighted.

The honourable member for Blaxland talked about what his electorate was like when he was growing up and what a rural area it was. I spent my earliest years in a place called ‘Little Malta’ which was around the Greystanes area. I am ashamed to say
that we thought that people who lived beyond the Prospect Hotel, where I currently live, were absolute country hicks. As a teenager, I moved there. The Maltese previously were the largest single migrant group in my electorate. They held that place for many years and have only just recently been overtaken by the Filipino community. John Aquilina was the state member for Blacktown, which would have been in my electorate. He is now the member for Riverstone. He is a very notable son of Malta who came to Australia and became the first Maltese mayor of Blacktown City. He did a great job as the mayor and is now a minister in the Carr government. He serves as a great role model for our Maltese community. I sincerely hope, with the Maltese community becoming an older and much more established community, that some of the younger generation, or second generation, will follow in his footsteps.

I await the day when I can talk very proudly in this House about the Filipinos in my electorate who become Australian citizens and go on to serve, maybe in local government, as councillors on Penrith City Council or the Blacktown City Council. No doubt we will see one of them become a state or federal member in the years to come. People in my electorate from the Turkish, Egyptian—Egypt provides for dual citizenship—Croatian and Serbian communities would welcome an opportunity to have dual citizenship. They are intensely proud of this country. They have served this country exceptionally well and have contributed so much to it. I have often said that the great irony is that the migrants who came in the Labor-led postwar migration boom and who have contributed so much would be rejected if they were to apply today—every one of them. They could not get through. They would not be able to make that contribution.

I wish to leave honourable members in no doubt that I totally support this bill. I am intensely proud to be an Australian citizen. If I am accused of being too nationalistic, so be it, but I think it is terribly important. As I said, I would like to see myself and others who wish to take a reaffirmation of citizenship receive a certificate with it. I am particularly delighted with the recommendations of the Citizenship Council, in particular this recommendation that the government is implementing.

Mrs CROSIO (Prospect) (6.22 p.m.)—I too rise with this side of the House and, for a change, commend the government for introducing the Australian Citizenship Legislation Amendment Bill 2002. The repeal of section 17 of the Australian Citizenship Act is certainly not before time. For some years now I have had notices of motion on the business paper in the House seeking at least a private members debate on why we should repeal this particular section of the act and bring in a citizenship legislation amendment bill. Of course, this debate was scheduled before the last election, but I am pleased that at least we are having a debate on it now.

I suppose I speak from experience, since my sister married an American sergeant during the war—and I might add she is the eldest of the family—went to America and kept her very proud Australian citizenship. By 1962 she noted that her children were starting to grow up in America, and she took out then American citizenship. Naturally, as the law stood then, she had to relinquish Australian citizenship. I will never forget the time she wrote home to tell my mother that she would have to relinquish her Australian citizenship, because being in America, being married to an American and having children born in America, she was now going to take on their citizenship. I think my mother cried for a week. We tried to sort it out with her and get her to understand and appreciate the laws in our country—that we are one of those countries that requires you if you take citizenship of another country to relinquish your Australian citizenship.

I suppose I can go even further than that, because I have a son who works overseas. He has been very reluctant in applying for Thai citizenship and has restricted himself in doing so because he does not want to relinquish his Australian citizenship. Continually, when he is on the phone or when he comes to see me or I see him, he says, ‘Are we going to amend our laws; there is no way I would take out Thai citizenship.’ Even though his wife is Thai and his twin boys
Tuesday, 12 March 2002

have been born in Thailand, there is no way he would take out Thai citizenship unless he were able to retain his Australian citizenship.

I started to think also of constituents of mine in my electorate of Prospect. I can proudly say that the local government area alone of 200,000 citizens makes up probably 52 to 53 per cent of people born overseas. In our electoral offices we continually hear statements about people coming from another country and swearing allegiance to Australia while at the same time retaining their own citizenship. This particularly galled me because I used as an introduction to this debate tonight the case of my sister having to relinquish, in 1962, Australian citizenship to take out citizenship with America. But I have American friends who have settled in Australia and who have taken out Australian citizenship and—you have guessed it—very proudly retained their American passport. One day when I said to one of them, ‘Why do you do that? I’m very proud that you have decided to live in our country and take out our citizenship; you are still proud of the country of your birth,’ they said, ‘We’d never give that up.’ I said, ‘I find it ironic, because if you are born in this country you have no choice,’ and I then went on to explain the case of my own family.

But I think it means more than that. We have to acknowledge that so many talented people have gone overseas to other countries and, through those other countries, have taken on certain training, certain qualifications. They are what we call expatriates in other countries. While they are there, they are involved for many years in what is happening in that particular country. In the past, they have been reluctant to take out the citizenship of that country and relinquish Australian citizenship—and nor should they relinquish Australian citizenship.

When we look at some of the examples given to us by those who say that we should not repeal section 17 of the act and bring in dual citizenship, we are saying to those people who have been born and brought up in this country, who have been trained in this country and who are taking that expertise to other countries, ‘We don’t give you the right to settle anywhere else.’ Nine times out of 10, because they are so proud of their country, if people marry overseas they come back to Australia to live. We have provided an opportunity for people to, as I said, express the desire to have dual citizenship but we have not done it in Australia. As the member for Prospect, I am pleased that this bill has finally been brought into this House and I particularly am pleased that the debate is now proceeding.

Ms JANN McFARLANE (Stirling) (6.26 p.m.)—I am pleased to be able to speak tonight on the Australian Citizenship Legislation Amendment Bill 2002 and bring the many interested voices from my electorate of Stirling into this debate. My electorate is particularly interested in the first four aspects that the bill proposes to change. The first aspect is to repeal section 17 of the Australian Citizenship Act 1948 with the effect that adult Australian citizens do not lose their Australian citizenship on acquisition of another citizenship. The second point is to extend the descent and resumption provisions to give young people more opportunities to acquire Australian citizenship. The third point is to provide for children who acquire Australian citizenship with their responsible parent, or at a later date, to be given their own citizenship certificate. The fourth point is to strengthen aspects of the integrity of the Australian citizenship process. The fifth aspect is a bit problematic—and my constituents are a bit bemused as to why it is in there. It is the proposal to insert a specific reference to people-smuggling offences in the existing provision in the Australian Citizenship Act 1948, which provides for the deprivation of Australian citizenship in certain circumstances.

Why is my electorate interested in this bill? Stirling is a wonderful place to live because of its glorious beaches, its lovely nature reserves and, most especially, the diverse and vibrant community created by the people who live there—people from many places and cultures. Stirling is a metropolitan electorate; it is not inner city. It is probably most aptly described as suburban. I am sure it fits the mental image conjured up when the media uses the words ‘middle Australia’. As the federal member for Stirling, I am aware
of the wonderful contribution immigrants make to our society. Stirling is the most multicultural of the 15 electorates in WA, with the 1996 census showing 32 per cent of the constituents being born overseas. It is because of the interest of Stirling’s immigrants, their children and grandchildren in holding dual citizenship that they asked me to speak on this bill today.

The main feature of this bill is the repealing of section 17 of the Australian Citizenship Act 1948 to allow dual nationality/citizenship. In the next couple of weeks when this bill passes through the House and the Senate and becomes law, it will be possible for Australians to hold dual nationality. The amendment will be an encouragement for those Australians who work overseas to be able to maintain their dual nationality and thereby return at a later date. It is an attempt to counteract the current brain drain of our nation’s intellectual and skilled elite. It is an attempt to recognise the reality of a globalised labour market. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

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

SECURITY LEGISLATION AMENDMENT (TERRORISM) BILL 2002

First Reading

Bill presented by Mr Williams, and read a first time.

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (8.00 p.m.)—I move:

That this bill be now read a second time.

The Security Legislation Amendment (Terrorism) Bill 2002 is part of a package of important counter-terrorism legislation designed to strengthen Australia’s counter-terrorism capabilities.

Since September 11 there has been a profound shift in the international security environment.

This has meant that Australia’s profile as a terrorist target has risen and our interests abroad face a higher level of terrorist threat.

Australia needs to be well placed to respond to the new security environment in terms of our operational capabilities, infrastructure and legislative framework.

This package and other measures taken by the government are designed to bolster our armoury in the war against terrorism and deliver on our commitment to enhance our ability to meet the challenges of the new terrorist environment.

The first element of this package—the Criminal Code Amendment (Anti-hoax and Other Measures) Bill 2002—was introduced last month.

Today I introduce the Security Legislation Amendment (Terrorism) Bill 2002 and three other bills that make up the legislative package: the Suppression of the Financing of Terrorism Bill; the Criminal Code Amendment (Suppression of Terrorist Bombings) Bill 2002; and the Border Security Legislation Amendment Bill 2002. Next week I will be introducing a further element of the package—a bill to enhance the ability of the Australian Security Intelligence Organisation to investigate terrorist related activity.

The Suppression of the Financing of Terrorism Bill will enact a terrorist financing offence and the mechanisms necessary to enhance the sharing of financial transaction information with foreign countries.

The new offence will be in line with the requirements of the International Convention for the Suppression of the Financing of Terrorism.

The Criminal Code Amendment (Suppression of Terrorist Bombings) Bill 2002 will implement the International Convention for the Suppression of Terrorist Bombings in Australian domestic law.

The Border Security Legislation Amendment Bill 2002 will increase our national security by introducing further measures to protect our borders.

The Security Legislation Amendment (Terrorism) Bill 2002 (the terrorism bill)

The terrorism bill introduces a number of new offences for terrorist related activities that are not caught by existing legislation.
It has been prepared in response to the changed security environment since September 11.

September 11 is a stark example of the horror and devastation that can be caused by acts of terrorism.

Terrorism has the potential to destroy lives, devastate communities and threaten the national and global economy.

For these reasons this government has reaffirmed its commitment to combating terrorism in all its forms.

We join with the international community in condemning the 11 September attacks and other terrorist activities.

Other like-minded countries have passed, or are in the process of passing, antiterrorism legislation designed to assist in this fight.

Consequently, counter-terrorism legislation and proposals throughout the world have been considered in the preparation of this bill.

**Terrorism offences**

Schedule 2 to the bill will establish a new general offence of engaging in a terrorist act.

Various related offences, such as providing or receiving training for terrorist acts, directing organisations concerned with terrorist acts and possessing things connected with terrorist acts, are also included in the bill.

All terrorism offences will carry a maximum penalty of life imprisonment.

‘Terrorist act’ is defined to mean a politically, religiously or ideologically motivated act that involves serious harm to a person, serious damage to property, endangering a person’s life, creating a serious health or public safety risk or seriously interfering with an electronic system.

This definition is intended to capture such acts as suicide bombings, chemical or biological attacks, threats of violence and attacks on infrastructure.

To reflect the severity of these offences, they will attract a maximum penalty of life imprisonment.

At the same time, this bill protects the existing rights of law-abiding Australians.

The bill makes it clear that a terrorist attack does not include lawful advocacy, protest, dissent or industrial action.

**Treason provisions**

Schedule 2 to the bill contains a new treason offence to replace the existing treason offence in section 24 of the Crimes Act 1914.

This will be inserted in the Criminal Code Act 1995.

The new provision modernises the wording of the treason offence and removes gender based limitations.

The bill also includes a new ground on which a person can be convicted of the offence.

Under this new ground, the offence will be made out if a person engages in conduct that is intended to assist and does assist another country or an organisation engaged in armed hostilities against the Australian Defence Force.

These amendments are designed to ensure that the offence of treason reflects the realities of modern conflict, which do not necessarily involve a declared war against a proclaimed enemy that is a nation-state.

The penalty for the offence of treason remains life imprisonment.

**Proscribed organisations provisions**

Schedule 2 to the bill also contains proscribed organisations provisions to be inserted into the Criminal Code.

These provisions provide an effective and accountable mechanism for the government to outlaw terrorist organisations and organisations that threaten the integrity and security of Australia or another country.

The proposed provisions give the Attorney-General the power to make a written declaration that one or more organisations are proscribed.

However, objective, reasonable grounds must be made out before an organisation may be proscribed.

The Attorney-General must be satisfied, on reasonable grounds, of one or more of the following matters.
First, that the organisation was committing or had committed a Commonwealth terrorism offence.

Second, that a member of the organisation was committing or had committed a Commonwealth terrorism offence on behalf of the organisation.

Third, that the declaration is appropriate to give effect to a finding of the United Nations Security Council that the organisation is an international terrorist organisation.

Fourth, that the organisation is likely to endanger or has endangered the security or integrity of the Commonwealth or another country.

The Attorney-General will have an express power to rescind such a declaration.

A declaration of a proscribed organisation will not take effect until gazetted and will be the subject of a notification in newspapers circulating in each state and mainland territory.

The Attorney-General’s decision to proscribe an organisation is subject to judicial review under the Administrative Decisions (Judicial Review) Act 1977.

It will be an offence to direct the activities of, receive funds from, make funds available to, be a member of, provide training to, train with or assist a proscribed organisation.

The maximum penalty will be 25 years imprisonment.

There are two defences to ensure that those who are genuinely innocent of any complicity will not be convicted.

The defendant will have to establish the defence on the balance of probabilities.

Placing the onus on the defendant is justified by the need for strong measures to combat organisations of this kind, and the fact that a declaration that an organisation is a proscribed organisation will not be made lightly.

It will be a defence to prove no knowledge and no recklessness as to the existence of any of the grounds on which the organisation could potentially have been proscribed.

To the charge of being a member, it will also be a defence to prove that all reasonable steps to cease membership were taken as soon as the organisation was proscribed.

Aircraft security officers

Schedule 3 to the bill amends the Australian Protective Service Act 1987 and the Crimes (Aviation) Act 1991 to ensure that the Australian Protective Service is able to provide a full and effective service in relation to combating terrorism.

The bill includes provisions to enable the members of the Australian Protective Service to exercise their powers of arrest without warrant in relation to the proposed terrorism and terrorist bombing offences.

This will mean that, when members of the Australian Protective Service are performing their protective and security function, they are fully empowered to act to prevent or respond to a terrorist attack.

The bill also includes provisions to ensure that the air security officer program, which is currently a function of the Australian Protective Service, is able to operate on all Australian civil aircraft.

Currently members of the Australian Protective Service who are providing this important air security capability are unable to exercise their powers of arrest without warrant on flights that operate purely within a state.

Such flights have traditionally been the subject of state jurisdiction and the amendment will not change this position.

However, if an aircraft is hijacked on an intrastate flight, for example between Brisbane and Cairns, it is clear that this will have national implications.

This amendment will expand the definition of ‘prescribed flight’ in the Crimes (Aviation) Act to include flights operating within a state, allowing air security officers to operate as a fully effective and efficient team on those flights.

Summary

No country has ever been immune to the threat of terrorism.

While there is no known specific threat of terrorism in Australia at present, we must ensure that we are as well prepared as possi-
ble to deal with the new international security environment.

Terrorist forces, through violent and intimidatory methods, are actively working to undermine democracy and the rights of people throughout the world.

We must direct all available resources, including the might of the law, at protecting our community and ensuring that those responsible for threatening our security are brought to justice.

And we must do so as swiftly as possible.

The Howard government emphatically rejects any suggestion that because we have not experienced any direct terrorist threat in Australia since September 11 this package of legislation is not justified or is an overreaction.

We are actively involved in the war against terrorism.

We cannot assume that we are not at risk of a terrorist attack.

We cannot afford to become complacent.

And we should never forget the devastation of September 11.

The Howard government takes very seriously the responsibility to protect Australia against terrorism.

We will be seeking to bring this important package of legislation on for debate as soon as possible.

This package of counter-terrorism legislation delivers on the Howard government’s commitment to ensure we are in the best possible position to protect Australians against the evils of terrorism.

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

Debate (on motion by Mr Melham) adjourned.

SUPPRESSION OF THE FINANCING OF TERRORISM BILL 2002

First Reading

Bill presented by Mr Williams, and read a first time.

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (8.12 p.m.)—I move:

That this bill be now read a second time.

One of the terrible realities of the terrorist attacks on the United States on 11 September 2001 was that those attacks were extremely well planned and financed.

Financial arrangements are central to organised terrorist activity.

Law enforcement efforts against terrorist groups must therefore target those financial arrangements.

This government is determined to ensure that our law enforcement agencies have the resources and legal tools to carry out this task.

The Suppression of the Financing of Terrorism Bill 2002 is a key component of the government’s counter-terrorism legislative package.

It is designed to equip law enforcement agencies with the legislative tools to enable them to target the financing of terrorism.

This bill implements a range of obligations under international law.

The bill implements obligations under United Nations Security Council resolution 1373.

The bill supplements the freezing of suspected terrorist assets pursuant to this resolution, already put in place late last year under the Charter of the United Nations Act 1945.

The financing offence

The bill makes it an offence, punishable by up to life imprisonment, to provide or collect funds in connection with terrorism.

Consistent with the wording of resolution 1373, the offence extends to the direct or indirect provision or collection of funds.

The offence applies where the person is reckless as to whether those funds will be used to facilitate a terrorist act.
The offence will have the broadest geographical jurisdiction available under the criminal code.

This means that those who structure their activities to cross national borders will not be able to escape liability under this offence.

**Financial transaction reports**

The bill places explicit obligations and requirements on ‘cash dealers’, as defined in the Financial Transaction Reports Act 1988, to report suspected terrorist financing transactions.

This information will be reported to AUSTRAC, which can then make it available to specified law enforcement and intelligence agencies.

Potentially, this information could provide vital leads to uncover not only the financial arrangements of terrorist groups but the groups themselves and their financiers.

International cooperation in this area is vital.

There are existing mechanisms for the sharing of financial transaction reports information with foreign law enforcement and intelligence agencies, but they are too cumbersome.

There is a time consuming process under the Mutual Assistance in Criminal Matters Act 1987 that involves providing formal written assistance only after the Attorney-General has provided approval.

This process was established for evidentiary purposes, whereas, to be effective financial intelligence needs to be provided urgently.

There is an international commitment to streamline mechanisms for international cooperation to combat transnational crime and terrorism.

The amendments in this bill have been framed accordingly.

The intention of this bill is to allow swift action to be taken where necessary.

Under the amendments in the bill, the AUSTRAC Director will be able to provide FTR information direct to foreign agencies.

The Director-General of Security and the Australian Federal Police Commissioner will also be empowered to provide FTR information direct to their foreign counterparts.

This particular amendment is not confined to the terrorism context.

The government recognises the importance of balancing the proposed new powers with appropriate safeguards.

A range of measures will be put in place to ensure that privacy and confidentiality considerations are properly respected, and that sharing is only undertaken with appropriate agencies.

First, arrangements for direct sharing by ASIO and AFP will require an overarching authorisation from the AUSTRAC Director.

This will be underpinned by revised memoranda of understanding between AUSTRAC, ASIO and the AFP.

These will deal with matters such as independent monitoring and auditing, and identifying appropriate agencies for information sharing.

In addition, a foreign agency will be required to make undertakings about protecting the confidentiality of the information and ensuring its proper use.

The bill also contains a provision for an independent review of the financial transactions reports amendments after two years.

This will be conducted by a committee consisting of nominees of the Attorney-General, the AFP Commissioner, the Director-General of ASIO, the Inspector-General of Intelligence and Security, the AUSTRAC Director and the Privacy Commissioner.

The report will be tabled in parliament, subject to the exclusion of sensitive material.

If inadequacies are identified in the report, a further review will be required within two years.

**Charter of the United Nations**

The bill contains a number of amendments to the Charter of the United Nations Act, administered by my colleague the Minister for Foreign Affairs.

In the aftermath of the events of 11 September 2001, Australia implemented the freezing of terrorist assets pursuant to United Nations Security Council resolution 1373.
This was done by regulations under the Charter of the United Nations Act.

The government considers that parliamentary scrutiny and transparency in this area are important.

It therefore proposes to take this opportunity to move key provisions relating to the freezing of assets out of the regulations and into the primary act.

New, simplified, regulations will be made to commence at the same time as these amendments.

Under the amendments to the act, there will be a specific framework for listing persons, entities or assets that are to be frozen.

The offences of dealing with a freezable asset and providing an asset to a listed person or entity will also be moved into the act.

Importantly, the maximum penalty for this offence will be significantly increased.

The maximum fine under the regulations is a mere $5,500.

This is clearly an insufficient deterrent to the facilitation of terrorist transactions.

The new offences in the bill will provide for a maximum penalty of five years imprisonment and/or a $33,000 fine.

Existing provisions relating to indemnity and compensation, the use of injunctions to back up the freeze, and enabling the Minister for Foreign Affairs to authorise dealings will also be placed in the act.

Conclusion

The measures in this bill are an important part of the government’s broader antiterrorism package.

The measures in this bill will assist both our domestic intelligence and law enforcement efforts, and our cooperation with like-minded countries internationally.

I commend the bill to the House. I present the explanatory memorandum to the bill.
In each of those offences strict liability applies to the nature of the place where the act is committed.

This means that there are no fault elements for this particular element of the offence and, therefore, it is immaterial whether the person knows the nature of the place.

Lethal device is defined broadly.

This means that the bill would apply not only to bombings in the conventional sense but also to acts such as the attacks on the World Trade Centre and the Pentagon on 11 September 2001.

The bill adds a new division to the Commonwealth Criminal Code, which implements the convention offences in Australian domestic law.

To reflect the severity of these offences, they will attract a maximum penalty of life imprisonment.

This demonstrates the seriousness with which the government views its commitment to deterring such attacks and doing everything possible to bring the perpetrators to justice.

These offence provisions only apply where circumstances relating to the alleged offence have an international element.

In accordance with the provisions of the convention, the proposed offences will not apply to the activities of the Australian defence forces.

The governments of the states and territories have been consulted about the convention and they have expressed their support for Australia acceding to the convention.

It should be noted that where there is a corresponding state or territory offence, the Attorney-General is required take this into account before deciding whether to prosecute a person.

Conclusion

This bill, as part of the government’s package of counter-terrorism legislation, delivers on the government’s commitment to enhance our ability to meet the challenges of the new terrorist environment.

The bill demonstrates our determination to deter terrorist attacks and to do everything possible to bring perpetrators to justice. I commend the bill to the House, and present the explanatory memorandum to the bill.

Debate (on motion by Mr Melham) adjourned.

**BORDER SECURITY LEGISLATION AMPENDMENT BILL 2002**

**First Reading**

Bill presented by Mr Williams, and read a first time.

**Second Reading**

Mr WILLIAMS (Tangney—Attorney-General) (8.23 p.m.)—I move:

That this bill be now read a second time.

This bill, the Border Security Legislation Amendment Bill 2002, contains amendments to the Customs Act 1901, the Customs Administration Act 1985, the Migration Act 1958, the Evidence Act 1995 and the Fisheries Management Act 1991.

The purpose of this bill is to implement the government’s election commitments to increase national security by further protecting our borders.

This bill contains amendments to a range of Customs activities that contribute to the security of our borders.

The amendments deal with border surveillance, the movement of people, the movement of goods and the controls Customs has in place to monitor this activity.

In implementing these measures the government is mindful of the need to find a suitable balance between measures which detect and deter illegal activities and the needs of legitimate travellers and commerce.

The first set of amendments enhances the capacity of Customs officers to more effectively monitor and enforce security requirements at our borders.

The amendments establish processes to define parts of international airports where access is restricted for border security purposes, require international airline operators to provide Customs with information about passengers and require employers of workers in the secure areas of international airports to provide Customs with information about their employees.
The Chief Executive Officer will have the power to gazette areas within international airports where access is restricted for the purposes of border security.

Persons other than arriving and departing passengers and aircrew will need to be authorised by Customs to enter these areas and officers will have the power to remove unauthorised persons.

The government has decided that, for border security reasons, it is important for Customs and the Department of Immigration and Multicultural and Indigenous Affairs to be able to assess any risks that passengers and crew might pose before they arrive in Australia.

The amendments enhance Customs’s and Immigration’s ability to assess passengers and crew prior to their arrival in Australia.

Operators of international passenger ships and aircraft arriving in Australia are already required to report all passengers and crew to Customs.

They now will be required to provide similar passenger and crew reports to Immigration.

Currently these reports can be made to Customs electronically or by document.

In most cases these reports will now have to be made electronically to Customs and Immigration prior to the ship or aircraft arriving in Australia.

While this scheme provides for advance passenger and crew reports to be made by the operators of aircraft and ships to both Customs and Immigration, measures have been put in place to ensure that those operators do not have to duplicate their reports.

If an operator provides information to Immigration under the Migration Act, that operator will not be required to provide the same information to Customs.

In addition, Immigration will be required to provide to Customs any information that it receives under the advance reporting provisions.

In the circumstances where the operators of aircraft and ships give information to Customs but not to Immigration, Customs will be required to give that information to Immigration.

International airline operators will also be required to allow Customs access to information about passengers in their computerised reservation systems.

This will help Customs to better identify high risk passengers who need further assessment on arrival.

This not only means Customs can concentrate its resources on the highest risks but also means that the vast majority of travellers can be processed with minimal intervention and delay.

Penalties will apply where shipping companies and airlines do not comply with all the reporting requirements.

In keeping with the need to closely monitor activities at airports these amendments will also provide Customs with the authority to obtain information about people who work in the secure and restricted areas of international airports.

Employers will be required to provide Customs with details, such as name, address and date and place of birth, of new employees commencing work in these areas.

Authorities who issue aviation security identification will also be required to provide details when these identities are issued or renewed.

The use of this information will fully comply with the provisions of the Privacy Act 1988 and the requirements of section 16 of the Customs Administration Act which governs the disclosure of information.

To assist with monitoring the movement of goods across our borders it is proposed to make reporting of in-transit goods that pass through Australian ports or airports mandatory.

Currently there is no requirement for reporting of in-transit cargo.

This means that Customs has no knowledge of prohibited goods that transit our borders and this undermines our antiterrorism strategies and inhibits the capacity to monitor the movement of goods on behalf of other countries or as required by international agreements.
The amendments will make in-transit cargo subject to Customs reporting requirements.

The amendments will also provide a power to seize, under warrant, in-transit cargo which is connected with a terrorist act or prejudices Australia’s defence or national security or international peace and security.

The amendment relating to electronic reporting of mail will address a risk associated with the reporting of international mail.

International sea mail is electronically reported to Customs on arrival in Australia but this is not the case for any international mail carried by air.

This amendment will remove the anomaly with airmail through mandating the electronic reporting of all mail.

The next set of amendments simplifies the administration associated with giving authority to persons to perform the functions of a Customs officer.

Under the Customs Act 1901 the Chief Executive Officer of Customs may authorise a class of persons to perform functions under the act.

The power however does not apply to a person joining that class of persons after the authorisation is made.

This amendment will allow an authorisation made by the chief executive officer to apply to persons who become a member of the class after the authorisation is made, thus simplifying the administration involved.

The amendments relating to undeclared dutiable goods will remove an anomaly between the treatment of these goods when found in the possession or baggage of a person arriving in Australia and similar goods found in baggage that is sent to Australia as ‘unaccompanied baggage’.

Dutiable goods that have not been declared by a person on arrival in Australia are forfeited goods.

The amendments will allow Customs to treat undeclared dutiable goods in the same manner, whether the goods accompany the person to Australia or arrive separately.

It is also proposed to enable these forfeited goods to be impounded rather than seized where the circumstances warrant.

The amendments relating to the Fisheries Management Act 1991 will allow Customs access to the vessel monitoring system data collected by the Australian Fisheries Management Authority.

This amendment implements one of the recommendations made by the Joint Committee of Public Accounts and Audit in its Review of Coastwatch, report No. 384.

This amendment is necessary to provide the Australian Fisheries Management Authority with authority to pass this information to Customs.

Access to this information will enable the better management of the nation’s maritime surveillance activities, as Coastwatch will have the ability to identify known vessels from potential illegal vessels and thereby concentrate surveillance activities on unidentified targets.

The next set of amendments proposes to rationalise the different circumstances where the chief executive officer of Customs considers it appropriate for a Customs officer to be issued with firearms and approved items of personal defence equipment.

Under Customs regulations, the chief executive officer authorises the carriage of firearms by Customs officers undertaking land patrols in remote parts of Australia.

Under the Customs Act 1901, the chief executive officer authorises crews of Australian customs vessels to carry firearms and approved items of personal defence equipment at sea.

The proposal will provide a single comprehensive power to enable the chief executive officer to authorise the issue and carriage of firearms and approved items of personal defence equipment by Customs officers.

The amendments will provide a framework that will clarify the obligations and responsibilities of the chief executive officer, the issuing officer and the officer authorised to carry firearms and personal defence equipment.
The amendments relating to power of arrest will restore the power of Customs officers and police officers to arrest persons who assault, resist, molest, obstruct or intimidate a Customs officer in the course of performing his or her duties.

This power was unintentionally removed by the Criminal Code Amendment (Theft, Fraud, Bribery and Related Offences) Act 2000.

The final set of amendments amends the definition of ‘Commonwealth agency’ in the Customs Administration Act 1985 to provide that the Australian Bureau of Criminal Intelligence is a Commonwealth agency for the purposes of section 16 of that act.

The Australian Bureau of Criminal Intelligence is an unincorporated organisation established by intergovernmental agreement between the Commonwealth, the states and the Northern Territory.

Amending the definition contained in this bill will clarify that the bureau is to be deemed a Commonwealth agency for the purposes of section 16. This will provide authority for Customs to pass information to the ABCI for the purpose of intelligence and law enforcement.

Collectively, these amendments will allow Customs to make a more significant contribution to protecting Australia’s borders.

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

Debate (on motion by Mr Melham) adjourned.

TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL 2002

First Reading
Bill presented by Mr Williams, and read a first time.

Second Reading
Mr WILLIAMS (Tangney—Attorney-General) (8.34 pm)—I move:

That this bill be now read a second time.

The ability to be able to intercept telecommunications is an important tool for law enforcement agencies investigating crimes.

The Telecommunications Interception Legislation Amendment Bill 2002 effects amendments to both the Telecommunications (Interception) Act 1979 and the Customs Act 1901.

Importantly, the bill addresses the need for the use of interception by law enforcement agencies investigating terrorism, serious arson and child pornography offences.

I turn first to the amendments to the interception act.

First, the amendments clarify the application of the act to modern means of telecommunications, such as email services, SMS messaging and voicemail services.

The use of new technologies by targets of law enforcement and national security agencies has posed increasing operational difficulties for those agencies in the performance of their functions.

The events of 11 September 2001 and subsequent investigations highlighted these operational difficulties.

The amendments make clear that a communication will fall outside the definition of interception where it is stored on equipment and can be accessed using that equipment but without reference to the telecommunications network.

In these circumstances agencies will be able to access telecommunications pursuant to other appropriate means of lawful access, such as a search warrant authorising the operation of the equipment.

In these circumstances agencies will be able to access telecommunications pursuant to other appropriate means of lawful access, such as a search warrant authorising the operation of the equipment.

These amendments reflect a much needed clarification and will assist agencies in the performance of their functions.

Second, the bill contributes to the government’s efforts to ensure we are well placed to respond to the new security environment in terms of our operational capabilities, infrastructure and legislative framework.

The bill includes conduct involving terrorist acts as offences in relation to which a telecommunications interception warrant may be sought.

These provisions, and other measures taken by the government, are designed to bolster our armoury in the war against ter-
rorism and deliver on our commitment to enhance our ability to meet the challenges of the new terrorist environment.

The inclusion of terrorist offences as warrantable offences in their own right properly acknowledges the seriousness of all terrorist offences and will assist law enforcement agencies to avail themselves of this investigative tool in their investigations into such activity.

The bill also strengthens the act by ensuring the availability of telecommunications interception as an investigative tool in connection with the investigation of serious arson and child pornography related offences.

Telecommunications services such as Internet and email are increasingly employed in child pornography related offences.

Telecommunications interception will be an extremely valuable tool in the investigation of child pornography offences.

Similarly, telecommunications interception will be a valuable tool in the more effective investigation of serious arson offences.

To date, telecommunications interception has not been available in the investigation of such offences.

Consistent with the existing serious offence threshold provided in the act, a warrant authorising telecommunications interception can only be sought in relation to the arson and child pornography related offences where the relevant offence is punishable by seven years or more imprisonment.

The bill also amends the act to ensure that lawfully intercepted information can be used by and communicated to commissioners of the respective police services in connection with the possible dismissal of an officer of that service.

The amendments will therefore assist commissioners to more effectively manage their respective services by ensuring that they are able to receive and act upon any lawfully intercepted information that may give rise to a decision to dismiss an officer.

In particular, the amendments will ensure that commissioners are able to appropriately deal with corrupt conduct where evidence of that conduct is found in lawfully intercepted information.

The bill also amends the act to include the recently established Western Australian Royal Commission into Police Corruption as an eligible authority for the purposes of the act.

This will enable intercepting agencies to communicate relevant intercepted information to the royal commission, much as they were able to do in relation to the Royal Commission into the New South Wales Police Service. The amendments will not, however, permit the commission to apply for warrants in its own right.

The bill also amends the act to permit intercepted information to be used in connection with the investigation of serious improper conduct by the Anti-Corruption Commission of Western Australia.

The amendment will permit the Anti-Corruption Commission to more effectively discharge its function of investigating allegations of corrupt conduct, criminal conduct, criminal involvement or serious improper conduct by police officers and other public officers.

The bill also effects a number of amendments to reflect the recent merger of the Queensland Crime Commission and Criminal Justice Commission to form the Crime and Misconduct Commission, clarify selected aspects of the act, and ensure the ongoing effective operation of the Australian telecommunications interception regime.

In addition to the amendments with respect to telecommunications interception, the bill also amends the Customs Act 1901.

The bill amends that act to permit a judge of a court created by parliament to consent to be nominated to issue listening device warrants under the act.

The bill amends that act to permit a judge of a court created by parliament to consent to be nominated to issue listening device warrants under the act.

This amendment will have the effect of extending the class of persons who may consent to be nominated to include federal magistrates.

In this respect the amendments will bring the act into line with analogous provisions in the Australian Federal Police Act 1979.
Summary

This bill effects important amendments to the offences for which interception warrants may be sought.

These amendments are designed to assist the ability of law enforcement agencies to investigate serious and heinous crimes such as terrorism, child pornography and serious arson offences.

The bill clarifies the application of the legislation to modern means of communication.

The bill also effects amendments to the agencies who may receive intercepted information and in what contexts, the purposes for which intercepted information may be used and other amendments designed to improve the operation of the legislation.

This bill was originally introduced prior to the last election.

Since that time, it has been amended to include offences constituted by conduct involving acts of terrorism as offences in relation to which a telecommunications interception warrant may be sought.

These changes are part of the package of counter-terrorism measures designed to bolster our armoury in the war against terrorism.

These measures demonstrate the Howard government’s commitment to ensure we are in the best possible position to protect Australians against the evils of terrorism.

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

Debate (on motion by Mr Melham) adjourned.

CHRISTMAS 2001 BUSHFIRES
Report from Main Committee

Order of the day returned from Main Committee for further consideration; certified copy presented.

Ordered that the order of the day be considered forthwith.

The DEPUTY SPEAKER (Mr Barresi)—The question is that the motion be agreed to.

Question agreed to.

BILLS REFERRED TO MAIN COMMITTEE

Mr LLOYD (Robertson) (8.42 p.m.)—by leave—I move:

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

Taxation Laws Amendment (Film Incentives) Bill 2002

Question agreed to.

PARLIAMENTARY ZONE
Approval of Proposal

The DEPUTY SPEAKER (Mr Barresi) (8.42 p.m.)—I have received messages from the Senate transmitting the following resolutions agreed to by the Senate:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposals by the National Capital Authority for capital works within the Parliamentary Zone, being—the construction of two outdoor playgrounds for the childcare centre in the Treasury Building, and the refurbishment of the former Communications Centre in the John Gorton Building.

AUSTRALIAN CITIZENSHIP LEGISLATION AMENDMENT BILL 2002
Second Reading

Debate resumed.

Ms JANN McFARLANE (Stirling) (8.43 p.m.)—As I was saying before the adjournment, the amendment is an encouragement for those Australians who work overseas to be able to maintain their dual nationality and thereby return at a later date. One of the more conventional strategies has been the reinvigoration and re-funding of our research and development sector and the proper funding and resourcing of our higher education sector as methods for attracting skilled Australians to return home.

I can see another benefit in the repeal of section 17 of the Australian Citizenship Act 1948, which is that it is an important step towards meaningful multiculturalism. We have long since abandoned the concept of assimilation as a nation, in recognition that integration of other cultures is a far more appropriate and beneficial model. And yet in recent times the old fears and insecurities,
the ethnocentrism, have surfaced again in our society and we have heard in our own country and the international media the call for the reintroduction of those outdated and objectionable practices. With Stirling constituents, I believe that the repeal of section 17 is an important step away from the cloud of recent discussions. The reason for this belief is simple: it may merely be symbolic but the recognition of our citizens’ past, recognition that their country of birth and culture of origin play an important part of who they are, can only enrich their contribution to Australian society.

By repealing section 17 we allow those Australians born overseas and their children to maintain their ties with their homeland. It also helps them better understand their history. It also leaves the opportunity open for those Australians who leave our shores to live and work overseas, taking up new citizenship in other nations, to return and allow those ties and experiences to benefit us all. It shows that as a nation we are maturing and are confident enough in our own right to not feel threatened by the thought that someone can be both Australian and Yugoslav or both Australian and Greek, Italian, Chinese, Sudanese, Vietnamese or Indian. I could go on for the rest of my time listing the many ethnic groups that make up the tapestry of Australian society. They are many and varied, as are the ways in which they contribute. It pleases me no end that we are able to recognise this past and accept that it is a positive element in our joint task of building together a future for all Australians. It is unhelpful to the development of social cohesion when I hear people speaking against the notion of dual citizenship and nationality, because they believe you cannot love or have allegiance to two or more countries. Yes, every day we all experience and see situations where people can hold love, allegiance and loyalty to a range of family, friends and organisations.

Since being elected to this place in 1998, I have worked hard with my staff to build meaningful relationships with the various ethnic groups and organisations within the Stirling community. The pride and genuine love with which these people hold Australia, their adopted homeland, is inspiring. I would like to take this opportunity to outline some of the groups that operate within my electorate and the contributions they make to the people of Stirling. Foremost in my mind is the Northern Suburbs Migrant Resource Centre. This is close to my heart as, prior to my election to this House, in the mid-1990s I was a founding member of this organisation and helped set it up.

The main function of the centre is to provide resettlement services and ongoing support to migrants. The centre is to be commended for the clear and understandable advice it provides to newly settled migrants, for the way in which it has facilitated a culture of cooperation within the different ethnic groups that use the services and facilities of the centre, and also for the supportive way in which it assists migrant families to understand the structure and workings of Australian society and to participate in their local community. As a non-profit organisation, the centre encourages migrants to become involved in the running of the centre, which then enables them to develop skills and understanding in how business and bureaucracy work. These skills and abilities are invaluable in allowing them to fully participate within our community. The centre also assists them with their job hunting and with helping their schoolchildren settle into the education system.

The Siciliana Club springs to mind when I think of an example of an ethnic group who have worked hard to both maintain a strong cultural identity whilst doing all they can to work for their local community. This group demonstrate devoted loyalty to their neighbourhoods and family. They are generous to other groups within the community in allowing the use of their premises, and they maintain a strong sense of civic pride and involvement in mainstream community services. As a long-term migrant group within our community, this legislation will be greatly appreciated by Italian-Australians, many of whose children are now wanting to explore their heritage and the place where their parents and grandparents migrated from. They are no longer under threat of losing their citizenship for wanting to under-
stand where they and their families originated.

The Perth Jewish Aged Homes Society Inc. have provided a network of aged care services, thus filling an important area of need in our community. Aged care is a sector that is hurting under the lack of a meaningful capital works program, and Stirling is experiencing a real lack of facilities. The Jewish community’s commitment and efforts in this area have benefited not only their own community but also the entire Stirling community. They have recently been successful with their application to obtain 10 much needed dementia bed licences, services that are sorely lacking in Stirling, as indeed they are in Western Australia as a whole.

The Macedonian United Society provide cultural and recreational facilities and regularly organise cultural events for their community, as well as a program for young people from their community and the broader community. The Maco Disco is one of the most popular community events in the Stirling area. The society have been very involved with organising social and sporting events that add greatly to the Stirling community. Their participation in civic and community life is to be commended. Similarly, the Yugoslav Club and the Pan Hellenic Association also provide a range of services helping to enrich the local community. The generosity of these organisations to other groups within Stirling is also to be commended. Without their support many groups would simply not be able to make their contribution in turn. One of the groups that rely on the generosity of the above mentioned organisations for use of their facilities is the Vietnamese community in Stirling. This group works hard to present cultural and educational events for all the community to enjoy, as well as running a successful youth project.

These are just a few examples of the many groups contributing to the community of Stirling. I have not even mentioned the personal contributions of individuals because if I did I can assure the House I would be here all night. I would like to extend my gratitude and congratulations on behalf of the electorate of Stirling to all those groups that I have not mentioned here. You play an important role in making our community the great place to live in that it is, and we truly appreciate it.

Another positive factor of this bill is that it will raise the age for resuming citizenship or applying for citizenship by descent from 18 to 25 years of age. Previously, to claim citizenship by descent or to resume citizenship when it was renounced by their parents, a person needed to claim it before they turned 18. At that age a person has barely begun to consider themselves as a separate entity from their parents, let alone considered issues of nationality and identity in the future. This will allow time for them to experience life. For many reasons this is a great bill and the amendment will go a long way to making many people happy for many reasons. I commend this amendment to the House.

Mr MOSSFIELD (Greenway) (8.51 p.m.)—I rise to speak on the Australian Citizenship Legislation Amendment Bill 2002. This bill is identical to one introduced in September last year that lapsed when the parliament was dissolved for the election. Labor indicated when the first bill was introduced that we would be supporting it without amendment, and that remains our position today.

The bill comes as a result of the recommendations made by the Australian Citizenship Council, chaired by Sir Ninian Stephen, in the 1999 report, *Australian citizenship for a new century*. The Joint Standing Committee on Migration also examined the issue of citizenship, making several recommendations with their September 1994 report, *Australians all—enhancing Australian citizenship*. The committee was chaired by Senator Bolkus and included both Clyde Holding and Philip Ruddock—all three of whom have served as ministers in the immigration portfolio.

There is wide-ranging support for this legislation, as we have heard from speakers on both sides, both inside and beyond this place. It must be remembered that, although we have been a federated nation since 1901, Australian citizenship has only existed since Australia Day 1949 when the Nationality and Citizenship Act 1948 came into effect. The
act is now known as the Australian Citizenship Act 1948 and it is what we are amending with this bill. The primary change that this bill introduces is the repeal of section 17 of the act. This section states that:

(1) A person, being an Australian citizen who has attained the age of 18 years, who does any act or thing:

(a) the sole or dominant purpose of which; and

(b) the effect of which;

is to acquire the nationality or citizenship of a foreign country, shall, upon that acquisition, cease to be an Australian citizen.

(2) Subsection (1) does not apply in relation to an act of marriage.

In other words, section 17 expressly forbids dual citizenship for Australian born citizens.

Dual citizenship has been a reality in Australia since the postwar migration boom, when we gave thousands of people Australian citizenship without demanding that they relinquish their native citizenship. It is a great credit to the leaders of that time that they allowed that to happen; it is what built the foundation of our modern, multicultural society. Citizenship is about involvement and inclusiveness—about allowing people to fully participate in society not only to gain the benefits that citizenship brings but also to take on the responsibilities that citizenship entails.

Our leadership of the time took the view—and rightly so—that, in order to participate in our society and gain the benefits of being a full citizen of our nation, one need not give up the nationality or the citizenship of one’s native land. One could show a commitment to this country without betraying one’s heritage. Unfortunately, this seemed to be a one-way street. There was a group of citizens who were barred from holding dual citizenship. There was a group of citizens who we believed could not show commitment to a new land while still retaining the citizenship of their country of birth. I am talking about Australian born people. Section 17 prohibited Australian born people from taking up the citizenship of another country unless they also gave up their citizenship of Australia. It was a clear double standard. Someone coming here could take up the benefits and responsibilities that citizenship holds without giving up their previous citizenship, but an Australian living and working abroad could not take up the full benefits that citizenship of their host country would bring them without giving up their rights to Australian citizenship.

I have recently received an email from the son of a constituent. His name is John Paton and he is married to a Canadian and living in Alberta, Canada. I would like to read extracts from that email that I think emphasise the issues we are discussing in this debate. Mr Paton says:

Yesterday I received a wonderful surprise in the mail. My parents had mailed me the information you provided to my father about the possibility of dual citizenship becoming a possibility for Aussies living overseas. In our case it is Australian "parent", not "parents" as I am an Aussie, but my wife is Canadian. I am hoping that the fact that one of us is Australian will allow us to obtain citizenship for two of our three children who are Canadian (our eldest son was born in Sydney).

If there is any need to clarify that, I hope that the minister himself will clarify it in response to this debate. Further on, emphasising the problem we are endeavouring to overcome with this legislation, Mr Paton says:

The current Constitution of Australia allows for children born overseas of Australian parents to become Australian Citizens if application is made before their 18th birthday. In our case it is Australian “parent”, not “parents” as I am an Aussie, but my wife is Canadian. I am hoping that the fact that one of us is Australian will allow us to obtain citizenship for two of our three children who are Canadian (our eldest son was born in Sydney). Could you please check on this?
So that is a practical example of the problem that we are overcoming in this legislation. Further, in many countries, the right to own property, for example, is a right preserved for citizens. An Australian working in one of these countries could not purchase a home unless they took out citizenship, but if they did that, they would lose their Australian citizenship.

Citizenship is not immune from the changes that globalisation is bringing. We are now engaged with the wider world and more and more Australian citizens are living and working overseas. Should we deny them the opportunity to participate in the societies and communities where they have chosen to live by saying to them that, if they do, they will stop being Australian? The question is: are we mature enough to realise that, even if someone takes citizenship of another country, for whatever reason, they can remain very much Australian and they should not be denied the rights and responsibilities of citizenship here? This piece of legislation and the bipartisan support it has would indicate that, yes, we are mature enough as a nation to handle the issue of dual citizenship. We can recognise that, just because somebody takes up citizenship of another country, they do not automatically stop being Australian.

We are a multicultural country but we have our own identity. We are a proud nation, and citizenship is not taken on or disposed of lightly. The diversity that we have, the mixing and intermingling of nationalities, is one of the greatest achievements of post-war Australia. Migrants not only built great monumental works such as the Snowy Mountains scheme but helped to forge a new nation, a new Australia, as well. Dual citizenship was a reality for them and it should be an option for us all.

One of the great pleasures I get as a member of parliament—a true perk of the job—is the fact that I get to attend the citizenship ceremonies that are held in my electorate. These citizenship presentations are held around eight times a year, and probably 1,600 people receive Australian citizenship each year. Every month more and more people make a commitment to Australia, to our community. They stand up in public and they say:

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

That is a powerfully simple statement, yet it is also all encompassing. We do not demand that they give up their previous citizenship. There is no ‘and I hereby renounce’ clause thrown in. I would imagine that fewer people would take citizenship, fewer people would fully participate in our society, if we added such a renunciation clause. Yet we hold our own citizens to a different standard—or at least we have done so prior to the passage of this bill.

I have said in this place on a number of occasions that the world is changing rapidly. Globalisation dominates our lives, and we are engaging in the wider world with far more frequency and depth than ever before. The world is changing, and the attitudes of peoples and governments to citizenship are changing too. Already we have seen similar sections in legislation preventing dual citizenship in other parts of the world being repealed. The US allows for dual citizenship where they did not before. Similarly, Canada have moved this way. Most European nations also now allow for dual citizenship. Australia is taking its place in the world community by allowing our citizens the same rights that others elsewhere have.

The repeal of section 17 is a major reform but it is not the only reform that this legislation represents. Changes will be made to section 10B, which deals with citizenship by descent. At present someone born overseas to Australian parents has to register for citizenship before their 18th birthday. The change in this bill raises the age to 25. It leaves the window of opportunity open just that little bit longer. The bill also allows for minors who automatically become citizens when their parents do to receive a citizenship certificate of their own. At first glance this would appear to be a minor amendment, but it is actually an important symbolic gesture.

There are a number of other amendments in this legislation dealing with deprivation
and resumption of citizenship in circumstances involving criminal convictions and dubious moral character. It is interesting to note that people smugglers have been singled out as a different class of criminal in that they are specifically mentioned by occupation. None of the other criminal classes, such as drug dealers, murderers or political assassins, are mentioned by name as being automatically barred from citizenship. There is, of course, ministerial discretion, and the phrase ‘of good character’ is used, but people-smuggling is the only criminal occupation mentioned by name.

Like all longstanding institutions, citizenship needs to be examined from time to time and overhauled if necessary. The rights and responsibilities of citizenship are fundamental to the nation itself and as such need to be kept relevant in this rapidly changing world. This legislation proposes a few minor changes, with really only one major change, in the repeal of section 17. The bill’s origins can be found in the bipartisan report of the Joint Standing Committee on Migration and the independent and bipartisan Citizenship Council’s examination of the issue. This is an example of where cool heads can prevail and legislation to improve a fundamental aspect of our society can receive bipartisan support. I am pleased to be able to support this bill.

Mr GAVAN O’CONNOR (Corio) (9.04 p.m.)—The Australian Citizenship Legislation Amendment Bill 2002 makes some very important amendments to the Australian Citizenship Act 1948 in relation to the issue of dual citizenship. The amendments are long overdue and bring Australia into concert with such similar industrialised countries as the UK, Canada, New Zealand and the USA. For many of my electors in Corio, this legislation marks an important advancement in the whole area of dual citizenship and achieves greater equity in the treatment of citizens in this regard. Many members may not know it, but my electorate of Corio, which is based in the greater Geelong region, boasts a significant number of people from non-English speaking backgrounds in its population. The 1996 census reveals that around 19 per cent of the Corio electorate come from non-English speaking backgrounds, and amongst the largest of these groups of people are people from Croatia, Serbia, the former Yugoslav Republic, the Netherlands, the Federal Republic of Germany, Italy, Greece, Macedonia and Poland. These people have assimilated over the years with their Australian-born neighbours and have made a significant contribution to the economy of the Geelong region through their employment in rather large companies such as the Ford Motor Company, Alcoa, Godfrey Hirst Carpets and Shell, and in the myriad of small businesses that they have established in the Geelong region.

Geelong’s cultural diversity is not only reflected in its work environment. We celebrate our cultural diversity in Geelong with an annual event called the Pako Festa. The Minister for Citizenship and Multicultural Affairs, who has just entered the chamber, was recently a guest of the Geelong community at the Pako Festa, and we were grateful for his presence at that event. The festival involves an extensive range of cultural activities and includes exhibitions, concerts, street theatre, a song fest, food fairs and, of course, the now famous Pako Festa street parade. Over 100,000 people flock to Packington Street over a weekend to enjoy the ethnic food and cuisine from many countries around the world and to watch ethnic groups, community organisations and sporting clubs strut their wares in Packington Street. Over 31 ethnic groups have participated in past parades to showcase their unique cultures and activities. We are very proud of our multicultural community in Geelong and we certainly treasure the contribution that is made to the Geelong community by the ethnic groups in our region.

As far as the essential elements of this bill are concerned, it repeals section 17 of the Australian Citizenship Act 1948 with the effect that adult Australian citizens do not lose their Australian citizenship on acquisition of another citizenship. It extends the descent and resumption provisions to give young people more opportunities to acquire Australian citizenship and provides for children who acquire Australian citizenship with their responsible parent or at a later date to
be given their own citizenship certificates. The bill strengthens aspects of the integrity of the Australian citizenship process and inserts a specific reference to people-smuggling offences in the existing provision in the Australian Citizenship Act 1948 which provides for deprivation of Australian citizenship in certain circumstances.

For the purposes of the legislation, a dual citizen is defined as a person who holds citizenship of two countries, and the Australian Citizenship Council has estimated that there are some 4.4 million Australians who are already dual citizens. But this Australian Citizenship Act 1948 is anachronistic in that it allows naturalised Australians to hold dual citizenship, yet, in most cases, it prevents those persons who have been Australian citizens since birth from acquiring citizenship of another country without losing their Australian citizenship. This situation is inequitable; it denies three-quarters of the population, and many people in my electorate of Corio, dual citizenship, yet for another sector of the population—approximately one-quarter—dual citizenship is already a fait accompli. This inequitable situation is demonstrated in section 17 of the Australian Citizenship Act 1948, which currently provides that, except in relation to an act of marriage, any person who does any act or thing the purpose of which and the effect of which is to acquire the nationality or citizenship of a foreign country shall, upon that acquisition, cease to be an Australian citizen. It is a fairly harsh provision in the context of our modern global society. The consequence of this existing inequity is that the Australian Citizenship Council has found that around 600 cases of loss of Australian citizenship come to the attention of DIMIA each year, often in the context of the individual applying for an Australian passport. In some cases the department has had to advise a person that he or she ceased to be an Australian citizen some years previously and, of course, there are many cases of persons losing their Australian citizenship which do not come to official notice at all.

There are significant arguments that have been raised over a long period of time against the provision of dual citizenship and I will canvass them briefly in this debate. Many people argue that it raises questions of disloyalty to Australia, that it runs contrary to the notions of national identity and cohesion, and that citizenship should not be treated as a commodity to be bought and sold for economic, tax or employment opportunities. However, I think there are very compelling arguments for the provisions of this bill and that is why the opposition is giving this legislation such strong support. The arguments for the bill are that the prohibition effectively discriminates against Australians who are citizens by birth, that dual citizenship is considered to be consistent with the acceptance of our multiculturalism in our society, and, of course, that travel, business and work opportunities have greatly increased with economic globalisation. This has made the issue of dual citizenship very much a reality, and an important reality, for many Australians. Developed countries such as the US, UK, New Zealand, Canada, France and Italy all allow their citizens to hold another citizenship. The reforms that are being instituted in this legislation are indeed long overdue.

We have an interesting history as far as the parliament’s investigation of this matter is concerned—it has been a contentious one in the community. In 1976 the parliamentary Joint Committee on Foreign Affairs and Defence rejected the introduction of dual nationality for Australian born citizens. It is interesting that by 1994 community attitudes and the attitudes of the parliament had changed significantly. The Joint Standing Committee on Migration in its report recommended the repeal of section 17 of the Australian Citizenship Act 1948 on the grounds that it was outmoded and discriminatory. In February 2000 the Australian Citizenship Council’s report strongly recommended the repeal of the relevant sections of the act, and in May 2001 the government responded to the report with a paper entitled Australian citizenship ... a common bond. In that paper the government indicated its disposition to support the Citizenship Council’s recommendation. In April 2000 the Labor Party—and that was quite a significant time before the government declared its position—indicated its strong support for the
recommendations of the Australian Citizenship Council with respect to the repeal of section 17 of the Australian Citizenship Act.

I want to say a few words about my own community because Geelong has a proud tradition of sponsoring refugees. I commend the work of the Geelong Ethnic Communities Council and officers of the Migrant Resource Centre who have provided such strong support in recent times to refugees to this country who have made the decision to settle in our community. I recall that, when the current government went to water in the face of the Hanson thrust, it was communities such as Geelong that stood firm. Our great ethnic communities, along with our Australian born communities, stood quite firm in opposing what Pauline Hanson stood for. I cannot say that was a position taken by the Prime Minister. I cannot say that it was one taken with any commitment by the governments that he led. However, there were communities throughout the nation that did plant their feet firmly in opposition to Pauline Hanson. I am pleased to record that in the election that has just gone the Australian Labor Party topped the poll on a two-party preferred basis, with over 58 per cent of the vote, and the Hanson candidate came in a long way down the list.

In conclusion, in this 21st century, when the changing face of Australia is reflected in the cultural diversity of its citizens, it is anachronistic to discriminate against a particular section of our Australian born citizens who wish to embrace dual citizenship, for whatever reason. This bill will benefit many Australians by repealing section 17 of the act to ensure that in future adult Australian citizens and their children do not lose their Australian citizenship if they should acquire another citizenship.

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs) (9.16 p.m.)—As the first Commonwealth minister for citizenship, I am delighted to see the support from those opposite, and I am optimistic for this legislation in the other place. I am pleased to follow on from the member for Corio, and I thank him for his contribution. I acknowledge contributions from all members to this debate. I was in Geelong the other week for the Pako Festa. The one person the member for Corio did not mention in dispatches was Strechko Kontel, the mayor of Geelong, who provides absolute leadership on multiculturalism and good settlement outcomes for all in the area. I congratulate him for the inspiration his example offers to the people of Geelong.

The Australian Citizenship Legislation Amendment Bill 2002 flows from the government’s response to the report from the Australian Citizenship Council. The government believes that the inclusive and non-discriminatory approach to Australian citizenship should continue as the basis for future Australian citizenship law and policy. This bill makes some significant amendments to the Australian Citizenship Act 1948. It will benefit many Australians by repealing section 17 of the act to ensure that in future adult Australian citizens and their children do not lose their Australian citizenship if they should acquire another citizenship.

The bill also includes a number of enhancements to citizenship legislation in the interests of young Australians. It provides for children under 16 years to be given their own citizenship certificates—something that they will grow old with and, I am sure, something that will become part of their family’s history. The bill extends the Australian citizenship by descent and resumption provisions for young people as well. It strengthens the integrity of the citizenship process in a number of ways by introducing a good character requirement for people 18 years and over who seek to be registered as an Australian citizen by descent or who wish to resume their Australian citizenship. This brings Australia’s citizenship policies into line with its immigration policies. The good character test ensures that all who hold the banner of Australian citizenship are held in the highest regard, regardless of their background or circumstance. The bill also introduces powers to defer conferral of Australian citizenship and to revoke the grant of Australian citizenship before the actual conferral of citizenship in certain circumstances.

There is no doubt in my mind that many individuals and groups across Australian communities will benefit from this legislation. People are certainly keen to take up the
option of citizenship by descent in other countries. I have spoken to people who have come from Ireland, Italy and Israel. Many people see opportunities as private citizens to also ignite a relationship with another country while maintaining their commitment and loyalty to Australia. That means that we will have many Australian advocates on the world stage—even more than we currently have—but using their links to other countries in a positive way. So in a lot of ways the measures before us will be good for job creation through additional trade links and other purposes that are good for all Australians.

There were a number of questions raised by members in their contribution. I would like to canvass some of them. The member for Greenway asked earlier whether citizenship by descent required both parents to be Australian citizens. The answer is no. There only needs to be one Australian citizen parent. I also understand that the honourable member raised some questions regarding section 10B. I can reassure the member for Greenway that section 10B currently allows for citizenship by descent to be taken up to age 18. The new bill extends that possibility for those up to 25 years of age. That is an acknowledgement that, if a young person, because of their parent’s intervention, has lost their Australian citizenship, they are able to take the option up to 25 and citizenship by descent in the same regard.

A number of other members also referred to the issue of resumption of Australian citizenship for those who have lost their Australian citizenship on the acquisition of another citizenship. I am aware that there are some people who have concerns that stating an intention to reside in Australia within three years of their application to resume may not be as easy as they would like. I think it is important that anyone wishing to resume Australian citizenship has maintained a close and continuing association with this country and continues these links with Australia through their intention to reside in Australia. I think the intention to reside factor is important for the integrity that should come with Australian citizenship.

I also note that the Australian Citizenship Council considered the existing resumption provisions quite adequate, so the government observes this and continues with those provisions. It is worth noting that 91 per cent of applications for resumption are successful. So for some members who are suggesting that perhaps there should be some revisiting of the age limits or perhaps, dare I suggest, some retrospectivity attached to it, it is worth noting that the Australian Citizenship Council, the basis of this government measure, believe that there are adequate provisions already available and that people who wish to take up resumption of Australian citizenship have adequate opportunities to do so.

In final summation, I would like to thank the Australian Citizenship Council for their comprehensive analysis of the contemporary issues in Australian citizenship policy and law and in particular the issue of loss of Australian citizenship upon acquisition of another. I also wish to acknowledge some of the great lobby groups that have been involved in this debate and have been following it very closely and would welcome the assistance of all members in this House on this measure. I acknowledge particularly the Southern Cross Group and the Australians Abroad group for their contributions to the section 17 debate and for keeping Australian citizens overseas informed of matters that directly impact on them.

It is important for me to state that, while these measures will pass this House tonight—I presume that, in moments from now, this bill will pass—until royal assent is given to this bill, nothing has changed. Anybody who may be monitoring this bill at its reading stages should not act until that royal assent is assured. We are, of course, keen to see those many Australians abroad who want to take up other opportunities to advance themselves and indeed Australia by taking out other citizenships do so once it is lawful and not actually jeopardise their Australian citizenship in the process.

It is also important for the record of this place to thank a number of departmental and ministerial officers who have worked very hard over many years to advance this cause of a good updating of Australia’s citizenship.
law. I wish to thank First Assistant Secretary Peter Hughes, and David Doherty and Lyn Barbaro who are here in the chamber. Kate Wallace, who is my senior adviser and who served in another capacity in Minister Ruddock’s office, was certainly part and parcel of ensuring that the government’s response was right and also part and parcel of the government’s policy that it took to the last election, which was so resoundingly endorsed by the Australian people. I wish to also thank my senior colleague Minister Ruddock, who first introduced this bill last year. It was lost as a result of the end of the 39th Parliament when the election was called and it was reintroduced by me.

All round, this is one of the first items of legislation that is to pass this place. It certainly proves that this government have a very firm agenda in mind to update and advance even further this wonderful country. Our agenda includes this bill. I am pleased that both sides are supporting it because it is an important bill. It will help to create an even more robust Australian citizenship in the 21st century and, importantly, it gives effect to an election commitment—a government which promises before an election and always delivers after an election. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs) (9.26 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (FURTHER SIMPLIFICATION OF INTERNATIONAL PAYMENTS) BILL 2002

Second Reading

Debate resumed from 13 February, on motion by Mr Anthony:

That this bill be now read a second time.

Mr SWAN (Lilley) (9.27 p.m.)—I am delighted that I can speak on the Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002, which deals with international social security payments. International social security payments are often a forgotten part of our social security safety net. Changes to international social security payments deserve no less scrutiny than other areas of social security law. While most people think the international arrangements may never affect them, they may find themselves in a situation where they have to go overseas for an extended period. For many it is not a lifestyle choice but the need to be close to family, particularly in circumstances where illness strikes.

As Australia is such a multicultural country, many have ties to family overseas. Equally, it may be that children may move overseas upon securing a good job. Many settle down and ultimately elderly parents can find their children and grandchildren are a long way away from what was once home. I make this point because there are elements of this bill that we are debating today that will diminish the ability of many people to reside overseas with family members, to be close to their loved ones whether in sickness or in health. In short, there are some mean, penny-pinching elements in this bill. It is just another case of the coalition being true to form.

There are many elements of this around at the moment. Today, for example, Senator Vanstone announced some changes to the indexation of pensions. She has done this in an environment where she has failed to deny reports in newspapers that she will categorically rule out budget cuts to pensions and other social security benefits. This can mean only one thing: the coalition are currently considering—again—deep cuts to social security to help pay for Casino Costello’s $4.8 billion gambling losses on the money markets. What is particularly at threat here is the future of indexation. Are the coalition going to go down that old track where they suspend indexation? The coalition have a track record of saving money by fiddling with pension increases. For example, the current Prime
Minister, Mr Howard, in 1979 abolished indexation of pensions for a year when inflation was running at something like nine per cent. Is the 25 per cent wages benchmark going to be broken? The coalition have never really given a solid commitment to the wages benchmark and so on. The fact is that, with this bill, as with the general approach of the government, they are always intent on crude cost cutting and they are never going to do this in a way which is fair to those they deal with.

To give a brief overview, this bill gives effect to the 2001-02 budget measures that seek to further tighten the portability of pensions for Australian citizens living overseas and debt recovery arrangements for Australian pensioners who receive lump sum payments from overseas. Part 1 of the bill makes the changes in relation to portability that seek to increase the qualifying period of Australian working life residence, otherwise known as AWLR, that entitles Australian pensioners living overseas to their full rate of pension. I would like to indicate now that Labor will be opposing this measure.

In part 2 of the bill, changes are also made that will permit Australians deferring retirement by participating in the Pension Bonus Scheme to have the period accrued in the scheme included in their AWLR. Labor will be supporting this measure. Part 3 of the bill makes changes to debt recovery. Labor will also be supporting these changes. So Labor will be supporting two of the three measures in this bill, but we will not be supporting the one that is going to have a dramatic impact upon some Australian pensioners.

Turning in detail to the changes in respect of Australian working life residence, it is hard to see the government’s rationale in its proposed changes apart from further cost cutting. The bill seeks to tighten portability arrangements with regard to the AWLR provisions, which will result in some Australian pensioners who decide to live overseas long term receiving a lower level of Australian pension than is currently the case under existing provisions. By way of background, the standard portability arrangements provide for the recipient’s normal rate of pension to be paid for a period of 26 weeks whilst overseas. After this period, a ‘proportional rate’ is calculated that reflects their working life residence. Currently, in order to receive their full entitlement after the 26-week period, pensioners must have accrued at least 25 years—that is, 300 months—AWLR.

In particular, the bill amends provisions in the Social Security Act 1991 to effectively increase the Australian working life residence in order to receive a full pension whilst long term overseas from 25 to 30 years. So, compared with the current arrangements, pensioners will have to have accrued an additional five years of working life residence. Additionally, since the changes are achieved by increasing the denominator used to calculate the residence factor, the change will also see proportionally lower pensions for those who have not yet attained the current 25 years working life residence.

It should be noted that the changes would only affect those pensioners who leave Australia after the commencement date of the bill, anticipated to be 1 April 2002, or those who return to Australia for more than 26 weeks before returning to reside overseas. The changes will also not affect pensioners who leave for countries with which we currently have social security agreements—although this change will open the door for the government to increase working life residences when current agreements expire and are renegotiated.

It is important that we examine closely the reasons cited by the government for these changes. The government seeks to increase the AWLR requirement for full entitlement to 30 years—that is, 360 months—and claims that it is to bring Australia more closely into line with the benchmark in other countries of 40 years. The coalition also argues that our current rules are too generous. I say that that is nonsense. Pensioners take note: the Howard government is concerned that the current rules for entitlements are ‘too generous’. We have heard this before and, of course, we saw it with clawback, in that vicious attempt to take away GST compensation of two per cent over a year ago. This, of course, explains the Howard government’s record in whittling away the pension entitle-
ments of older Australians over the last six years; it believes that pensioners are always being treated too generously. What an extraordinary rationale. The Howard government wants to lower entitlements available to older Australians to the levels of such entitlements overseas—and I am sure that there are many residents in the electorate of the member for Parramatta who will be affected by this mean, penny-pinching measure.

But the claim itself is baseless and simplistic: it is like comparing apples with oranges, since many other countries possess contributory pension modelling where longer working life residences do reflect a person’s own contribution to their pension. We do not have such a system here in Australia, as we have adopted a basic, means tested, social safety net. By community standards here in Australia, 25 years is a sufficient working life residence to entitle a citizen to a full pension if they choose to subsequently reside overseas.

Labor is particularly concerned about the impact of this measure on some of our larger communities that have a heritage overseas. This includes former UK citizens and also the Greek community. These are substantial groups, and they are not currently covered by any social security agreements. As I noted before, we believe that these changes also open the door for the government to enshrine the 30-year residence in existing social security agreements with other countries when they are up for renegotiation. While the government may put its hand on its heart and say that 25 years will be the standard for agreement countries, we simply do not believe it, nor should pensioners. I may have some more specific remarks about this element of the bill when we move our amendment during the consideration in detail stage.

I would also like to briefly make some remarks about part 2 of the bill, which we see as a beneficial measure, albeit marginally so. As I noted earlier, we will be supporting these changes. This measure allows people participating in the Pension Bonus Scheme to use bonus years for the calculation of their AWLR. Fair enough, we believe, but since the take-up of the Pension Bonus Scheme is so small—or should I say minuscule—it will be of marginal benefit. While we touch on the Pension Bonus Scheme, it is worth saying that, while it was a well-intentioned measure, it has really failed to do what the government sought it to do. Registration is restrictive, the government failed to properly advertise the scheme when it was first introduced, and it appears that it is not cost effective. Perhaps at another time we could talk in more detail about the failings of this scheme and about other matters affecting retirement incomes.

Moving on, part 3 of the bill amends provisions in the Social Security Act 1991 to allow a debt incurred because of receipt by a person of a comparable foreign payment to be legally recoverable. The bill also brings into line the treatment of debts incurred by people who receive lump sum payments of a foreign pension. Where a person receives lump sum arrears of a comparable foreign payment from a country with which Australia has an international social security agreement, the overpayment of the Australian pension for the period covered by the lump sum is recovered. In contrast, where the same type of lump sum payment is received from other non-agreement countries, no debt is currently incurred. The new debt recovery provisions will bring the treatment of the two into line. It is a reasonable step to ensure that like financial benefits made available to a person are treated similarly. Accordingly, this measure has our support.

While I have covered some of the core elements of the bill, there are a couple of international social security issues that I think are relevant to this debate. As I noted earlier, the proposed changes will affect UK residents, since we no longer have an agreement with what is arguably a country with which we have our closest ties. The Howard government terminated Australia’s social security agreement with the United Kingdom on 1 March 2001. The government announced its intention to terminate the agreement on 30 February 2000, in an attempt to force the UK government to act over some of the conditions of the agreement—specifically, the non-indexation of UK pensions paid in Australia. The Howard government’s crude tactic failed, and we no longer have
between Australia and the UK any current social security agreement that covers new arrivals. This low point in our relations is especially disappointing, given the long history between our two countries.

Non-indexation has of course been an ongoing issue for governments of both persuasions in this country—both coalition and Labor. The minister kindly arranged a briefing with my office on the particulars of this bill as well as progress on a new UK agreement. As a result, we understand that some discussions took place, albeit informally, at the Commonwealth Heads of Government Meeting in Coolum. While this is a start, we are concerned that the Howard government has not made sufficiently rigorous efforts to negotiate a new agreement. We would encourage the government to use every possible avenue and leverage to strike a new agreement. It is not satisfactory that we continue to have no agreement with the UK.

As a result of the termination of the agreement, new arrivals from the UK of pension age will now need to accrue 10 years residence in Australia to qualify for an Australian age pension, and former Australian residents can no longer claim a non-means tested UK retirement pension using their Australian residence. While the termination will not directly affect those who arrived under the previous agreement, it will impact heavily on those who wish to bring loved ones from the UK to Australia. With no access to an Australian age pension for up to 10 years for new arrivals, the burden will fall on those family members already in Australia. Perhaps the minister in the Senate or the minister in this House could outline what steps the government now intends to take to restore the agreement.

Also, on a related international social security matter, I would like the ministers to account for their handling of the issue of the treatment of Chilean mercy payments. The Chilean community is seeking an amendment to section 8(8) of the Social Security Act so that payments are not treated as ordinary income or foreign pensions. The payment is for victims of the Pinochet regime—victims of torture, expulsion and exile. On the information we have to hand, the proposal is similar to the treatment of payments to Holocaust survivors.

Labor has been making representations to the minister regularly. My office has made numerous calls to the minister’s office to gain updates on the painfully slow progress of this matter. The member for Gellibrand, Ms Nicola Roxon, wrote on 5 March 2001, and also wrote to the community directly with a letter on 7 December 2000. It beggars belief that the Chilean legislation would take so long to translate to establish the case of the Chilean community. We urge the minister to consider this issue as soon as possible. Perhaps she could detail to the Senate—or perhaps the minister in this House could detail it to the House—where exactly they are up to on this issue.

Ms Ley (Farrer) (9.40 p.m.)—I welcome the opportunity to support the Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002, which streamlines, simplifies and restores equity to some international payments made under family and community services legislation. Importantly, in accordance with a 2001-02 budget initiative, payments of Australian pensions to people who are overseas for a long time will be brought into line with international standards.

Before dealing with the substance of these amendments, I note the important role of many of the people now receiving Australian pensions overseas, people who have often returned there after a lifetime of making an enormously valuable contribution to Australia. Indeed, many people have settled in my electorate of Farrer after coming to this country after the Second World War, spending time in the Bonegilla migrant settlement and then going ahead to grow and flourish, along with their families, in many of the towns along the Murray River. Much of what we now produce by way of olives, grapes—both wine and table—vegetables, nuts and orchard fruits owes its existence directly to the valuable input from these earlier migrants. As they prospered, so did the countryside and so did Australia. The Snowy River scheme, too, originated in the Farrer electorate, and it has demonstrated the re-
sourcefulness, resilience and strength of the Australian working man and woman, particularly those who have come from overseas.

This bill relates to countries with which we have no social security agreement. It has no effect on those countries where there is an agreement in place. Of course we need to encourage countries that have not signed up to an agreement to do just that. Some background: a system of proportional portability applies to the rate of pension to be paid after a pensioner has been absent from Australia for a continuous period of 26 weeks. The pension rate paid overseas is a proportion of the full rate, based on the person’s Australian working life residence up to a maximum period of 25 years. This bill proposes to increase that period to 30 years. Australian working life residence consists of all periods between the ages of 16 and age pension age when a person was an Australian resident. The person need not have been working and need not have been paying tax during these periods.

In increasing the required residence period from 25 to 30 years, we are aligning ourselves with the recommendation of the International Labour Organisation. Remember: this only applies to countries where we do not have reciprocal social security agreements. In those countries where we do have reciprocal agreements, the required residence remains at 25 years. The new working life residence initiative will only apply to a person who leaves Australia after the commencement day of the amendments. Australians living overseas currently who do not intend to return to this country for more than 26 weeks will not have these amendments applied to them. As I mentioned, International Labour Organisation recommendation R167 has recommended that the full rate of non-contributory invalidity and old age pension should be paid only where a person has more than 30 years of residence. Most OECD countries pay full rate pensions only after 40 years of contribution.

Unfortunately, in distributing scarce social security dollars we do need to balance many competing interests. This is why we must bring our payments back into line with what may be considered the standard. It is only right that we should err on the side of generosity. It is not right that we treat customers from non-agreement countries more favourably than those from agreement countries. Currently there is a disincentive to negotiate future agreements, and this bill will correct that. The average age of newly arrived migrants is 28, and most people will be able to accrue the required residence for the full rate of pension. This is particularly so when you consider that the bill also allows people to accrue Australian working life residence after they reach pension age.

People registered with the Pension Bonus Scheme will, under the scheme, be able to add bonus periods to their Australian working life residence accrued before they reached age pension age. Recipients of disability pensions and recipients who become disabled whilst in Australia will not be affected by the extension. I urge members of the opposition to support this amendment. If the amendment is not passed, payments of Australian pensions overseas would continue to be very generous by international standards. Because of this, Australia may face difficulty in the future in negotiating international social security agreements and thus sharing social security costs.

Importantly, too, this bill will standardise the recovery of debts that result from the overpayment of an Australian social security payment to a person who receives an arrears payment of foreign income. As it stands now, debt recovery currently only occurs when a person receives a lump sum payment of a foreign pension from a country with which Australia has an international social security agreement. Only if we have an agreement with the country can we recover the overpayment. Clearly this is an anomaly and results in some quite unbalanced outcomes. This amendment is needed to correct the anomaly. I commend the bill to the House and call upon all members to support it.

Mrs Irwin (Fowler) (9.45 p.m.)—I want to speak on the Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002 mainly for the reason that, as the representative of the electorate having the
highest proportion of people born outside Australia, I know that this issue affects a great many people in the electorate of Fowler. Fowler also has many of the more recent migrants to Australia and therefore the changes will have a greater effect in my electorate. The impact of more recent waves of immigration could also be seen to affect some national and racial groups more than others.

I will begin with a brief look at the issue of the payment of pensions to people living overseas. We are mainly talking about people receiving an aged pension. For many years there has been an urban myth about migrants to Australia who return to their country of origin and live like kings on their Australian aged pension. I am sure that a lot of members in the House have heard many stories from constituents who are concerned about these people. Judging by the number of complaints I have received at my electorate office, it seems that with the lower value of the Australian dollar and the high cost of health care overseas Australian pensioners living overseas are hardly living like royalty. But I can understand that some people would argue that, if you are receiving an Australian pension, you should be spending it here in Australia.

I well recall this debate taking place many moons ago when I was a young lass in the Greystanes branch of the Australian Labor Party. Many members in those days were opposed to paying pensions to people living outside Australia. I remember our local member at the time was Dr Richard Klugman, the previous member for Prospect, and those who remember him in this place will know that he had the habit of always seeing things from the opposite side. He argued very strongly at the meeting of the Greystanes branch that by living overseas aged pensioners actually saved taxpayers money. I do not recall the outcome of the debate, but Dick Klugman’s argument has always stuck in my mind.

So I did a little research. In the Department of Family and Community Services policy research paper No. 6, entitled Trends in the incomes and living standards of older people in Australia, dated November 2000, I found under the heading ‘The impact of non-cash benefits and indirect taxes’, the paper stating:

The ABS has estimated that in 1993–94 the value of government services and subsidies for households with a reference person aged 65 years and over was $145 per week, compared to cash benefits of $185 per week.

That shows that things like health care, pharmaceutical benefits and other subsidies came to nearly 80 per cent of the cash pension paid. That is 80 per cent on top of the pension paid. An aged pensioner living outside Australia would, on those figures, be saving the taxpayer $145 per week. So Dr Richard Klugman, the previous member for Prospect, was correct when he said that there was a saving to taxpayers when aged pensioners lived overseas.

I have mentioned this fact to get a clearer picture of the cost savings in this bill. The savings are given as $6.1 million in the first full year. I do not know if those savings make allowance for the non-cash benefits but I suspect that they do not. So we have a fairly small saving to taxpayers but at what cost to the people caught up in the changes? The bill seeks to amend the social security act to increase the Australian working life residence in order to receive a full pension whilst long-term overseas from 25 to 30 years and, importantly, to apply a proportional rate which reflects the AWLR where this is less than 30 years instead of 25.

Changing the AWLR is unfair for a number of reasons. Firstly, there is a grandfather clause. While there is good reason for the changes to apply only after the legislation would come into effect, it means that for many years we will have two classes of overseas pension payments. It may be fair to those who are living overseas now but it means that some people with the same claim to a pension will have their income reduced. In short, that is not fair.

My concern here is for the many people in the Fowler electorate who may, for whatever reason, seek to live overseas. Fowler, Mr Deputy Speaker Mossfield, as you are aware—you have visited my electorate on a number of occasions—is home to many of our more recent migrants. They are therefore
more likely to have less than the 30 years working life residence required under this bill if they are to retain their full pension. The increase from 25 years to 30 years will catch more people from newer migrant groups. And here I should stress that those with less than the existing 25 years will lose more of the proportional rate which will be applied to their pension.

To give the House some figures, a single age pensioner with 20 years Australian working life residence would see their pension cut from $410 per fortnight to $328 per fortnight using the 25-year AWLR. That is a cut of $82 per fortnight. Using the 30-year AWLR, their pension drops a further $55 to $273 per fortnight; that is, they would receive $137 per fortnight less than if they remained in Australia. Someone who already has 25 years AWLR and is eligible for 100 per cent payment, as the act now stands, would lose $68 per fortnight. So we would have two classes of pensioners living overseas—those who departed before the act was changed and those who departed after the act was changed—and there would be a difference of $68 per fortnight between those now eligible for a full pension payment and those already overseas.

In his speech, the minister pointed to the fact that other countries require people to contribute for around 40 years before they qualify for a full rate of pension. This statement overlooks two factors. Firstly—and the minister said this—the rate of Australian pensions paid in Australia does not depend on a person's length of Australian residence. In this respect, Australia is different from many other countries where people contribute directly to their pension scheme. Secondly, Australia has had a high level of net immigration. People have come to Australia in the middle of their working life. We have benefited from migrants coming straight into our work force and contributing to the economy of Australia. We have to remember this: we have not met the cost of raising, educating and training them, so we should not attempt to match the 40 years standard used by other countries. In proposing an increase to 30 years, the minister is suggesting that there is good reason not to have a 40-year AWLR.

But when you consider the small saving in changing from 25 years to 30 years, you have to wonder if it is worth discriminating between the two groups.

As I said earlier, the changes would have a greater effect in areas like Fowler where there are greater numbers of newer arrivals. As we have seen with the pattern of immigration to Australia, different groups have come in a series of waves. I notice that the Parliamentary Secretary to the Minister for Family and Community Services, the member for Parramatta, Mr Ross Cameron, is at the table. The member for Parramatta would understand what I am saying, because he has a very big migrant population within his electorate. We should be looking back to the 1950s and 1960s when we saw large numbers of arrivals from the UK and from southern Europe. More recent years have seen arrivals from South America, South-East Asia and the Middle East. It is these later arrivals that are more likely to be affected by these changes. This represents a harsher treatment because, as more recent arrivals, they are more likely to have close family overseas, they are more likely to have retained their language and they are less likely to have the support of extended family here in Australia. They may therefore be more likely to seek to live overseas for part of their retirement years.

One major change in immigration in recent years has been the decline in family reunion numbers. When I last checked, there were more than 20 times the number of applications in the family reunion category than there were annual places. You might say that there is a 20-year waiting list for family reunion places—and many people would not be eligible anyway. The alternative to family reunion immigration is of course Australians living overseas with family members. As we are seeing increasingly in Australia, and as I am seeing within my own electorate, as people live longer it is not uncommon for people over 65 to be caring for an aged parent, for a brother or for a sister or for another very close relative. Migrants to Australia definitely face the same obligations to care for family members. As retirees, they have the time to help out. But with these changes they
could face a heavy penalty if they must stay overseas for more than six months to care for family members. And, as I said a moment ago, they are more likely to have that obligation if they are more recent arrivals in Australia. While it involves only a small number of people, in individual cases it will be seen as a way of making up the gap in AWLR years and eliminating an arbitrary age limit. The measure, which allows for a fairer system of debt recovery where a lump sum payment is received, again improves the fairness of the act. Payments should be treated in the same way, regardless of whether or not they are received from a country with which we have a social security agreement. The provisions which improve the fairness of operation of the Social Security Act are welcome. The provision which discriminates and which is creating an unfair situation should be opposed.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Minister for Family and Community Services) (10.01 p.m.)—It was said of the administration of Nero that it failed to address the great primary challenges of the Roman Empire. At the very end, as Rome burnt, Nero played the lyre or the fiddle, or whatever that stringed instrument was. The point is that the emperor of the day was preoccupied with trivia and with personal indulgence, while the great primary challenges of the empire went unattended. The Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002 is one among many that attests to the continuing commitment of the Howard government to the great primary challenges faced by Australia.

Today we have seen the two bookends of that challenge. Putting it simply, it is the challenge of a rapidly ageing population. At the beginning of the day, in the joint coalition party room, we saw the passing of the legislation which will enable the payment of the baby bonus announced by the Prime Minister in the election campaign, and here, at the end of the day, the last legislative instrument before the House, we see the Howard government introducing a measure which acknowledges the special contribution made by older Australians, who will receive an additional benefit under this scheme.

I will explain it in a little more detail. The baby bonus is an incentive that was introduced where one parent does not re-enter the work force after the birth of the first child. It is valued at between $500 and $2,500.

Mr Swan interjecting—

Mr ROSS CAMERON—The member for Lilley has asked about its relationship to the bill. His mind tends to think in fairly straight lines. Sometimes it is $a^2 + b^2$ and you have to go via the hypotenuse, and that is what is happening here. The point is that, in the last 100 years, we added 20 years to the life expectancy of the average Australian. That is a wonderful cultural achievement, but it presents us with massive policy challenges. At the same time, we had a rapid decline in fertility rates. What we see is the continuing erosion of the ratio between taxpayers and non-taxpayers in the community. For every bill before the House, we have to consider the impact on that eroding ratio, because governments of the future will simply not be able to sustain the economy. The member for Lilley talked about this government’s commitment to the maintenance of the 25 per cent of average weekly male earnings for Australian pensioners. The only way we can possibly maintain that commitment, aside from the extraordinary leadership of the Treasurer and the Prime Minister in their continuing to grow this economy at rates that outstrip every developed nation in the OECD—aside from that virtuoso economic leadership on the fundamentals, the bread-and-butter issues—is to actually find measures to extend the working life of the Australian people and, in the presence of the Minister for Children and Youth Affairs, can I say ‘encourage the birth of the next generation of young Australians’.

This bill contains a measure which further recognises the valuable contribution that senior Australians make to our community. The bill allows people who defer their age pensions and register with the Pension Bonus Scheme to add their bonus periods under the scheme to the Australian working life residence period they accrued before they reached age pension age. As a result, they
may be paid a higher long-term overseas rate. Instead of the instinctive move to retire at 65, the government has introduced this measure which means that working Australians who are under the age of 65 and who register with Centrelink—some people listening to this broadcast this evening may be considering their position—are eligible for the pension. If you decide to remain in the work force, you will become eligible for a lump sum payment in lieu of the forgone pension to be paid to you at retirement.

We are seeing this measure attracting ever-increasing adherents. I believe that in the last financial year we went from some 2,200 to 3,300. This is a trend which, if continued, will represent great additional expertise, experience and wisdom of older Australians in addition to improvements in their standard of living, as they qualify for this ever-growing lump sum bonus paid by a government with characteristic foresight and generosity. This is in spite of the protestations of the member for Lilley, who is particularly adept at constructing an argument based upon a series of straw men—or, should I say more correctly, straw people. He accuses the government of all manner of heinous crimes, of every possible defect in character, by constructing a gross misrepresentation of the government’s actual position and its motives and then proceeds to argue against his own completely artificial constructions.

This is a government not like Nero’s administration, not like the administration in the latter period of the Keating years. I would accept that in the early phase there was a certain vigour and dynamism in the Hawke administration. While I did not really agree with many of the measures, there was still, nonetheless, a sense of direction and purpose, whereas towards the end we saw a Nero-like performance by the member for Blaxland, who lost his way in every sort of personal enthusiasm not related to those central challenges of the nation.

This bill is one increment, perhaps a humble one. We do not claim that it is a panacea; it is not going to solve the problems of the world. It will not bring peace to the Middle East, but it will bring Australia into parity with international standards in relation to the payment of overseas pensions. It will further add to the incentives for that great wonderful resource of older Australians to remain in the work force, to continue bringing their contribution to our economy and community and to ensure they have a higher standard of living in their retirement. I commend the bill to the House.

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (10.09 p.m.)—I would like to sum up and to thank all the speakers in this debate, including the parliamentary secretary for his very lucid and interesting comments on the bill which traversed a number of topics from birth to death.

Tonight we are discussing the Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002, and I would like to thank all the speakers from both sides of the House for their role in it. The purpose of the bill, primarily, is to give effect to the 2001-02 budget initiative to bring the payment of Australian pensions to people overseas long term in line with international standards. We certainly do have a different view to that of the opposition, but it is encouraging to note that they are supporting the two other items. The bill also equalises the rules under which overpayments are recovered from people receiving foreign pensions. The Australian working life residence initiative will only apply to a person who leaves Australia after the commencement day of the amendments. It will apply to people who are overseas on the commencement day only if they return to Australia for a continuous period of 26 weeks or more and then again depart Australia. The bill will commence on 1 April 2002 if royal assent is given on or before this day; otherwise, commencement will be on 1 July 2002.

I would like to explain a bit more the reasons why we believe it is appropriate to extend the period from 25 years to 30 years and then perhaps will look at some of the arguments that the member for Lilley used. The first point is that the legislation will extend the required period of Australian working life residence—that is, the required period
people must meet in order to continue to receive a full Australian social security pension while overseas on a long-term basis. The rate of Australian pension paid in Australia does not depend on the person’s length of Australian residency. However, Australian pensioners residing overseas on a long-term basis are paid a proportional rate that reflects the length of their Australian residence.

Currently, to be paid a full pension after an absence of longer than 26 weeks, pensioners overseas are required to have 25 years of Australian working life residence. Other countries require that people contribute for around 40 years before the full rate of pension can be paid and often there are further restrictions on the payability of these pensions outside these countries. The opposition has stated that this is unfair. I note that this was not used in the member for Lilley’s defence, but even the International Labour Organisation’s recommendation R167 states that the full rate of non-contributory invalidity and the old age pension should be paid where a person has more than 30 years of residence. This organisation is not known for its right-wing views. Indeed, it is probably further left in many ways than the Labor Party. Even it has agreed that the ILO convention of 30 years residence is appropriate. This is endorsed by most OECD countries, where the full rate of pension is paid after only 40 years of contribution. So I think it is quite modest for this government to move from 25 years to 30 years, keeping in line with many other countries but still below the OECD.

There is another important point, which is that there is currently a disincentive to negotiate future agreements. What we want to do is to address the current inequality whereby customers from non-agreement countries are treated more favourably than those from agreement countries. So here is a ridiculous situation where, as it stands now, you can have more favourable treatment with non-agreement countries than you can have with agreement countries. That is why we want to get uniformity and to take it back to 30 years. We are cognisant that we do not want to affect individuals, in particular new migrants. The average age of newly arrived migrants, Mr Deputy Speaker Causley—and I know there are quite a few up in Grafton and Lismore—is 28. Most people will be able to accrue the required residence for the full rate of that pension. I do not think it is unreasonable.

People overseas who are still recipients of the disability support pension and who became disabled while residing in Australia will not be affected by the extension. So we are trying to balance it off with those who have a genuine disability, and of course for those migrants that come at that age I do not think that 30 years is unreasonable. The premise here is to ensure that we go to the international standard, and that is 30 years.

The other part of the bill is adding the bonus periods to the working life residence. In case there might have been some confusion from the previous speaker, we are talking about the Pension Bonus Scheme. Admittedly, the baby bonus is also an important scheme but I do not think it is really relevant for pensioners of the age limit—but it was a worthy contribution nevertheless by the parliamentary secretary. The bill allows people to accrue Australian working life residence after they reach the pension age. We recognise the valuable contribution that senior Australians make to our community, and this is also recognised by allowing people who defer their age pension to register with the Pension Bonus Scheme. This bill will add their bonus periods under the scheme to their Australian working life residence period they accrue before they reach pension age. As a result they may be paid a higher long-term overseas rate.

People registered with the Pension Bonus Scheme will be able to add the bonus period under the scheme to their Australian working life residence accrued before they reach pension age. This is an encouragement particularly for those Australians who might have migrated. If we look into the future, say if they were here at the age of 28 or older and they want to tap into the Pension Bonus Scheme—which was a very good initiative introduced by the coalition government to give older Australians the option of continuing to work, and we should value their contribution—rather than having to retire
and get on the pension—65 for a male or 62 for a female—if they want to continue to work for five years or up to the age of 75 then they can access the bonus scheme.

It is interesting to note that the member for Lilley described the Pension Bonus Scheme as being ineffective. That is not true. The evidence does not support that. Some 37,792 people have participated in this scheme as at 31 December 2001, so there are 37,000 older Australians who wanted to stay at work—to make their contribution, to be useful to their community in a direct work capacity—who are now registered with the scheme, and we have already paid out to 6,000 who have received that bonus. They would not have received that bonus if the Australian Labor Party had been in office because it was this government that introduced it.

Looking at the actual bonus, I think it is important in considering this legislation, particularly when we are talking about the extension of the Australian working life residence, to perhaps illustrate how much it is worth. No doubt the member for Murray has many elderly residents living down there in her electorate and I am sure she would want to let them know that, if older Australians want to continue to work and if they are single pensioners and if they are eligible for their full pension, they could gain up to $25,080 if they defer it for five years. That is a considerable amount of money, and I know that would be most helpful to those older Australians. If you are a couple, that would be just under $21,000 per person—so double that and it is about $40,000.

The Pension Bonus Scheme has been a very good initiative by this government, giving older Australians that option to continue to work. We have an ageing population, and I think it is important to provide that flexibility. Be that as it may, it also provides a tax-free incentive, the bonus, which is another substantial encouragement for people to defer the pension. Say, Mr Deputy Speaker Causley, some of your constituents in Ballina, a very fine city which I used to represent and which is now very well represented by you, want to defer their pension for three years. If you are a single older pensioner and you defer your pension for three years, it would be $9,000. A couple would receive $7,535 each or about $15,000 in total. So adding the bonus period to the working life residence is an important element of this legislation, and I think the opposition should recognise that, if we can combine those two elements, the amendments that are foreshadowed—and of course that will be defeated—are really irrelevant.

I would like to talk about the final part of the bill, which is standardising the recovery of debts, and it is good to see that we have bipartisan support. The bill will also standardise the recovery of debts that result from the overpayment of an Australian social security payment to a person who receives an arrears payment of foreign income. The debt recovery currently only occurs when a person receives a lump sum payment of foreign pension from a country with which Australia has an international social security agreement. This amendment only applies from the commencement day.

One other point I would like to pick up was what I thought was a slightly unfair comment, and I say that rather modestly, in the general comments by the member for Lilley. I refer to his comment about the international agreement with the United Kingdom and how somehow it was an unwise, mean trick that this government initiated when we terminated the agreement. We terminated it for very good reasons. The fact is that progressive UK governments have failed to index pensions to British citizens who reside in Australia. This is outrageous when you consider that they have indexed pensions to people in countries like Turkey and the Philippines.

Why cannot Australia be part of that arrangement and British subjects living in this country access indexation from the United Kingdom? We have had many discussions and negotiations, and they have been recalcitrant, to say the least, so a decision was made by the Minister for Family and Community Services to terminate those agreements. I think that it is appropriate because, if you are an Australian citizen living in the United Kingdom, we index those benefits. When the pension is increased in this coun-
try, indexation arrangements flow through no matter where you are, including, in this particular case, the United Kingdom. So it was cancelled for a very good reason. We expect now that you have to be a resident for 10 years in this country before you can access our social security system. I do not think that is unreasonable. What was unreasonable was the rather reluctant effort by the UK government to recognise that there were dramatic inequalities.

In conclusion, the Family and Community Services Legislation Amendment (Further Simplification of International Payments) Bill 2002 has three main areas: the increase in Australian working life residence from 25 to 30 years, the adding of the bonus period for working life residence and the standardised recovery of debts. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr LATHAM (Werriwa) (10.24 p.m.)—I move:

(1) Schedule 1, Part 1, page 3 (lines 4 to 15), omit the Part.

In his speech in the second reading debate, the member for Lilley outlined that the ALP is opposing the changes the government is seeking in relation to working life residence. We believe that the current 25 years meets community expectation and we reject that the situation for Australian pensioners is in any way too generous. In addition to what is already on the record, I would like to note what the specific impact of these measures will be. Briefings from the department have indicated that the AWLR changes will impact on 2,300 pensioners in the first year, rising to 9,000 when fully implemented. The average reduction in pensions will be $25 per fortnight compared to the current arrangements. This is not an inconsiderable sum, especially for Australian pensioners.

The department noted that the proposed changes account for about $4 million of the maximum $6.6 million in savings noted in the explanatory memorandum. We believe it is these savings that are the driving force behind the government’s proposal rather than good policy objectives. This point, of course, was well made in the second reading debate by the member for Fowler. We reject that these changes will in some way encourage countries to enter into agreements with Australia. If in some way a working life residence of 25 years is attractive, that is already the case and we ought to be able to negotiate agreements under the current framework.

As the parliamentary secretary the member for Parramatta pointed out, these provisions will not rebuild Nero’s Rome, they will not bring peace to the Middle East, they will not replace the $5 billion lost by the Treasurer in currency swaps, they will not make the Prime Minister tell the truth, they will not restore funds to the asthma program and, most importantly, they will not help older Australians. This is a penny-pinching measure which ought to be rejected.

Question negatived.

Bill agreed to.

Third Reading

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (10.26 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADJOURNMENT

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (10.27 p.m.)—I move:

That the House do now adjourn.

Paterson Electorate: 2001 Election

Mr BALDWIN (Paterson) (10.27 p.m.)—It is with great honour that I stand here again in this chamber as the federal representative for Paterson. The seat of Paterson is perhaps one of the most diverse of all electorates represented here in Canberra. We have the most beautiful coastline and beaches in Australia, from Stockton Beach and Nelson Bay to Hawkes Nest and Tea Garden all the way up through the Great Lakes to Pacific Palms and
Forster-Tuncurry. In contrast, we have an area known as the Barrington Tops between Dungog and Gloucester, which is listed as a World Heritage area, with subtropical rainforests. Industries are just as diverse in the area, with RAAF Williamtown, diary farming, timber mills, aquaculture, oysters and tourism.

Since I was the member for Paterson from 1996 to 1998, the seat has changed somewhat, with the addition of Forster-Tuncurry in the north, which was previously part of the electorate of Lyne. I am very proud to be representing the region once again. It is an area that I love and am proud to call home.

In my first speech in 1996 I highlighted the matters and the issues that were important to the people that I represented. Today I stand here intent on fighting again for those issues—creating employment opportunities, particularly youth employment; fighting for small businesses and funding for our roads; and fighting for farmers and the varied agricultural industries such as chicken, timber and dairy. I look forward to the challenge of bringing strong community leadership back to Paterson, with the compassion and fairness that the people deserve.

Last sitting I gave a speech that looked at the bigger picture of how our governments can best serve the people they represent. Tonight, I would like to go back to the very grassroots and thank those who helped me win the seat of Paterson and those who have provided strength and moral support along the way. I would like to start with my family. I would not be here if it were not for the support and love of my wife, Cynthia, who is and always has been my best friend and confidante. I thank our children, Samantha, Robbie and David, who are a constant reminder of the important strength in family and parenthood. I want to thank my church, Raymond Terrace Christian Life Centre, and in particular Pastor Colin Haddow and Pastor Rod Smith, who provided guidance and direction in my life through a renewed faith in God.

I would like to thank the Liberal Party and the federal secretariat team headed up by Lynton Crosby for their assistance with my campaign, and, most importantly, Scott Morrison and his efficient team from the New South Wales division. To our New South Wales president Chris McDiven, executive members Robyn Parker and Rhondah Vanzella, and to Senator Bill Heffernan, thank you for believing in me when others doubted. To my special mate Julia Thornton, you always said we would do it and we did. To my campaign director Bob Geoghegan who worked tirelessly throughout the election campaign, and to his wife Robyn for putting up with running a campaign from the family billiard table and the early morning starts, a big thank you. To Senator John Tierney who I now join in doubling the number of Liberal representatives in the Hunter region, and his former staff members Peter Hulsing, Anna Fitzgerald and Michael Dries, who all provided support and friendship, thank you. The Prime Minister and my colleagues Joe Hockey and Brendan Nelson are singled out for the special help that they provided. To my late friend Alice ‘Bunny’ Almond who was there as a stalwart from day one, we miss you. Bunny, this victory is dedicated to you. To Hilton Grugeon, Gerry McGowan, John and Gwen O’Brien, Mike Almond and Peter Evans, thank you for the support and the advice. To my finance director for the last four campaigns, Ian Paul, and his wife, Dorothy, I could not have campaigned so hard if you did not believe in me.

Running an election campaign would never be possible without the help of the many volunteers. To my FEC president Richard Filewood, to zone organisers Gwen and Bob Weekes, Randall Rankin, Jerry Germon, Daryl Lewis, Craig Bauman, Coleen Essex, Tom Ford, Noelle Setori, Vic Jeffrey, Bill, Olga, Robert Frost and Pam and Peter Galanis and family, a special thank you. To those who worked day in and day out manning the campaign offices, Beryl and John Purdy, Warren Kreckler, Trevor Fleming, Garry and Deslie Shakespeare, George Walter, Joan Stephens, Joan Palmer, Aileen White, Ted Johnson, Peter and Toni Allard, Barbara and Ken Wilson, Garry Hoson, Ian and Jan McLean, Walter, Margaret and Leanne Kilschewskij, I say thank you. I also thank the North Sydney Conference and the New South Wales Young Liberals for their support. I would also like to acknowledge
the hundreds of people who time does not permit me to name who endured the long hours at polling booths on election day, despite the blistering heat. Finally, I thank the people of Paterson who have invested their votes in me. They will be paid back with interest. May God bless each and every one of you. Thank you.

Jacobi, Hon. Ralph, AM

Brownbill, Miss Kay Cathrine

Mr COX (Kingston) (10.32 p.m.)—Ralph Jacobi was one of South Australian Labor’s great representatives. He passed away after a long battle with cancer on 16 January. Ralph was born and raised in suburban Adelaide. After leaving school early he worked in an abattoir and as a painter before joining the Royal Australian Navy in 1947. After the Navy he worked as a hospital orderly. It was then that Ralph became involved in the labour movement. He represented state government workers, including hospital workers, as secretary of the Australian Government Workers Association. The union was in a precarious financial state at the time he was elected secretary. However, under his leadership the membership grew. It was the beginning of a public life that was dedicated to serving the interests of working people.

Ralph won the marginal seat of Hawker in 1969 and went on to defeat seven Liberal candidates at eight elections until he retired in 1987. He survived the defeat of the Whitlam government, but his toughest electoral fight was against former state premier Steele Hall in 1977. It was the classic battle between the Liberals’ money and Labor’s traditional grassroots campaigning. The night before the poll I remember seeing Liberal Party workers—businessmen in suits—putting up false news hoardings declaring Hall the winner in an attempt to subliminally influence voting intentions. None of it worked. Ralph won by just 770 votes. After that experience, Steele wisely vowed never again to challenge him and moved on to the greener Liberal pastures of Boothby.

Ralph was most ably assisted in that campaign, as in many others, by one of the most formidable marginal seat campaign teams South Australia has seen, run by his friends, state ministers Ron Payne and the late Geoff Virgo. The basis of Ralph’s electoral success was the tremendous personal service he rendered the people of Hawker. They knew Ralph; they had met him on their doorsteps, in their workplaces, at their schools and at their nursing homes. If someone had a problem Ralph preferred to see them in their homes rather than in his office, and he was prepared to go to extraordinary lengths to help them. This was a practice he did not abandon when he retired from parliament. Many times over the years Ralph advised me, ‘Old son, remember, you don’t win a single vote by what you do in Canberra.’ It was advice about putting the needs of the people you represent first, and it did not stop him making a substantial contribution in Canberra. Ralph had a number of long-standing interests, including the Murray-Darling Basin, introducing a private member’s bill in 1981 to establish a research body into freshwater management. Company law, insurance and superannuation were other major policy priorities. Ralph was vigorous in these issues over many years. He was on the phone to me only a few weeks before he died to offer advice about the HIH collapse.

The Leader of the Government in South Australia’s Legislative Council, Paul Halloway, who worked for Ralph for 12 years, reminded me today that Ralph was one of the first members to identify the problem of Australia’s emerging tax avoidance industry. Ralph placed on notice hundreds of questions about the growth in tax avoidance during the 1970s, highlighting one of the Fraser government’s and the present Prime Minister’s greatest policy failures. Ralph was also passionate about world affairs, particularly the Middle East. His extensive private library on the Middle East has been donated to the Flinders University. Probably Ralph’s greatest political disappointment was that he was not made chairman of the Joint Standing Committee on Foreign Affairs, Defence and Trade in 1984. That appointment went to a then recently elected former diplomat, my Labor predecessor in Kingston, Gordon Bilney. Ralph’s fierce independence and personal modesty probably hindered him reaching the front bench where many less capable than him have served. Ralph Jacobi’s
contribution was considerable. He will be missed by his family, the labour movement, his parliamentary colleagues and the community he so faithfully served.

I would also like to note the passing of Miss Kay Brownbill, who died in February at the age of 88. Miss Brownbill was a writer, a journalist and a broadcaster, and was a Liberal member for Kingston. She won the seat in the Vietnam election of 1966 and was defeated by Dr Ritchie Gunn in 1969. She was the first woman elected to the House of Representatives from South Australia and was only the third woman in Australia to be so elected. I extend my condolences to her family.

Middle East

Mr KING (Wentworth) (10.37 p.m.)—As we speak, as we sit here tonight, there lies in Mount Scopus Hospital in Jerusalem a young man named Lauren Blum, a 23-year-old chef who was severely injured in a frightening incident in a restaurant in Jerusalem in December, only a few months ago, in which 11 people were killed and in which his right arm was maimed. His life as a chef was destroyed and his mind has been reduced to that estimated to be of a 12-year-old. That is just one of the stories of the victims of the terror in the Middle East—a sad but nonetheless significant and true fact.

It was perhaps the most touching and most difficult of the various things that I saw and did in my recent visit to Israel and the Palestinian Authority just two weeks ago, between 18 and 25 February. It was in another sense a joyous occasion because I had been asked to deliver an address at the centenary of the Jewish National Fund, an organisation which has contributed so much to the building up of the land of Israel over the last 100 years. The extraordinary projects in that part of the world conducted by the JNF, including water projects, salinity projects and tree planting projects, have literally brought back to life a wilderness which otherwise had become impossible for people to live on. It was therefore my pleasure and honour to speak on that occasion and to read a message from our Prime Minister. Minister Reuven Rivlin spoke for the Prime Minister, Mr Sharon. Amongst others, the principal speakers included Mr Sallai Meridor, Chairman of the World Zionist Organisation; Mr Yekiel Leket, Chairman of the Jewish National Fund worldwide; Mr Alex Grass, chairman of the board of governors of the Jewish Agency for Israel; Mr Ehud Olmert, the Mayor of Jerusalem, and a recent visitor to Australia; Mr Ronald Lauder, chairman of Estee Lauder and JNF United States; and I. The occasion was attended by almost 1,000 people—including many staff of the JNF in Israel who have worked so hard on those various environmental projects that I have mentioned.

I also had the honour to see a number of important projects around Israel during the few days that I was there, including, in the north of Israel, some important water re-treatment projects, salinity projects and tree projects, some of which have application to Australia. I also visited the important world heritage sites of Acre and Masada, with which I had had association last year as chair of the World Heritage Committee. I was honoured to participate in the nomination and listing of those places. I visited the Palestinian National Authority and the Minister for Tourism and Antiquities in Bethlehem and was able to get his point of view on the problems facing his people at the moment. I was treated with the utmost courtesy and respect and am very grateful to all those who made the trip possible.

I table, with the leave of the House, my report. I indicated before I left that I would prepare and table it by way of report to this parliament. With the leave of the House, I now seek to do that.

Leave granted.

Mr KING—I invite those who are interested in the problems in the Middle East, which I raised in my first speech only recently, to read the report. That only leaves me to thank and acknowledge those who made my visit possible. They include the ambassador of the Israeli embassy here in Canberra, Gabi Levy; the Israeli Consul General in Sydney, Mr Ephraim Ben-Mattiyahu; the JNF representatives in Australia, especially Mr Peter Smaller and Rob Schneider of the Bondi Junction office in my electorate; the ministry of foreign affairs representatives
in Israel, particularly Mr Hagai Shagrir; and
the Department of Foreign Affairs and Trade
here in Canberra. I thank them for making
my trip worth while and possible. (Time ex-
pired)

**Zimbabwe: Election**

Mr DANBY (Melbourne Ports) (10.42
p.m.)—On the eve of the Zimbabwean elec-
tion, Morgan Tsvangirai, the leader of the
opposition Movement for Democratic
Change, the MDC, was charged with treason
for allegedly plotting to assassinate the des-
pot Mugabe. At the centre of this assassina-
tion claim against the MDC was a series of
clandestine videotapes released to Mark
Davis of SBS Australia’s Dateline program
by an Israeli, Ari Ben-Menashe. These tapes
allegedly showed Tsvangirai in discussion
with representatives of Ben-Menashe’s
communications company Dickens and
Madison regarding the elimination of Mug-
abe. Although I note that in the Sydney
Morning Herald at the weekend the execu-
tive producer of this program still swears to
its veracity, it is very unusual that the pro-
gram was not told that the two principals of
this firm have severe credibility problems:

Legault, of Dickens and Madison, defrauded
300 elderly people of their life savings,
worth $13 million, and the two principals
were involved with a Canadian based corpo-
ration, the Carlington Sales Company, which
last year was at the centre of a scandal in
Zambia in which maize destined for hungry
people was paid for but not delivered. About
$6 million went missing. I think that would
have been of interest to the viewers of that
program.

Zimbabwe’s poor people are starving.
Their freedom, their very existence and their
one hope of a democratically elected gov-
ernment replacing their erratic leader have
been placed in jeopardy by this diversion.
Morgan Tsvangirai’s future, indeed his life,
is at serious risk as a result of Ben-

Menashe’s claims should be not taken seriously even
before this fracas on Zimbabwe.

Last year, at a hearing of the Joint Stand-
ing Committee on Electoral Matters, Senator
Andrew Murray insisted that the Australian
parliament bring this character to Canberra
to testify to the JSCEM. Murray also pres-
sured the immigration minister, Mr Ruddock,
to grant Ben-Menashe a visa to Australia. In
January 1993, the United States Congress
produced a joint report into the allegations
about the American hostages in Iran in 1980.
The report of the group known as the Octo-
ber Surprise Taskforce investigated a series
of claims, including those made by Ben-

Menashe, who asserted he was a senior in-
telligence officer in the Israeli intelligence
service, Mossad. Like Woody Allen’s cha-
meleon in the famous film Zelig, Ben-

Menashe claims to be at the centre of every
covert operation that has taken place in the
world since the early eighties.

Post-Reagan, the US Democrats had every
reason to prove illicit involvement of the
previous Republican administration. Yet the
investigation chaired by former senior US
Congressman Lee Hamilton, Democrat Indi-
ana, states:

Ben-Menashe’s testimony is impeached by
documents and is riddled with inconsistencies and
factual misstatements which undermine his credi-
bility. Based on documentary evidence available,
the Task force has determined that Ben-
Menashe’s record of the October meetings, like
his other October surprise allegations is a total
fabrication ...

Ben-Menashe’s job was to translate Persian into
Hebrew, not, as he claimed, to de-code Iranian
messages

Ben-Menashe apparently had a low level
translator job in a military attache’s office
and, after 10 years, he left the service with-
out being promoted.

At a public hearing of the JSCEM, I pre-
sented Congressman Hamilton’s definitive
report. Unfortunately, Mark Davis of SBS
TV did an earlier program in September
screened just before the election, where he
interviewed me in my Canberra office. Dateline
was putting together a story on
Ben-Menashe’s claims about Australia—a
link to Senator Murray’s campaign. In a
largely unscreened interview, I questioned Ben-Menashe’s veracity. I introduced all of the facts that were logically set out in Congressman Lee Hamilton’s report, but Davis was determined to ignore this evidence regardless of the facts. He was not interested in the conclusions of the October Surprise Taskforce. Not surprisingly, my remarks were almost entirely eliminated. An incredibly long and turgid tale appeared on SBS on 31 October and, as I said, nearly all of my views were spiked.

Now it emerges that Ben-Menashe was a paid agent of Zimbabwe’s Mugabe. I wonder if Senator Murray will continue to support his campaign. Ben-Menashe is an easily identifiable type described by the great writers Sholem Aleichem and I.B. Singer as a ‘luft-mensch’—an air man. It is a sad day when political conspiracies both here and abroad are based on testimonies of such obvious frauds. What a sad reflection it is on our multicultural television station that a man like Ben-Menashe could put the Zimbabwean election in such jeopardy. Come to think of it, the fact that Ben-Menashe was taken seriously by Dateline and Senator Murray is worthy of the gentle mockery of Woody Allen or I.B. Singer. (Time expired)

Banana Industry

Public Liability Insurance

Mr HARTSUYKER (Cowper) (10.47 p.m.)—For the benefit of the House, I would like to highlight some of the very present and very real concerns facing Australia’s banana industry. Banana growing is an important part of Australia’s agricultural economy. It is an extremely important industry in the local area that I represent, the electorate of Cowper on the north coast of New South Wales. The banana industry is currently concerned about the fight against Black Sigatoka and is keen to ensure that our banana industry is kept as free of disease as possible. I was very pleased recently to meet with local representatives of the banana industry in my electorate to discuss these issues and to bring their concerns to Canberra to the federal Minister for Agriculture, Fisheries and Forestry.

The minister has been working to ensure that the clean green image of Australian agriculture is protected and that our local banana industry is kept free from imported pests and diseases. Producers in the Philippines have been keen to access the Australian banana market and, to that end, Biosecurity Australia is committed to ensuring that an import risk analysis is carried out in a transparent and scientifically based manner. Growers in my area are seeking assurance that their interests are being protected in this process and my enquiries with the minister and his staff indicate that the measures taken have been rigorous and in keeping with our international trade obligations.

I am pleased to report that the minister visited the Philippines in early February and discussed, among other matters, the issue of the import risk analysis of bananas. During that visit he advised the Philippines that access to the Australian banana market would be based solely on sound scientific protocols. I believe that Australia’s fair but conservative approach to quarantine is justified on the basis of potential risks which we would face if we were not to pursue this course. I congratulate the minister and his team on his dedication and commitment to the industry and to the Australian agricultural sector.

The banana industry is an important part of the agricultural sector in my electorate of Cowper and nationally. The industry contributes in the order of $200 million to our economy. It is unfortunate that the Queensland Labor agriculture minister should play politics with our banana industry by making claims that the federal government has refused to pay money for state eradication work on black sigatoka. The federal government is totally committed to the eradication of black sigatoka, and I believe the state Labor minister should concentrate on working with the federal government to solve the problem rather than playing politics with what is an important matter in an important industry.

Honourable members may be familiar with Coffs Harbour as the home of another famous banana: the Big Banana. The Big Banana is a popular tourist destination and a national icon. This banana is under threat
from another pest—public liability insurance premiums. Over the last 12 months, premiums have escalated from $39,000 to $140,000. The magnitude of the increase in premiums is also being experienced across other industries and throughout the community generally.

I commend the Minister for Revenue and Assistant Treasurer, Senator Helen Coonan, for her drive to tackle the problem. Public liability insurance falls within the responsibility of the state Labor government, but Labor has been lethargic in its response to rising premiums—some might even say ‘reluctant’ to act on the issue. Labor has abandoned businesses and community groups, workers and their families on this issue. It is institutions like the Big Banana, the local fun run and the community show which will be damaged by Labor’s inaction and lack of leadership.

However, Senator Coonan has seen the need to get the debate moving and will host a meeting of state ministers later in the month to discuss solutions to this problem. I join with other members from this side of politics in congratulating Senator Coonan on her initiative in creating a path for a solution to this problem for businesses and the wider Australian community. I can only hope that the state Labor governments will come to realise that this matter is an important one to the Australian people and to the community as we know it.

Media: Cross-Media Ownership Rules

Mr MURPHY (Lowe) (10.51 p.m.)—Yesterday I spoke twice in this House about the government’s agenda relating to cross-media ownership laws. I am here again tonight because I understand that the government will be introducing the Broadcasting Services Amendment (Ownership) Bill 2002 into the federal parliament next week. As I have said before, the effect of this bill is to tear apart Australia’s cross-media ownership laws by allowing a person to own and control newspapers, television stations or radio stations or both. This should be of grave concern to everyone. It was of grave concern to me when I first learned of this, and I wrote to every member of the House. I am very pleased that the member for Werriwa is here tonight because, in drawing my question No. 11 on the Notice Paper addressed to the Prime Minister, which reveals the extent of the media ownership of Mr Packer and Mr Murdoch, the member for Werriwa promptly replied to my email, unlike the government members who ignored it, and supported what I am doing.

Whilst most people are aware that Mr Murdoch and Mr Packer have significant media ownership in Australia, they do not truly appreciate the stranglehold their companies have over our commercial media, the influence they hold over the political process and the implications for our democracy. News Ltd is an Australian subsidiary of News Corporation, owned and controlled by Mr Rupert Murdoch. News Ltd has interests in more than 100 national, regional and suburban newspapers throughout Australia. In terms of its share of circulation within Australia, News Ltd has approximately two-thirds of the capital city and national newspaper market, three-quarters of the Sunday newspaper market, almost 50 per cent of the suburban newspaper market and almost one-quarter of the regional newspaper market. In addition, News Ltd has a quarter stake in Foxtel’s pay television monopoly and News Interactive online, and additional media interests in AAP Information Services.

Mr Kerry Packer is the largest shareholder in Publishing and Broadcasting Ltd, which owns and controls the Nine Television Network and the magazine publisher Australian Consolidated Press. PBL owns and controls three metropolitan licences and one regional television licence, giving it a reach of more than half of the potential audience. In terms of pay television, PBL has a quarter interest in Foxtel and a third interest in Sky News. Moreover, PBL publishes more than 65 magazines, and its share of circulation of the top 30 Australian magazines is approximately 40 per cent. PBL also has a very popular joint online operation known as Ni- nemsn.

The role of the media is crucial in any democracy. Diversity of media ownership ensures diversity of opinion, and that is in the public interest and healthy for our democracy. In Australia, the public, over-
whelmingly, still gets its news and information from traditional media sources, unlike what Senator Alston is spouting—from newspapers, radio stations and television stations—and it is these sources that influence the way the public thinks and votes. I therefore ask: how can it be in the public interest to change Australia’s cross-media ownership laws to allow News Ltd to buy, in addition to its existing vast national and international media interests, a free-to-air television network, or radio network, or both, in Australia? Similarly, I ask: how can it be in the public interest to allow PBL to expand its media empire by being allowed to buy a radio network or a company like John Fairfax Holdings, the publishers of the Sydney Morning Herald, the Age and the Australian Financial Review? I am appalled that no-one employed by News Ltd or PBL is strongly arguing about the grave dangers to our democracy of further concentrating media ownership in our country. In my opinion, the reporting on this issue by those on the Murdoch and Packer payroll gives truth to the saying that he who pays the piper calls the tune.

In relation to promoting changes to our media laws, the government argues that somehow you can separate newsrooms from their owners. I reject this proposition and I note that Professor David Flint, Chairman of the Australian Broadcasting Authority, has offered his support to the Howard government to regulate newsrooms to ensure editorial independence.

Mr Latham—Shame!

Mr Murphy—As the member for Werriwa is saying, shame. I agree with him, because Professor Flint is flawed. If you do not know his form with the Howard government, read the article—which I am sure the member for Werriwa has read today—on page 62 of the Financial Review. It is entitled ‘In step with Howard’s way’ and is written by Tony Harris. It shows just how out of step Professor Flint is. Quite plainly, Professor Flint is no friend of the public interest. Remember, he was the fool, the nincompoop, who chaired the ‘cash for comment’ inquiry which went to the heart of media influence dealing with John Laws’s conduct. During that inquiry, he deemed himself fit to go on the John Laws program to argue the no case in the referendum on the republic. Professor Flint does not even understand conflict of interest. He is a fool, and he should be sacked. (Time expired)

Eden-Monaro Electorate: Aviation Services

Mr Nairn (Eden-Monaro) (10.56 p.m.)—The collapse of Ansett has been a blow to nationwide competition in the airline industry. At this stage, we cannot tell what will be the full ramifications of its collapse on ticket prices and timetabling. However, what has largely been overlooked in the discussions is the fate of the hundreds of thousands of regional airline travellers who have been left stranded or seriously inconvenienced through the associated difficulties of Ansett’s regional airlines: Hazelton, Kendell, Aeropelican and Skywest. Unlike in capital cities, when these services are cut from the regions, a competitor does not necessarily step in to fill the gap in the market. Instead, commuters are left to find alternative methods of travel.

In Eden-Monaro, we have three commercial airfields: Moruya and Merimbula, serviced by Kendell and Hazelton; and Cooma, serviced by Qantas. Prior to Ansett and its subsidiaries entering into receivership, there were regular services between Sydney, Moruya and Merimbula by Hazelton, and between Melbourne and Merimbula by Kendell. The news of Ansett’s receivership sent its subsidiaries into a tailspin. While they were separate companies, and hence had separate administration, clearly the management of the corporate group had a great impact upon the financial circumstances of each of the subsidiaries.

Prior to the administration being announced, I am advised that the routes serviced by these airlines were profitable. The companies had each done a fantastic job of marketing their services, locals had invested hours upon hours of time into marketing these destinations, and visitors and locals alike had become used to the frequency of their operations. Most importantly, the airlines formed an integral part of linking the South Coast with major capital cities and had
thus facilitated regional growth. With both Kendell and Hazelton airlines entering into administration in September 2001, the administrators were charged with the task of assessing the viability of the operations in an effort to hopefully trade out of the losses.

My reason for rising in the House today is to voice my concern at the way the Hazelton administrators handled their task. It would appear that they had a profitable airline. I understand they had records which indicated that the routes they serviced were profitable. So why did they attempt to operate new routes which they had never operated in the past? They were not certain that these new routes would reward them, but they should have been certain that the routes they had been operating prior to September would allow them to trade at a profitable level. With the airline entering into administration, the federal government provided Hazelton with $3 million in untied funding. This support was provided to keep the employees paid and the routes operating.

Where did this money go? On 28 October 2001, the *Canberra Times* reported that a new regional manager had been appointed for Hazelton ‘to bump services up to 10 a day by Christmas’. This regional manager went on to say:

Hazelton has wanted to fly to Canberra for many years but has been prevented by the previous owners—which is why we were quick to seize the opportunity when it did come up.

He went on:
It will be a long-term project, Canberra is very much the spine of our operation and is the pinnacle to our future viability.

Kendell previously flew between Canberra and Sydney. Now, all of a sudden Hazelton thought they could compete as well, even though Qantas was also flying it.

Not even four months after Hazelton made this announcement, they were forced to announce that they would cease these services between Sydney and Canberra, Wagga and Albury. According to the *Canberra Times* on 16 February, 29 staff in Canberra had to be stood down because of the cancellation of these services. So a lot of money went on advertising a service which did not work out. It should have been put into services that they knew were profitable. Fortunately, appropriate services have now been put back into Merimbula and Moruya. Locals such as Ian and Cathy Baker and Ron and Lisa Finneran, who run the airport, have stuck by their business. It would not have been so difficult had the administrators kept to the business they knew was profitable rather than spending five months speculating on routes that they knew nothing about at the time.

The 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 Ruddock to present a bill for an act to amend the Migration Act 1958, and for related purposes.

Mr Ruddock to present a bill for an act to amend the law relating to migration, and for related purposes.

Mr Ruddock to present a bill for an act to amend the Aboriginal and Torres Strait Islander Commission Act 1989, and for related purposes.

Mr Williams to present a bill for an act to amend the Crimes Act 1914 and the Criminal Code Act 1995, and for related purposes.

Mr Williams to present a bill for an act to provide for confiscation of the proceeds of crime, and for other purposes.

Mr Williams to present a bill for an act to deal with consequential and transitional matters arising from the enactment of the Proceeds of Crime Act 2002, and for other purposes.

Mr Williams to present a bill for an act to amend the Copyright Act 1968, and for related purposes.

Mr Williams to present a bill for an act to implement the Convention on Jurisdiction, Applicable Law, Recognition, Enforcement and Co-operation in respect of Parental Responsibility and Measures for the Protection of Children, and for related purposes.

Mr Williams to present a bill for an act to amend the law relating to the jurisdiction of courts, and for other purposes.
Ms Hall to move:
That this House:
(1) condemns the Howard Government for failing to address:
   (a) the shortage of general practitioners in regional, rural and outer metropolitan areas; and
   (b) the decline in general practitioners bulk billing in these areas; and
(2) calls on the Howard Government to immediately implement a strategy to address the decline and shortages.

Mr Bevis to move:
That this House:
(1) establish a committee consisting of four Government Members and three Opposition Members to review the oaths of allegiance and affirmation for Members of the House and recommend to the Parliament a new oath and affirmation that reflects our unique Australian history and our multicultural society and includes a pledge of loyalty to Australia and its people and our democratic institutions and traditions; and
(2) require the committee to seek public comment on a new oath and affirmation and include recommendations on procedures and a timetable to be followed in making these changes.

Mr Bevis to move:
That the Australian Parliament recognises the importance of the Parthenon to the people of Greece and its special place in Greek history and accordingly requests the Government of the United Kingdom to take the appropriate steps in consultation with the Greek Government to return the Parthenon Marbles to their original and rightful home in Athens.

Ms George to move:
That this House:
(1) condemns the decision of the Bush Administration to impose tariffs and quotas on Australian steel imports;
(2) welcomes the recent backdown on the import of hot rolled coil;
(3) recognises that the US decision makes a mockery of the Administration’s free trade rhetoric; and
(4) indicates deep concern about the impact of the decision on:
   (a) employment levels within the steel industry and in the coal and iron ore sectors; and
   (b) the dumping of increased volumes of surplus steel. (Notice given 12 March 2002.)

Ms George to move:
That this House:
(1) condemns the failure of the Federal Government to provide increased funds to meet its share of the new award conditions applying to staff in the community services sector in NSW;
(2) recognises that this funding shortfall is having serious impacts on the homeless, the unemployed, the aged, young people and people with disabilities; and
(3) urges the Federal Government to commit the necessary funds to avoid the possibility that community organisations will be forced to reduce or close services, cut hours or retrench staff. (Notice given 12 March 2002.)
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 4.30 p.m.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed from 11 March, on motion by Ms Ley:

That the address be agreed to.

FRAN BAILEY (McEwen—Parliamentary Secretary to the Minister for Defence) (4.30 p.m.)—Before addressing my remarks to the address-in-reply debate, I would like to take the opportunity to thank all of the people in my electorate of McEwen who have given me the honour of continuing to represent them in this place. It is an honour which I hold very dear. I certainly give an undertaking that I will continue to give my all and to do the very best that I can for all of the people who live in the electorate of McEwen.

In addressing my opening remarks to this debate, I want to firstly place on the record the resounding economic success that this government has achieved. It is not all that long ago that we were faced with an enormous debt of around $96 billion, and we have now repaid just over $60 billion of that debt. To try to get this into perspective and to understand the ramifications of this debt, I often say to people in my own electorate that it is really just like looking at a normal household budget. If you have a very large mortgage and you have a lot of outstanding debt on credit cards, it means that all of the income you earn goes to servicing that debt. There simply is nothing much left over to pay for all of those things that families might want to do. They might want to add on a garage or, with growing family needs, they might want to extend the home. They might want to invest in some computer equipment for their children or whatever.

The government are really not that much different. We have our national budget and we have to make sure that we are earning enough to pay our way. We have to make sure that, at the end of the day, we have the funds to put into all of those services and facilities that people, such as those throughout my electorate of McEwen, rightly expect. Consequently, when we came to government we had that huge millstone of debt around our neck. We remember that the budgets during the first Howard government were pretty tough budgets. They had to be tough because we had to really start reining things in, and we had to put measures in place to pay off that debt. There simply is nothing much left over to pay for all of those things that families might want to do. They might want to add on a garage or, with growing family needs, they might want to extend the home. They might want to invest in some computer equipment for their children or whatever.

The government are really not that much different. We have our national budget and we have to make sure that we are earning enough to pay our way. We have to make sure that, at the end of the day, we have the funds to put into all of those services and facilities that people, such as those throughout my electorate of McEwen, rightly expect. Consequently, when we came to government we had that huge millstone of debt around our neck. We remember that the budgets during the first Howard government were pretty tough budgets. They had to be tough because we had to really start reining things in, and we had to put measures in place to pay off that debt. It is no accident that, as we start this third Howard government, we are in a very sound economic position—a position which very few other countries in the OECD have achieved.

The recent announcement of 4.1 per cent growth underpins a whole macroeconomic environment. We have low interest rates—the lowest that they have been in 30-odd years. We have low levels of inflation. We have investor confidence at high levels and, most importantly, we are starting to see signs of this investment in our regional areas. This is what is needed to develop the employment and the growth that are required to sustain our regional areas, to make sure that they do not just survive but that they actually thrive in the future. This economic growth did not happen by accident. We are starting the third Howard government in a very sound economic position because of the policies that were put in place during the previous two terms.

In speaking in this debate today I want to outline what I believe will be important for my electorate of McEwen and some of the things that I want to achieve on behalf of the people who live and work in the area that I represent. Central to this is the fact that we will be building on a very sound foundation. That foundation of solid policy development has been put in place over the previous two terms. That is why I stand here today to say that I view the future
for the people living in my electorate with a great deal of optimism. As I said, I would like to outline some of the things that I want to achieve on behalf of those people.

I represent a large and diverse electorate, so the needs of local communities vary having regard to which region we are looking at. With respect to the area in which I live, the Yarra Valley, the needs of people there are far different from the needs of those who live up in the alpine, the high country region, or those who live in the Central Highlands region, or those who live down in the Plenty Valley, or those who live on the northern metropolitan fringe. The needs of each of those groups of people living in those different areas can at least be built on because of what we have achieved in the last couple of years. It has been absolutely imperative to get that level of investment into those regional areas.

I want to focus particularly on two ways in which the government has directly assisted the regional areas of my electorate. I refer to two programs that came out of a regional workshop held here in Canberra nearly four years ago. People came from all over the country—people from local government, local service organisations and farming groups. A number of workshops were held during that time, and the ideas that they put forward to the government resulted in a policy change. From that we got two programs—Regional Solutions and the Regional Assistance Program. These two programs in particular have enabled groups within my electorate to access government assistance directly. Communities have been able to leverage that assistance, attract more investment into the regions, build employment and start building a really solid basis for growth.

There has been a recent example of that in the Yarra Valley. Everyone in this place would know by now that that region has a superb reputation as a wine and food district. In fact, it is building an international reputation in that regard. The Yarra Valley has become home to a number of small businesses that are value adding to local produce and entering the gourmet food market. We have now developed a very successful gourmet food trail. Yesterday in this place the member for McMillan happened to be talking about a gourmet food trail in his electorate. I suggested that, if he wanted to see a real gourmet food trail, he should come up to the Yarra Valley.

The government has funded a study on the establishment of a cooperative food processing facility. It will be overseen by the Swinburne University of Technology’s food and wine tourism centre. This is an example of regional areas leveraging government assistance and also helping to develop that very important skills base. We have begun the very slow process of repairing the skills base in our regional areas. Another project that received similar assistance was an electronic tourist booking service in Mansfield, in the high country area, in the Murrindindi region, facilitating more employment by providing better access to timber, wine, cheese, vegetable and flower growing areas.

These are all terribly important because they directly affect the ability to increase employment in the local region. If industries become very successful, they face a very good, sustainable future, which means that there are career pathways for young people in their own regional communities. We all know that the only way that we will ever stop the trek of young people from rural towns into the metropolitan areas is to provide them with the skill base that will provide employment that will give them a career path within the regional communities themselves.

In the past few years, perhaps the greatest change that has assisted rural communities across my electorate to achieve a better quality of life, and has provided opportunities for small businesses throughout the electorate, is improved access to telecommunications. It is only a few years ago that many of the small schools in the rural areas of my electorate did not have access to the Internet. But now, right across the electorate—whether it be in the small one-teacher school of Jamieson or in one of the very big schools in the Plenty Valley—school
students are able to log on and to interact with other students in other regions of Australia and the world. This is now commonplace.

Only last year in Seymour, the Prime Minister launched a new program to give people living in rural areas faster access to the Internet. This has been tremendously important. I am often surprised when people in metropolitan areas take all of these facilities and services for granted. These are very important to people living in our regional communities because they provide a better quality of life and allow them to run their businesses in a much more professional manner.

The one thing that people in my area still want is better access to mobile telephone coverage. As technology advances and more and more services are provided via the mobile telephone service, this will be very important for my electorate. I will continue to work very hard on the issue. Many people in metropolitan areas take all of these facilities and services for granted—they can walk across to their television set, push a button, turn the channel and, hey presto, there is television. I am one of those who live in a rural area where there is no access to free-to-air television. In parts of the Yarra Valley, where I live, and in many other parts of my electorate, there is no access to free-to-air television. I am pleased to report to this parliament that in the Buxton, Flowerdale and Healesville areas—although Buxton is out in front of the other two areas—it is actually starting to happen.

It is possible for this service to be provided to people because this government has done the right thing and got us into a very sound economic position. Without that, we would not have the funding to put into programs like the television black spot program. I cannot explain in adequate words what this means to a number of people. Perhaps I can give you some insight. Cast your minds back to the Olympic Games. Those not privileged enough to be at the opening ceremony of the Olympic Games were glued to the television set. Let me tell you that, in the community in which I live, 216 families simply could not get access to television. Thankfully that is starting to change. This is also reflected in facilities like the rural transaction centres. This is saying to rural and regional communities, ‘We understand that you have had services ripped out of your communities in the past and that you have had levels of expertise ripped out of your communities. What we are about as a government is actually restoring these services into those areas.’

Mr Gavan O’Connor—But you ripped them out.

FRAN BAILEY—Not this government, my friend.

Mr Gavan O’Connor—You ripped them out.

FRAN BAILEY—We did not. I have listened to some of the retorts from those opposite for the past few years and I have been astounded at the hypocrisy and the audacity, not from the member sitting opposite me now but from many of his colleagues. As I was saying, what this government is about is restoring those services to make sure that people have that quality of life that so many others have.

Many of our rural communities are very busy and innovative in assisting their own communities. I want to very quickly mention that within the Yarra Ranges there are more community banks than in any other district in Australia. This really goes to the heart of country people. They do not sit around and whinge and whine and say, ‘Woe betide us.’ They get up and mobilise their communities; they get into action. The small community of Warburton in my electorate will soon celebrate two years of servicing its community. It is already well ahead of its target, boasting a balance sheet of $31 million, thanks to the support of the local community. There is another new community bank planned for Woori Yallock.

Much the same can be said about so many other service areas. In aged care, for example, Lakeview Lodge at Nagambie is a shining example of how a community has banded together.
They did not want to see services and facilities not being provided for their aged care residents, and they were helped with a capital infrastructure funding of $640,000 from the Howard government. I think this has become the hallmark of our government—this partnership between the government and communities. In fact, whether they are regional, rural or metropolitan communities, it has made for a very solid partnership between the government and local communities determined to work together for the benefit of communities. I could name so many other towns that have done similar things to Nagambie and the Lakeview Lodge: Mansfield, Alexandra, Eildon, Kilmore—all of these small towns have banded together and decided to work with the government to provide not just aged care services but many other services. I am really looking forward to continuing my role as both an advocate on their behalf, to government, and a facilitator in developing partnerships between communities and the government.

In the short amount of time I have left, I want to talk about some Defence matters. What strikes me about this area, in particular, for government is the accelerating pace of change in so many areas that have affected our national interest. We have not had to deal with such a broad range of national security issues for a generation. Like the armed forces of many other countries, we have experienced a considerably increased tempo of operations in the past decade. This has risen to a peak in the last two years and we would have to say that it would be highly likely to continue. For example, we are currently engaged in East Timor, Bougainville and the Solomon Islands; we are conducting national tasks such as maritime surveillance; we are supporting events such as the recent Commonwealth Heads of Government Meeting; we are contributing personnel to various peacekeeping operations under the United Nations in many parts of the world; and, of course, Australia has joined the international coalition in the war against terrorism. Wherever I have travelled, whether it be around my own electorate or across the country, I have had numerous people asking me to pass on their thanks to our serving defence personnel. They feel incredibly proud and I think every single one of us in this building, no matter what side of the House we sit on, would want to express our thanks and our gratitude to our defence men and women for the absolutely superb job that they have done.

In the coming years, one of the challenges I have is looking after the Australian Defence Force Cadets. That is a great honour. This is an absolutely superb youth development program, providing opportunities for leadership and adventure in a military setting. We know that around 30 per cent of these young people enter the defence forces, and the remainder have a wonderful experience. I want to look forward once again to the challenges of the three years ahead.

(Time expired)

Mr GAVAN O’CONNOR (Corio) (4.50 p.m.)—I welcome the opportunity in this address-in-reply debate to thank the electors of Corio for the great honour they have bestowed in electing me to represent them in this great parliament. I first stood for the ALP in Corio in 1993, following the retirement of the great Gordon Scholes, a former Speaker of the House of Representatives and a Minister for Defence, among other portfolios, in the Hawke government. Since then I have actively pursued Labor’s economic and social agenda both within this House and outside it, on behalf of the working people of the Corio electorate. When I use the term ‘working people’ in relation to the electorate of Corio, I use it in the broader sense to encompass not only the wealth-creating wage and salary earners in Geelong but also the many business people who work tirelessly to build their businesses and generate employment and wealth in our great city.

Labor’s agenda is one that is tailored to the aspirational needs of all Australians, especially those I have just mentioned, yet not abandoning the great equity principles that motivated the formation of the Australian Labor Party, the oldest and greatest political party in Australia today. During the life of the 40th Parliament, I will continue my vigorous advocacy on key
political issues, with one key objective in mind: to create a better Australia for working people, and especially for the working people of Geelong.

My vote at the 2001 federal election, on a two-party preferred basis, was in excess of 58 per cent—a clear endorsement of the socially progressive policies I advocated on behalf of Labor supporters in the Geelong region and a clear mandate to vigorously pursue Labor’s broad agenda on their behalf. So I thank the people of Geelong for the confidence and trust they have shown in me once again and I deliver again the simple pledge I made to them in 1993 when I entered this place—that is, to give of my best on their behalf.

I would like also to sincerely thank the members of the Labor Party in Corio and the many supporters who gave generously of their time during the campaign to consolidate the Labor vote in Corio. History will judge this election to have been a very difficult one for Labor, with particular issues creating deep divisions in the community, leading to great debate and discussion within Labor’s constituency in Geelong. But we held our nerve; we worked hard with limited resources and secured an important victory again for the Labor Party in the seat.

I would like to thank the chairperson of my campaign committee, Chris Cousens, for her untiring work in the campaign, and members of my campaign committee, the Corio Federal Electorate Assembly, branch members from Geelong West, Lara, Geelong North and the Bellarine, and Labor supporters generally throughout the city for their efforts once again in defending our substantial Labor majority in the seat of Corio.

People often forget that Corio was a Liberal-held seat represented by Hubert Opperman in the 1950s. They also often forget that in the early 1990s, five out of the six state seats were held by the Liberal Party. The only Labor member and standard-bearer for the ALP at the state level was my good comrade Peter Loney, who has held the seat of Geelong North for Labor since the early 1990s. It has only been through hard work that we have built the loyal Labor support base that I was proud to defend during the difficult election in 2001.

As members may know, the seat of Corio encompasses the major portion of the City of Greater Geelong on the Melbourne side of the Barwon River. It is an interesting electorate in several respects. It is the home of manufacturing, producing cars, carpets, aluminium and petroleum. It is also home to great service based industries such as education, transport with the Port of Geelong, and tourism. It is also fiercely proud of its multicultural tradition, with around 20 per cent of its population coming from non-English-speaking backgrounds. As one of Australia’s great provincial and regional cities, Geelong also boasts a team in the Australian Football League.

Mr Quick—Hear, hear!

Mr GAVAN O’CONNOR—I note here, of course, the presence of the honourable member for Franklin, who does not happen to barrack for Geelong—he barracks for Melbourne—but I know that deep in his heart he supports the only provincial side in the AFL. May I take this opportunity at this early stage of the season to wish Geelong’s coach, Mark Thompson, captain, Ben Graham, and all the players and coaching staff, my best wishes for the forthcoming season. We have a great coach in Mark Thompson—he is one who relates very well to our young playing list—and we are looking forward to a very good season. We have a great city, literally bristling with enthusiasm and confidence, and I am indeed privileged to represent it here in this chamber.

The address-in-reply affords me the opportunity to reflect on the shadow ministerial responsibilities I have assumed in Simon Crean’s opposition, namely regional services, territories and local government, and to make some comment on particular issues being faced by the Geelong community at this point in time. I come from a local government background, as do many members in this chamber. I have always viewed local government as a critical partner in the delivery of many services to regional areas. Regrettably in Geelong’s case, the city’s more
recent experience of local government has not been a favourable one. In recent times, the City of Greater Geelong has been racked by poor leadership, intersectine brawling, scandal and administrative incompetence. At a time when the city’s economy is displaying some strength, external investment interest is strong, out-of-towners are discovering the benefits of our lifestyle and community confidence has significantly improved, the city’s administration falters. As I move about the electorate there is a widespread view being expressed to me that the city is being sold short by a failure of the city’s leadership to act on matters of concern and substance—matters that in themselves are paralysing and disturbing.

While I hold the federal shadow portfolio of regional services, territories and local government, I have hitherto refrained from commenting publicly on internal council matters. However, when the Geelong community continually suffers from the perception that little is being done by the upper echelons of the city’s leadership to seriously address key issues that are currently undermining the credibility of the whole council and the confidence of the community, it is time for other councillors and the community to act.

Geelong’s overall credibility and its national standing as a major provincial municipality has suffered greatly, not only from administrative fiascos and scandal but from a failure on the part of its political leadership to address these issues head on in the community’s interest. There are very hardworking councillors whose political reputations at the local level have been sullied by events in recent times, and that must end lest much of the excellent work performed by council and its work force is lost in a sea of negativity and division. It is time for the city to get its house in order so that confidence may be restored in its leadership and so that the city can realise the great potential that many a visionary had for it.

I do not want members of this House to be left with the impression that the City of Greater Geelong has lost complete control of its governance function. There are many positives that give astute council-watchers considerable hope that a real attempt is being made, for example, to preserve the city’s cultural heritage, and to involve the community in a worthwhile project that will test the community’s resolve in this particular area of local policy. I refer here to the City of Greater Geelong’s recent decision to allow three months of community consultation to gauge community support for the Osborne Park Association’s plans for one of Geelong’s premier cultural and historical assets: Osborne House. The City of Greater Geelong and the Osborne Park Association will form a broadly based community committee to assess the extent of community support for the association’s proposal to develop and preserve this asset for the people of Geelong, and to explore all funding sources possible for the project.

The central theme of the proposal is to create a heritage park and tourist facility in the Osborne House precinct. The proposal seeks to incorporate a much-expanded naval and maritime museum, interactive maritime events such as rope splicing and small boat building, a planetarium, an original museum telling the story of Geelong’s early settlement, a recreation of the squatter’s mansion, an old Geelong tram, a recreated stables complex with restored carriages, a ferry service across Corio Bay, and the possibility of a replica of the clipper ship Lightning being built on the site. The attractive feature of this proposal is the possibility of opening up the Osborne House precinct and linking it to Geelong’s revamped waterfront so as to produce a community facility providing education and employment possibilities, potential for further tourist development and, of course, economic and cultural benefits to Geelong.

An important element of the proposal is the reopening of the Geelong Naval and Maritime Museum. This has the support of the Victorian naval league, the naval historical society and local RSL clubs. I strongly support the project, and I commend members of the Osborne Park Association in particular for their efforts in developing the proposal to date. I urge the Geelong community to throw their weight behind this initiative in coming months. It may be the only way that this important cultural heritage asset is preserved for the Geelong community in
the longer term. The northern suburbs of Geelong—the great Labor heartland areas of Norlane, Corio and North Shore—have suffered great neglect in recent years since the forced Kennett municipal amalgamations and the extinction of the old shire of Corio that represented them so well. Council has a responsibility now to ensure that both facilities and opportunities are provided in the northern areas of Geelong. It has made an excellent start with this decision and it is now up to the larger community to demonstrate its support for that decision.

In conclusion, I would like to make some comments about the 2001 election. It was one of the most extraordinary elections that I have been involved in since entering this parliament—indeed, since the 1980s, when I fought several elections as a candidate for Labor in Corangamite and later in Corio when I was elected in 1993. Regrettably, the November 2001 election was not fought on a rational basis—on competing policies being debated with a media and community focus on those policies. It was an election fought in a climate of fear and apprehension against the backdrop of the terrorist attacks in the USA and the subsequent war on terrorism, in which this country is now intimately involved. What was disturbing about the election campaign was the cynical way in which this Prime Minister and senior ministers manipulated the refugee issue for base political gain—tying, in a most reprehensible way, the issue of terrorism with asylum seekers.

It has taken only two weeks of the 40th Parliament for the political credibility and legitimacy of the third Howard ministry to evaporate. As we look back on the recent political history of this nation, it took a long time in the first period of the first Howard ministry for the credibility of the government to be undermined by the rorting that took place within that ministry. In the second ministry it was sheer incompetence in government. And, of course, the hallmark of the third Howard ministry will be deceit and deception. It is not as if the Prime Minister does not have form in this particular area. We are talking about a Prime Minister who will be remembered for one thing: not for the honesty with which he confronted issues and portrayed his policies to the Australian people, but history will judge him very harshly for the deceit that his administrations have perpetrated since winning office.

It is regrettable that the standards that the Prime Minister articulated when he came to power have not been upheld by the ministry or, indeed, by the Prime Minister. I said that this Prime Minister has form—and his administration has form—in the area of deceiving the Australian people. First, it was the non-core promise, then it was the never-ever GST and now it is the deceit on the ‘children overboard’ affair. The Australian people want more from their politicians and they want a better standard from their leaders. We see that the standards that were typical of the Howard ministry’s first term—when a third of the executive hit the fence because of rorting and because of a failure to adhere to ministerial standards—are now carried outside of this parliament by ex-ministers. We have witnessed the unedifying spectacle of former ministers of the Crown, privy to sensitive ministerial data, scurrying out of this parliament and getting plum, prime jobs with the firms that were associated with previous areas of interest.

I must say I have spent one of the most nauseating days in this parliament in question time today when I saw the confected anger of the new Minister for Education, Science and Training on the $6,000 supposedly due under a government program to a non-government school. This is a government that is giving over $1 million to Geelong Grammar in my electorate while within a 10-kilometre radius there are government schools that are bleeding because they do not have resources. And the same school is charging double the amount for its fees that this minister was parading today as a shortfall in funding to a new non-government school. It was nauseating and it was disappointing.
Many in the coalition ranks sat in opposition for 13 years; we do not intend to stay that long in opposition. The wheels will turn, and when they turn the Australian people will get once again a Labor government with standards, compassion and vision.

**Mrs BRONWYN BISHOP (Mackellar) (5.10 p.m.)**—In this address-in-reply debate I wish to address a particular reference in the Governor-General’s speech. Part of the stated aim of the third term of the Howard government is to:

... give particular attention to addressing the challenges of an ageing population through helping mature aged people remain in and/or get back into work.

I want to speak on this issue because I believe that it is one of the most pressing and important issues that this country is going to have to face between now and 2050. The question of an ageing population has long been on the agenda. It has been talked about in academic circles, in the OECD, in the Group of Eight and in the United Nations, but it has always been on the backburner. It has now come to the front burner and it must be at the forefront of policy making from now until 2050. I say that because the peak of the baby boom—which began in 1941, peaked in 1947 and finished in 1965—is turning 55 this year. To put it in very realistic terms, 304,000 more people aged over 55 voted in the 2001 election than voted in the 1998 election. That trend is set to exacerbate. Indeed, this year some 260,000 people will turn 15 and 250,000 will turn 55. By the time we get to 2010 there will be exactly the same number of people turning 55 as turning 15, but the difference will be that the number of people of turning 15 will remain static from this year on and the number of people turning 55 will be on a straight increase.

To look at what flows from that, one goes back to the literature and people’s concerns about the so-called dependency ratio. The dependency ratio is the number of people who are in the work force—or of work force age—versus the number of people who are over 65. In statistical terms, over the next 50 years that will drop in Japan, which will feel it most dramatically—from having 4.7 people today in the work force supporting people over the age of 55, down to 1.8. In the European Community it will go from 4.3 people down to two, and in the United States it will go from 5.2 people down to 2.8. Looking at those particular economies, if there is no change in policy there will be a direct pension effect in Japan which by 2050 will bring about an adverse effect on financial balances and which will be the equivalent of 10 per cent of GDP.

The increase in the need for health expenditure will be quite dramatic. We will move from having an accent on health, from having acute interventions by way of surgery, to having a much greater accent on chronic care and medical treatment. That is something which we are going to have to address in planning for the use of our hospitals, moving away from the state governments’ wish to quarantine their public hospitals for use only for surgical intervention—and that if you are old, you have to go into a home—to looking at what morbidities lie beneath what are seen as chronic diseases of the aged. We are all living longer and healthier lives and we have a birth rate now of 1.7 per female, which simply means that there are fewer children being born. Whereas we have got used to having a large cohort of people who are young surging into our work force to replace people as they have grown older, in the future that cohort of people simply will not be there. The large cohort of people will be at the other end of the age spectrum—that is, over the age of 65.

Because I realised that this was the case early on, whilst I was the Minister for Aged Care—and I do recall making the comment very often that I should have been called the ‘minister for seniors and aged care services’ because this is the pressing problem—I commissioned Access Economics to do research into what impact the effect of an ageing population will have on the Australian economy. It is really quite groundbreaking research, and it will go on being the basis of many policies that will be developed in the coming years. That research
does show that there are parts of Australia—and southern Caloundra is such an area—where the demographics are such that those parts already look the way the rest of Australia may look in the year 2050. And so you look at where the disposable income dollar goes. If you look at the current demographic, over-55s are 21 per cent of the population, they represent 25 per cent of disposable income, they own 39 per cent of the nation’s assets and 54 per cent of the financial assets—and that is an influential and powerful group in any terms.

If you look at it in the macro-economic sense—and that is something I set out to do at the beginning of this year when I visited with the OECD, which I have done on previous occasions, and had a roundtable discussion with their economics department and saw the work that they are doing, particularly in a paper called ‘The macro-economic implications of ageing in a global context’—you can see that we are in for some fundamental changes.

I have also had the pleasure of discussing these questions with the United Nations—it is holding a conference in Madrid next month to look at these issues—and with the Heritage Foundation in Washington, looking at the work that is being done in other countries where the population is in fact ageing more quickly than we are, and Japan is the country which is ageing the fastest of all. The working paper from the OECD, on which I have been asked to comment, does state that the impact can be expressed in terms of dividing the world into three groups and looking at what will happen to them in comparative terms.

The first group is the United States, Japan and the European Community, representing the dominant members of the OECD and having very fast ageing populations; the second group is the fast ageing populations, which are basically the rest of the OECD and China, which represents 70 per cent of that group; and the third group is the slow ageing countries and represents India, Indonesia, Latin America and Mexico. When you compare those three groups, you will see that the strength of purchasing power from the first group, which currently represents 46 per cent of world GDP, on the predictions and the modelling done, will go down to 30 per cent by 2050, and the strength of those other economies will come up. The issues that they are looking at in terms of what will determine that are things like increases in technology, which will supplement shrinking work forces, and the slowing of investment for capital, which will in turn increase savings in those dominant and fast ageing countries of the OECD—and you will see more of a convergence by 2050.

Many of those things are predicated on the basis of the status quo continuing in those countries, but indeed there are things that we can look at—and this was particularly pointed out in the Access Economics research that I commissioned. The first is that Australia does pretty well when it comes to pensions, because we have pensions that are paid on the basis of the prevention of poverty rather than income replacement. That means that we can afford to go on paying our pensioners—so long as we see reasonable growth in our economy—because we pay them from consolidated revenue, and it is affordable in terms of projections that are made by the OECD.

Indeed, Australia comes off looking like the preferred model. In France, there was an attempt to change the number of years that one would have to work before being entitled to the pension, and it cost one Prime Minister government when he tried to change the number of years of work from 37½ to 40 years. So it is going to be an important political dynamic. I repeat: the number of people over the age of 55 at the time of the last election was 304,000 higher than at the 1998 election.

If you look again at the research I commissioned, you will see that if we embark on policies all of the bodies I mentioned I have been meeting with—the OECD, the United Nations, the Heritage Foundation—are looking at, we will be maintaining people in the work force for longer. Mature age workers start at 45. We need to keep them in the work force and not have a built-in limit—and we got rid of that in the federal Public Service—nor have one in the psy-
Evidence shows that if you are self-employed, you are likely to work a lot longer than 65; if you are employed in small business, you are likely to work at least to 65 or over; and if you are employed in large-scale enterprise—banks, insurance companies and the like—you are likely to start seeing retirement post-55, and we cannot afford it. The research points out that if we could be successful in retaining 10 per cent of people in the workforce who would, at the present time, retire early at 55 then we would see an increase to our GDP of four per cent.

So there are many issues that are important in this whole question of an ageing population, yet none is more important than continuing to see growth in our economy—because research shows that, as long as we see reasonable growth, we can afford all the things that we need to do. With the growth that will need to occur, we can afford to have our pensions paid, we can afford to have our health system, we can afford to maintain the services which we consider are right and proper for our ageing population—aged care and so on—but we must see growth.

Growth traditionally comes from two particular factors: the first is an increase in the size of the workforce and the second is an increase in productivity. Since 1996, because of the policies we have put in place, we have actually seen a growth in productivity that has brought Australia up to OECD levels for the first time ever. We see about 170,000 new entrants into the workforce each year. By the time we hit 2020—and that is a very short time away in terms of planning—there will be only 125,000 new entrants for the entire decade. So you can see that, if we are to see an increased growth in our workforce, we have to look for additional sources of workers because there are not enough young people being born.

We heard Philip Ruddock talking in the House today about the population conference that was held in Melbourne. People were saying that we needed to increase the size of our migration in order to increase the size of our population and our workforce. Philip pointed out that to reach 50 million you would have to have an intake of 400,000 people a year, which simply is not going to work. The OECD research shows that migration will make a difference of less than one per cent because, even with migration patterns, it tends to reflect the demographic composition of the community—you bring in the parents and the siblings and so on. I did not think it was possible either—despite the fact that at that conference I think I heard Simon Crean say that he personally was going to help the birthrate, and I thought that was a man who was very adventurous.

So this does mean that we have to look at the resources we have got and cannot afford to waste, and that is our mature age workers who have got skills that we need to use. When I read the words of the Governor-General that this government would be committed ‘to addressing the challenges of an ageing population through helping mature aged people remain in and/or get back into work’, I said yes—the message that I have been preaching for some time now is getting through.

The national strategy for an ageing Australia involved the publication of three years of work that was conducted under the ministerial reference group which I chaired. The other members were the former health minister, Michael Wooldridge; the Minister for Family and Community Services, Amanda Vanstone—and Jocelyn Newman before her—the Assistant Treasurer, Senator Kemp; and the Minister for Veterans’ Affairs, Bruce Scott. We worked on papers that preceded this, for comment on and work by a whole range of people. It is an important document which can be used as a planning tool in a whole range of areas, such as housing and transport, and in issues of income streams and, particularly, this very pressing issue of workforce engagement by mature age workers.

To see that happen, we have got a number of myths that we have to dispel. I would like to just relate one or two of them. The first myth is that older workers are less productive. Wrong;
they may be slower but they are actually more accurate. Their corporate knowledge and their
loyalty is being recognised by corporations which had downsized, and downsized by putting
off the mature age worker first. This has resulted in companies like Ford in the United King-
dom having to re-employ in a subsidiary company a number of those that they had retrenched
so that they could get corporate memory back.

There are many examples that I could give you about how important using a mature age
worker is. Wal-Mart, which is the most successful retail store in the world, has the employ-
ment of mature age workers as part of its core employment policy. And it works. If you think
about it, with the population maturing, people want to be served in retail by those whom they
think might have some knowledge that they might share when they are buying something.
There are a whole range of areas, particularly in hardware and retail fashion, where that is a
dominant force. But it is particularly realistic in investment as well, where if you are a senior
person still managing your money and you are thinking of making a shift in where your in-
vestment is made then you are going to want to hear from someone you think may have some
experience that might match yours and that you would give credence to. There are many em-
pirical examples that I can give you of real case studies where those things are going to be-
come the dominant feature of doing business in future decades.

So I simply say: those firms that recognise it early are the firms that will be successful. I
think Peter Drucker, who is still a world guru at 90, is the man who points it out time and
again: if you are ahead of what is going to come, you will succeed in management terms.
Those people who realise the value of the mature age worker and use that as part of their
business and recognise that there is a new market out there are the firms that will succeed.
Those that fail to make that jump will be the firms that will fail. It is a most important issue,
and I was delighted to see it in the Governor-General’s speech.

Ms HOARE (Charlton) (5.31 p.m.)—At the beginning of this address-in-reply to the Gov-
ernor-General’s speech I would like us to cast our minds back to the six-week period covering
the end of August and the beginning of October. On 27 August 2001, we saw a Norwegian
vessel called the MV *Tampa* sail over the horizon into Australian waters and courageously
rescue a boatful of asylum seekers who were seeking to come to Australia, in fear of their
lives in their homeland. On 11 September, not long after that incident, we saw the terrorist
attack on the twin towers of the trade centre in New Y ork, and the declaration of an interna-
tional war against terrorism, led by the Americans. And on 5 October, the Prime Minister
called the federal election for 10 November.

In light of those few incidents, as soon as the election was called—and maybe even before
the election was called—we in the Labor Party knew that it was going to be difficult to win.
We knew that we were really going to be up against it in the light of these international
events. We also understood that the Prime Minister and his senior ministers had really stooped
lower than any Australian citizen would have expected from a desperate political leader.

The coalition ran a campaign based on fear and hatred. Let us just look at some of the lan-
guage that was used during the whole asylum seeker discussion. The language was emotive
and exploitative, and was used to dehumanise asylum seekers during the campaign, particu-
larly after September 11. We heard the terms ‘illegals’ and ‘queue jumpers’. From Senator
Ross Lightfoot we heard the phrase ‘uninvited and repulsive people’. We heard about children
being thrown overboard. We heard Mr Reith saying that, to get these people off the boat, they
will use force if necessary. Referring to that force, he said:
Knocking them off the boat and dragging them off is force ...
He talked about asylum seekers wanting a doorstop with the media. It was quite extraordinary
language. We heard the Prime Minister saying:
But if we throw up our hands and say we’re going to stop doing this, we’ll be saying to the world anybody can come. And I promise you that will be a recipe for the shores of this country to be—I don’t want to use the word invaded—

yet he already had—

it’s the wrong expression—but the shores of this nation would be thick with asylum-seeker boats.

Mr Howard said that, although there was no evidence that the recent boats being turned away from Australia contained any terrorists, by the same token there could be no guarantee that they did not. It goes on, the kind of language which was used during the campaign—particularly in relation to asylum seekers—by the Prime Minister and the Minister for Immigration and Multicultural and Indigenous Affairs, Mr Ruddock, who said that terrorists were more likely to slip into Australia by boat than by plane. We know that to be completely untrue. And in relation to what the public was told—that people were throwing their children overboard—

the Prime Minister said:

I don’t want in this country people who are prepared ... to throw their children overboard.

We know now that those people were not prepared to throw their children overboard and they did not throw their children overboard. However, this kind of campaign worked. I would like to place on the record in this place some recent comments that have been correctly attributed to me in the *Newcastle Herald* where I was quoted recently as saying:

We must not do whatever it takes to win government. We must preserve our principles.

There was one talkback caller to our local ABC radio station during the campaign who had voted Labor all his life and generations before him had voted Labor. He said that he had never listened to anything that John Howard had said, but when the Prime Minister said, ‘We will decide who will come into our country, under what circumstances’ this man listened and he voted Liberal.

Mr Neville—What’s wrong with that?

Ms HOARE—I heard, probably for the first time, some of the disgusting material which had been infiltrated into electorates. It did not come into my electorate and that is why I did not see it; it went into Dobell. I heard the member for Sydney in a recent MPI debate quoting some of the material that had been distributed. One of the pieces of material that was being distributed, or one of the slogans being quoted at the polling booths, that particularly turned my stomach was that if you voted Labor, you were voting for a Taliban as your next-door neighbour. That was quite appalling.

Mr Neville—We never said that.

Ms HOARE—As I said, it was a pretty tough campaign and it is one I hope none of us has to repeat. Everyone in the Charlton team gave their all, even though our previous support for the government’s draconian legislation on border protection was clearly a dark cloud that hung over us during the course of the campaign. I would really like to record my thanks to all the Charlton ALP members who continued to kick in and give their all, particularly the delegates to the FEC and Phil Cooke, the FEC chairman and thus the Charlton campaign director, and all of the campaign directors for each of the branches in the electorate of Charlton. I thank my staff who copped it pretty bad during the campaign—Chris Warne, Joshua Brown and Debbie Anderson. They got the callers who were saying that we were not tough enough on border protection and that we should be tough and be turning away asylum seekers. They were people who had supported Labor. They also got the calls from Labor supporters who said that the Labor Party should not be so tough and that we should be a bit more humane and compassionate. They really copped a heavy six weeks of those kinds of calls and I thank them for hanging in there. I thank my husband Reg and my children, Naomi and Bobby, and I thank
my mum and dad because, as I said, it was tough and depressing, but they managed to keep us all on track.

Mr Quick—You did well.

Ms HOARE—I also thank my colleagues who called to keep spirits up. They included the members for Franklin, Port Adelaide, Isaacs and Corio. I also thank all the electors of Charlton who were not misled and who, once again, put their faith in me to serve them as their Labor representative for the next three years. I promise not to let them down.

Come election night, and watching the results come down on the TV screen with our Labor Party supporters, members, friends and family, we saw good friends who have been good local members who should never have been defeated lose their seats in this place. We bid farewell to Bob Horne, the former member for Paterson; Cheryl Kernot, the former member for Dickson; Jane Gerick, the former member for Canning; Michael Lee, the former member for Dobell and Leonie Short, the former member for Ryan. The reason why the electors in those seats were denied further representation from those people was the Prime Minister’s manipulation of international events for pure political gain.

Even following the election—Mr Deputy Speaker Adams, I am sure you and your family would have experienced this as well—we felt anger that this was allowed to happen. We felt sadness that people who support the Labor Party were so misled. We felt despair and depression, I suppose, that we had another three years of coalition government. Following the election, I went through a stage of asking why this happened and how this particular campaign of the coalition succeeded in the 2001 federal election. I had to search for answers. I did not want to believe that Australians wanted to hate, for whatever reasons. I do not believe that Australians are racist. I do believe that Australians are tolerant. I had to search—not very far—for reasons other than these reasons, because I did not believe them.

We can go back to the election in 1996, when the Howard government was first elected. Following the 1996 election, the Prime Minister sowed the seeds of fear and insecurity in our community. He embarked upon a program which included $1.8 billion cuts from labour market programs to help unemployed people, five per cent cuts to university funding, cuts to research and development and cuts to child care. He forced people to pay to enter a nursing home—expensive nursing home care—he abolished the Commonwealth dental health scheme and he increased the cost of prescription drugs. The list goes on. That is where I see those seeds of fear were initially sown.

Following the 1998 election, I believe Prime Minister John Howard further nurtured and massaged the fear and insecurity of Australian families with his program of cutting Austudy, the introduction of the youth allowance, the ongoing breaching of unemployed people, the forcing of people into private health insurance, the introduction of the GST and the presiding over of corporate collapses, where we saw workers losing millions of dollars in entitlements, unless they were fortunate enough to have been working for a company which had the Prime Minister’s brother Stan as a director of that company. These further cutbacks and further withdrawal of government services in our community following the 1998 election, as I said, nurtured and massaged the fear and insecurity seeds which had been sown following the 1996 election.

I believe and know in my heart that Labor will offer these families hope—the hope that they so desperately deserve from a government. Labor are currently undertaking a review of all our policies, except the further sale of Telstra. Having been a part of that over the past few months, I can say that it is a productive and interesting process. We are going to be the alternative government which will provide humane, just and compassionate policies which will serve all Australians, particularly Australians who are disadvantaged and working Australians who rely on the Labor Party to provide them with their representation in this place.
We will also provide a more humane and compassionate approach to asylum seekers. Some of those Labor supporters may still not support Labor’s position on asylum seekers when we eventually go through this review process and come out with a policy on immigration at the end of it. But over the next three years these Labor Party supporters will be reminded of those reasons why they had always supported Labor. Our traditional supporters who were frightened into voting for Howard will realise that they have been duped, particularly with the truth emerging from the ‘children overboard’ incident.

They will realise now that the nation’s immigration program is not the government program which has the main impact on their lives. They will come to realise that the things that really do concern them are whether their children receive a quality public education; whether their elderly parents are cared for, whether they have job security, whether their children will get jobs and, if they do get jobs, whether they will receive all their entitlements if the company they work for goes bankrupt. When it all boils down, they are the issues that concern Australians. The nation’s immigration policy, no matter what the conservatives would have you believe, impacts not one iota on everyday working Australian families’ lives. They will be reminded of that.

The next three years are going to be interesting. I quoted the member for Sydney previously, and the MPI that I referred to was about the Howard government’s lack of a third term agenda. The coalition did not have any policies released during the election campaign. It was a campaign, as I said, based on fear and insecurity, based on immigration policy, based on asylum seekers and based on the war against terrorism that was happening in the caves of a country many thousands of miles from us. There were no policies released.

When we look at the legislative program for these autumn sittings, we see that the bills that are proposed to be introduced and the bills that we are debating now are ones which did not quite make it through the last parliament, so they have come back. I had a look at them and I thought, ‘We have debated these bills before.’ And, yes, we have. We debated them in the previous parliament, but because they did not make it through the Senate, those bills need to be reintroduced.

We have seen a few bills which were supposed to have been introduced but have not been yet in relation to the war on terrorism and a couple of bills that I call the spy bills. Hopefully, we will have much more time to have a look at those. And of course a raft of legislation which follows the minister for employment’s ideological bent has been reintroduced—the government members think they can bash us around the head in relation to our relationship with trade unions. As I have pointed out in this place before, they can try all they like to try to shame us but whenever they try to do that it only makes those of us who have trade union backgrounds more proud of our links with the trade union movement.

I suppose they are actually quite pleased that, not having a third term agenda, all these other issues have arisen which are keeping them busy, giving them something to talk about and giving them something to debate in the parliament. We have the ‘children overboard’ affair, which is now being called ‘a certain maritime incident’. They have to get up in the parliament and defend the reasons why they did not tell the Australian people the truth about the so-called ‘children overboard’ affair before the date of the election.

They have to talk about the reasons the Prime Minister appointed a religious man as the Governor-General and why he did not delve into the Governor-General’s background. We have ministers being forced to protect or defend ex-ministers in relation to appointments which they took up following their resignation from the parliament. Now we have casino Costello’s $5 billion and them trying to defend the reason the Treasurer was allowed to gamble $5 billion. It is going to be an interesting three years ahead. As I said, we will be working on policies so that we are able to offer the Australian electorate in 2004 an alternative, com-
Tuesday, 12 March 2002

Mr JULL (Fadden) (5.51 p.m.)—Firstly, I place on the record my congratulations to the Speaker on his re-election to his high position and also my congratulations to the Deputy Speaker on his elevation. As I enter my 10th parliament, I must say that I have heard some amazing speeches in my day, and the one we have just heard was one of those amazing speeches. I thought that perhaps I should sit down and let the blood pressure decline a little before I started making my comments this afternoon. We have been through a most decisive election. We have been through an election which has seen a major shift to the Liberal-National coalition, the winning of seats, and a major change in the nature of the voting patterns of the people of Australia.

While it is true that the sovereignty of our borders, our immigration policy, our policy towards illegal migration was very much at the forefront of this campaign, there are a number of other issues that I will allude to. A couple of things should be brought into perspective. The reality is that the Labor Party voted for our legislation, prior to the rising of the last parliament, to deal with this situation. The reality is that, when they knocked back that legislation the first time round, their public support declined by 30 per cent. When phase 2 came in, they voted for it. Now they want to disown it.

I am getting heartily sick of reading in the newspaper and listening to speeches, the likes of which we have just heard, where the 'children overboard' incident was the prime issue for the election result. What absolute drivel; what absolute rubbish! Members opposite come in here and talk about children overboard, but they do not talk about phase 2 of that particular boat, do they? They do not talk about the sabotage on board. They do not talk about the wrecking of the engines, the cutting of the fuel lines, the wrecking of the steering wheels and the pulling of the plates. The fact is that that particular ship sank, and women, children and everybody on that boat ended up in the water and had to be saved by the Royal Navy. We do not hear that.

It would appear that, if we take the Labor Party line, we just have to accept these people willy-nilly. Do we ever hear those figures that were put out by the minister and his department last year about the necessity for health checks? Do we hear about the cases of TB? Do we hear about the situation of cholera? I think I have read it once in the newspaper that these cases were reported. Obviously there has to be a reception centre. The fact that records go overboard makes it very difficult. It is not without significance that 62 per cent of those on board one of these boats that came into Australia illegally were Pakistanis: they were not refugees out of Afghanistan; they were not refugees out of Iraq. Once again, I think I have read that in the public press on just one occasion. I am getting heartily fed up with this.

I am also getting heartily fed up with some of the stuff that has been written about the Governor-General. I was interested to hear in the Prime Minister’s answers in question time today that there was one particular person with whom he was particularly disgusted, and that was the Premier of Queensland. I too would like to add my condemnation for the public comments in terms of what he has said about the Governor-General.

This was the same Premier who had a Labor MLA serving in the parliament when it was well known around the Brisbane community that charges were going to be laid, and this former MLA is now serving time in jail for child molestation which occurred when he was a school teacher in a state school. This man’s superannuation was signed off just days before his court appearance, but we do not hear about that. Nobody would support the concept of child molestation in any form. It is one of the most shocking, disgusting things in the world.

I say this in defence of the Governor-General: he has never been charged with this. When you hear some of the speeches and read some of the articles, it is almost as though he was a
child molester. Well, he is not. I think that we should bring some rationality into this whole debate. The difficulty in this matter is not so much with a particular person holding a particular position; it is with the position of our children and those who are victims of this molestation. I think we as a community have an awful lot to learn about how we are going to address this. There have been abject failures around the place. There have been failures in the law. I think we have all been guilty of not addressing this problem in the past. To see some of the absolute bilge that is dished up as Australian journalism at the moment would almost make you puke.

I mentioned earlier that, while the election campaign was very much about the migration issue and the asylum seekers coming to Australia, there were other real issues too which resulted in the victory of the present government in the November poll. I suppose it is partly because of my background, but I have always been a great believer in market research. During and following elections, we try to do as much market research as we can in my electorate, and we also do it mid term, to find out what community attitudes might be and what is going on.

In my electorate we had some remarkable results. It was quite interesting to find out what people were thinking about. Personal security is always the biggest issue, and personal security breaks down into a number of areas. The fact that we were looking at swings of 10 and 12 per cent in some of the new housing areas indicated one thing to me, and it was proven in this market research: the economic performance of Australia at the moment—the nature of our economic conditions as they impact on families—was a vital component. The fact that interest rates were low, that inflation was under control and that there was assistance for first home buyers were very much in the minds of people who in fact do look towards their own hip pockets, and this decided which way they were going to vote.

Allied to that, something else came through that I thought was quite interesting. Twenty years ago, it was generally thought in the community that 40 per cent would vote for the coalition parties, 40 per cent would vote for Labor and, if you were campaigning, it was the 20 per cent in the middle that you had to worry about. The reality is that that has virtually gone—and this is very evident among 18- to 45-year-olds. The concept that they will get stuck on to a particular political party seems to have gone. They are going to look more and more in the future at the economic performance and behaviour of governments. As I say, that was very much in evidence in this particular campaign.

The other thing that was terribly important was the fact that there has been a major shift in the voting intentions of 18- to 25-year-olds. An entrepreneurial spirit, a realisation that people can be rewarded for their hard work, is starting to come through there. I would imagine it would be very similar in other electorates around Australia, especially in electorates such as Hinkler, where this sense of entrepreneurial fervour is coming through. I have a good example of it in my electorate. My electorate is quite an interesting one. It is basically outer urban. There is some primary industry, and there is a very large retirement area as well. In fact, some 22,000 to 23,000 people in my electorate are over the age of 65.

We also have a very vibrant small business community. It is really interesting to go back over the last five years or so to see the emergence of some of these companies, the vitality they have and the effort they are making, particularly in the export area. I think one of the things that has really come home to me in recent times is the number of notices I am getting from the Minister for Trade—and I thank him for them—about the awarding of export market development grants for a diverse range of industries that exist in my particular electorate. This export fervour, as we say, is a very real thing.

It is quite interesting when you look at what is happening. Part of my electorate centres around Coomera—at the northern end of the Gold Coast—where the Gold Coast Council and the local economic development board were very much at the forefront in promoting the con-
Representatives
Tuesday, 12 March 2002
Main Committee

cept of building a marina and allied boat building industries. There are a number of major firms. I think Quintex and one other major company manufacture boats there. But there are about 56 small businesses also engaged in that activity. Employment in the two years or so that the marina has been open has grown to 1,000. We are at a stage now where there are some very real difficulties in making sure that we have enough qualified labour to take up those jobs. In fact, the federal government has funded a major study, with the Gold Coast ACC and the Gold Coast Council, so that the training places and infrastructure are there to ensure the supply of labour into that particular industry. Those particular companies are exporting to the most amazing places around the world. They are major suppliers to places like Miami in Florida. They are exporting to Italy, to Thailand and to Hong Kong. In fact, better than 80 per cent of the production of the two majors is for export.

Just over the river from there is Sanctuary Cove. Sanctuary Cove is known as an up-market resort and a very high-priced retirement area. But a small company there has gone into jewellery design. It is winning awards around the world and now has the most fantastic operation exporting jewellery. A little further up we find ourselves getting into the food chains and aquaculture, particularly in the Woongoolba-Jacobs Well area, which is being supervised by the CSIRO and the state primary industries department. This has seen a whole new industry emerge, principally for the export market, with multimillion dollar contracts being signed with Japanese restaurant chains and a daily flow of prawns to the tables of the restaurants of Japan.

We have seen innovative machinery being exported around the world. There is a small company that has designed a new kind of contact lens that is being exported worldwide with great success and great employment opportunities—and high-tech opportunities at that. There are more mundane things like a swimming pool lining manufacturer who now exports 80 per cent of his output to Germany. But one of the things that has really emerged as a major export earner in my particular electorate is education, in both a secondary and a tertiary sense. While I do not have Griffith University in my electorate, on my northern boundary I have the Nathan campus, on my western boundary I have the Logan campus and on the southern boundary I have the Gold Coast campus. We work very closely with them. The biggest problem, frankly, is that they do not have enough places, particularly on the Gold Coast campus. The Gold Coast members are doing a great deal of work to make sure that the proper allocation of places goes to the Gold Coast. The Gold Coast has a much bigger population than, say, Wollongong; yet I understand that the number of places available at the Gold Coast campus is much fewer than that being provided to Wollongong. We hope that over the next couple of years our efforts will see a great increase in the number of places there.

We have also seen some major innovations in our local schools. John Paul College, which has just been nominated as one of the top 10 schools in Australia, has made a major contribution to education export. We are seeing a greater internationalisation of our state high school systems. I think that, within a matter of days, there will be another major exchange between the Springwood State High School and their sister school in Germany. We are getting this internationalisation through the education system, which is then flowing into the local community and into business. I think that is part of the reason why there has been this tremendous lift in the local community and a tremendous lift in local companies and the export earnings they are making and, more importantly, the jobs they are providing.

I turn now to a statement in the Governor-General’s speech that related to the aviation review. During question time in the House today, the Deputy Prime Minister outlined some aspects of that particular review. Aviation in Australia has been through a most amazing period over the last four or five years and I think this review has been long overdue. We have had tinkering at the edges and we have had experiments that have been undertaken that have not always been terribly successful. But this is a major review and one that will make sure that we
have one of the most up-to-date and safest aviation systems in the world and that we do achieve world’s best practice in aviation. We have always prided ourselves on our standards of aviation safety in Australia, and I am sure that this review will make sure that that is maintained.

It also gives us some enormous opportunities. It was interesting to hear the Deputy Prime Minister today talk about the possible corporatisation of some of the operations of our aviation regulation industry, and I think that is pretty good. The privatisation of aviation is an area that has always fascinated me and is one that I have been advocating for almost as long as I have been in this House. One of the great things that I think has happened in recent years has been the privatisation of Australia’s airports. I do not think that anybody would deny that the standard of our airports is now second to none, and when you get Brisbane, Sydney and Melbourne being rated in the top 15 or 20 airports in the world there is obviously something that is being done quite right.

Airports are more than just places for planes to land and one of the interesting things that is happening at the moment is the development of the Brisbane airport by a local consortium with Schiphol, the Dutch airport company. Brisbane airport is now being turned into a major freight centre and the opportunity to be a major freight terminal and a major freight facility to service the South Pacific and South-East Asia is really starting to pay dividends. I think there are some enormous opportunities for airfreight out of Queensland and, with the advent of the Melbourne to Darwin railway via the port of Brisbane, the opportunities there are going to be very good indeed. I was also pleased to see recently that Brisbane airport was nominated as the top airport in Australia for last year.

The announcement today that there is to be an investment by the Corrigan company in Virgin Blue Airlines should also give some hope after what has been a fairly traumatic period over the last four or five months with the collapse of Ansett. I would hope that, as a result of that particular operation, we will now see a maintenance of the competition of a very strong, second force carrier—different in its nature from Qantas—that will obviously provide competition which will keep fares down and, importantly, provide jobs for Australians.

The Ansett situation has been a sad one, indeed. I do not want to repeat chapter and verse the speech I made at the time of the collapse, but I am afraid that the collapse of Ansett has been on the books for the last 20 years, particularly for the last 10 years. Unfortunately, the management—in its various guises—of that particular company, the staff and unions never saw it coming, but it was coming at 100 miles an hour like a steam train through a tunnel. While you have to have some sympathy for all those staff members who have lost their jobs, surely there is some hope for them now with the opportunities that are going to be made with a revamped Virgin Blue. Virgin Blue is a very competitive airline—an airline that is run by an entrepreneur who not only knows how to make a bit of money out of the game but also has the innovation that I think will provide some very interesting services for Australia.

While the concentration is going to be very much on those major operations and the reintroduction of a duopoly on those main routes, one of the things that I think we will have to be very careful of in the coming weeks and months is what happens to Australia’s regional services. I think that is one of the most critical things that is going to be on the agenda. While it was pleasing to see that Aeropelican, at least, was sold just last week—that is the service that Ansett used to provide between Sydney and Newcastle—the reality is that I believe there are some real difficulties with what might happen on those routes that are covered by people like Hazelton and Kendall Airlines, which were very much part of the Ansett stable. The government is going to face a real challenge as to how it will maintain some of those regional services. One can only read into some of these things, but I am wondering whether or not the Virgin organisation might be looking at another type of carrier that may be able to step into the
breach and provide reasonable airfares and reasonable services to those remote areas of Australia.

In conclusion, the Governor-General’s speech set out the situation very well. It gave us all great confidence. It did review some remarkable achievements that have been made by the government in the last five or six years, and it gave us some tremendous challenges for this coming term. But at the end of the day, the people of Australia do want stability, as that market research showed. They do want personal security, they want security for their families and they want the best facilities for their families. I believe that this government is on the right track to providing those facilities for them.

Mr Kelvín Thomson (Wills) (6.10 p.m.)—I am delighted to have the opportunity to speak again on the address-in-reply. This is the third occasion on which I have been elected to the national parliament as the federal member for Wills and I regard it as a great honour. The electorate of Wills is a particularly diverse and cosmopolitan electorate in Melbourne’s northern suburbs. It has about it some unique characteristics—it is essentially a manufacturing-oriented electorate, and it is well known for the diversity of its make-up. There are many people of different ethnic backgrounds—Italian, Greek, Arabic, Turkish and, indeed, in modern times, many people from Asia, Africa and Latin America as well. I thank them for the confidence that they have shown in re-electing me, and I hope to be able to do justice to that confidence during the life of this parliament.

I want to pay tribute in particular to the workers of the Australian Labor Party in the electorate of Wills for the work that they put in, particularly during election campaigns, to enable us to get such a strong election result as Labor gets in Wills. I also thank my campaign director, Mimi Tamburrino, who worked particularly hard during the last federal election campaign. Some of my staff members have made a great contribution through my years in parliament, helping out in a variety of ways. I mention Rob Wootton and some of my staff members who are moving to what may turn out to be greener pastures for them: Lindsay Knight, John Eren and Rebecca Jones, who have been working for me in different capacities. Robert Larocca, who has been doing duty as Mayor of Moreland and who has a particularly bright political future, is coming back to join my staff shortly. I also have a new adviser in the environment area by the name of Gavan O’Neill. All of those people worked particularly hard.

I also get great support from volunteers—from people such as Robin Spencer and Bruce Riseley, who get those sign boards up; and Debbie and Helen Lewis, to whom we basically subcontract the whole of our Essendon and Moonee Ponds campaign operation. They and their assistants do this campaigning task with great professionalism. I also thank Angelo Koutouleas, who spreads the good word around the Greek community in Brunswick and does terrific work. Many other people were involved in postal vote assistance, letterboxing and polling booths—all of that essential work of an election campaign. I certainly appreciate what they do for me, and the support that they provide during good times and bad.

Since the federal election, I have been given the position of Labor shadow minister for environment and heritage, and I am very pleased to have that position. I have been interested in environmental issues, really, since I was a kid, and it was environmental issues that got me interested in politics in the first place, so I am delighted to have this portfolio. It has given me the opportunity to endeavour to come to terms with environmental issues around this great nation and, in particular, the way in which the Howard government is carrying out the task of protecting our environment and heritage. I have got to say that, although we are only a few months into this government’s term, I am very disappointed about the way in which the government is handling environment and heritage issues. I want to speak about these issues in some detail and provide the House with a bit of a snapshot, or overview, of how some of the more substantial environmental issues are being managed by this government.
The area that we should start with in an overview of these things is the Natural Heritage Trust. It was launched with great fanfare. Indeed, the proceeds of the part sale of one of our major national assets, Telstra, were put into the Natural Heritage Trust, and we were all given to understand that this would do wonderful things to protect and repair our environment. First, Liberal and National Party electorates have been getting the vast majority of Natural Heritage Trust funding. In Victoria they have been getting more than four out of every five dollars. Of the $21.4 million spent in Victoria for projects wholly contained within a single electorate, $17.7 million—83 per cent—was spent in Liberal or National Party seats. The Auditor-General has been highly critical of the way in which National Heritage Trust grants were handed out. I note that Tim Fischer owned up to the importance of pork-barrelling in the Howard government’s narrow 1998 election win. The Natural Heritage Trust, regrettably, was part of that. There was a similar situation across the nation, where of $94 million allocated for projects contained within one single electorate, 74.6 per cent was spent in Liberal or National Party seats and less than 25 per cent was spent in Labor electorates. In South Australia, 95 per cent of the allocation went to Liberal seats; in Western Australia, almost 93 per cent went to Liberal seats; in New South Wales, 87 per cent went to coalition seats; and in Queensland, over 87 per cent went to coalition seats.

The bias in Natural Heritage Trust funding for coalition seats is only one of a number of weaknesses in the program. Natural Heritage Trust funding has come at the expense of poor funding for the environment department, which has been cut significantly since 1995-96. Secondly, it is an ad hoc program which would have yielded much better results had the money been used to get proper land clearing controls in place. For example, for every hectare of trees planted through the trust we find that 100 hectares are being cleared due to a lack of national legislation controlling land clearing. Thirdly, the government’s own mid-term reviews of the trust have been highly critical of its performance. The Bushcare review said that Bushcare projects are ‘mostly ineffective’. The dryland salinity review said:

Many of the on-ground actions are not strategically appropriate and those that are still do not have the scale to make much difference.

The inland waters mid-term review said it did ‘not believe that these activities are either resulting in environmental outcomes on the scale necessary or generating the systematic reforms necessary to achieve the conservation, sustainable use or repair of Australia’s natural environment’. We now have a hiatus between Natural Heritage Trust I, which was funded by the part sale of Telstra and is essentially coming to a close, and Natural Heritage Trust II. This is leading to people like Landcare coordinators and facilitators, who cannot get any indication of their future job prospects, starting to look for work elsewhere. There are delays in making application forms available. As a result, many good projects are simply not being continued, and there are some serious problems as a result of that.

The Victory, a book which chronicles John Howard’s federal election win, makes it clear that the Natural Heritage Trust was conceived as a device to make the part sale of Telstra more politically acceptable, rather than as a plan to protect the environment. The Howard government’s failure to come clean about its intentions for the Natural Heritage Trust in future—and we are getting this hiatus—again exposes its lack of sincerity on environmental issues. It has been demanding that the states engage in dollar for dollar matching funding. In fact the states have been providing in-kind support through Natural Heritage Trust I. They have been prepared to provide dollar for dollar matching funding for the National Action Plan on Salinity and Water Quality, but the Commonwealth is simply allowing this thing to drag on and it clearly has no genuine commitment to its continuation.

But the Commonwealth’s record on environmental issues goes beyond its failures in relation to the Natural Heritage Trust. It goes to such serious issues as logging in rainforest areas, oil spills which have impacted on penguins off Phillip Island, the way it has handled the Bev-
erley uranium mine leak earlier this year in South Australia, and evidence of leaks at the Ranger uranium mine—a whole series of environmental issues where its response simply has not been up to scratch. So, for example, when there was a prosecution for logging in the Wet Tropics World Heritage area, we had the member for Leichhardt, the Parliamentary Secretary to the Minister for Industry, Tourism and Resources, Warren Entsch, calling for the resumption of logging in the World Heritage area. He was quoted as saying:

It could be a long-term sustainable benefit for the area and certainly have no impact at all on the forest.

The Prime Minister refused to discipline or rebuke him in any way for these comments, so all we can gather from this is that the federal government is not averse to logging in World Heritage areas. I regard this as both environmentally and economically foolish in the extreme, given the value of nature based recreation and tourism to the Wet Tropics World Heritage area. I also suggest that it shows a parliamentary secretary who is soft on crime, because when the person was prosecuted for logging in the rainforest area, his response was, ‘Well, the law should be changed.’ I do not think that is an appropriate sort of—

Ms Plibersek—That is crazy.

Mr KELVIN THOMSON—It is not the sort of thing you expect from the conservative side, but that was his response. We also had an inadequate response from the government following a quite serious oil spill off Phillip Island which contaminated hundreds of penguins. We discovered that there is a serious problem with different penalties applying, depending on whether the spill occurred in state or Commonwealth jurisdictions. We have had the problem of oil spills for some years now. Back in 1999, there were three oil spills in quick succession, including an 80,000-litre spill in Sydney Harbour. We need a review of the Commonwealth and state penalties for oil pollution. At present, Commonwealth legislation contains only fines—there is no provision for a jail term. It is my view that the Commonwealth needs to visit these issues and that Phillip Island’s penguins are entitled to a bit of border protection themselves.

We had a similarly inadequate response to the Beverley uranium mine spill. The then acting environment minister, Senator Vanstone, said, ‘This is a matter for the states.’ The truth is that it is the Commonwealth which provides for uranium mining exports. It can set the conditions, it can review the conditions, and it can change the conditions, so it is simply not good enough, with issues as serious as uranium mine spills, for the Commonwealth to say, ‘This is a matter for the states.’ Indeed, the previous South Australian state Liberal government were the ‘Beverley Hillbillies’ with regard to the Beverley uranium mine. They had received advice of over 20 spills when former Premier Kerin was the relevant minister, yet none of that information was being made public. So it was a completely hillbilly way of dealing with what is a very serious matter, uranium mining, which requires the highest possible standards of safety and transparency and which cannot afford that kind of inadequate administration. Yet we had the federal government saying, ‘Look, it is not our problem.’

Even worse, the federal government have been telling people in South Australia now—post the state election, let me say, rather than during the state election—that they are prepared to override state legislation to force South Australians to accept a nuclear waste dump, to accept radiation storage facilities in their state. When asked about the incoming South Australian Labor government’s opposition to radiation storage facilities in South Australia, Minister Peter McGauran told a radio interviewer:

... in the end, the Commonwealth’s legislation will override State legislation.

The reporter then asked:

... so you would force it on South Australia?
To which Minister McGauran answered yes. This displays utter contempt by the Howard government for the views of South Australians who strongly oppose a nuclear waste dump in their state, and said so at the last state election. They were quiet about this during the state election campaign. We now find that they intended all along to force South Australia to have the dump.

I also note that it is remarkable that the Minister for Science can show such a cavalier approach to local concerns. In his own electorate of Gippsland, the Basslink proposal includes powerlines running across a number of farming properties. Minister McGauran has been adamant that these farmers should not have to put up with unsightly powerlines and that they must be put underground but, when it comes to South Australia, in the Year of the Outback, he says that the outback in South Australia can have the nuclear waste dump. Even as recently as yesterday, a spokesman for Mr McGauran, the Minister for Science, pointed to the prospect that they could use the Commonwealth Lands Acquisition Act 1989 to obtain the South Australian site and that they would acquire the land prior to the start of operations of the repository if it were chosen as the final site. I think that is simply scandalous and that the federal government and Science Minister McGauran, need to have regard to the views of South Australians in this matter, which have been made abundantly clear during the course of the last state election.

I also note the government’s inadequate handling of regulatory issues concerning the uranium mine in the Northern Territory—the Ranger uranium mine near Kakadu. We had revelations last week that inadequate stockpiling of low grade ore is believed to have caused contamination of Corridor Creek, which is within the mine operator’s lease but it connects to the Magela River system used by Aborigines. The mine operator, ERA, in the event of such a breach, is required to notify all the stakeholders, including the Mirrar people, immediately after those sorts of breaches. ERA, however, delayed informing the stakeholders. I understand that this is the fourth breach of regulations by Ranger since January. This issue of late reporting of breaches is very troubling to the indigenous people there.

The federal government has been happy to grant export licences to uranium mining companies but takes no action to ensure that they observe the highest possible standards of environmental protection, transparency and accountability. Once again, the Minister for the Environment and Heritage Dr Kemp, needs to intervene in the regulatory arrangements surrounding the operation of uranium mines. We should not have to wait for some really major debacle before the federal government is prepared to take proper action to ensure that appropriate standards are observed.

I also want to express concern about the federal government’s response to climate change issues. US President George Bush announced his own climate change position on 15 February. In my book, the Bush administration’s proposals do not represent an adequate response to climate change. Their intention to tie emissions growth to GDP does not acknowledge the seriousness of the problem and the imperative to act quickly and decisively. Indeed, tying emissions growth to GDP is a licence for greenhouse gas emissions to increase, not decrease. If different countries simply go and do their own thing, the concerted international action needed to reduce greenhouse gas emissions simply will not happen.

I think the right track for Australia to follow is the lead of the European Union, Japan, New Zealand and Canada, as well as the 80 per cent of Australians who supported ratification of the Kyoto protocol in a recent national Newspoll survey on this issue. Indeed, I believe its failure to address climate change rather than tackle climate change will cost jobs as Australia gets left behind the international community’s move to sustainable energy technologies. Instead of expressing a bit of criticism of George Bush and the US position, Prime Minister
Howard said that the latest US position is on the right track, and Dr Kemp could not get on the plane fast enough to get to the US to conclude a partnership agreement.

In relation to the Kyoto protocol, I think this leaves us in a downright odd position, because the Howard government was saying all along: ‘We are going to do everything we can to meet our Kyoto targets. We are going to do the right thing. We are serious about tackling greenhouse gas emissions and greenhouse gas abatement,’ but in the next breath they say, ‘But we are not interested in getting the Kyoto protocol into force.’ That is the instrument by which we can require many other countries to do the right thing, so it seems to me to be strange that on a clearly global issue, like climate change, we say, ‘We are going to do the right thing, but we don’t care about whether other countries do the right thing.’ It is a very strange position indeed that the federal government is adopting in this matter. I also note that the federal government has been in the process of cutting the funding for the Australian Greenhouse Office, so you do have to ask yourself how serious the government is about collective action and action here towards solving a pressing global problem.

Time prevents me from getting into some of the other issues—the question of oil drilling and exploration in the Townsville Trough, just 50 metres from the Great Barrier Reef Marine Park world heritage area, and salinity and water quality—but I do hope in time to come that I will have opportunities to address those issues in some detail.

Debate (on motion by Ms Worth) adjourned.

BUSINESS
Rearrangement

Mr NEVILLE (Hinkler) (6.31 p.m.)—I move:
That orders of the day Nos 2 to 4, government business, be postponed until the next sitting.
Question agreed to.

CHRISTMAS 2001 BUSHFIRES

Debate resumed from 20 February, on motion by Mr Howard:
That this House:
(1) extends its sympathies to those Australians who suffered personal losses during the Christmas 2001 bushfires that raged across New South Wales;
(2) acknowledges the tireless commitment of the thousands of individuals from rural and metropolitan fire brigades, emergency and rescue services, ambulance services, the defence force, police, welfare groups, government agencies, councils and businesses from across the country who were involved in fighting these fires;
(3) expresses its enduring gratitude and admiration to these Australians, many of whom were volunteers, for their efforts and sacrifices and in particular acknowledges the bravery of those who risked their lives in fighting the fires; and
(4) recognises that the way that the community heroically pulled together in a time of crisis truly demonstrates the strength of the Australian spirit.

Mr NEVILLE (Hinkler) (6.31 p.m.)—I move:
That further proceedings be conducted in the House.
Question agreed to.

Main Committee adjourned at 6.32 p.m.
QUESTIONs ON nOTiCE

The following answers to questions were circulated:

Foreign Affairs: Aid Package to Nauru
(Question No. 141)

Mr Danby asked the Minister representing the Minister for Health and Ageing, upon notice, on 14 February 2002:

(1) What was the dollar amount of aid described as medical aid given as part of the overall aid package to Nauru.

(2) Have Medicare bills been cancelled in order to provide this package to Nauru; if so, which bills.

(3) Were the medical bills of the Nauru Government, including President Rene Harris and his officials, covered by the package.

Mr Downer—As overseas aid falls within my portfolio, the Minister for Health and Ageing has referred the honorable member’s question to me, and provided an answer to part (2) of the question:

(1) Australian development assistance in Nauru’s health sector includes a range of essential and urgently needed support to meet the health needs of the citizens of Nauru. Under the First Administrative Arrangement with Nauru, $1.02 million has been paid towards outstanding hospital accounts for treatment in Australia. Under the Memorandum of Understanding a further $1 million has been allocated to the payment of hospital accounts; and $3.5 million has been allocated for essential medical equipment and supplies, a program of medical specialist visits, health sector scholarships and skill upgrading, funding of allied health staff for handicapped children, partial funding of medical officers, and development of telemedicine facilities.

(2) Citizens of Nauru are not entitled to claim Medicare rebates in Australia. The Health Insurance Commission has made no special provisions or exceptions to allow a citizen of Nauru to be covered by Medicare, nor made any ex-gratia payments to a citizen of Nauru as reimbursement for medical expenses - no bills were cancelled.

(3) Under the First Administrative Arrangement and the Memorandum of Understanding Australia has agreed to provide assistance to the Government of Nauru through the payment of hospital accounts generated by the delivery of health services to the citizens of Nauru. It is Government of Nauru practice that all citizens of Nauru are eligible for treatment in Australia if treatment is unable to be supplied in Nauru, and that the Government of Nauru will pay for this treatment.