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Tuesday, 19 March 2002

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

MINISTERIAL ARRANGEMENTS

Mr ANDERSON (Gwydir—Acting Prime Minister) (2.01 p.m.)—I inform the House that the Prime Minister will be absent from Australia and from the House today and for the remainder of the week. As the current chairman in office of the Commonwealth, the Prime Minister is en route to London for a meeting of the troika of leaders mandated by the Coolum CHOGM to resolve the Zimbabwe issue. The Prime Minister will also meet other Commonwealth leaders whilst in London. Should there be any, Mr Speaker, I will take questions normally addressed to the Prime Minister.

QUESTIONS WITHOUT NOTICE

Privilege: Senator Heffernan

Mr CREAN (2.01 p.m.)—My question is to the Treasurer, acting leader of the Liberal Party and Minister representing the Minister for Finance and Administration, and I refer to Senator Heffernan’s disclosure last week that Comcar records had been refused to him under freedom of information. Can the Treasurer inform the House of any freedom of information requests made for Comcar records relating to Mr Justice Michael Kirby? What was the result of these requests?

Mr COSTELLO—I thank the Leader of the Opposition for his question. I can indicate that I have no first-hand or direct knowledge of freedom of information requests in relation to Comcar records. I obviously have seen it in the press that Senator Heffernan had made an application in relation to Comcar records. I am only going on press reports which may or may not be accurate, and from what was said in the press he made an application which was treated in accordance with the rules, as I would expect Comcar to do and I would expect those concerned to do, in accordance with the freedom of information legislation.

Waterfront Reform: Productivity

Mr TOLLNER (2.03 p.m.)—My question is addressed to the Acting Prime Minister and Minister for Transport and Regional Services. Would the Acting Prime Minister inform the House of the current status of the reform of the nation’s waterfront? Would the Acting Prime Minister quantify improvements made in Australia’s operational capacity on the waterfront and how this compares with productivity rates in the past?

Mr ANDERSON—I thank the honourable member for his question. It is a very important issue; it goes to the efficiency of our export transport facilitation in this country, and that is very important for Australian jobs. Mr Speaker, the Labor Party, of course, would have had you believe that they had cleaned up the waterfront. The union movement not only would have had you believe but actually were very fond of telling us that you could not improve waterfront efficiency in Australia—that it was impossible in Australia to reach the targets set by the government of an average number of container movements across the nation of 25 containers per hour. For the fifth successive quarter, the government’s benchmark of 25 containers per hour has been consistently achieved. When we came to power, the average crane rate movement was 16.9 containers an hour. In December of 2000, that rose to 25½. In March 2001, we had 26.4 containers an hour; 26.8 containers per hour in the June quarter of last year; 25.8 containers per hour in the September quarter last year; and 26.3 containers per hour in December 2001.

We consistently showed strength and leadership on this issue, and we did so in the national interest. This is in stark contrast to the ALP’s lack of leadership on issues relating to the waterfront specifically but more generally to the role of the trade union movement in the Australian economy. If we look at the current Leader of the Opposition, one of three ex-ACTU heads in this place, we find a consistent inability to show any direction at all on matters pertaining to industrial relations. Last week, for example, we had air services staff out on strike. The Leader of the Opposition remained silent while the shadow spokesman for transport made it plain that he fully supported the workers’ right to strike, despite the fact that the Australian Industrial Relations Commis-
sion had made it quite plain that that strike was superfluous and that the parties ought to immediately start negotiating again. Indeed, if the union movement constitutes the holding company for the ACTU, the shareholders are plainly restless. They are looking for a return on their investment and they are looking to the board and the director in particular to take some decisions—any decisions—to take some policy courage and to define where it is that they are going, but they cannot get what they need. Consequently they are withdrawing their investment—they are walking away.

I can only conclude by saying that the question has to be asked: what would it say about leadership in this country if the waterfront were still being run by the ACTU and by the union movement and the Labor Party, and we had container movements stuck at under 17 movements per hour on average across the country? This has been an example of strong leadership by the government, delivering for the Australian people, and in particular for the export sector. It is about time that the union movement got a bit of return on their investment and some direction from the Labor Party.

**Privilege: Senator Heffernan**

Mr CREAN (2.07 p.m.)—My question is again to the Treasurer, the acting Leader of the Liberal Party and the minister representing the Minister for Finance and Administration. I again refer to Senator Heffernan’s disclosure last week that Comcar records had been refused to him under freedom of information. Can the Treasurer confirm that his former principal adviser, Dr Peter Boxall, was approached by Senator Heffernan after his FOI request for Comcar records was rejected? What action did Dr Boxall take?

Mr COSTELLO—Last week, Senator Heffernan made certain allegations against Justice Kirby—a justice of the High Court—in the Senate. He relied, in making those allegations, on what he believed to be a record of Comcar pick-ups and deliveries. He has come to the conclusion that that record was a fabrication. Accordingly, the Prime Minister has dismissed Senator Heffernan as his parliamentary secretary and in addition to that the Prime Minister has asked Senator Heffernan to give an unqualified apology to the judge. I think people on both sides of the House would think that is the right thing to do. The Prime Minister has asked Senator Heffernan to give an unqualified apology and I think people on both sides of this House would consider that the appropriate thing to do.

The Senate began sitting, as I understand it, at 2 o’clock—at about the same time as the House began sitting—and so as yet Senator Heffernan has not given such an unreserved apology. But it is my belief that he will be doing so. It is certainly my expectation that he owes to the judge such an unqualified apology and that he should withdraw those allegations in light of the fact that he himself has now concluded that the evidence on which he relied was fabricated.

I think the appropriate thing in the circumstances is for that apology to be given and for those on both sides of the House to assess it. I hope in the circumstances that the judge will accept it. I know that with these sorts of things it is always going to be very difficult to right the wrong which has been done to the judge in respect of those allegations. But the first and the most important thing in an effort to right the wrongs in relation to those allegations is that a full apology—an unreserved apology—be given.

Coming to the question as to what the secretary of the finance department did or did not do, I have no reason to believe that the secretary of the finance department would have acted otherwise than in accordance with his statutory responsibilities. The important thing here is that this record did not appear as a result of a freedom of information request because, as those of us who have read the press know—and this is what you are going on—that request was denied. Whatever the source of that particular record, it is false. Senator Heffernan accepts that it is false and accordingly he is giving an unqualified apology, which is the right thing to do in the circumstances. It would be better if the allegations had not been made; let us make that clear. But the right thing to do in the circumstances is to give an unqualified apology and I certainly expect that Senator Heffernan will do that.
Economy: Business Investment

Mr NEVILLE (2.12 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of recent measures of business investment? What are the policy settings that have led to improvements in business confidence? Is the Treasurer aware of any alternative policy approaches?

Mr COSTELLO—I thank the honourable member for Hinkler for his question. I can inform him that the final statement of private new capital expenditure was released today and it confirmed what we had seen in the preliminary figures: that business investment intentions in Australia are very strong. That is good news, because it means that business is feeling confident and, because it is investing, that means that over time businesses will grow and more people will be in work. And we had some good unemployment figures last week.

The results of the survey show that new capital expenditure increased 8.3 per cent in the December quarter and 3.9 per cent over the year to December. But perhaps even more significant were the survey intentions for 2002-03, which were for an estimated expenditure in the forthcoming financial year which was 21.2 per cent above the estimate for the financial year which we are currently in—an expectation of a 21.2 per cent increase in relation to capital expenditure over the course of the year.

In the midst of a world downturn, what could be giving great heart and confidence to Australian business? Consumer spending is strong, and that is good for business. Interest rates are low, and that is good for families. In addition to that, the new tax system put more money in people’s pockets by cutting their income taxes. The other thing that has contributed in relation to business investment is that now under the new tax system there are no embedded costs in any plant and machinery which is purchased by business. They get the full rebate of GST of all embedded costs back when they buy plant and equipment. So the new tax system has been good for consumers and it has been good for business. Notwithstanding all of the prognostications from the Labor Party, who gleefully predicted that the new tax system would lead to recession or worse, the Australian economy in 2001 shrugged off a world downturn, grew and became the strongest growing of the major industrialised economies in the world.

Are there any alternative policies? We took great amusement in seeing the Leader of the Opposition say he is going to review all Labor policies. That is funny. You would have to look carefully to find something to review! We were not aware that there were any Labor Party policies. You have to get out the biggest microscope the world has seen to review a Labor policy! You would probably have to have a finder’s fee before you could actually engage in reviewing an Australian Labor Party policy. There has been a very interesting discussion—and, I think, quite a good discussion—from some of the people that are now resigning from the Australian Labor Party in disaffection at its leadership and its lack of values. Leigh Hubbard wrote in the Age newspaper today. He noted:

In the 2001 federal election the ALP recorded its lowest primary vote in 70 years. The party simply doesn’t attract or inspire the activists who would have once seen it as the first step in their political lives. For the ALP there is a crisis of core values, of knowing what it stands for ...

I think Leigh Hubbard was right—there is a crisis in the ALP of not knowing what it stands for. How can we possibly know what your policies are when you yourselves do not know what your policies are? This is a party which for six years has been in opposition and is yet to come up with a single policy after six years. Now it has announced that the two great policies that it mentioned in the last parliament—roll-back and ‘noodle nation’—are both under review. They are both under review because the Labor Party stands for nothing, belief in nothing, has no position on anything and does not offer anything at all to the Australian people.

Privilege: Senator Heffernan

Mr CREAN (2.17 p.m.)—My question again is to the Treasurer and the Minister representing the Minister for Finance and Administration. Can the Treasurer, now that he has admitted the document was a fabrication, tell the House the source of the false Comcar record published in the newspaper in recent days? What investigations have been
put in place to discover the source of this document? Treasurer, given that it took the Labor Party just 24 hours to expose Senator Heffernan’s Comcar record as a fake, will you agree to the results of any investigation being reported back to the House before it rises on Thursday?

Mr COSTELLO—As I said quite plainly in answer to the last question, Senator Heffernan accepts that that is a false document and a fabrication and the Prime Minister, after being informed to the same effect, took what I consider to be the sensible and the right action: he dismissed Senator Heffernan as a parliamentary secretary and he required Senator Heffernan to give an unqualified apology. As to the source of that, that will be a matter for investigation by the Minister for Justice and Customs. The minister for justice no doubt will ensure that that is investigated in accordance with law. I will give no such undertaking to report back to the House on Thursday, because the minister for justice will be doing this in accordance with his obligations—not to the convenience of the Labor Party’s political timetable.

Workplace Relations: Government Policy

Mr BILLSON (2.18 p.m.)—My question is to the Minister for Employment and Workplace Relations. Minister, could you inform the House what action the government is taking to improve the lives of Australian workers and their families? Minister, what alternative policies exist in this area?

Mr ABBOTT—While members opposite engage in trivial muckraking, this government is getting on with doing the right thing by the people of Australia. I am pleased to say that this government has delivered freedom, fairness and prosperity to the good working people of this country. No fewer than 950,000 new jobs have come into existence under this government; employment is at an all-time high; participation is at new record levels; and the job seekers of Australia can look for work with new hope and confidence. Thanks to the policies of this government, basic award earnings are up by five per cent in real terms since 1996, after actually falling by five per cent between 1983 and 1996. This government has delivered the quadrella to the working people of Australia: more jobs, higher pay, lower taxes and fewer strikes. That is the kind of result that the working people of Australia deserve, and we can do this because we know where we stand and we are led by someone who has vision and is not just a mere fixer.

The problem with members opposite is that they do not know where they stand. The problem is that Labor people do not know where Labor people stand. The secretary of the Victorian Trades Hall Council has said that a lot of people are re-evaluating membership—that is to say membership of the Labor Party—simply because people have started to say, ‘Well, what does the Labor Party stand for?’ The leader of the most powerful union in the country has said, ‘Working people are looking for a party that boldly and unashamedly speaks for them.’ Then he said, ‘The Labor Party is not that party currently.’ Then no lesser person than the member for Melbourne said, ‘The central issue is not merely our policies; it is us.’ That is what the member for Melbourne said about the Labor Party.

At a time when the Australian Labor Party is facing possibly its gravest crisis in nearly 50 years, for the last four weeks all the Leader of the Opposition can do is come into this House and waste the parliament’s time and keep endlessly reiterating some version of when did you know, what did you know and when did you know it? The good, decent people of this country know that it is not good enough; they are already looking at the colleagues of the Leader of the Opposition, people like the member for Jagajaga and the member for Werriwa. They are already looking at them, and they see that the Leader of the Opposition is wanting in comparison. If he does not lift his game, he will not keep his job.

Mr McMullan—Did you actually rehearse that, Tony? The original must have been a shocker!

The SPEAKER—The member for Fraser is successfully denying the Leader of the Opposition the call. The Leader of the Opposition.

Privilege: Senator Heffernan

Mr CREAN (2.23 p.m.)—Thank you, Mr Speaker. My question is to the Minister for
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Employment and Workplace Relations, the Minister representing the Special Minister of State. Can the minister inform the House when the Special Minister of State or his officials, including Comcar, were first shown a copy or original of the supposed Comcar records that Senator Heffernan has forwarded to the New South Wales Police? Minister, what steps did the minister and his officials take to establish the authenticity of these documents and what did they conclude?

Mr ABBOTT—My understanding is that Senator Heffernan has previously referred Comcar matters to the Special Minister of State. These matters have been investigated and my understanding is that no grounds for believing inappropriate use of Comcar have been established.

Trade: Steel Industry

Mrs GASH (2.24 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of the progress made at today’s steel industry summit? Minister, how will the government protect the livelihood of Australian steel industry workers and their families and what obstacles exist to maintaining or increasing market access to Australia’s competitively priced steel products?

Mr VAILE—I thank the honourable member for Gilmore for her question and I know that the member has taken a great deal of interest in and worked with the government on this whole issue of tariffs on Australian steel that have been applied by the US administration. I inform the House that, following on from the work that the government and industry have been doing in terms of achieving an outcome that will see 85 per cent of Australia’s exports enter the US market without the burden of tariffs, we undertook to conduct a meeting at the earliest opportunity to address the issues that have been raised with the key players involved in the steel industry. Along with my colleagues, the Minister for Industry, Tourism and Resources and the Minister for Justice and Customs, in attendance at the meeting this morning we had representatives from industry—from the exporters BHP, OneSteel and Smorgon, the Australian industry group—and, interestingly, we also had a very constructive contribution from the trade union movement across Australia—we had representatives from the ACTU, the AMWU and the AWU, which was obviously a colourful discussion at times.

All acknowledged the very good outcome that the government has achieved so far in the security of 85 per cent of our exports to the United States, because that goes a long way to securing the jobs of Australians working in the steel industry. The steel summit, that was conducted this morning, recommended that government should establish a ministerial task force with a monitoring group within that task force to review the capacity of Australia’s antidumping laws, to defend local businesses from subsidised steel imports and to ensure that displaced product—as a result of this decision in the United States that is going to be moving around the global marketplace—does not affect the Australian industry unnecessarily in the domestic marketplace.

We agreed that we should continue to work constructively together with the parties involved in this, led by the government and this ministerial task force, to review and to continue to monitor what possible challenges are going to confront the industry in the short term and in the longer term over the next three years whilst this is being implemented. Of course, there was an agreement that we should completely reserve our rights as far as our WTO options are concerned on the remaining 15 per cent. Our government has acted very quickly in that regard. The first measure under the safeguards action that we have been able to implement is that by the end of this week we will have consultations with our American counterparts on the remaining exports that are going to be impacted upon by this decision.

So it is quite clear that the government has taken a lead role and has acted very quickly and very successfully. In an answer to a question asked last week, we compared this with the ability of the Labor Party to deal with a similar circumstance with Australia’s wheat industry when an export enhancement program was implemented when they were in government. What they were unable to do
as far as the Australian wheat industry is concerned we have been able to achieve for the Australian steel industry. We want to continue to work beyond what we have achieved so far, to achieve more and to ensure that we come out at the other end of this process with a stronger steel industry and with all of those steel jobs that exist today intact. There was agreement amongst all of those people—government, industry and unions—to work to that common goal.

Of course there are issues on which we disagree with some of the industry members and some of the union members with regard to our trade policy and our trade agenda. But it was interesting to note the contribution of the Labor Party on policy and on this whole steel issue, which has been going on without any involvement from the Labor Party over the last six months. It was a stunt by members of the Labor Party to arrive unannounced and uninvited at the meeting this morning, with television cameras following closely behind. It was a bit reminiscent of that infamous exercise a few years ago—

Dr Emerson interjecting—

The SPEAKER—The member for Rankin!

Mr VAIL—when we had people breaking down the front doors of this building or when the unions broke into Skilled Engineering in Victoria and did $100,000 worth of damage.

Dr Emerson interjecting—

The SPEAKER—The member for Rankin defies the chair!

Mr VAIL—Our government is interested in positive outcomes for this industry and for the workers whose jobs and livelihoods rely on our exports and on this industry. We are focused on positive outcomes, not just cheap political stunts.

DISTINGUISHED VISITORS

The SPEAKER—On behalf of all members of the House, I extend a welcome to the Hon. Rob Kerin, former Premier of South Australia, who is in the gallery this afternoon.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Privilege: Senator Heffernan

Mr CREAN (2.30 p.m.)—My question is to the Minister for Employment and Workplace Relations and Minister representing the Special Minister of State. Minister, given that you have just admitted that Comcar have examined Senator Heffernan’s claims and have found them to have no substance, when was the government first told of this, and who was told?

Mr ABBOTT—I have not admitted that the Special Minister of State examined the claim that Senator Heffernan has subsequently made to the New South Wales Police—I have not admitted that at all. Information was previously provided to the Special Minister of State—it was looked at, and my understanding is that it revealed no evidence of impropriety in the use of Comcars.

Education: New Schools

Mr CIOBO (2.31 p.m.)—My question is to the Minister for Education, Science and Training. Would the minister update the House on action the government is taking to ensure that new schools are supported in their establishment years? Is the minister aware of other policies in this area?

Dr NELSON—I thank the member for Moncrieff for his question. In particular, I appreciate the sound choice of the people of Moncrieff in sending a member to Canberra who is prepared to stand up and fight for the rights of parents to be able to choose the kind of schooling that they think is best to meet the educational aspirations that they have for their children.

I am asked about alternative policies. In fact, it is reassuring that the member for Moncrieff has asked me the question because I was not expecting to get one from the member for Jagajaga. This would not surprise honourable members, because when you go to the web site it says:

Welcome to Jennymacklin.net. This website is currently under construction … a CFMEU project, I suspect! I am sorry to report that the 58 non-government schools are still waiting for the money that is owed to them because the Australian Labor Party cannot decide whether or not it wants to pass
this legislation. In the meantime, there are 4,900 children, their families and the communities in which these schools are based—more than two-thirds of them in some of the poorest parts of Australia—who are still waiting for their money, and they have been waiting for a whole year. The Labor Party has declined to pass this legislation now on two occasions.

Senator Kim Carr is supposedly the opposition education spokesman in the Senate, and he is also the shadow spokesman for science. His approach to this, I must say, is puzzling to say the least. I offered Senator Carr a briefing from my department. I said to my department, ‘Senator Carr will want to bring the social justice truck down to the department. I want you to do everything you possibly can to give him all of the information that he needs that will enable the Labor Party in the Senate to pass this legislation.’ Instead, he said, ‘Oh, no, I just want to go into the Senate and debate the bill.’ So it is an interesting situation where you have someone who purports to speak for the Labor Party in the area of science and who does not even want to know the facts. ‘Don’t confuse me with the facts,’ he says.

I think there are some facts that need to be heard. These schools and their families deserve to hear some of the facts. I know that Ben from Bentleigh, in the office of the Leader of the Opposition, is waiting to get some facts. The member for Blaxland, for example, might be interested to know that the Holy Saviour School—and I think they are praying for Ben to get his act together and get the Leader of the Opposition to support this—and 75 families are waiting for over $30,000. I do not know what you are telling them. I would also like to know what Senator Ludwig in the Senate thinks about the 13 schools in Queensland that are owed more than $421,000, including St Andrews Catholic College in the electorate of Leichhardt. The St Andrews Catholic College is owed $21,750—for 81 children and their struggling families.

Again, the member for Fisher rang me at the weekend and spoke to me at length about the problem that the Pacific Lutheran College have got. They have had to forgo a staff member because they cannot get $50,000, which is denied to this school by the Labor Party. The Parklands Christian College in the electorate of Moreton, in Park Ridge, is owed nearly $15,000. The only reason this school is operating is that it has had to borrow money from another Christian school. Eleven schools in New South Wales, $23,000 denied because of the Australian Labor Party; 11 schools in Victoria, $163,000 denied; 13 in Western Australia—including 25 families at the Nyikina Mangala Aboriginal Community School in Derby—owed more than $481,000; and six schools in South Australia owed more than $232,000.

The Secretary of the Victorian Trades Hall Council, Leigh Hubbard, has today given some advice to the Leader of the Opposition. He says:

Simon Crean keeps talking about modernising the party and its relationship with the unions, but what does this really mean? Surely, many of the disaffected actually want to see the party become relevant rather than modern.

Senator Carr and the Labor Party in the Senate need to understand that you can be both modern and relevant. For example, Bill Daniels, the Executive Director of the National Council of Independent Schools Association—on behalf of all families, I am sure, and for the one million children in non-government schools and their parents and extended families—says:

During the election campaign the Labor Party made it clear that it intended to pass the legislation to enable establishment grants payments to be made to those schools awaiting payments.

He further said that Mr Beazley said:

Non-government schools will also benefit from Labor’s policy to pay establishment grants to new non-government schools.

And Mr Daniels says, on behalf of those families:

It is disappointing to see that the ALP has modified its position since the election and has done so without any consultation with the independent schools sector.

In concluding, the member for Dawson last year very helpfully pointed out that the Labor Party are like cattle dogs on the back of a flat tray or a ute and the slightest distraction has them all running from one side of the ute.
to the other, barking in support of whatever issue has got their attention on the day. But in relation to this issue, I have an idea that the red—

Mr Swan—On a point of order: there is ample provision in the standing orders for the minister to make a ministerial statement. He is abusing question time.

The SPEAKER—The member for Lilley will resume his seat. The minister’s answer was entirely in order. I call the minister.

Dr NELSON—Mr Speaker, I have a feeling that on this particular issue, the red cattle dogs are on one side of the truck, the blue cattle dogs are on the other side of the truck and Ben from Bentleigh is in the middle trying to get the red ones over to the blue side. The Labor Party need to think of the families that are being denied critically needed funding for establishment grants for non-government schools and the Leader of the Opposition should instruct Senator Carr and his Senate colleagues to pass the legislation.

Privilege: Senator Heffernan

Mr CREAN (2.39 p.m.)—My question is again to the Minister for Employment and Workplace Relations and the Minister representing the Special Minister of State. Further to your last answer, when was the advice given to government and to whom?

Mr ABBOTT—The Leader of the Opposition is desperately trying to establish some complicity between Senator Heffernan and members of the government in this matter. It ought to be abundantly clear, in the matter of the allegations against Justice Kirby, Senator Heffernan was off entirely on a frolic of his own.

Mr Crean—On a point of order: the question is quite simple: when and to whom?

The SPEAKER—The Leader of the Opposition will resume his seat. I understand the minister has concluded his answer.

Economy: Small Business

Mr PROSSER (2.40 p.m.)—My question is addressed to the Minister for Small Business and Tourism. Is the minister aware of recent research showing the contribution small business makes to the Australian economy? Minister, are there any impediments that will prevent small businesses from continuing to make this contribution, especially those in my electorate of Forrest?

Mr HOCKEY—I would like to thank the member for Forrest for his interest in small businesses and particularly his interest in the businesses in Western Australia. The Australian Bureau of Statistics has, only today, released a very comprehensive report about the characteristics of small business. I can inform the House that, according to the survey, almost half of Australia’s 1.2 million small businesses have been started under the Howard government. That is a massive growth over previous periods.

Mr Sidebottom interjecting—

The SPEAKER—The member for Braddon!

Mr HOCKEY—It indicates how small businesses react to a strong economy, to low interest rates and to employment growth. Since the last survey in November 1999, the number of small businesses has grown by 11 per cent, whereas previously it had grown by three per cent. Interestingly, now more than 25 per cent—one in four—small businesses in Australia are run by women and the fastest growth in the small business sector is, in fact, young women under the age of 30 starting up their own small business.

Mr Sidebottom interjecting—

The SPEAKER—I warn the member for Braddon! The minister has the call.

Mr HOCKEY—There are now 1.2 million small businesses in Australia contributing to our economic growth and there are 1.2 million reasons why the Labor Party has to treat the government’s fair dismissal bill fairly. The 116,000 small businesses in Western Australia are facing one of their greatest challenges. It is the Gallop government’s proposal for industrial relations reform, which is effectively being drafted by the unions. It has been put in place for the unions and it does all the small businesses in Western Australia in the eye. In this place, I have reiterated the large number of pecuniary sections of that bill which are going to have a significant impact on small business. But I can add a further one today: it is a provision
that effectively allows a union representative to walk into any workplace to speak to any person who is now eligible to join a union. What does that mean for a small business when its two sole workers are forced to down tools because a union heavy walks in for a quiet word?

We effectively have the Western Australian Labor Party and the unions running roughshod over small business in Western Australia. We have the Victorian unions turning over a new leaf, I understand, and turning their backs on the Leader of the Opposition and on the Labor Party. We have the member for Melbourne and the member for Griffith who are in there, apparently, batting against the unions and the unions are driving a wedge into the Labor Party through there. The Labor Party is not a political party; it hasn’t got leadership. It is more like a Hydra—it has many heads. Unfortunately, the Leader of the Opposition is using a butter knife to cut them off.

Privilege: Senator Heffernan

Mr BRERETON (2.45 p.m.)—My question is to the Treasurer representing the Minister for Finance and Administration, and I also refer to the Minister for Employment and Workplace Relations’ admission some minutes ago. Treasurer, is it not a fact that in the year 2000 the Secretary to the Department of Finance and Administration, Dr Peter Boxall, was advised of the existence of certain Comcar records relating to Justice Kirby? Were these records actually provided to the government and evaluated? Were they not examined by several longstanding Comcar administration staff, who unanimously judged them to be bogus? Why was the government’s cabinet secretary allowed to proceed with his attack on Justice Kirby when within the government’s own processes had determined that false documents existed regarding Justice Kirby’s use of Comcar?

Mr COSTELLO—The question, of course, is based on a fundamentally false premise, which is that nobody gave a sanction for Senator Heffernan to proceed. You asked the question, ‘Why was Senator Heffernan allowed to proceed?’ As the Prime Minister

was not given advance notice, nor did he sanction—

Mrs Crosio interjecting—

The SPEAKER—Order! I warn the member for Prospect.

Mr COSTELLO—the speech by Senator Heffernan. As a consequence, after the speech was given, in fact, Senator Heffernan was required to stand aside. I would have thought that was very clear evidence that the Prime Minister did not condone; nor did he authorise; nor was he given advance notice. That is why he was forced to stand aside. When it became clear that the record that he relied on was false and a fabrication, the Prime Minister went further and required his resignation and, what is more, an unqualified apology. As I have said, it is entirely clear—and this is what the Prime Minister made clear when he was asked directly—that he was given no advance notice; he did not encourage the senator to do it; he was not told it was going to be done, and that is the reason why Senator Heffernan was asked to stand aside and was eventually dismissed. So it is piling a false assumption upon a question to try and ask with some kind of insinuation that the Prime Minister knew about it. He did not. He has made that clear and I think it is perfectly clear to everybody in this House, as it should be to you.

Workplace Relations: Unions

Mr PYNE (2.48 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of recent comments about registered organisations under the Workplace Relations Act, particularly unions and their affiliation with political parties? What alternative policies exist in this area and what is the government’s response to them?

Mr ABBOTT—I am aware that ever since the last election a war has been raging inside the Australian Labor Party between those who believe that Labor should be a democratic party based on the principle of ‘one vote one value’—people like the member for Werriwa, the member for Barton and the member for Fremantle—and people, on the other hand, who think that the Labor Party should be the Siamese twin of the
ACTU, like the member for Batman and Senators Hutchins and Campbell. The one thread uniting both sides of this civil war inside the Labor Party is dismay at the lack of leadership of the Leader of the Opposition, who does not know where he stands and is completely incapable of imposing his will on his squabbling subordinates. First of all, the Leader of the Opposition says:

... the influence of trade unions necessarily has to wane.

And then he goes before a different audience and says:

I cannot envisage a Labor Party that operates free from the trade union movement.

Then, of course, having been constantly embarrassed he then tries to gag debate by saying:

These debates should ... be held internally.

On the weekend, in a spectacular and brazen act of defiance by the Leader of the Opposition, no less a person than the frontbench member for Melbourne leaks the whole of his paper to the Wran-Hawke committee of inquiry in which he says that the biggest problem in Australia today is that people do not know where the Labor Party stands and that the place is dominated by ex-trade union officials. This, naturally enough, prompted a counterattack from the leader of the biggest and most militant trade union in the country, Doug Cameron, who is similarly dismayed by the weak leadership of the Leader of the Opposition and who says that the Leader of the Opposition is:

... spooked and bullied by Tony Abbott and John Howard.

Mr Costello—I am offended!

Mr ABBOTT—That is right: why not the Treasurer as well? I do not actually believe that the Leader of the Opposition is spooked and bullied by me or by the Prime Minister. I do not think he is even spooked by the member for Werriwa—notwithstanding the fear that the member for Werriwa strikes in the heart of every Sydney taxi driver. The Leader of the Opposition is terrified of the trade union movement. He is terrified of losing the $5 million they provide every year; he is terrified of losing the support of their bloc vote, given his weak leadership; he is terrified of the secrets that they know about his time at the Storemen and Packers Union and which they can reveal. When it comes to a policy, and when it comes to taking a stand on any issue of principle—when it comes to anything except this parrot fashion repetition, ‘What do you know and when did you know it’—the Leader of the Opposition is simply paralysed by fear. If you are too scared to lead your own party you are too weak ever to lead the country.

Privilege: Senator Heffernan

Mr CREAN (2.52 p.m.)—My question is to the Treasurer, representing the Minister for Finance and Administration in this place. Treasurer, can you confirm that, in 2000, Dr Peter Boxall was advised of the existence of certain Comcar records relating to Justice Kirby? Can you confirm that these records were provided to the government and examined by Comcar staff, whose examiners unanimously judged them to be bogus?

Mr COSTELLO—As I have previously said, the implication behind this question, of course, is that Senator Heffernan—

Mr Crean—There is no implication behind the question. It is straightforward. Can he—

The SPEAKER—The Leader of the Opposition will resume his seat unless he has a point of order.

Mr Crean—The point of order goes to relevance. Can he confirm they were bogus?

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

Mr Crean—It is simple.

The SPEAKER—The Leader of the Opposition! The Treasurer has the call. The Treasurer had scarcely uttered more than 10 seconds of a reply. He could hardly be deemed to be irrelevant.

Mr COSTELLO—As I said in beginning my answer, the implication, of course, behind this question is somehow that Senator Heffernan was authorised or encouraged or permitted or approved to make the statement, which of course is completely false. In relation to the record which Senator Heffernan sent to New South Wales Police Commissioner Peter Ryan, I have said today, on
numbers of occasions, it is false. Senator Heffernan accepts that it is false.

Mr Swan—I rise on a point of order. It goes to relevance.

The SPEAKER—The member for Lilley will resume his seat. The Treasurer’s answer is relevant to the question asked.

Mr COSTELLO—As I have said on numbers of occasions, the senator himself accepts that they are false and I have said on numbers of occasions in here that they are false. The question was whether or not they were bogus. All right, you want to know whether they were bogus? I have said they were false. Senator Heffernan, as a consequence, is going to apologise.

Mr Swan—I refer to standing order 145. The question was very precise. Were these records in fact provided to the government and did the government know they were bogus or not? That was the question. He is not addressing the question.

The SPEAKER—The member for Lilley will resume his seat. Has the Treasurer concluded his answer?

Mr COSTELLO—Yes.

Mr Martin Ferguson interjecting—

The SPEAKER—If the member for Batman requires me to take action, I certainly will.

Quarantine: Government Policy

Mr JOHN COBB (2.55 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry. Would the minister explain to the House what measures the federal government is taking to protect Australia from incursions of pests and diseases? What penalties will perpetrators of Australia’s strict quarantine laws face?

Mr TRUSS—I thank the honourable member for his question and for his keen and abiding interest in ensuring that Australia maintains its clean and green image which is so important to the primary industries of his electorate and, indeed, to the whole of Australia.

The reality is that Australia takes very seriously our desire to protect ourselves from pests and diseases which make such an impact on other parts of the world. The simple action of a traveller coming to this country with a product that carries a pest or disease could in fact result in the loss of billions of dollars to Australian industry and indeed to our economy. So the government, in fulfilment of its election commitments, is acting to increase penalties associated with quarantine offences and is upgrading our border protection arrangements to ensure that anyone attempting to break our laws is likely to be detected.

A couple of weeks ago, the penalties for those who are intercepted at airports—the on-the-spot fines—were doubled. Now it will cost $220 if somebody is detected at the airports bringing in something that they have failed to declare. Two hundred and twenty dollars is a high price to pay for an apple or a wooden souvenir or some other product that has been brought in from overseas. We have also introduced into the House legislation to establish a new offence in relation to deliberate smuggling of items of quarantine interest into Australia. The maximum penalty for this new offence will be $1.1 million and up to 10 years in jail. It is a clear demonstration that we are taking these issues very seriously.

To help ensure that those new laws can be effectively implemented, the government is implementing a new $600 million strategy to upgrade our border protection services. I can report to the House that we are making excellent progress in implementing that strategy. When completed, our border protection service will be almost doubled. We will be inspecting 100 per cent of mail coming into this country, 100 per cent of cargo and at least 80 per cent of all passengers’ luggage on arrival. A week or so ago I was in Brisbane, where the first of our international airports in capital cities has reached the target of 100 per cent inspection of all arriving luggage. Every passenger arriving in Brisbane, even if they have nothing to declare, will have their luggage either opened or X-rayed through some of the new equipment that has been provided by this government.

We have also worked very hard to upgrade the inspections at our mail services. When Labor were last in government, less than two per cent of the international mail coming into Australia was subject to quarantine inspec-
tion. In their last period in government they actually reduced, by about 10 per cent, the number of quarantine people working in the mail exchanges. We have turned that around, and inspection rates at international mail centres in some places have already reached 100 per cent. When we came to office there were only 10 AQIS staff in international mail centres; now there will be 150 full-time AQIS staff in the mail centres. So we, unlike Labor, take these matters very seriously indeed. We are determined to ensure that there are appropriate penalties and deterrents in place—

Mr Adams interjecting—

The SPEAKER—The member for Lyons!

Mr Adams interjecting—

The SPEAKER—The member for Lyons is a defier of the chair!

Mr TRUSS—and that there are appropriate systems in place to ensure that those who bring products into this country that defy our law will indeed be detected and then the penalties that apply will be appropriate to the seriousness of the crime.

Privilege: Senator Heffernan

Mr McCLELLAND (3.00 p.m.)—My question is to the Attorney-General. I ask the Attorney-General if he recalls his statement in November 1996:

Attacks—
on judges—

from parliamentarians, particularly when made under protection of parliamentary privilege, are matters upon which the advice or support of the Attorney-General might properly be sought or given.

Attorney-General, did the Prime Minister consult with you prior to extending the allegations against Justice Kirby in response to a question in this House last Wednesday? If so, what advice did you provide to the Prime Minister on this course of action? Attorney, did you support his use of parliamentary privilege to extend that attack on Justice Kirby?

Mr WILLIAMS—Let me start my response to this question by saying that I do not accept the assumption upon which the second part of the question was based. The member for Barton will no doubt recall that the statement that the Prime Minister made, to which he refers, was in response to a question from the Leader of the Opposition.

Mr Albanese—That makes a difference!

Honourable members interjecting—

Mr WILLIAMS—I have made a number of statements—

The SPEAKER—The Attorney-General will resume his seat. All members are aware of the obligations they have under the standing orders. Those obligations apply equally to everybody, including the Leader of the Opposition. The Attorney-General will be heard in silence.

Mr WILLIAMS—I do not accept that the Prime Minister extended the allegations, as has been asserted in the question.

Mr McMullan interjecting—

The SPEAKER—The member for Fraser is warned!

Mr WILLIAMS—He did nothing of the sort. He was responding to the question from the Leader of the Opposition and the answer was entirely relevant to the question. On the question of personal attacks on the judiciary under the guise of parliamentary privilege, the member for Barton, I assume—without being able to confirm—is quoting me accurately. That was 1996—some time ago. On that assumption, it was not an absolute statement; it was a qualified one, in which there might be appropriate occasions—

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler is warned!

Mr WILLIAMS—Can I make it plain, Mr Speaker, that when an attack is made on the judiciary it is not, as a general proposition, the role of the Attorney-General to respond. A lot will depend on the circumstances and the nature of the attack or the allegation. In the case of Justice Kirby, the allegation made by Senator Heffernan related to personal conduct, not conduct as a judge, and promptly and emphatically Justice Kirby responded. He did it off his own bat without requesting assistance from me or from anybody from the government. It is entirely ap-
appropriately when the issues relate to the personal conduct of a judicial officer that that person be the one to respond. The Leader of the Opposition was, I think, in Brisbane yesterday endeavouring to convert Senator Heffernan’s allegations in relation to the personal conduct—

Mr Zahra—He made comments about his judgments.

The SPEAKER—The member for McMillan is warned!

Mr WILLIAMS—of Justice Kirby into an attack on the High Court. Let me make it plain: it was not an attack on the High Court. The allegations, as I have said, related to Justice Kirby’s conduct personally. Justice Kirby’s conduct as a High Court judge was not in question. The standing and respect in which the High Court is held by the Australian community and the Australian government were not in question—

Mr Danby interjecting—

The SPEAKER—The member for Melbourne Ports!

Mr WILLIAMS—and are maintained. I have every expectation that Justice Kirby will continue to maintain the respect he has in the community. He will continue to do the important work he does in the High Court. I have every expectation that—whether it is for the purpose of creating a fiction for an MPI—the Leader of the Opposition will continue to accuse the government, wrongly, of attacking public institutions.

Tourism: South Australia

Mr SECKER (3.05 p.m.)—My question is to the Minister for Small Business and Tourism. Minister, are you aware of any media reports that funding for tourism in South Australia may be repealed? Minister, what effect will this have on the 80,000 businesses in my home state and the approximately 8,000 businesses in my electorate of Barker?

Mr HOCKEY—Thank you, Mr Speaker—

Mr Danby interjecting—

The SPEAKER—The member for Melbourne Ports is warned!

Mr HOCKEY—I thank the member for Barker for his question and also note the fact that he has one of Australia’s most beautiful electorates—which is a little biased, I know. Certainly Kangaroo Island is the Garden of Eden and the Coorong, where we launched the policy for the International Year of Ecotourism, is also a very special holiday destination.

After the events of September 11 and the collapse of Ansett on 14 September, the federal government committed around $65 million in additional funds to support the tourism industry through some challenging times. That included $24 million to the Australian Tourist Commission over five years and an additional $8 million to the See Australia domestic tourism promotion campaign. In stark contrast, we have seen reports today and over the weekend in the Adelaide Advertiser that stated that almost $40 million of funding for Australian major events, innovation and regional development were under threat. So, according to the Labor Party in South Australia—the new Labor government—the axe is hovering over tourism funding and over major events funding in South Australia—events which attract hundreds of thousands of visitors each year, particularly to regional South Australia.

South Australia will host almost one-quarter of the 120 Australia-wide initiatives for the International Year of Ecotourism this year. In addition, the ecotourism industry contributes around $225 million annually to South Australia’s economy, including 1,800 full-time jobs. About 200 of South Australia’s tour operators, most of whom are small businesses, are dedicated to ecotourism.

The South Australian Treasurer, Kevin Foley, said that his government is ‘shifting money out of areas that are not our priorities’. It seems as though tourism is not a priority for the new South Australian Labor government. It is a priority for the Howard government; it is a priority for the Liberal-National Party coalition in government. Tourism employs about 36,000 full-time people in South Australia alone. They spend around $3 billion annually in South Australia, which benefits over 78,000 small businesses. I call on Kevin Foley and the Labor government in South Australia to look again at whether it will cut back tourism funding in...
South Australia. South Australia cannot afford to have a reduction in tourism funding. The electorate of Barker cannot afford to have a reduction in tourism funding. The Labor Party has again shown its colours: it is about doing the tourism industry and small businesses in the eye.

Privilege: Senator Heffernan

Mr McCLELLAND (3.09 p.m.)—My question is to the Attorney-General. Attorney-General, when did Senator Heffernan first discuss with you his allegations against Justice Kirby? Did he show any documentation to you at the time? Did you act on those allegations? If so, how did you act? Attorney, isn’t it a fact that you had not taken any action because you had concluded that Senator Heffernan’s allegations had no substance? On what basis did you therefore allow this controversy to continue publicly?

Mr WILLIAMS—As I said last week, Senator Heffernan raised his concerns concerning Justice Kirby with me some time ago. I am not able to say how long ago it was. It was not a matter of months; it was more like a matter of years ago. We had several conversations in which I advised him of the operation of section 72 of the Constitution in relation to the removal of a judge for proven misbehaviour. I commented to him that the proper way of dealing with allegations of the sort he was concerned with was to take them to the New South Wales Police. I advised him to do that if he thought he had a case, and I advised him that he should not make any allegations unless he had tangible, strong evidence to do so. That was some time ago, and the matter has not been raised with me in recent times at all.

PRIVILEGE: SENATOR HEFFERNAN

Censure Motion

Mr CREAN (Hotham—Leader of the Opposition) (3.11 p.m.)—I ask leave to move a motion of censure.

Leave not granted.

Mr CREAN—I move:

That so much of the standing orders be suspended as would prevent the Leader of the Opposition moving forthwith—That this House censures the Prime Minister’s former Parliamentary Secretary to Cabinet Senator Heffernan, for his:

1. persistent denigration of institutions fundamental to Australian democracy, including the public service, the defence forces, the Parliament and the courts;
2. failure to defend the reputation of a judge and the High Court of Australia;
3. failure to prevent the deliberate, cowardly, false and unjustified attack by the Prime Minister’s former Parliamentary Secretary to the Cabinet, Senator Heffernan, which sought to damage the reputation of a justice of the High Court of Australia;
4. failure to ensure that all the alleged evidence in Senator Heffernan’s possession was referred to the proper authorities for investigation prior to the Senator making his allegations in the Parliament;
5. continued use of the media and the Parliament to repeat and expand upon Senator Heffernan’s allegations in relation to the judge;
6. failure to adequately inquire into the veracity of the alleged evidence in Senator Heffernan’s possession;
7. failure to prevent the raising of allegations in the Parliament that had repeatedly been found by the proper authorities not to have any substance and for which the Senator had no new credible or substantive evidence; and
8. blatant disregard for the truth, particularly the Government’s willingness to propagate and rely on a document that contains falsehoods to substantiate the Senator’s allegations.

This is a government that has lied, spied and denied. It has now falsified. This is a government that is now using forgeries to spread its lies. This is a government that has allowed the Parliamentary Secretary to the Cabinet, who has been peddling allegations for years under parliamentary privilege, to now resort to peddling lies. The parliamentary secretary is a man who John Howard, as Prime Minister, has called a close friend, who said he has deep affection and friendship for and who the Minister for Employment and Workplace Relations says is a good and brave man. These are the standards of a government: that they would condone the actions of a person who would stop at nothing, including forgeries, to prosecute his case. He uses parliamentary privilege despite being warned against it by the Prime Minister. He writes a letter to the Prime Minister, which he gets the Prime Minister to read into
the *Hansard*, which fuels the debate. It fuels the debate because there is no new evidence in it and it relies on the evidence of a discredited witness in the Marsden inquiry.

The parliamentary secretary’s evidence has been rejected by the New South Wales Police and by a royal commission. Yet, the parliamentary secretary still went into the parliament and alleged it. When it was said to him, ‘You’ve got no new evidence,’ and, ‘Are you challenging the New South Wales Police and the royal commissioner for having failed to investigate properly?’ he said he had some new evidence. He brandished a document in the Senate, a document which he did not table and which he did not immediately send to the New South Wales Police—but he made sure that it ended up in the Sunday tabloids, and it was a forgery. It was a forgery that took us 24 hours to establish as a forgery; yet we know the Prime Minister has said he has known of Senator Heffernan’s allegations for six months.

When did the Prime Minister first see this document? That is one of the questions we want answered because what we have established today from the admission of the Minister for Employment and Workplace Relations is that the allegations by Senator Heffernan had been checked and had been found to be without substantiation. What the minister wants us to do is believe that this was a frolic of Senator Heffernan’s alone. It was not. They say it is a ‘Heffernan frolic’, but there were many more frolickers along with the disgraced parliamentary secretary. They include the Prime Minister; they include the then head of the Department of Finance and Treasury and do nothing to stop it, even though his government knew the document was bogus. In other words, the government knew some two years ago that the record produced by Heffernan was false, and they still participated in his frolic. The government knew the documentation was false. We know that Heffernan has had a discussion with the Prime Minister; the Prime Minister has admitted that he has had a number of discussions on this issue with Heffernan. He said he had it, I think, last October. If the government had this advice that the document was bogus, why was Heffernan not told to shut up? When he went to the Prime Minister again and said, ‘I want to raise these allegations in the parliament’, why didn’t the Prime Minister do more than simply counsel him not to raise them in the Senate? The reason is that it suited the Prime Minister’s agenda for this smear and innuendo to happen. It suited the Prime Minister’s cause for the smear and innuendo to happen.

This is a person who fuelled this debate. He fuelled it last Wednesday by reading additional information into the record under parliamentary privilege. He then went on the *John Laws* program on Friday and shifted the goalposts. No more was the charge ‘criminal misbehaviour’; it was ‘proved misbehaviour’. That was what the Prime Minister shifted the goalposts to, and as he went through he went on with these little epithets, ‘Well, we’ll wait and see ’til it plays itself out,’ and, ‘This has got to work its way through.’ In other words, the Prime Minister was prepared to allow the smear to work its way through to damage the High Court justice and do nothing to stop it, even though his government knew the document was bogus. Doesn’t this sound like the ‘kids overboard’? Doesn’t it sound like that, Mr...
Speaker? The government knew that this was false, yet they were prepared to allow someone to peddle the lie. Just as the Prime Minister peddled the lie about the ‘children overboard’, he has allowed Heffernan to peddle the lie about the document.

The SPEAKER—Order! I would remind the Leader of the Opposition that this is not a substantive motion. It is a procedural motion and his language should therefore be tempered accordingly. The Leader of the Opposition is aware of the standing orders.

Mr CREAN—Heffernan is not a brave man; he is a coward—and he is Howard’s coward.

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

Mr CREAN—That is what he is: he is Howard’s coward—

The SPEAKER—Leader of the Opposition!

Mr CREAN—and he is a coward who has peddled a forgery.

The SPEAKER—The Leader of the Opposition understands the obligation that he has to refer to the Prime Minister by his office and that this is not a substantive motion. There are allegations that cannot be made in a procedural motion.

Mr CREAN—This is how the public will recall him, Mr Speaker. This is a person who knew the ‘kids overboard’ claim was false and allowed it to be peddled. He now has a government that knew that the Heffernan allegation was a falsehood, based on a forgery, and he allowed that to be peddled. In the circumstances, how can you have respect not just for Heffernan but for the Prime Minister? This is the government over which he presides, and he is prepared to stand behind it.

I believe that the government is involved in this. I believe there is more evidence about that, and I believe that we will have this played out during the week. But the purpose of today’s censure is this: people on the other side of this parliament know that what Heffernan has done is disgraceful and I want to see them vote for this motion. This should not be a hard question of conscience for you because what has been proven is that your own party has said that what Heffernan was perpetrating was based on a falsehood. They have called for his sacking. What you must now do is censure him. If this government is to have any credibility at all, what the Leader of the Liberal Party, Mr Costello—acting as he is at the moment—must do is to seek Heffernan’s resignation from the Liberal Party. That is what Bob Carr did in the Franca Arena circumstance when she peddled lies. He called for her resignation from the party. This is what Costello should do today: call for the resignation of Heffernan, and Senator Heffernan should do the right thing and resign from the Senate.

The SPEAKER—Is the motion seconded?

Ms Macklin—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) (3.22 p.m.)—I seem to recall a member of the New South Wales parliament Deidre Grusovin making all sorts of scurrilous accusations under parliamentary privilege and she is still a member of the New South Wales parliamentary Labor Party. Let me make it very clear: everyone who works—and almost lives—in Parliament House knows that for many years Senator Heffernan has been concerned about the issue of child abuse and for many years Senator Heffernan has had worries and concerns about a certain judge. But let me make it absolutely clear that at every stage that these worries and concerns were raised Senator Heffernan was warned, counselled and discouraged against doing anything rash or untoward. Certainly the Prime Minister said—as he has made plain again and again in this House and elsewhere—that he warned Senator Heffernan against the misuse of parliamentary privilege.

What we are seeing today is a desperate attempt by the Leader of the Opposition to spread around the smear to try to make Senator Heffernan’s grievous mistake stick on the whole government. But one might as well turn around and ask the Leader of the Opposition: was he warned in advance when
the member for Werriwa got up here and made outrageous personal attacks? Was he warned in advance about the member for Werriwa’s outrageous personal smears? Did he know about it? If he knew about it, did he try to stop him? If he did not know about it, can he control his own party? One might as well stand up and ask: did the Leader of the Opposition know about the member for Barton’s outrageous attacks under parliamentary privilege on Justice Callinan? Did he know about it? Did he approve of it? Did he stop him from doing it? If not, is he not just incompetent and hopeless?

I always thought that conspiracy theories were the preserve of the extreme Left on the one hand or the lunar Right on the other hand. I now know that conspiracy theories have taken route in the fervid imagination of the Leader of the Opposition, who does nothing but lie awake at night, thinking and fantasising about Senator Heffernan—what did Senator Heffernan do and who did he do it with? These are the sick fantasies which have taken route in the mind of the Leader of the Opposition, and he believes that everyone is somehow complicit in some giant conspiracy because it suits his political purposes. I might as well ask: what did the No. 1 ticket holder for the North Melbourne Football Club know about Wayne Carey? You must have known about Wayne Carey. The no. 1 ticket holder must have known about Wayne Carey. If he did know about Wayne Carey, why did he not stop it? If he did not know anything about Wayne Carey, he must be some kind of hopeless incompetent.

Mr Hatton interjecting—

The SPEAKER—The member for Blaxland is warned!

Mr ABBOTT—I want to know why the Leader of the Opposition will not resign as Leader of the Labor Party because of his hopeless behaviour.

Mrs Crosio interjecting—

The SPEAKER—I remind the member for Prospect of her status!

Mr ABBOTT—What we are seeing today is a pathetic and desperate attempt by the opposition to find a bit of dirt to spread a bit of smear, because the Leader of the Opposition has no policy, no ideas, no principles—no ideas for the benefit of the Australian people. He clutches at every scandal like a drowning man looking for a lifeline. He has been absolutely caught out. There is no complicity between the government and Senator Heffernan.

Mr Latham interjecting—

The SPEAKER—I warn the member for Werriwa! The same courtesy that was extended to the Leader of the Opposition will be extended to the Minister for Employment and Workplace Relations or I will act accordingly. Minister.

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane is warned!

Mr ABBOTT—Let me make it abundantly clear that on this matter Senator Heffernan was absolutely, utterly and entirely on a frolic of his own.

Mr Crean—Rubbish!

The SPEAKER—I warn the Leader of the Opposition!

Mr ABBOTT—The Leader of the Opposition is guilty of the same fault that he attributes to Senator Heffernan. Senator Heffernan’s fault was that he wanted something to be true and so, in his own mind, he came to believe that a myth was a fact. The Leader of the Opposition is guilty of precisely the same fault, precisely the same character flaw: because he desperately wants there to be a conspiracy there must be a conspiracy, and therefore he has come into this parliament to smear the Prime Minister and smear every other member of this government.

I am very proud to serve in this government—a government which has upheld the highest parliamentary standards, a government which supports the great institutions of this country. If you look at the record of this government, it believes that the Australian Public Service does an outstanding job. I have to say that in every single respect in which the Australian Public Service, as I understand it, have been asked to deal with matters involving Comcar they have acted in an exemplary fashion.

Mr Ripoll interjecting—
The SPEAKER—The member for Oxley will excuse himself from the House under the provisions of standing order 304A.

The member for Oxley then left the chamber.

Mr ABBOTT—This government has the highest respect for the armed forces of this country. Unlike members opposite, we have not played favourites inside the armed forces of this country. We have never come into this parliament and smeared, under parliamentary privilege, the chief of the defence forces. We have never come into this parliament to smear, under parliamentary privilege, good and honest public servants who are trying to do their job. We do not regard Senate estimates the way Nero regarded a trip to the Colosseum, with the public servants in the role of Christians. We support the great institutions of this country and we support the good job that public servants, the judiciary and the military officers of this country perform.

This suspension motion is pretty rich coming from the Leader of the Opposition. The Leader of the Opposition would parade as a paragon of parliamentary virtue. He would parade as the defender par excellence of the institutions of this country. No lesser person than the Governor-General has been called upon to resign by this weak, insipid and pathetic Leader of the Opposition on the basis of unproven allegations. Then he comes in here and has the gall to smear the whole government with the product of the fantasies of his own feverish mind. Let me make it very clear to the Leader of the Opposition: Senator Heffernan is, in most respects, a good man; Senator Heffernan is a brave man; but Senator Heffernan certainly is not a wise man—at least not in respect of the allegation against Justice Michael Kirby. Let me make this much clear in defence of Senator Heffernan: he did not make his allegations to serve his ambition, he did not make any allegations out of self-interest, and he did not make any allegations out of malice. He made allegations, believing them to be true, because he suffered from the fault of so many zealots in a good cause: he wanted it to be true; therefore he believed it to be true. This is a serious fault. It is a serious fault for which Senator Heffernan deserves to be criticised. He deserves to be, in this respect at least, condemned, but let us condemn he who is responsible for this error. Let us condemn Senator Heffernan for what he has done wrong. Let us not condemn a government which had nothing to do with this and no foreknowledge of it.

Every day before this parliament sits we say the greatest prayer in the Christian church. We ask the Lord to forgive us our trespasses as we forgive those who trespass against us. I know Justice Michael Kirby well enough to think that he is capable of acting in that spirit, but the Leader of the Opposition, consumed with malice and oppressed by fantasies, is completely incapable of ever acting in the national interest. (Time expired)

Mr Beazley—Let’s all go and have a shower!

The SPEAKER—The member for Brand is warned! The chair is a little tired of issuing warnings and will be very happy to act swiftly on those who continue to oppose it.

Ms MACKLIN (Jagajaga) (3.33 p.m.)—Only somebody who has completely lost it could draw a line between Wayne Carey and Bill Heffernan. That is what we have seen here today—not one word of defence for Bill Heffernan, who is the person we are seeking to censure here today. It is Bill Heffernan and his actions that we are seeking to censure. Of course, the reason that the government have sought to knock off the censure—the reason we do not have a censure motion being debated in the parliament—is that the
government know that they cannot guarantee to get all their members in to vote for the censure. That is why we are not debating a censure motion here—not because they have anything to say in Bill Heffernan’s defence. The parliament must censure Senator Heffernan, because if this senator can do this to a High Court judge, this disgraceful government can do this to any ordinary Australian. Senator Heffernan must be censured, because if he can say these things which we now know to be false about a High Court judge, he can make equally outrageous accusations about any other Australian—and not only Senator Heffernan but any one of the disgraceful mob that we have got opposite.

This is different from the rough-and-tumble of parliament that we put up with. Senator Heffernan has not only lowered the standards of the parliament and the standards of the law courts but also—this needs to be said—completely diminished the capacity of people with genuine complaints about child sexual abuse to be taken seriously. He is certainly not an effective campaigner against child sex abuse. He has set back the course of this very serious matter. Allegations of child sex abuse must never be covered up, but what should happen is that they be reported to the relevant authorities so that they can be properly investigated. That is the public’s view, and of course we know the public holds that view very strongly. We saw it and we continue to see it in its condemnation of the Governor-General’s failure to take seriously complaints about child sexual abuse cases. So this senator must be condemned and censured for making baseless allegations about child sex abuse for political purposes. That is what all this is about.

Instead of taking his concerns to the relevant authorities and having them properly investigated, he was much more interested in getting maximum publicity for his false claims. That is why we see these allegations put into the newspaper before the New South Wales Police even gets them in the mail. A serious campaigner for child sex abuse does not use this issue for political purposes, and neither should the Prime Minister further the allegations by coming into question time and reading them onto the record. Let us have none of this business about a personal frolic. We all remember what the Prime Minister did in this parliament. We want to know now whether the Prime Minister had checked whether these records were true or false, and whether he checked whether Senator Heffernan’s evidence was baseless. Let us look at the two options. One was that he did not check; that he did not know whether they were true or false. Fancy a Prime Minister of this country coming into this parliament and reading onto the record something which he did not know was true or false.

The SPEAKER—Order!
Ms MACKLIN—That is one option. The second option is that the Prime Minister knew the allegations to be false and came into the parliament—
The SPEAKER—Order!
Ms MACKLIN—What is wrong with false?

Opposition members interjecting—
The SPEAKER—Order! The time allotted for the motion of suspension of standing orders is 25 minutes. In order not to interrupt the member for Jagajaga, I extended her debating time beyond that. That is the public’s view, and of course we know the public holds that view very strongly. We saw it and we continue to see it in its condemnation of the Governor-General’s failure to take seriously complaints about child sexual abuse cases. So this senator must be condemned and censured for making baseless allegations about child sex abuse for political purposes. That is what all this is about.

Question put:
That the motion (Mr Crean’s) be agreed to.
The House divided. [3.42 p.m.]
(The Speaker—Mr Neil Andrew)

Ayes: 64
Noes: 78
Majority: 14

AYES
Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Brereton, L.J.
Byrne, A.M. Corcoran, A.K.
Cox, D.A. Crean, S.F.
Crosio, J.A. Danby, M. *
Edwards, G.J. Ellis, A.L.
Emerson, C.A. Evans, M.J.
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**QUESTIONs TO THE SPEAKER**

**Members of Parliament: Telephone Records**

Mr **BRERETON** (3.50 p.m.)—Mr Speaker, my question arises from a report in yesterday’s *Australian* newspaper that the Australian Federal Police and the Defence Security Branch of the Department of Defence may have obtained access to the confidential telephone records of my parliamentary office. Given that, under the provisions of the Telecommunications Act 1997, law enforcement and security agencies can obtain access to telephone call records held by telecommunication service providers without resort to a search warrant, can you make inquiries on behalf of the parliament to ascertain whether any of my office telephone call records have been accessed by the Australian Federal Police? Could you further advise members what questions of parliamentary privilege may be involved in respect of the access by law enforcement and security agencies to the confidential telephone records of members of this parliament?

The **SPEAKER**—I will follow up the matters raised by the member for Kingsford-Smith and report back to him in the first instance and then to the parliament as appropriate.

**AUDITOR-GENERAL’S REPORTS**

Reports Nos 37 and 38 of 2001-02

The **SPEAKER**—I present the Auditor-General’s audit reports Nos 37 and 38 of 2001-02 entitled No. 37—Purchase of hospital services from State Governments—Follow-up audit—Department of Veterans’ Affairs and No. 38—Management of
Tuesday, 19 March 2002

RESPECTUALIVE

fairs and No. 38—Management of Australian Defence Force deployments to East Timor—Department of Defence.

Ordered that the reports be printed.

COMMITIES

Allocation of Annual Reports

The SPEAKER—I present an amendment to the schedule showing the allocation of annual reports of departments, agencies, authorities and companies to general purpose standing committees and certain joint committees. A copy of the amendment will be incorporated in Hansard.

The schedule read as follows—

40th PARLIAMENT
Speaker's Schedule
Allocation to Committees of Annual Reports of Departments, Agencies, Authorities and Companies (as amended on 19 March 2002)
Standing Committee on Aboriginal and Torres Strait Islander Affairs
Agriculture, Fisheries and Forestry Portfolio
Torres Strait Protected Zone Joint Authority*
* Referred also to the Standing Committee on Agriculture, Fisheries and Forestry
Attorney-General's Portfolio
Human Rights and Equal Opportunity Commission*
* Referred also to the Standing Committee on Legal and Constitutional Affairs and to the Joint Standing Committee on Foreign Affairs, Defence and Trade
Immigration and Multicultural and Indigenous Affairs Portfolio
Department of Immigration and Multicultural and Indigenous Affairs*
Aboriginal and Torres Strait Islander Commission
Aboriginal Benefit Account
Aboriginal Hostels Ltd
Aboriginal Land Commissioner, Northern Territory
Anindilyakwa Land Council
Australian Institute of Aboriginal and Torres Strait Islander Studies
Central Land Council
Indigenous Business Australia
Indigenous Land Corporation**
National Native Title Tribunal***
Northern Land Council
Registrar of Aboriginal Corporations
Tiwi Land Council
Torres Strait Regional Authority
* Referred also to the Standing Committee on Family and Community Affairs and to the Joint Standing Committee on Migration
** Referred also to the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund
*** Referred also to the Standing Committee on Legal and Constitutional Affairs and to the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund
Standing Committee on Ageing
Health and Ageing Portfolio
Department of Health and Ageing*
* Referred also to the Standing Committee on Family and Community Affairs
Standing Committee on Agriculture, Fisheries and Forestry
Agriculture, Fisheries and Forestry Portfolio
Department of Agriculture, Fisheries and Forestry
Australian Dairy Corporation
Australian Fisheries Management Authority
Australian Horticultural Corporation
Australian Landcare Council
Australian Pork Corporation
Australian Wheat Board
Australian Wine and Brandy Corporation
Cotton Research and Development Corporation
Dairy Adjustment Authority
Dairy Research and Development Corporation
Dried Fruits Research and Development Council
Fisheries Research and Development Corporation
Forest and Wood Products Research and Development Corporation
Grains Research and Development Corporation
Grape and Wine Research and Development Corporation
Land and Water Resources Research and Development Corporation
Landcare Australia Limited
Murray-Darling Basin Commission
National Registration Authority for Agricultural and Veterinary Chemicals
Northern Territory Fisheries Joint Authority
Pig Research and Development Corporation
Queensland Fisheries Joint Authority
Rural Industries Research and Development Corporation
Sugar Research and Development Corporation
Tobacco Research and Development Corporation
Torres Strait Protected Zone Joint Authority*
Western Australian Fisheries Joint Authority
Wool International
Wheat Export Authority
* Referred also to the Standing Committee on Aboriginal and Torres Strait Islander Affairs

Foreign Affairs and Trade Portfolio
Australian Centre for International Agricultural Research*
* Referred also to the Joint Standing Committee on Foreign Affairs, Defence and Trade

Standing Committee on Communications, Information Technology and the Arts
Communications, Information Technology and the Arts Portfolio
Department of Communications, Information Technology and the Arts
Australia Business Arts Foundation
Australia Council
Australian Broadcasting Authority
Australian Broadcasting Corporation
Australian Communications Authority
Australian Film Commission
Australian Film Finance Corporation
Australian Film, Television and Radio School
Australian National Maritime Museum
Australian Postal Corporation
Australian Sports Commission
Australian Sports Drug Agency
Bundanon Trust
Film Australia Limited
National Archives of Australia and National Archives of Australia Advisory Council
National Gallery of Australia
National Library of Australia
National Museum of Australia
National Office for the Information Economy
NetAlert Limited
Public Lending Right Committee
Questacon-National Science and Technology Centre
ScreenSound Australia
Special Broadcasting Service Corporation
Telstra Corporation Limited
Standing Committee on Economics, Finance and Public Administration
Finance and Administration Portfolio
Department of Finance and Administration
Commissioner for Superannuation
Commonwealth Grants Commission (ComSuper)
CSS Board
Parliamentary Retiring Allowances Trust
PSS Board
Remuneration Tribunal
Prime Minister and Cabinet Portfolio
Department of the Prime Minister and Cabinet
Australian National Audit Office
Commonwealth Ombudsman (incorporates Defence Force Ombudsman, Tax Ombudsman and ACT Ombudsman)*
Management Advisory Committee
Official Establishments Trust
Public Service and Merit Protection Commission
* Referred also to the Standing Committee on Legal and Constitutional Affairs and the Joint Standing Committee on Foreign Affairs, Defence and Trade

Treasury Portfolio
Department of the Treasury
Australia and the International Monetary Fund
Australia and the World Bank
Australian Office of Financial Management
Australian Bureau of Statistics
Australian Accounting Standards Board
Australian Competition and Consumer Commission*
Australian Loan Council
Australian Prudential Regulation Authority
Australian Securities and Investment Commission
Australian Statistics Advisory Council
Australian Taxation Office
Board of Taxation
Companies and Markets Advisory Committee
Companies Auditors and Liquidators Disciplinary Board
Corporations and Securities (Takeovers) Panel
Financial Reporting Council  
Foreign Investment Review Board  
Life Insurance Actuarial Standards Board  
National Competition Council  
Payments System Board  
Productivity Commission  
Reserve Bank of Australia  
Royal Australian Mint  
Superannuation Complaints Tribunal  
* Referred also to the Standing Committee on Industry and Resources  

** Standing Committee on Education and Training  
Education, Science and Training Portfolio  
Department of Education, Science and Training*  
Australian National Training Authority**  
Australian Research Council*  
Council of the Australian National University  
* Referred also to the Standing Committee on Science and Innovation  
** Referred also to the Standing Committee on Employment and Workplace Relations  

Transport and Regional Services Portfolio  
Australian Maritime College*  
* Referred also to the Standing Committee on Transport and Regional Services  

** Standing Committee on Employment and Workplace Relations  
Employment and Workplace Relations Portfolio  
Department of Employment and Workplace Relations  
Australian Industrial Relations Commission & Australian Industrial Registry  
Australian National Training Authority*  
Centrelink**  
Coal Mining Industry (Long Service Leave Funding) Corporation  
Comcare Australia  
Defence Force Remuneration Tribunal***  
Equal Opportunity for Women in the Workplace Agency  
National Occupational Health and Safety Commission**  
Office of the Employment Advocate  
Seafarers Safety, Rehabilitation and Compensation Authority  
Safety, Rehabilitation and Compensation Commission  
* Referred also to the Standing Committee on Education and Training  
** Referred also to the Standing Committee on Family and Community Affairs  
*** Referred also to the Joint Standing Committee on Foreign Affairs, Defence and Trade  

Standing Committee on Environment and Heritage  
Environment and Heritage Portfolio  
Department of Environment and Heritage*  
Australian Antarctic Foundation*  
Australian Greenhouse Office  
Australian Heritage Commission  
Bureau of Meteorology  
Director of National Parks  
Great Barrier Reef Marine Park Authority  
National Cultural Heritage Committee  
National Oceans Office  
Wet Tropics Management Authority  
* Referred to the Joint Standing Committee on the National Capital and External Territories (re Australian Antarctic and Sub-Antarctic Territories)  

** Standing Committee on Family and Community Affairs  
Employment and Workplace Relations Portfolio  
Centrelink*  
National Occupational Health and Safety Commission*  
* Referred also to the Standing Committee on Employment and Workplace Relations  

Family and Community Services Portfolio  
Department of Family and Community Services  
Australian Institute of Family Studies  

Health and Ageing Portfolio  
Department of Health and Ageing*  
Australia New Zealand Food Authority  
Australian Hearing  
Australian Institute of Health and Welfare  
Australian Nuclear Science and Technology Organisation**  
Australian Radiation Protection and Nuclear Safety Agency  
Director of the National Industrial Chemicals Notification and Assessment Scheme  
Genetic Manipulation Advisory Committee  
Health Insurance Commission  
Medibank Private
National Food Authority
National Health and Medical Research Council
Office of Professional Services Review
Office of the Gene Technology Regulator
Pharmaceutical Benefits Pricing Authority
Pharmaceutical Benefits Remuneration Tribunal
Private Health Insurance Administration Council
Social Security Appeals Tribunal
* Referred also to the Standing Committee on Ageing
** Referred also to the Standing Committee on Science and Innovation

Immigration and Multicultural and Indigenous Affairs Portfolio
Department of Immigration and Multicultural and Indigenous Affairs*
* Referred also to the Standing Committee on Aboriginal and Torres Strait Islander Affairs and to the Joint Standing Committee on Migration

Standing Committee on Industry and Resources

Attorney-General’s Portfolio
Australian Customs Service*
* Referred also to the Standing Committee on Legal and Constitutional Affairs

Foreign Affairs and Trade Portfolio
Export Finance and Insurance Corporation*
* Referred also to the Joint Standing Committee on Foreign Affairs, Defence and Trade

Industry, Tourism and Resources Portfolio
Department of Industry, Tourism and Resources*
Australian Industry Development Corporation
Australian Tourist Commission
Industry Research and Development Board*
Joint Coal Board
National Standards Commission
Pooled Development Funds Registration Board
Snowy Mountains Council
Snowy Mountains Hydro-electric Authority
* Referred also to the Standing Committee on Science and Innovation

Treasury Portfolio
Australian Competition and Consumer Commission*
Productivity Commission*
* Referred also to the Standing Committee on Economics, Finance and Public Administration

Standing Committee on Legal and Constitutional Affairs

Attorney-General’s Portfolio
Attorney-General’s Department
Administrative Appeals Tribunal
Administrative Review Council
Australasian Police Ministers’ Council
Australian Customs Service*
Australian Federal Police
Australian Government Solicitor
Australian Institute of Criminology
Australian Law Reform Commission
Australian Security Intelligence Organisation
Australian Transaction Reports and Analysis Centre (AUSTRAC)
Commonwealth Law Enforcement Board
Copyright Agency Limited
Criminology Research Council
CrimTrac Agency
Director of Public Prosecutions
Family Court of Australia
Family Law Council
Federal Court of Australia
Federal Magistrates Service
High Court of Australia
Human Rights and Equal Opportunity Commission**
Insolvency and Trustee Service Australia
National Crime Authority
National Native Title Tribunal***
Office of Film and Literature Classification
Office of Parliamentary Counsel
Office of the Federal Privacy Commissioner
* Referred also to the Standing Committee on Industry and Resources
** Referred also to the Standing Committee on Aboriginal and Torres Strait Islander Affairs and to the Joint Standing Committee on Foreign Affairs, Defence and Trade
*** Referred also to the Standing Committee on Aboriginal and Torres Strait Islander Affairs and to the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund

Prime Minister and Cabinet Portfolio
Commonwealth Ombudsman*
Inspector-General of Intelligence and Security
Office of the Official Secretary to the Governor-General
* Referred also to the Standing Committee on Economics, Finance and Public Administration and the Joint Standing Committee on Foreign Affairs, Defence and Trade

** Standing Committee on Science and Innovation
Education, Science and Training Portfolio
Department of Education, Science and Training*
Anglo-Australian Telescope Board
Australian Institute of Marine Science
Australian Nuclear Science and Technology Organisation**
Australian Science, Technology and Engineering Council
Australian Research Council*
Commonwealth Scientific and Industrial Research Organisation
* Referred also to the Standing Committee on Education and Training
** Referred also to the Standing Committee on Family and Community Affairs

Industry, Tourism and Resources Portfolio
Department of Industry, Tourism and Resources*
Industry Research and Development Board*
* Referred also to the Standing Committee on Industry and Resources

Standing Committee on Transport and Regional Services
Transport and Regional Services Portfolio
Department of Transport and Regional Services*
Airservices Australia
Albury-Wodonga Development Corporation
Australian Maritime Safety Authority
Australian Maritime College**
Australian Rail Track Corporation Limited
Australian River Co. Limited
Bankstown Airport Limited
Camden Airport Limited
Christmas Island Casino Surveillance Authority
Civil Aviation Authority
Hoxton Park Airport Limited
International Air Services Commission
Maritime Industry Finance Company Limited
National Capital Authority
National Office of Local Government
National Road Transport Commission

Standing Committee on Education, Science and Training Portfolio
Stevedoring Industry Finance Committee
Sydney Airports Corporation Limited
* Referred also to the Joint Standing Committee on the National Capital and External Territories
** Referred also to the Standing Committee on Education and Training

Joint Standing Committee on Electoral Matters
Finance and Administration Portfolio
Australian Electoral Commission

Joint Standing Committee on Foreign Affairs, Defence and Trade
Attorney-General's Portfolio
Human Rights and Equal Opportunity Commission*
* Referred also to the Standing Committee on Aboriginal and Torres Strait Islander Affairs and to the Standing Committee on Legal and Constitutional Affairs

Defence Portfolio (including Veterans' Affairs)
Department of Defence
Department of Veterans' Affairs
Army and Airforce Canteen Service
Australian Agency for International Development (AusAID)
Australian Military Forces Relief Trust Fund
Australian Safeguards Office (nuclear non-proliferation)
Australian War Memorial
Defence Force Retirement and Death Benefits Authority
Defence Housing Authority
Judge Advocate General
Military Superannuation and Benefits Board of Trustees No. 1
National Treatment Monitoring Committee
Repatriation Commission
Repatriation Medical Authority
Royal Australian Air Force Veterans' Residences Trust
Royal Australian Air Force Welfare Trust Fund
Royal Australian Navy Relief Trust Fund
Veterans' Review Board

Employment and Workplace Relations Portfolio
Defence Force Remuneration Tribunal*
* Referred also to the Standing Committee on Employment and Workplace Relations

Foreign Affairs and Trade Portfolio
Department of Foreign Affairs and Trade
Australia-China Council
Australia-France Foundation
Mr ABBOTT (Warringah—Leader of the House) (3.52 p.m.)—I move:
Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

MAIN COMMITTEE

The SPEAKER—I advise the House that the Deputy Speaker has fixed Tuesday, 19 March 2002, at 4 p.m., as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

MATTERS OF PUBLIC IMPORTANCE

Howard Government: Denigration of Government Institutions

The SPEAKER—I have received letters from the honourable member for New England and the honourable Leader of the Opposition proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 107, I have selected the matter which, in my opinion, is the most urgent and important; that is, that proposed by the honourable Leader of the Opposition, namely:

The persistent denigration by the Government of institutions fundamental to Australian democracy, including the public service, the defence forces, the Parliament and the courts.

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 CREAN (Hotham—Leader of the Opposition) (3.53 p.m.)—Mr Speaker, I thank you for making the decision to bring on this crucial matter—

Mr ABBOTT (Warringah—Leader of the House) (3.54 p.m.)—I move:

That the business of the day be called on.
The House divided. [3.58 p.m.]
(The Speaker—Mr Neil Andrew)
Ayes............. 77
Noes............. 64
Majority........ 13

AYES
Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Cobb, J.K.
Downer, A.J.G.
Dutton, P.C.
Entsch, W.G.
Forrest, J.A. *
Gash, J.
Haase, B.W.
Hartseyker, L.
Hockey, J.B.
Hunt, G.A.
Jull, D.F.
Kemp, D.A.
Ley, S.P.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Nairn, G.R.
Neville, P.C.
Pearce, C.
Pyne, C.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Thompson, C.P.
Tolner, D.W.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Worth, P.M.

Anderson, J.D.
Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Causley, I.R.
Ciobo, S.M.
Costello, P.H.
Draper, P.
Elson, K.S.
Farmer, P.F.
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Hawker, D.P.M.
Hull, K.E.
Johnson, M.A.
Kelly, D.M.
King, P.E.
Lindsay, P.J.
Macfarlane, I.E.
McArthur, S. *
Moylan, J. E.
Nelson, B.J.
Panopoulos, S.
Prosser, G.D.
Randall, D.J.
Schultz, A.
Seeker, P.D.
Smith, A.D.H.
Stone, S.N.
Teichurst, K.V.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.

NOES
Adams, D.G.H.
Andren, P.J.
Bevis, A.R.
Byrne, A.M.
Cox, D.A.
Croso, J.A.

Albanese, A.N.
Beasley, K.C.
Brereton, L.J.
Corcoran, A.K.
Crean, S.F.
Danby, M. *

Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G.
Hoare, K.J.
Jackson, S.M.
Kerr, D.J.C.
Latham, M.W.
Livermore, K.F.
Martin, S.P.
McFarlane, J.S.
McMullan, R.F.
Mossfield, F.W.
O’Byrne, M.A.
O’Connor, B.P.
Price, L.R.S.
Roxon, N.L.
Sawford, R.W.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Vamvakinou, M.
Windsor, A.H.C.

Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
George, J.
Gillard, J.E.
Griffin, A.P.
Hatto, M.J.
Irwin, J.
Jenkins, H.A.
King, C.F.
Lawrence, C.M.
Macklin, J.L.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Murphy, J. P.
O’Connor, G.M.
Pibersek, T.
Quick, H. V. *
Rudd, K.M.
Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomas, K.J.
Wilke, K.
Zahra, C.J.

* denotes teller

Question agreed to.

FINANCIAL SERVICES REFORM
(CONSEQUENTIAL PROVISIONS)
BILL 2002
First Reading
Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day at the next sitting.

TAXATION LAWS AMENDMENT
(BABY BONUS) BILL 2002
Second Reading
Debate resumed from 14 March, on motion by Mr Costello:
That this bill be now read a second time.

Mr LATHAM (Werriwa) (4.05 p.m.)—I move:
That all words after “That” be omitted with a view to substituting the following words:
“whilst not declining to give the bill a second reading, the House
(1) notes that the Government’s proposal is unfair and a poor instrument for supporting families because, even though families face
similar costs in raising children, the Baby Bonus provides greater support to high income families and, as a result women earning $50,000 will receive five times more assistance than those earning $25,000, and

(2) in addition to being unfair, the House further notes that the Baby Bonus is:

(a) ineffective in meeting its stated objectives, because it is paid as a lump sum at the end of the financial year, not during the year when families need it;

(b) contradictory to the claimed aim of the New Tax System of simplifying payments to families, because it introduces a separate rebate; and

(c) complex, and therefore it is likely that many women will miss out on their entitlement”.

The Taxation Laws Amendment (Baby Bonus) Bill 2002 is the government’s main initiative in family tax policy for its third term. If anything, it illustrates the poverty of this government’s third-term agenda. It illustrates the paucity of initiatives that the government took to the last election campaign. Indeed, this is one of the few items for which the government could possibly claim an electoral mandate. For that reason Labor does not intend to oppose the bill, but we will point out to the House the many flaws in this legislation.

Mr Downer interjecting—

Mr LATHAM—Even the Minister for Foreign Affairs is confused: he claims that the government took the GST to the last election campaign; that was 1998. This is a government dazed and confused about its own initiatives, a government dazed and confused about its own mandate. For that reason Labor does not intend to oppose the bill, but we will point out to the House the many flaws in this legislation.

The opposition intends to point out the many flaws in the government’s provision. The bill before the House has a number of faults, and these are highlighted in the second reading amendment that I have just moved. The proposal is a poor instrument for supporting women and the bill is regressive. We sometimes use that term to mean that a proposal does not direct more assistance to those who need it most, but this bill goes even further: the bill actually directs more support to women who earn more before their child’s birth. This really is an extraordinary provision: it would be like reducing the marginal tax rate for income tax as a person earns more; it would be like reducing tax rates in proportion to earnings. As a consequence of the regressive nature of the government’s bill, women earning the same income level after their child’s birth—women who have the same needs and aspirations for their children and the same expenses; women who are in identical circumstances—are being treated differently to other women. The more a woman earns before the child’s birth, the more this government will assist her through the so-called baby bonus.

Let me give two examples of the rank inequalities involved. The first is the circumstance of a woman who earns $100,000 per year prior to having a child, who has a baby and then returns to work on an income of $50,000 per year. This woman would receive $6,000 in total baby bonus. Yet a woman who earns $50,000 per year prior to having a child, who has a baby and then returns to work earning the same $50,000 per year, would receive no baby bonus at all. The second example is this: a woman who earns $100,000 per year prior to having a child, who then has a baby and returns to work on an income of $30,000 per year, would receive around $8,750 in total baby bonus. Yet a woman earning $30,000 per year prior to having a child, who has a baby then returns to work earning the same $30,000 per year, would obtain no baby bonus at all. These are stark inequities. They treat women in the same circumstances with the same child-rearing costs, with the same aspirations, in vastly different ways financially. It really is a poor way of delivering benefits to women and their children.

These effects are not accidental. They are not unintended consequences of the policy. The whole thrust of the government’s bill is to return to women a portion of the tax they paid in the year before their child is born. The regressive features of this bill are inherent in any such scheme. This is a deliberate inequity that the government is imposing in
this particular legislation. This government, the Liberal Party more broadly and the Prime Minister in particular have an obsession with tax-oriented family income measures. They do not seem to mind that such measures are regressive, complex and inefficient—it is part of their cult of respectability, the Liberal self-image of rugged individualism, irrespective of the social fairness. It also reflects an underlying hostility to active government and the sound principles of good public policy.

But I am happy to report to the House that not all Liberals necessarily think this way. There are some exceptions. I note a speech made in another place only last week by a fairly prominent Liberal frontbencher. She said:

I think there is a problem with that proposal,—proposals to acknowledge in the tax thresholds the number of people who are dependent on that particular income—and the problem is that it, generally speaking, benefits the rich more than people on lower income levels. It certainly offers no benefit whatsoever to people who are not in a position to be paying tax, and I think in that sense it could be said to be regressive. ... I think people on lower incomes should get more help than people on higher incomes. ... I think people should get assistance based on the number of children that are dependent on them.

The Labor opposition welcomes that approach, that burst of honesty by Senator Vanstone, the Minister for Social Security, but we would also call on Senator Vanstone to apply those same principles to this particular legislation. She has made a commonsense proposition. She thinks that people on lower incomes should get more help than people on higher incomes. Why doesn’t she and her ministerial colleagues apply that principle to the baby bonus bill. The senator could say the same thing—and maybe she does say the same thing—about this particular child tax rebate: it benefits the rich more than people on lower income levels, it offers minimal benefits to people who earn so little that they do not pay tax and it does not give assistance based on the number of dependent children. If Senator Vanstone is serious about those propositions outlined in the Senate last week, she will be substantially amending this legislation when it comes before the other place.

The Liberal obsession with dealing with family income through the tax system has generated in this bill quite a number of inequities. What the bill does, in effect, is to treat children as a depreciable asset. It effectively deems a child to be an asset; it values the child at an income forgone in bearing and caring for the child and then allows a woman to depreciate the asset over a five-year period. Paul Keating used to say that the way the Liberals go on about the family, you would think the rest of us were delivered by a stork! It turns out the Liberals think so much of the family that they will let you depreciate your firstborn child. This is one of the curiosities of this particular legislation, one of the complexities, one of its stark inequities.

Perhaps the worst feature of the bill, though, is that it is very much a lost opportunity. There is a range of innovative ideas in the public policy debate about helping families that could have been developed by this government. Instead, they have introduced this complex and inequitable provision. I note in the Prime Minister’s election campaign that he was talking about ways in which families could use the baby bonus money to establish superannuation funds for their children. I note that on 14 March Senator Coonan in the other place said:

... recipients of the bonus will even be able to contribute it to a superannuation fund.

This illustrates the government’s confused and woolly-headed thinking on this provision. Just think about it for a moment: the government is saying that parents can take the baby bonus amount and deposit that money in a superannuation fund for a new-born child. In public policy, from time to time, you have a debate about the lead time by which provisions can come online, by which provisions can apply. In all my years of studying these things, I have never seen or heard of a provision that takes 55 years before it can be realised. The government is asking Australian families to put money aside that will not be realised, that will not be available to these children, until they...
reach the age of 55. It is asking families to put money aside until a time when most of us will be dead. It demonstrates Keynes’s dictum, ‘In the long run, we’ll all be dead.’ Under this government’s baby bonus proposal, it is only when we are dead that any person in this country will realise the benefits of having deposited the money in a superannuation fund for a newborn child. It is a curious proposition indeed—a sign of how this government has not explored all the innovative and effective provisions that could have been used with this amount of public finance.

Why, for instance, hasn’t the government made the baby bonus available for the establishment of child trust funds—funds that would replicate the inheritance process that has always been available to wealthy families, wealthy families about which the government knows well? Why hasn’t it allowed Australian families to put the money into a child trust fund that could be accessed at age 18? That money could accumulate over time through the benefits of compound interest so that a young person maturing into adulthood at age 18 could use those funds as a nest egg—an effective nest egg to move them into the home ownership market, an effective nest egg to allow them to pay some of the costs of higher education, an effective nest egg to allow them to move into the economy with skills and ownership. So there are better proposals available than this measure.

It is entirely legitimate for the ALP to note the flaws in the bill, to note the curious nature of the superannuation provision and to suggest means by which this could have been done so much better. Our bottom line, though, is to recognise the government’s electoral mandate, to recognise that when they have such a scant third-term agenda the parliament should pass provisions that clearly were placed before the Australian people, particularly when it comes to supporting families with financial measures. We make our criticisms: we note that the bill is regressive and we note that the bill provides for a great deal of confusion in its provisions. I do not know of anyone in the electorate who clearly understands its provisions. The government will have a great deal of trouble in trying to explain this complex measure to Australian families. It is ineffective in meeting its stated goals. It is contradictory to the claimed aim of the new tax system of simplifying payments to families. Such is the complexity of the measure, it is likely that many women will miss out on their entitlement. I urge the House to support the amendment that I have moved.

The DEPUTY SPEAKER (Mr P.J. Lindsay)—Is the amendment seconded?

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

Mr BALDWIN (Paterson) (4.18 p.m.)—It gives me great delight today to speak on the Taxation Laws Amendment (Baby Bonus) Bill 2002. It may be appropriate today, as we are talking about baby bonuses, to wish Jackie Kelly, the member for Lindsay, and her husband, Gary, all the best. Jackie’s second child is due any day now, and I am sure that we all wish them the best.

One of the many success stories of this government is the support that has been given to, and the recognition of, families in this country. (Quorum formed) As I was saying before the interruption, we would all be aware that the member for Lindsay is about to have her second child. I am sure that the only reason the member for Perth called for a quorum was so that the members present could acknowledge that and wish her the best.

Before the interruption, I spoke about the success of the government’s support and recognition of families in this country. Through the Stronger Families initiative and by effectively managing the economy, this government has laid the foundations for better outcomes for families. This is the government that recognises that the family unit is one of the very foundations of our society. This is the government that has provided $2 billion worth of savings for families through the family tax initiatives. This is the government that recognises that home ownership was the great Australian dream and now is the great Australian reality.

That dream turned into reality under the coalition when interest rates dropped to their lowest level since man first walked on the moon. That level of around six per cent
means thousands of dollars in savings for families on mortgage payments every year compared to when Labor was in power and interest rates of 17 per cent crippled families and left them unable to pay their mortgage. Labor was solely responsible for ripping the family home out from under many ordinary families.

The coalition, as a responsible government, is committed to Australian families. However, we recognise that, sadly, financial pressures are a major contributor to the destabilisation of family relationships. It is very clear that the Labor Party went out of its way to destroy families by placing them under enormous financial pressure through high interest rates and high tax rates. We have just heard the member for Werriwa say that families do not deserve the baby bonus. It is also very clear that the coalition, through strong financial management, reduction in interest rates, reduction in unemployment and reduction in taxes, is committed to helping the Australian family. In addition, to strengthen the great Australian dream, the coalition provided a $14,000 first home owners grant and this was a massive win for young families. Young families have young children and the coalition has delivered on child-care needs to parents, with over 700,000 children under the age of 12 using Commonwealth funded child-care services.

Earlier this month the Minister for Children and Youth Affairs, Larry Anthony, announced that 480,000 families who receive the child care benefit will have their payments increased from 1 July this year. The Taxation Laws Amendment (Baby Bonus) Bill 2002 that we are here to debate today is yet another step in the right direction. The baby bonus aims to help families cope with the loss of income when they have had a child. The 30,000 families in my electorate of Paterson deserve support in raising their children and that baby bonus is an investment in their future. All of the communities in Paterson will benefit from the introduction of the baby bonus, but communities with high growth rates in young families—areas like Raymond Terrace, Medowie, Beresfield and Thornton—will particularly benefit. Under the baby bonus initiative those families will receive the support they need.

Without a doubt having children is one of the greatest gifts from God that parents can receive. This is the government that recognises that after the birth of a baby many families lose an income with one parent choosing to stay at home while the other continues work. So people go from having two incomes down to one income and they have the added expense of a baby which puts additional pressures on mortgage repayments and the financial stability of the family unit. As a father of three young children I know only too well from first-hand experience the costs involved in raising children. The baby bonus will pay back to a parent who leaves the work force after the birth of their first child the tax payable on income earned in the year before the birth of the child. Parents will be able to claim up to $2,500 annually over a period up to five years.

To ensure that low income taxpayers and mothers who were not in the work force and therefore did not pay any tax in the year before the birth of their child also benefit from the measure, a minimum annual refund of $500 will be available for those people with taxable incomes of $25,000 or less in their claim year. Parents who return to work on a part-time basis will still be able to receive the baby bonus; however, it will be reduced according to the income they earn. Where the mother returns to work and the father stays at home, the baby bonus will be able to be transferred to the father. The baby bonus will also be available to parents who adopt a child on or after 1 July 2001. To ensure that families who already have a child do not miss out, the baby bonus will also be available for the first child born on or after 1 July 2001.

It is expected that around 245,000 mothers and their families will benefit from the baby bonus in the first year and eventually it will deliver benefits to some 600,000 families at any one time. This is the first time that a government has offered an initiative of this nature to support families and the coalition is the only government that has been able to effectively manage the economy so that an initiative like this can be offered. This,
clearly, is the government who supports families. Any member here who is a parent will know the costs that are involved in having babies. From the moment a child is born, parents spend a small fortune on items like nappies or disposable nappies, formula, a baby capsule, clothing, strollers, baby-care products such as vaseline and baby powder, toys and learning materials, baby furniture, car seats and baby food, not to mention unforeseen medical costs. The list can go on and on.

In a situation where a parent has to give up work to look after a child the loss of income is significant given the costs that I have just mentioned. As a father of three who does the grocery shopping every fortnight, and I have changed a nappy or two in my time, I know that families will welcome more money coming in—which this initiative delivers. The baby bonus is a commitment that this government has made during the election campaign and this bill we are debating today delivers on that promise. It is a step in the right direction for families and government in this country. It is recognition that this government gives families the support they deserve.

Mr SWAN (Lilley) (4.28 p.m.)—The Taxation Laws Amendment (Baby Bonus) Bill 2002 is a measure that purports to help families with newborn children. Indeed, it was a centrepiece of the Prime Minister’s campaign for re-election in November last year. Like most things the government has said and done of late it is not what it appears to be. As a measure to help families it falls very well short of the mark. I will just highlight those in summary and then move through them in detail. It is hopelessly complex, inequitable, fails to deliver help when it is needed, fails to paper over the flaws in the coalition’s family payment system and is likely to contribute to a further decline in our birth rate rather than reverse it. Despite all of the rhetoric to the contrary, some of which we have just heard from the member for Paterson, the Howard government have actually put families last when they should have been their first priority. In all of the policy prescriptions of this government they demonstrate how hopelessly out of touch they are with families.

I will just talk briefly about the baby bonus. There can be little doubt that this baby bonus is the brainchild of the Prime Minister, John Howard. It is likely that it was good family policy in John Howard’s favourite decade of the 1950s, but it is not good family policy in the 21st century—just like the government’s family tax benefits are not good incentives in the 21st century. The baby bonus delivers little to the majority of Australian families—who, unlike the Prime Minister, are living in the 21st century. In fact, Labor’s analysis during the election campaign indicated that in its first year just 12,500 families—half a per cent of all Australian families—would receive the full bonus of $2,500. Ninety per cent, or 2.5 million, of families with children would get nothing in year one. Of the remaining 10 per cent who got something, more than half would receive $500 or less. This bonus delivers to the few rather than the many. There are going to be very many disappointed families in this country who expected they were going to get something from this and who will not. That, of course, has been the experience of so many Australian families with the family payments system established by this government.

Another problem with the bonus is that it delivers the greatest benefit to those women with the highest taxable incomes. According to the latest available taxation statistics, the average female income for the typical child-bearing ages of 18 to 40 is just $22,057. The average benefit of the bonus for someone earning under $25,000 is $500. For someone earning over $50,000, the bonus is worth $2,500. That means that someone on roughly twice the income gets five times as much bonus—not a lot of equity in that. Because the bonus—and this is a very important point—is paid at tax time, those parents with a modest family income who have taken time out to care for a child full time will not get any support during the year, none. This is the ridiculous situation we are now getting to with the government’s family payments system as well, and I will come back and talk about that a little later.
So for families struggling to make ends meet, who are under considerable financial pressure, the bonus delivers too late to be of any real benefit. The government have designed the bonus to meet their own needs rather than the average needs of families, which is one of the reasons why they are currently out there with their family payments system encouraging people to take the money at the end of the year rather than through the year. It is just another one of those hidden cost savings measures that this government specialise in.

Probably the worst feature of the baby bonus is that it may delay people from having a child. It may not, I concede, but the incentive system is all perverse because those people who are thinking of starting a family or having another child might look at it and say, ‘Oh well, we might have to delay if we want to maximise this bonus.’ It is just a complete nonsense. I acknowledge openly that there are many influences on birthrates that are of a non-financial nature. There are social expectations that are very important. But the critical feature of the birthrate in this country is that we need to be encouraging people who want to have more children to have them. The fact is that we have got to encourage those people who have a first child to have a subsequent child if we are actually going to make any real impact on the birthrate.

Our birthrate has fallen to 1.75—below replacement rates—and we can ill afford an ill targeted system which is creating perverse incentives for those people who are looking for immediate help, not something at the end of the financial year, to assist them when they are removing themselves from the workforce. The whole thrust of this in just so typical of a government that is so out of touch with the lifestyles of Australian families in the 21st century.

We have already had for the last 18 months a perfect example of how out of touch this government are when it comes to public policy and family life when we look at their family payments system. The baby bonus has all the hallmarks of the government’s flawed family payments system, which is punishing hundreds of thousands of Australian families and is so flawed that you have the minister going out into the public and advising Australian families to break the law to actually receive something that they are normally entitled to—going out and telling them, because families cannot comply with the system, to overestimate their income because the government cannot design a system where they can receive the payment that they should be entitled to on a fortnightly or monthly basis. This has got all of the hallmarks of that system.

We all know the story of the family payments debacle and the debt trap that the government built into the family payments system. By asking people to nominate their income to the exact dollar a year in advance under this new beaut system, 600,000 Australian families incurred debts—600,000. And the government has the hide to talk about simplicity, workability and concern for families. To make matters worse, the government is saying that the system is so good they are going to keep it. They are going to keep a system which in the last financial year delivered debts to 600,000 Australian families.

When the government got into a political jam over this in the Aston by-election, they announced their $1,000 waiver. But the next political jam came along when they suddenly discovered that even with the $1,000 waiver there were up to 200,000 Australian families who would receive debts on average of $1,000, so they suppressed the letters for the last federal election campaign. To get their way through the campaign, in the last week of the campaign they claimed that they had not necessarily been writing to people but phoned them all to tell them about their debt, and of course they did not. Advice from officials in estimates committees showed that there were another 150,000-plus Australian families with average debts of greater than $1,000 and they had not been phoned or contacted.

So what the government deliberately did was suppress the sending out of this information, which was not sent out until January or February of this year—some people are still only receiving it—at the time when people were trying to send their kids back to
school. Through the whole time these families were ignorant of the fact that they had a substantial debt which would then come out of their daily and weekly living standards as the debts were recouped.

This is the background to the government coming into this House and claiming that somehow it has put forward some you-beaut family payments system or you-beaut baby bonus. It has done no such thing. Really, I would recommend to those members opposite, who must have literally hundreds and thousands of these people in their electorates: please do something about this system, please speak up in the party room, please stand up for Australian families, because too many of them are being punished by this government’s ill conceived, cost cutting legislation which is not family friendly. It is in fact anti-family.

I well remember how we were derided by the Minister for Family and Community Services on the Sunday prior to the election—seven days out—when we blew the whistle that the government was not telling families they would get debt letters after 10 November. The government said that all families were being phoned but, like the kids overboard story, that was not true. That was flushed out in the estimates hearings a couple of weeks ago. That was the second big lie of the election campaign, along with the children overboard lie. The second big lie of the campaign was about the debts that were hitting Australian families as a result of this ill conceived, cost cutting legislation which is not family friendly. It is in fact anti-family.

What we know from the family payment system is that less than one-fifth of the 600,000 families who incurred a debt were told the truth prior to the election. Most of those who were told, I readily acknowledge, were families covered by the government’s $1,000 waiver—the quick fix that was there to secure the Aston by-election result. Most of those not covered by the waiver—as I said before, 150,000 of the 600,000—are all now currently living through the pain of this government’s out-of-touch system and having the moneys deducted from their fortnightly payments. Many of those, as a result of being burnt by this system, have now decided to take on a fortnightly basis much less than they would otherwise be entitled to because they cannot risk getting another debt next year. I know the members opposite know this to be true. If they work in their electorates, they know this to be true, because they are seeing these people in their offices all the time.

This system of family payments is particularly pernicious to those receiving family tax benefit B. These families are the ones in which one parent moves in or out of the work force during the year. In these cases, the income of a parent entitled to family tax benefit B can fluctuate quite widely. For example, a woman caring for a child might expect to earn nothing during the year but return to work six months later and earn $12,000 in the year. A woman contacted me last year who estimated her income at the start of the year as zero. She was offered work in April—less than three months from the end of the year—earned something like $12,000 and then racked up a huge debt, and that is happening all over the place. It is difficult to see how Peter Costello can trumpet a set of family payments that are so poorly designed to meet the circumstances of average families. It is very hard to see how he could come into this House last week and claim that there was $2 billion extra for Australian families in the new family payment system. There was no such thing. With this family debt trap a lot more Australian families are getting a lot less.

If you go back and examine what the government did, you will find another great trick. A significant amount of that extra $2 billion in payments was simply clawed back because the government had suspended indexation of previous payments which had been collapsed into the new payments. Another trick, just so typical of the way this government approaches social provision. There is always something hidden in the fine print. There is always a clawback where
people get less than they thought they were entitled to because the government did not tell them the truth. That is why we say Australian families do want to plan for the future. They want a future that rewards their hard work and sacrifices. They also want one that recognises the tension between work on the one hand and family life on the other, and this is a measure which does not do that. That is why we say the Howard government, when it comes to some of these core forms of income support, has a set of anti-family policies which actually put families under greater financial pressure than they otherwise would be, because the government is engaging in a fair bit of penny pinching. That is why these systems are so complex; that is why they have these clawbacks. The government is actually on about saving money.

What is the way ahead? You would have thought, given the disaster of the family payment system, the government would have come out and said, ‘We’ll try to fix that first, because it is such a disaster.’ But, no, Senator Vanstone thinks it is a terrific system. They are going to do another twirl around the dance floor in the years ahead and more families are going to be caught up in her family debt trap. It is all going to be complicated by layering this new system on top of the other one. What we really needed was some progressive approach which recognised the realities of modern family life.

Family policy, properly understood, is not about forcing women to have more children, and it is not about keeping them in the home or any such antiquated rubbish; it is simply about the things you would want to do to make it easier for families to have and care for children. Families should be able to expect a fair share of the economic good times and a good family life, and government policy should be directed at achieving these twin goals. We should not be washing our hands of the problems I have spoken about earlier, and we certainly should not be in there up to our elbows—like this government have been with their family payment system—making things worse. Too often the very conservatives opposite who get up and make great speeches about family values have radical economic and industrial relations policies which push the market further into family lives and exacerbate the tension between the world of work and the world of family life.

I believe that our current Prime Minister and his ministers, despite all their rhetoric to the contrary, will always put market values ahead of family values. By doing so, they put Australian families in the 21st century under enormous pressure. That is certainly what the government have done with their industrial relations reforms. They have made the work-life balance harder for families by approving hefty increases in private health insurance premiums and, as I said before, by designing a family payment system that traps so many families in debt.

What this country desperately needs and what Australian families need is a government that is prepared to join the battle on the side of average families—to give them the tools and the support they need to confront change. Families need to be put first—not last, as this government has been doing. That is why Labor puts families first, why we are making families our top priority. I believe a good start, in addition to fixing the various payments that go to families, would be something like paid maternity leave. There will be issues about the cost of paid maternity leave and who pays for it, but we should be looking at that if we are having a look at all these issues.

The level of women’s participation in the Australian work force demands that we address the dilemma they face if they decide to have children. There are now demonstrated links between the provision of family friendly workplaces and improving birthrates. Countries which do the most to assist the family in the world of work actually have a reasonable birthrate. The ones that do the least have the lowest. That is the conclusion of the OECD. To put it another way, women all over the world are deciding against having children where there is no provision for them to integrate work and family life. Australia and the United States are the only developed nations in the world that do not offer some form of paid leave to parents following the birth of a child.
While paid maternity leave is essential, it is only one element of an effective work-family policy. We must look to build on a debate about these important matters to ensure that there is also a comprehensive platform of early childhood services to support and enrich children during the first years of their lives. This was a very big program that we took to the last election: recognising the absolute necessity of providing assistance to families when their children are young. It is an absolutely essential investment for the future of the nation in both economic and social terms, because at the moment we have a patchwork quilt of services—child care, maternal and child health, family support, early education—which is fragmented and inaccessible.

Labor believes we need a root and branch reappraisal of services for children and families, and we have to make sure young families get all the services they need to be good families. That means changing the way governments plan and fund child and family services. If we can get the work and family policy mix right, we may well go a long way towards solving many other important social problems in this community.

There are too many Australians out there who are juggling work and family responsibilities. They are the ones who are nurturing the next generation of Australians, so we have to do a lot more to recognise the realities of their lifestyles and their family and work commitments. I could not think of a measure which is more out of touch with that than the way in which this government has constructed this baby bonus.

There are many Australian families under immense financial pressure, and there is not a lot in this measure—it delivers the highest amount of money to the highest income earners and the lowest amount of money to the lower income earners—which is going to have any fundamental influence for the great bulk of middle Australian families who are crying out for some assistance. Middle Australian families are also being saddled with Senator Vanstone’s family debt trap.

Mr Nairn—Low interest rates!

Mr SWAN—Is that your family policy: low interest rates? That is it, beginning and end. As has been the case in so many other areas, John Howard and Peter Costello are simply perpetrating a deception.

The SPEAKER—The member for Lilley has an obligation to address members by their office.

Mr SWAN—The Prime Minister and the Treasurer are fundamentally out of step with the lifestyles of Australian families. Many Australian families are living with growing financial pressures because of the mean-spirited policies of the Howard and Costello government. We intend to keep this government under close scrutiny on these issues. We have moved a second reading amendment which points to the deficiencies of the bill. (Time expired)

Debate (on motion by Mr Pearce) adjourned.

PRIVILEGE: SENATOR HEFFERNAN

The SPEAKER (4.49 p.m.)—I advise the House that I have received a letter dated 19 March 2002 from the Hon. Mr Justice Kirby, together with a copy of a statement. The statement reads:

My family and I have suffered a wrong. But it is insignificant in comparison to the wrong done to Parliament, the High Court and the people. I have been sustained by my innocence, by the love of my partner and family and support and prayers from all sections of the community. I accept Senator Heffernan’s apology and reach out my hand in a spirit of reconciliation. I hope my ordeal will show the wrongs that hate of homosexuals can lead to.

Out of this sorry episode, Australians should emerge with a heightened respect for the dignity of all minorities. And a determination to be more careful in future to uphold our national institutions—the Parliament and the Judiciary.

I table the correspondence.

TAXATION LAWS AMENDMENT (BABY BONUS) BILL 2002

Second Reading

Debate resumed.

Mr PEARCE (Aston) (4.50 p.m.)—I rise today to speak on the Taxation Laws Amendment (Baby Bonus) Bill 2002. Before
I begin, I would like to follow up on some of the remarks made by the member for Lilley. The member for Lilley referred to the lack of government family friendly policies. It is important for all of us to bear in mind, when we are talking about a lack of family friendly policies, that under Labor home loan interest rates were 17½ per cent. It was only six years ago that I, together with many other Australians, was paying more than $300 per month in home loan interest rates.

I would like to remind the member for Lilley that the coalition government, not Labor, introduced the First Home Owners Scheme. It is also important to remind the member for Lilley that this government—the Liberal-National government—has provided the lowest income tax rates in Australia’s history; this government, not Labor, has provided over 130,000 Australians with Work for the Dole jobs; this government, not Labor, introduced the health insurance rebate program. If we want to talk about family friendly policies, we should look to this government.

Families are the foundation of the Australian community. They embody the common values that I am sure we all share. The ideals of the family—love, mutual support and unconditional acceptance—encourage our children to grow and develop, and they provide comfort and certainty to all members of the family unit. Governments have an important role to play in providing an environment which supports Australian families. This bill is a good demonstration of how governments can support families and promote choice. The baby bonus supports new families having their first baby; it supports families which already have children and who have a new baby; it supports parents who want to return to the work force in full-time or part-time work; it supports dads who want to stay at home and care for their babies; and it supports parents who adopt young children. In fact, it supports all families with young children.

This initiative comes from the recognition that the birth of a first child is often a financially difficult time for a family. The cost of raising a child is quite often compounded by families losing income as one of the parents gives up or reduces their employment in order to care for their new loved one. Family initiatives like the baby bonus are important to all people across Australia and particularly to the people in my electorate of Aston. As a community in Aston, we have one of the highest proportions in all of Australia of couples with dependent children and we have an above average proportion of children under five years of age. Together with the support of this government’s first home buyers grant, young families are making their homes in the new estates of Rowville, Lysterfield and Wantirna South in my electorate of Aston. The families of Aston welcome the coalition’s support for families and in particular this new baby bonus initiative.

The baby bonus is just part of this government’s coordinated and comprehensive approach to supporting families. Since coming to office in 1996, the coalition has delivered real and practical benefits to all Australian families. For example, before the 1996 election, the coalition announced the family tax initiative to increase the tax-free threshold for families with children and to introduce additional benefits for single income families with children under five. In January 1997, we delivered with the $2 billion family tax initiative plan. Furthermore, in 1998 the coalition said we would introduce a new system of family tax benefits worth another $2 billion a year, as part of the government’s tax reform package—and again we delivered.

The coalition has always been keenly focussed on actually delivering real and tangible benefits to all Australians. This government has delivered more affordability for families by keeping mortgage interest rates low, as I mentioned earlier, and providing the first home owners grant. These are all part of this coalition government’s total approach to the family. This government has made it easier for families to access private health insurance by delivering a 30 per cent rebate. This government said that it wanted to support working families by cutting income tax so that people on incomes up to $50,000 per annum pay a top rate of only 30 cents in the dollar. And we delivered.
The coalition will continue to deliver for Australian families in this third term. The baby bonus delivers a tax break of up to $2,500 a year for a maximum of five years. It does this by allowing a parent to effectively average their income for tax purposes. The level of entitlement under the initiative is calculated by comparing a person’s taxable income in the year before the child is born or adopted with their taxable income in the claim year. For example, if a mother earns a salary of $30,000 per annum in the year before the birth of her baby, she will pay $5,380 in income tax. Under the baby bonus, she will be able to average that $30,000 over the five years when she is out of the work force caring for her new child. This means her income for the period will be $6,000 per year, which is below the tax-free threshold. This means that she will be able to claim back the tax that she paid, $5,380, in five annual instalments of $1,076 each.

To ensure that low-income and existing single income families also benefit from this initiative, a minimum annual payment of $500 will be available for those with taxable incomes of $25,000 per annum or less in the year that they make their claim. The baby bonus provides support for a range of different families with young children. The bonus is available to new mothers who give birth to their first child on or after 1 July 2001. To ensure that families who already have a child do not miss out, the baby bonus is also available for the first child on or after 1 July 2001. The bonus is also available to parents who adopt a child under five years of age on or after 1 July 2001. In an increasing number of families where the mother returns to work and the father stays at home, the baby bonus can, in fact, be transferred to the father.

One of the great characteristics of this initiative is the flexibility that it provides to all kinds of families, regardless of the particular situation they are in. Parents returning to work on a part-time basis will still be able to receive the baby bonus at a reduced rate based on the income they earn. That means, if a parent returns to work and earns a third of the income they earned before they had the child, the baby bonus will be reduced by a third. In claiming the baby bonus, parents will be able to access the refundable tax offset in their tax returns from July this year. For those who do not lodge tax returns, a separate claim form will be available from the tax office. This initiative will help many Australian families. In fact, the baby bonus is expected to assist around 245,000 families in the first year and in subsequent years up to 600,000 families at any one time.

The baby bonus was an important part of the coalition’s third-term agenda on which it was re-elected in November last year. It was a critical element of the coalition government’s election campaign to the people of Australia. A key reason why the Liberal-National coalition government was returned to office is that it continually cares and focuses on the needs of all Australians. I am proud to say that this government is delivering on that commitment—and delivering in full and on time. The bonus is part of the coalition’s overarching commitment to support families raising young children, and another demonstration of the coalition’s ongoing record of practical support.

As I said at the beginning of my speech, this baby bonus supports families in many different situations: families having their first baby or having a new baby; parents who want to return to the work force, whether full time or part time; dads who want to stay at home; and parents who adopt young children. It is a great initiative. It is an initiative that will assist hundreds of thousands of families throughout Australia and it is an initiative that I believe is at the core of why governments exist. Governments exist to help people. They exist to provide programs and initiatives that will help people to live a better life and to prosper in, and contribute to, their local communities. Governments exist to help people to support themselves, their loved ones and their friends in bringing up their families. At the end of the day this is at the core of everything that we should be doing in this House. I commend this bill to the House.

Ms ROXON (Gellibrand) (5.02 p.m.)—Thank you, Deputy Speaker Wilkie. I would like to say, since this is the first time that I have spoken when you have been in the
chair, how well you look in that chair. May you be there for a long time.

_Mr Entsch interjecting_

Ms ROXON—I have been corrected. I was not suggesting anything about the chair. Mr Deputy Speaker, but about the position. I turn now to far more important matters—the Taxation Laws Amendment (Baby Bonus) Bill 2002, which is before the House. I feel very strongly that we need to have a detailed debate on this bill. The contribution of some members opposite does make me question whether or not we are debating the same bill. Whilst I can agree with the last sentiments expressed by the member for Aston—that governments have an obligation to assist people, and I think all of us hope that we are assisting members in our electorates as best we can—this initiative assists far fewer people than it could and by an amount which is significantly less than if it were a fair and equitable piece of legislation and if the government were seriously trying to find the best ways to manage family policy.

There are not very many other members in the House to notice this, but there are certainly plenty of departmental officials here—and I am not sure whether those officials are from Treasury or from DFCS. I was surprised to learn in the Senate estimates process that the department that is responsible for developing appropriate policy for the wellbeing of families and children had absolutely no say in the development of this initiative. I found that a very worrying admission to be made in Senate estimates because I have a great deal of confidence in our public servants and I think the Department of Family and Community Services has a great repository of knowledge about the best ways to assist families.

We may not, of course, always agree with the sorts of things that governments pick up. I suppose those on the other side do not always agree with us when we are in government either, but I think that across the House we all agree that the department has a wealth of knowledge about what is good family policy and the sorts of initiatives that might assist families in need. I was extremely worried to find during the Senate estimates process that not a single departmental official from the Department of Family and Community Services was in any way involved in assessing—even after the election—whether or not this proposal that was announced during the election would have a benefit to young families.

When the member for Werriwa spoke on this first from our side he said that this initiative was a great lost opportunity. I think that is a very good way of describing it. We do not deny that this initiative will provide benefits to some families, and that is the reason why we will not oppose the bill. We certainly welcome any assistance that can be given to families. We are concerned that this could have been much more effectively and fairly directed and that the children in many families across this country could have benefited better if there had been a better process—perhaps through the involvement of the Department of Family and Community Services and a broader debate about what sort of family policy we need in this country. For that reason I seconded the amendment that was moved by the member for Werriwa, which tries to highlight the concerns we have with this bill.

They are very serious concerns, not least because it seems that some children are worth more than others but also because it seems that some particular lifestyles are valued more by the government without there being any proper assessment of whether or not that type of social engineering is for the benefit of the children or for the benefit of the world view of the Prime Minister, who seems to think that all women, if they could, would stay at home with their children. In my electorate many women, if they were financially able, would choose to do that for some time but, unfortunately, the vast majority of them will fall into the income categories that mean that they will be entitled to the grand total, if they are lucky, of $500, the minimum per year. Let us face it—that is not a lot of money for your first child or for the support of any child.

I notice that the member for Paterson said, ‘This is a fantastic initiative. It is so good because you have got so many things to buy when you are a new parent. You have to buy cots, prams, bassinettes, baths, change tables
and all sorts of things.’ I did not want to be rude to the member and interject because I was not sure how old his children were, but it seemed to me that he must have very old children if he was able to buy all of those things for $500. The last time I checked you would be lucky if you were able to get a pram, a baby capsule and a bassinette for that sort of money. Obviously there are many more ongoing costs as children grow up. So it seems to me that, whilst some of the support for this is well-intentioned—and I think none of us argue that trying to support families is not a good idea—the way it has been done and the opportunities that have been missed are really quite serious.

I want to go back to the point I made before about some children being worth more than others. If this truly is an initiative which is supposed to support parents in bringing up their children because of the costs of having a child, I certainly have not been able to get my head around how it is that the costs of having a child in a low income family are five times less than the costs of bringing up a child in a family that earns twice as much or three times as much. It seems to me that there is a pretty odd process here. For anyone who has gone through the explanatory memorandum—all of its 46 pages, which reminded me of doing my maths exam in sixth form—the formulas and processes for working out what it is that people will be entitled to for what should be a relatively simple initiative are quite amazing.

There are lots of examples about when it is that parents become entitled to the payment when they have their children—or when there is ‘a child event’, as it is called, bizarrely, in the legislation. Some people will not be entitled to that minimum $500. In fact, depending on when in a year you have your child you could be entitled to much less. On page 37 there is an example of a family—I cannot remember who; I think it was Maria and Tom—which was going to be entitled to the grand sum of $54 at the end of the tax year in which they had their first child. I think the member for Lilley was really hitting the nail on the head when he said there will be lots of families and new parents out there who, once they learn what they will be entitled to, will feel that they have been taken yet again for a ride by this government. They will not all get $2,500 each—which may well be a significant contribution for most family budgets. Some of them will not even get the $500. If they can work out what they will be entitled to, they will be extremely lucky as well.

Other speakers have already indicated how complex this piece of legislation is. We also need to add to that the way this initiative will actually tie in with a range of other family assistance measures, including the family tax benefit, both A and B, and the child-care benefit. We have already heard the member for Lilley talk about how much of a mucked up process this has been and how difficult it has been for families to know to what they are entitled. And now they will be hit with another measure which will make it very difficult to work out what they will be entitled to. I would like to quote from an article written during the election campaign by Peter McDonald in the Australian on 31 October 2001. He said:

In recent interviews, John Howard has made it clear that he has a strong personal commitment to mothers staying at home to look after their children, at least until the youngest child is at school. The Coalition’s First Child Tax Refund—the bill that we are debating today—and the already existing Family Tax Benefit Part B provide incentives for mothers to do this. Both are payable irrespective of the income of the father.

This is the important part:

In contrast, the Child Care Benefit is severely income-tested on the income of both the father and the mother. When a woman with a child aged less than five wants to return to work, she will now be faced with the simultaneous withdrawal of Family Tax Benefit Part B and the new First Child Tax Refund in combination with the application of the income test on the Child Care Benefit and the other additional costs of working, such as travel and clothing.

This is serious, not just because people might argue about whether it is desirable for women to return to work but because there are thousands and thousands of families who do not have the luxury of making that choice. It is not about whether they choose to return to work; it is about what is desperately
needed within the family. This initiative is not sufficient to make it economically viable for many families to choose. Personally I find the rhetoric of choice and adding to choice, when it is not really giving some of the families most in need of that choice and support a real choice, quite offensive. Also, I think we need to look at the expectations of women today. Peter McDonald went on to say:

... young women of today who have been socialised by schools, parents and society in general to expect to use their acquired skills in the paid labour force will opt not to have children or to have fewer children than they would otherwise have had.

That is talking about the combination of the very complicated process here. I think that this is really quite a serious issue. Other speakers such as the member for Werriwa and the member for Lilley have already indicated that this was an opportunity to look much more creatively at the best way to assist families. The member for Werriwa is very interested in child trust funds. The member for Lilley talked in some detail about paid maternity leave. But there is a wide range of other matters we could have looked at, such as the way in which child-care assistance is paid, parenting programs and the investment needed in early childhood. As the member for Lilley has already said, in children’s services generally we have such a patchwork and fragmented approach, not just within the Commonwealth but between the Commonwealth and the states, that this area is having a big impact on the way that families bring up their children. Sadly, this initiative will not deal with any of those problems appropriately.

I laughed when I read an article during the campaign by Adele Horin in the Sydney Morning Herald because she was providing some commentary as well on this proposal that had been put forward by the government. She said:

When John Howard said the hot topic at the barbecues he attends is the work/family balance, I was all ears. Would he address the long hours culture? The role of fathers? Paid maternity leave? Permanent part-time work? What policies would he offer to ameliorate the stresses and strains of the juggling act? His solution should have come as no surprise. It was to provide yet another inducement to mothers of young children to quit the workforce. She goes on to look at the fact that most women do not have the luxury of making that choice. She says:

Most women can’t afford to lose their skills and confidence given the changes in society. Home ownership is beyond the reach of the single-income working man; divorce is common; sole mothers are under pressure to be self-supporting; superannuation is tied to workforce participation; and young women are, on the whole, better educated than men.

I think quite tellingly—because I think this is a debate we will never resolve—she said:

You can argue the old Freudian question “what do women want?” till the cows come home. But the fact is almost 70 per cent of women are working a bit by the time their youngest child is aged three to four.

We need to deal with that. We need to look at lots of other issues regarding how we can support parents properly and how we can make sure that they can bring up their children in the way we think all families should be entitled to. This initiative falls very well short of doing that, and that is a great concern for us.

The other matter of great concern in dealing just with the baby bonus as an incentive—and this is an issue that is close to my heart, as Labor’s spokesperson on children and youth—is that there are very real expenses as children get older. As many parents will tell you—and I can see one of the members on the other side of the House smiling; he obviously has teenage children to know this—they in fact get a hell of a lot more expensive to care and provide for as they go into their teenage years. So I think we need to look at more than just a baby bonus.

If we are providing a baby bonus and if its stated objective is to try to deal with the dropping birth rate in Australia, we need to make sure that it is going to work. This takes me back to my first point: if you do not involve the experts in trying to make an assessment about whether these policies will work, we could be spending a significant amount of money in a way that just has no
effect. I do not believe that this initiative will have no effect, because it is providing some assistance to young families, but it may well not have the significant effect that it could have if others had been involved and if the opportunity had not been wasted, as I believe it has.

I would like to talk a little bit more about Australia compared with other OECD countries when it comes to dealing with paid maternity leave, in particular, and the assistance that we give families. Again, Peter McDonald in the article that I referred to earlier makes a very interesting point. He says:

It is now well-recognised in the research literature—by the OECD and countries such as Japan that are trying to find the right policy mix to address disastrously low fertility rates—that promotion of the male breadwinner of the family is exactly the wrong direction. In a recent 14-country study of the level of support for working families with children, Australia ranked 14th—this is in a 14-country study, so ranking 14th is not the best place for us to end up on the scale—when the youngest child was aged under three and 13th when the youngest child was aged three or four.

So there is a significant amount of work to be done if we are going to make our policies for children and families something that will deal with the very real issues that we are facing with a declining fertility rate and also with the immense pressure that many families are now under in bringing up their children.

I support the amendment that was moved by the member for Werriwa and seconded by me, because it is very important to set out what the Labor Party think on this. We are not declining to give the bill a second reading in the House. It is something that we know will be beneficial for many families and for many women who are choosing to have children with their partners, and for that reason it will no doubt go ahead. But we want to make it very clear on the record that the Labor Party are concerned that this proposal is unfair. We think that it is an extremely poor instrument for supporting families because, even though families face similar costs in raising children, the baby bonus provides greater support to the highest income families and, as the text of the amendment makes clear, women earning $50,000 and over will receive five times more assistance than those earning $25,000. It is extremely unfair and regressive, and that is something that we have great concern about. There must be a better way to target and use this sort of assistance to the benefit of all Australian families, but in a way that is fair for all who are having children.

When the member for Werriwa spoke, he added that, in addition to it being unfair, the House should further note—and we want to make clear that the House does note our position on this—that we believe that the baby bonus is ineffective in meeting its objectives because it is paid at the end of the year and not in fact, as the Prime Minister announced during the campaign, at the time when families are having their first child and when they need it most. They need to be very careful with their planning if they want to make sure that they get it paid immediately when the baby is born; it has to be at the time that the tax year ends, otherwise they are in trouble. I am not sure that even the Prime Minister is suggesting that sort of social intervention.

We also believe that this baby bonus bill is contrary to its claimed aim of simplifying the new tax system. As I have said already in my speech, I am very concerned about the way it interacts with the child-care benefit, the family tax benefits and other matters. Families may get a little more money once they do all their sums, but they may well spend a serious amount of quality time trying to work out what they are entitled to rather than caring for their children, and surely that is not something that the government is trying to support either. This complexity will mean that many families that are entitled to the benefit will miss out, and that is of great concern to us and something that we will continue to hold the government accountable on.

They are the main issues that I want to raise. I know this will continue to be debated, because we will be watching closely how many families actually do benefit from this initiative and how many of them receive the full benefit. We will be holding the gov-
ernment to account on whether they achieve the aims that they have said that they intend the bill to achieve. We are hoping that maybe the government might see some sense and actually look at the opportunity that this presents and put forward some amendments which would make it a much more equitable proposal for the families of Australia.

Mr ANTHONY SMITH (Casey) (5.21 p.m.)—The Taxation Laws Amendment (Baby Bonus) Bill 2002 fulfils one of the government’s key election commitments to Australian families. Like all other election promises, it is being delivered in full and on time. On that note, having heard the previous speaker, the member for Gellibrand, I find it confounding and perplexing that the Labor Party come in here after an election and suggest that the government of the day alter its election policy that it has sought and received a mandate on—but then again that is the Labor way, isn’t it?

Like the member for Aston, I am particularly pleased to speak on this bill because its provisions will be greatly appreciated and understood by thousands of families in the electorate of Casey, a neighbouring electorate to the electorate of Aston. Suburbs in Melbourne’s outer east, including many in Casey, have grown greatly in the last 10 years or so. Areas that were formerly dairy farms are now housing estates; areas that were orchards are now homes to thousands of new residents in suburbs like Croydon North, Chirnside Park, Kilsyth South and Lilydale Lake. It is precisely these Australian families that this policy seeks to assist.

As previous speakers on this side have outlined, families undergo many significant changes in the lead-up to the birth of a baby. This baby bonus recognises that one of the hardest times for families financially follows the birth of a first child. In these days of dual incomes, families often lose one of their two incomes for a period as the mother or the father gives up or reduces paid employment to care for the child. In addition, there are the expenses that have been outlined by previous speakers—many hundreds of dollars can easily be spent buying essentials and in some cases the associated medical costs can be rather significant. The baby bonus on its own cannot and does not attempt to make up for or completely offset these costs. No government can do that and no sensible government would try. What it does try and do is reduce the cost. That is what these measures do—they try and make a difference, they try and send a signal, they try and lend a helping hand to Australian families as they go through what is a very expensive period of their lives. They try and show young families that we as a country believe that families are the cornerstone of our society. They try and help give families some greater financial independence and control over their own destiny.

When you add up all of the measures this government has taken to assist families and compare them to the bad old days before 1996, the contrast is stark. Importantly, this baby bonus is just one of a specific number of measures this government has taken progressively. Each has been thought out, costed, promised at an election and then delivered on time and in full—again, in stark contrast to when Labor was in power. In the 1996 election we promised to introduce for the first time a family tax initiative to provide specific tax relief for families with young children. It was introduced in full and on time in 1997 at a cost of $2 billion a year. In the year 2000, as part of our tax reform package, we doubled it, providing another $2 billion annually. With this bill we commit a further $1.2 billion over the next four years to further ease the burden on young Australian families. Of course at the same time, as previous speakers have outlined, we dramatically reduced income taxes for average Australian families and, through strong economic management, dramatically reduced their home mortgage interest rates.

The Australian Labor Party will come into this House, as we have seen, and will nitpick about the measure; they may even vote for it. But with what we have seen today the Australian public should be under no illusion about their real motives: they oppose measures such as this because in their hearts they do not like giving tax assistance to families with young children. You do not even need to hear their words on the subject, because their deeds as well as their actions—or,
should I say, lack of action—say it all. In their 13 years in government they never once introduced a specific measure to give tax recognition to families with young children—13 budgets, five election campaigns and not a single tax measure specifically for families. In the six years since they have had numerous opportunities to recognise that failure, recognise they had forgotten middle Australia and young families and develop some sensible policies to assist them.

In 1998 they had the chance to make up for that failure. They had the chance in opposition to sit down with a blank sheet of paper and write a new tax policy to take to the election. They had 2½ years to think of something to help families, and what happened? They produced a policy to oppose income tax cuts for families and to keep the rotten, failing, wholesale sales tax, mentioning only two items—orange juice, which they would take wholesale sales tax off, and caviar, which they would put wholesale sales tax on. In addition, they decided to increase the tax on four-wheel-drive vehicles. It was the sort of policy that must have been thought up at five minutes to midnight in the Labor leader’s office and written on the back of a beer coaster or, more accurately in terms of modern-day Labor, on the back of a latte napkin. When we came to the last election, when they had had a further three years to think of a policy to help families with kids, again there was nothing—no income tax policies to help families with young children.

Those opposite tell us that all their policies are now under review again, and Labor has yet another chance to recognise its failure. But they will not, and the Australian people should know that they will not. The reason they will not is that they cannot. Many people have wondered why it is that Labor ignores young families when they come to formulating policy. Why is it that, when they were in government, not only did they not have any specific policies to assist young families but they actually hurt them through bad economic management? Why do they not understand just how important measures like the baby bonus are as an incentive for families? The reason is simple: Labor no longer represents or understands the needs of families.

You do not have to take my word for it, or the word of the coalition, because there are some people in the Labor movement who acknowledge this and see the problem. There are a couple of orphans in the Labor Party who are honest enough to admit they have got it wrong. One of them is Joe de Bruyn, the national secretary of the shoppies union. Here is just some of what he had to say in an interview following last year’s election, where he reflected on Labor’s failed family policy over a long period of time. He said that Keating was captured by ‘femocrat advisers’, and he went on to say:

The reason why the Labor Party will not listen to what is the majority view out there in the real world is because prominent women in the Labor Party won’t allow it.

The article, which appeared in the Melbourne Age, tells us he specifically identified the members for Fremantle and Jagajaga and the former member for Dickson, Cheryl Kernot, as the key culprits. He went on to say:

Within the party there are very few people who support giving families a choice. Haven’t we seen that today! The article goes on to say that before the 1996 election he warned his party:

I told them: ‘Unless you do something to match those policies, Howard will win this election.’

He finished by saying:

There’s no real sign of rethinking on these issues in the Labor Party ... They just don’t get it. They have no idea what ordinary women and their families really want, and with Simon Crean it will be worse.

Those opposite would do well to reflect on Joe de Bruyn’s words and admit their failure and their past mistakes and just how out of touch they have become. We have not seen any evidence of it today, but it is early days.

We saw this after the last election, of course, when there was this outpouring of dialogue from Labor identities about this confounding phenomenon they called ‘aspi-
rational voters’. The Labor Party found that this group of voters—called ‘ordinary Australians’ by the rest of us—had crept up and blindsighted them. They needed new strategies to deal with them and, after weeks of teeth gnashing, hand wringing and brow furrowing about how to grapple with these voters, the member for Lilley came to the rescue. He sprang forth into print to declare that he had solved the mystery, when he reported that he had recently discovered large numbers of aspirational voters and, what’s more, he had sighted them: he knew where they hung out. He made the stunning discovery that large numbers of Australian families frequented big shopping centres on Saturday mornings. That’s right! It was a big revelation for him and the Labor Party. He even came up with a label for them. He called them the ‘Westfield mallers’ because he had discovered them at a Westfield shopping centre. What a discovery!

Average Australian families with young children are so foreign to the Labor Party now that they have to think up a name for them, as if they are some new species. Now the member for Lilley is swanning—if you would excuse the pun—the suburbs of Australia like some sort of bold adventurer, some sort of ground-breaking pioneer going where no Labor Party figure has ever gone before: into Westfield shopping centres to find aspirational voters. It begs the question, what did the member for Lilley previously think went on in shopping centres? Didn’t he twig that something was up when he saw acres of cars parked outside them on weekends? It is quite bizarre, and it is quite a commentary on just how out of touch the Labor Party have become.

I urge those opposite to refrain from their lifelong habit of nitpicking and recognise that, along the other family friendly initiatives this government has implemented that enjoy wide support, this measure should be welcomed and they should unreservedly support it. That is a challenge to the Labor Party, but it is one they should take up. This legislation is important: it builds on past initiatives for families, it will make a real difference to young families at what is a very costly period of their lives, and it deserves support.

Dr Martin (Cunningham) (5.31 p.m.)—I enter this debate on the Taxation Laws Amendment (Baby Bonus) Bill 2002 this afternoon following the honourable member for Casey. It is quite clear where his antecedents lie in terms of his representation in this place: some of the lines were recycled from his former boss here, the Treasurer, and I suggest he get a new script writer because most of what his former boss had to say was also recycled from other people in this place—and his former boss did a much better job of it.

I take exception to the fact that a couple of the comments he made on the broader issue of tax relief and tax reform suggested that the Labor Party did not do anything for families during its 13 years in government. He is a youngster and his memory probably does not quite go back that far, nor does he realise the tax relief benefits that his parents would have inherited in the course of the Labor Party’s administration. In 1983, my friend, when the Labor Party came into government and inherited from your colleagues—including the now Prime Minister, who was the Treasurer of the day—the top marginal tax rate was 60c in the dollar and the bottom was 30c in the dollar. Over that period the Labor Party reduced the top marginal tax rate to below 50c in the dollar and the bottom rate to 21c. Families—and this includes families that even you belonged to—would have certainly benefited from the tax system that was put in place. Equally, in terms of the family friendly policies that we embraced, one of the things that your former boss often likes to talk about in here is the way in which the business community—small business in particular—is the engine of growth in this economy.

Mr Ross Cameron—Hear, hear!

Dr Martin—I know the member for Parramatta holds that view, because I have heard him speak about this as well. Interestingly, the top marginal tax rate for business in Australia when we came into government in 1983 was again excessive, and it was the Labor government that reduced that to less than 30 per cent. Certainly, we did in subse-
sequent budgets adjust it upwards by a couple of percentage points, but I have to tell you it was to nowhere near the levels which we had inherited previously. So I think it is a little disingenuous to say, in terms of tax relief, that Labor in government was never able to tackle some of the hard issues. I think genuinely that even in your heart of hearts, if you were to have a look at some of the structural reform that was put in place by Labor governments under both Prime Ministers Keating and Hawke, you would have to acknowledge that some of those structural adjustments of the Australian economy did, in fact, benefit families and also working people, because one of the things that we tackled was, of course, the double digit unemployment that we had also inherited from former Treasurer and now Prime Minister Howard when we came into office in 1983. He was the champion—he had double digit unemployment and inflation. We had to fix that up. At the same time we tackled the issue of tax reform and introduced family friendly policies like Medicare and other social measures which gave all Australians access to universal health care in Australia.

In 1983, my friend—go and ask your parents and they will tell you—there were many millions of people, including low income earners and struggling families, who simply did not have access to Medicare and did not have access to a tax system that saw a social benefit for them. But they did as a result of Labor’s initiatives. The coalition has kept them although it has essentially emasculated the whole issue, because when we talk about taxation and family relief you cannot simply quarantine the pure tax issue from some of the other social measures that were put in place.

The legislation today, of course, goes specifically to one element that the government is introducing and which the member for Casey says the Labor Party will nitpick about but eventually might pass. The shadow minister has indicated that we certainly will be passing this, but we will nitpick as well because the measures here, rather than benefiting the people in electorates like mine to the extent which I would like to see, simply will not do so because they fall short of targeting people who are really in need. The simple and undeniable fact about this legislation is that the more money you earn, prior to dropping out of the work force and having a child, will determine the size of the baby bonus. I know that the government will argue that that is reward for incentive and a reward for people in high-paying jobs, but how does that really affect and look after the interests of those people in the community who probably need something like a baby bonus more—those who could put it to good use for the needs that they have?

I am a parent. As a father of four kids I know that you struggle in circumstances where good education, access to health care, access to entertainment et cetera need to be catered for. If constituents in my electorate of Wollongong were asked about their concerns about access to the baby bonus, at first blush they would probably say, ‘You beaut, this is a pretty good idea,’ until they actually see the value of it; until they actually go and measure the way in which it is to be applied. The simple fact is that the proposal being put forward is complex—it is the detail that people need to look at very closely with this government. Often we have seen this government make announcements pre-budget, during the budget session itself or at other times about some new, beaut policy and everybody gets caught up in it and says, ‘This is just absolutely sensational,’ until the fine detail comes out. When the fine detail comes out, you see that there are very complex ways in which public servants are asked to administer this broad-brush approach that the government in a policy sense has announced.

The amount paid here is complex in terms of working out who benefits the most. This bill seeks to provide a tax offset for mothers following the birth of their first child—a great idea, a terrific idea; I do not think anybody in this place would object to that. The offset is designed so that over five years mothers can claim back the tax paid on their income in the year prior to the birth of their first child. The amount that is going to be paid under this grand vision in any year is calculated by comparing the taxable income in the year prior to the birth of a first child with the taxable income in the year in which
the mother claims the benefit. That payment is subsequently calculated on the woman’s loss of income—the greater the loss of income, the greater the benefit. That is where the Labor Party has some reservations. I know that, if I go to places in my electorate such as the northern suburbs of Wollongong, some of the people there who are having first children will get great benefit from this because of the nature of employment that they are in—they are in high-paying jobs, they commute to Sydney for work and they will get some benefit from this. In other parts of my constituency—places like Bellambi or some of the new growth areas around Cordeaux Heights; places where people have mortgages—there are those who are saying that now is the time to have their first child, but when they look at what that means to them and actually do the calculations they will find that the average annual benefit for somebody earning around $25,000 or below will be $500 and that, for somebody earning $50,000, the benefit will be $2,500.

There will be some disparity within my electorate. The people in the northern suburbs or in other parts of the electorate that are a little bit more affluent, who are in higher paying jobs and so on, are going to get the greater benefit. Those who are really struggling, though, those who are looking at ways in which they can look after their first child, are going to say, ‘When I need that money, it’s not going to be immediately available,’ because it is claimed back after this complex method is worked out, comparing income before the birth and then one year after the birth—so it is a delayed payment mechanism as well. They are going to say, ‘Hang on, I actually need the money when my child is born.’

I am looking at the member for Dawson, who is in the chamber. I am sure she can reflect back and think that that might be right in her constituency or even in her own personal circumstances. The first child comes along and you think, ‘Jeez, I wouldn’t mind an extra couple of dollars to rub together so that we can go and do a few good things for our first child’—but she was an engineer and maybe she did much better in her first paying job.

Mrs De-Anne Kelly interjecting—

Dr MARTIN—I will not embarrass her by pushing that any further. The point that still needs to be made is that people in the lower income areas are going to get a double whammy: a delay in the payment for their first born when they need it most and the non-materialisation of the great promise held out by the Prime Minister, the Treasurer and the Minister for Family and Community Services. If the member for Casey believes that this is nitpicking about the actual nature of the benefit and the nature of the legislation, then, yes, we will be accused of nit-picking. But it is important that, if we are going to have a constructive debate here, if we are going to talk about the way in which baby bonuses and family payments are going to be structured, we have to be fair dinkum about targeting those benefits to those that need them the most at a time when they need them the most—not later in life or 12 months after the child is born.

This legislation is important. It does offer specific financial benefits to a large number of women, there is no doubt about that, but I am not sure that it is going to necessarily address other issues: the birth rate in Australia and whether or not second and subsequent children getting access to family payments or baby bonuses or whatever is going to stimulate the growth of the Australian population. What might be an optimal population for this country is a slightly separate debate and an issue of some contention within Australia at the moment, but I am not sure that this is going to be important in that regard.

It is very important too that people understand that the Labor Party does not oppose measures to address issues that do not have an equity issue associated with them. We do think that it is important that equity be addressed. Most people genuinely think—or should think in this place, at least—that those who are the least well off should be given assistance and that dual income families should not, in any way, be disadvantaged. There has to be a better way of looking at those issues, but this is a start and we concede that. We have got to look at the structure of the payment and the way of addressing that inequality issue while at the
same time not posing a major disadvantage to well-off families or dual-income families that are doing reasonably well.

I think the opposition has made some constructive comments in the course of this debate—I hope that the government accepts them as such. As I have said earlier, it is important to ensure that Australian families get benefit from the government of the day, but equally it is important that the government of the day recognises that, by putting something like this in place, it is not going to either directly or indirectly, intentionally or unintentionally see people lose out or miss the greater benefit that should be there with something like a baby bonus.

It is interesting that we have a conservative government in this country that is following the lead of Tony Blair’s New Labour in the UK, which also has pursued the issue of a baby bonus. Mr Ross Cameron interjecting—

Dr MARTIN—The honourable member for Parramatta nods in agreement. If you keep nodding that way, my friend, you may as well come and sit on our side of the House, because everything that is being proposed by the Australian Labor Party now is an extension of what has happened under British New Labour. What British New Labour have done in the last couple of terms is catch up to what we did in the eighties and nineties—that is the truth of the matter, whether it be in income redistribution or in looking after families, or whatever it might be.

We look forward to the passage of this legislation. I would hope that the government takes on board some of the constructive comments that have been made in this debate by people on our side of the parliament. Again, the parliamentary secretary is nodding his head in agreement, which demonstrates acceptance that the Labor Party have made a contribution in this. I only hope that we see some amendments to the legislation to reflect that equity issue, when it gets to the Senate.

Mrs DE-ANNE KELLY (Dawson) (5.46 p.m.)—I rise to speak on the Taxation Laws Amendment (Baby Bonus) Bill 2002. This legislation fulfils the Prime Minister’s announcement during the 2001 election, and it is a very welcome initiative. I note that the previous speaker asked whether I had been fortunate enough to get some benefits. Regrettably, there was a Labor government in office at the time that my son was born and, no, we did not get anything. So I am delighted for the mothers, both future and present, who are going to be assisted and encouraged with the baby bonus.

I did have one special opportunity, actually. After my son was born, I was able to spend several years, while he was little, just enjoying all those baby things that children do. It was a great experience, and nobody should be denied it. Until you can go to town with vegemite all over your skirt and not worry, you really have not lived. It is just great to enjoy those years with your children. I am delighted that this legislation is going to give more working mothers—probably for the very first time—a real choice.

The baby bonus recognises that one of the most difficult financial times for a family coincides with the arrival of their first child. Quite often they have to lose one of two incomes, and the bonus is a welcome initiative to provide some measure of compensation for that. The baby bonus will pay back to a parent who leaves the work force after the birth of their first child the tax payable on income earned in the year before the birth of the child. Parents will be able to claim up to $2,500 annually for a period of up to five years. Even for those mothers—or fathers, if it is the father who chooses to stay home—who are low income earners, there is a minimum amount of $500 per year.

I notice that the opposition are concerned that, rather than the amount being the same for all families, it relates to the tax payable on the income earned in the year before the birth of the child and obviously varies from family to family. However, there is a precedent for this. I notice that child support payments, which the Labor Party brought in, relate directly to the income of the non-residential parent. Their argument, which has some merit, is that a child is entitled to enjoy the benefits of the income that their family had. Likewise with the baby bonus, the ar-
Argument plainly is that a child is entitled to enjoy the tax, paid back by the government, that their parent had paid in the previous year. So there is a very sound precedent for the way in which the baby bonus has been calculated. It is going to be payable up until virtually the time that the child would normally begin attending school. If parents do return to work, they will still be able to receive the baby bonus but it will be quite understandably reduced according to the income that they earn.

It will also apply to parents who have adopted a child. That is appropriate because obviously the delights but also the costs are still there for a child that is adopted. As I have just mentioned, it obviously applies to the father if it is the dad that decides to stay home. It is available for the first child born after 1 July 2001 to families that already have children. It is anticipated that 245,000 mothers—or fathers, as I have said—will benefit in 2002-03 and that it will eventually deliver benefits to over 600,000 families. The cost to the Commonwealth initially is $85 million in 2002-03. I think that it is money well spent.

But what about the reactions to what is really a great initiative? I was pleased to hear the member for Cunningham say that basically it was something that no-one in this House could oppose. Unfortunately, the initial reactions were quite predictable. 'Black hole' was one of the comments they wailed as they tried to dispute the costings—which was somewhat ironic coming from the party which created the biggest black hole in Australian economic history. The member for Brand described it as a ‘24-hour bubble’. This initiative is going to benefit families for five years; you could hardly call it a 24-hour bubble. He went on to say that families could expect more red tape and less money. Another ALP figure said, ‘There’s nothing in it for them,’ meaning families. The reality is that there is a great deal in it for families. I would like to cite a study done in France which was mentioned in the work of Anne Manne, who is publishing an article in Monash University’s journal People and Place. In her article, ‘Women’s Preferences, Fertility and Family Policy’, Anne Manne found that in France, where fertility had bottomed out at 1.71 births for women in 1995, fertility increased to 1.89 births on average following the introduction of a home care allowance.

So this is a tremendous initiative. We may well find that the Treasurer in introducing this bill will have done a great deal to reverse the falling rates of fertility in Australia. And why not? If mothers have the opportunity to receive financial assistance with those obviously loving but considerable burdens that children impose on a family, there would be no reason why families looking perhaps at a second or third child might not be encouraged, as they were in France, to take up the opportunity.

Going back to others who criticise the initiative, I notice that the leader of the Democrats, Natasha Stott Despoja, said the tax break for new mothers was misspent and the funds should have been used to pay for maternity leave instead. The reality is that it worked in France and I have no doubt it will work here. In one of the more bizarre comments, Greens Senator Bob Brown said Mr Howard should be restoring services such as dental health. Last time I checked, dentists did not deliver babies, so perhaps the Greens had better check that. I fail to see that that would assist families, increase the fertility rate or in fact support and encourage mothers and their babies.

One of the more interesting articles relating to this was in the News Weekly on 17 November 2001 and was entitled: ‘Baby bonus signals sea-change in family policy’. It said:

Even a couple of years ago Howard would have faced a barrage of criticism from the harridans of the feminist movement accusing him of being against women’s progress, being ‘stuck in the 1950s... The article went on to say:

Instead, the criticism of his being old-fashioned was muted, and came from the most conservative old-fashioned feminists such as Women’s Electoral Lobby’s Eva Cox who, without even a hint of irony, accused Howard of trying to inflict ‘social control’ on the country.

If the baby bonus is ‘social control’, the families of Australia would like more of it,
thank you. Clearly, the coalition’s family policies have met with wide acceptance and the baby bonus is certainly no exception to that.

Bettina Arndt was somebody else who was very supportive in the *Sydney Morning Herald* on 15 December 2001. She said:

So the Howard government has been supporting choice— and overall it is costing extra money. But it’s also good politics to support the work/life preferences of the bulk of Australian women.

You have got it in one, Bettina: choice— good policy and good government. We have heard my colleague the member for Casey speak about Joe de Bruyn and his very strong support for initiatives for families and his support for this particular initiative. The member for Casey again mentioned Joe de Bruyn’s comment that within the party, the ALP, there are very few people who support giving families a choice. Mr de Bruyn is, again, absolutely accurate there. This is precisely what the Liberal-National government does—it provides families with a very clear choice. Mr de Bruyn has excellent credentials for being in tune and in touch with the aspirations of ordinary Australian women. He has 30 years experience and represents about 130,000 women members in his union.

Mr Tanner—I thought you hated unions.

Mrs DE-ANNE KELLY—No, you are the party that they are all leaving. They hate you. You do not seem to have read the papers today. They are leaving the Labor Party. My goodness! You are in the same confusion—

The DEPUTY SPEAKER (Ms A.K. Corcoran)—Order! You will address your remarks through the chair.

Mrs DE-ANNE KELLY—Madam Deputy Speaker, I will return to my address and sum up. In conclusion, this is a bill that as a member of the National Party I am very proud to support. There is no doubt the Liberal-National government does understand what families want. And how do we know that? Because overwhelmingly they supported us at the last election. This legislation is yet another example of providing choice and being family friendly in contrast to the harridans in the feminist movement that Bettina Arndt and others have quoted. I commend the bill to the House and trust that it will have a speedy passage through the Senate, free of meddling by the Labor Party and the Democrats.

Ms HALL (Shortland) (5.57 p.m.)—Before I move to the body of my contribution to this debate, I have to say that there were some really long bows drawn by the previous speaker. To argue using those French figures that the baby bonus is going to lead to an increase in the birth rate over such a small span of time is preposterous. I think that there are many, many other issues that need to be looked at before we look at a baby bonus to address the issue of our ageing population. It is a very important, challenging issue for us here in this parliament and for many parliaments throughout the world. I think that the previous member was quite flawed in her argument there. She also said that dental health is not an issue for families—dental health is a very big issue for families. It is not this issue—it is another issue—but to ignore the fact that dental health and the cost of dental health is an incredible burden on families is once again showing that the member does not understand issues that affect families. When it comes to choice, I suspect that there are some choices that the previous member would not support.

The Taxation Laws Amendment (Baby Bonus) Bill 2002 is legislation honouring the Howard government’s election promise. As such, the government is to be congratulated on introducing it into parliament. This is one election promise it is delivering and one it is not deceiving the Australian people about. That makes for quite a change because we have seen quite a few examples of the government’s efforts to deceive the Australian people. That makes for quite a change because we have seen just how far the Howard government was prepared to go to win the last election with its massive pre-election advertising campaign—$200 million a month. It spent $200 million a month selling its policy, and this was even before the election started. I cannot help but feel that that $20 million a month would have been much better spent delivering services and caring for Australian families.
Mr Ross Cameron—$20 million or $200 million?

Ms HALL—It is $20 million—my apologies, Parliamentary Secretary. In apologising, I acknowledge the fact that the parliamentary secretary actually accepts that what the government did with its advertising campaign was really quite disgusting.

There are the hundreds and hundreds of millions of dollars that this government has spent on the Pacific solution and how that has impacted on families; how that money could be spent on families and instead is being spent in an area where there is very little chance of there being a long-term successful policy. Already we have seen amendments being put before this parliament that show that that legislation was flawed right from the start, and along with the flawed legislation was this massive expenditure of money by the government in the lead-up to the election.

Following that, we have also seen just how far the government is prepared to go to deceive the Australian people with the ‘children overboard’ incident, where the Australian people were deceived to such an extent that there now has to be a Senate inquiry into what has happened—looking also at the implications of that for government and democracy within this country, the politicisation of the Public Service and the defence forces. That is why I am sceptical about whether or not the government would actually deliver on the baby bonus to families. They promised it in the election. They promised many things, but when it comes to actually delivering them and being honest with the Australian people, that is not the way.

I will just look at this baby bonus legislation and see what it actually means to families and to parents. A mother or a father, say, who was on a salary of $30,000 for a full year before the birth of a baby would be entitled to $5,380, according to what the minister had to say in this House, in tax on their income. That could be averaged out over five years and it would be worth about $6,000 to that mother or father. I should touch on the fact that if you are earning $25,000 or less you will get $500 over that five-year period; if you are getting $52,666, which is the top end of the scale, that equates to $2,500 a year. I suppose that is like most legislation that this government brings to the House: the more you earn, the more you receive; the less you earn, the less you receive. It is averaging it out over five years.

The time when parents need that money the most is at the birth of a child, as I am sure you would be aware. Instead of giving this money to people in a lump sum when they need it, it is going to be spread out over that five-year period. That is one of my problems with the legislation. My second problem with the legislation, and I would have to say that this is a substantial problem, is the fact that those people who need the money the most will be the ones that benefit from it the least—that is, the people on the lowest incomes, the people on $25,000 or less, will receive only $500 whilst those on $52,666 will receive $2,500 a year. The government believes that the less money you have the less money you need—if you have less, that means you are a second-class citizen and therefore you should be satisfied with less—and the more you have the more you should get.

The government portrays itself as a family government but is in fact an antifamily government. To see this you only have to look at the impact that the GST has had on families, with parents having to pay GST on the basics, the necessities for their children: GST on school books; GST on their sport—their soccer games, their netball games, their basketball games; GST on music lessons and movies. Up where I come from you have to pay GST to go to a Knights game or to go along and watch Newcastle United play. Quite often, the decision that families have to make is that their kids have to go without. I find it really hard to accept the fact that this government is about supporting families when on so many levels it has actually attacked families and attacked their standards of living.

The government’s GST compensation to families was the family tax benefit, a payment that has been administrated appallingly and has led to thousands and thousands of families being hit with gigantic bills from
Centrelink. I have raised this before in the House and I have talked about a couple of people that have been to see me—and there have been many; I just could not count the number of families that have been to see me because they have been hit with a bill from Centrelink. The government agreed to waive the first $1,000. That was for the first year only. The same problems will exist this year, and there is no such promise there.

The one group that has had particularly a problem with this is women. I have had a number of women who have been trying to secure child support payments for some time. They have finally secured their child support payments within this year—going back in one instance for 10 years—and what has happened? It has been assessed as all being received in that year. No thought is given to the struggle that those families have gone through in the preceding years, and now they are faced with quite gigantic tax bills.

I do not think it is good enough. It is ill conceived and is yet another example of how this government, rather than helping and supporting families and being there when needed, is really attacking families. It is a deceitful government, tricky, conniving, twisting and turning. The bottom line is that Australian families get hurt. It is the small print of legislation—any legislation that this government brings to the House—that you need to read.

Whilst I welcome this legislation and the fact that the government has introduced it into this House and not deceived the Australian people yet again by not delivering on an election promise. I am pleased to see that it is going to be supported by the opposition, and well it might be. It will ensure the passage of the legislation through the Senate, so Australian families can look forward to this election promise of the government being delivered on time and in full.

I might just remind the member for Shortland that the opposition actually has a track record with regard to not delivering these sorts of benefits. It was with something called l-a-w tax cuts. Before the 1993 election, the Labor Party promised significant tax cuts and actually put it in legislation, but they were never delivered once the Labor Party was elected to government. This government is different; we have made a commitment and we will deliver.

I am also not in agreement with the member for Shortland in relation to her claim that the benefits should be delivered as a lump sum payment on the birth of the baby. While I understand why she might put that forward—and I think there are some reasons why that could be put forward—I think it is far better that payment be made over a five-year period. While the government should not be worried about protecting people from themselves, I think the tendency is that, if a person gets a lump sum payment, they spend it. It is much better to deliver the payment over five years. The benefit can then go to the family and not just be used in a one-off process.

I do agree with comments made by the member for Shortland about the problems of taking into account an arrears payment in relation to the CSA. She is absolutely right. That is something that those in the system...
should have a bit of heart about. They should be sensible enough to understand that, if a person has been battling for what they are rightfully entitled to in relation to a CSA assessment, it should not be brought to account in one year. That causes terrible problems in relation to generating debts and so on. It should be spread out, as it would have been over the years it was actually due in the first place. So I am pleased to be able to agree with the member for Shortland with regard to that.

In my first speech in this parliament this year, I listed some of my priorities for the next three years. There were five of them, and one of them was families. I have a deep interest in Australian families and what the government, with the cooperation of the opposition, might be able to do to look after Australian families and the issues that face them. In the seat of Herbert, which comprises the cities of Townsville and Thuringowa, there is a family belt across the upper Upper Ross, Kirwan, Annandale and the Northern Beaches. Of course, families are all over the city but that is predominantly where the majority of families are, where kids are growing up and going to school, and I am certainly very interested in their wellbeing. I can tell you that feedback given to me from Townsville and Thuringowa families is that, even if families get $500—the minimum payment—they very much welcome that payment from the government. After all, this is the first time that any government has ever provided a payment of this nature. It is a targeted payment, of course, and it is going to help hundreds of thousands of families right across this nation.

The first child tax refund provides a tax break over the five-year period. I am very pleased to see that it includes those who are not in the work force—those mothers can get a benefit as well. Equally, I am very pleased to see that the benefit can be transferred to the father. That has been well thought out and is entirely proper.

The government has a good record indeed of helping families. Just keeping interest rates low has been magic out there in suburbia. I think everybody understands and recognises that. I do not think there would be a single person who would not say that a policy of low interest rates is very beneficial for this country.

Our family tax initiative has been very warmly received. I know that there have been some complaints on the other side about families getting themselves into strife with debts. Centrelink has tried to be very proactive in warning families that they must continue to advise Centrelink of changes in circumstances, because there is really no need for a family ever to have a debt. It does get harder to manage if family circumstances are changing week by week, but that is not the norm and it is not Centrelink’s fault or the government’s fault. The government has to be mindful and prudent in the expenditure of public funds—taxpayers’ money—to make sure that the benefits being paid are the correct benefits. The key is simply to keep Centrelink up to date with any changes in family earning capacity.

The government has also delivered the first home owners grant. On the weekend, I talked to a taxi driver who was just bubbling over. He was getting married and was going to be able to take advantage of the first home owners grant. He said to me, ‘You know, without that grant being available I could never have afforded a home. Once I get that home, I will then be on a path towards securing my future.’ That is just terrific.

The other thing that the government has done is to cut income tax for families very significantly. If you earn under $50,000, you do not pay any more than 30c in the dollar. In fact, you pay less than that—for income between $20,000 and $50,000 you pay 30c in the dollar, and you pay less for income be-
low $20,000. So the top rate in that range is 30c in the dollar, which is again just terrific for families.

I do not want to hear comments from the other side saying that the government is not family friendly. Arguably, we have probably done the most for families in the history of this country in relation to what governments have done for families. We have certainly done very innovative things. I hear the GST being raised again. Goodness me, the GST is over and out, done and finished. It has gone; it is in place; it is helping the country—

Mr Tanner—It’s gone?

Mr LINDSAY—It has gone as an issue, I should have said.

Mr Tanner—You got our hopes up.

Mr LINDSAY—Here I am, announcing government policy! It really is a non-issue. People now understand that we needed the new tax system; hindsight has shown that very much so. With Australia now having the highest growth in the industrialised world—this, of course, means jobs—you can see that the GST has been very beneficial for the country. The point to take from all of that is that John Howard’s government is prepared to do really tough, difficult things and to argue for what is right for the country and not what is good for itself politically. I certainly well remember, when the government took the decision to introduce a new tax system to benefit families, the Prime Minister said to all of us: ‘Some of you won’t be here after the next election; you’ll be voted out. Nevertheless, we’ve got to do this in the interests of Australia.’ That is the hallmark of this government—we are prepared to do the hard things, to take the tough decisions—and I am looking forward to being part of taking a few more tough decisions in the interests of our country in the coming three years.

Mr ZAHRA (McMillan) (6.19 p.m.)—I rise to speak on the Taxation Laws Amendment (Baby Bonus) Bill 2002. The Howard government is getting more and more Orwellian as their time in office continues. I see that they have called this piece of legislation the ‘baby bonus bill’. In truth, it should be called the ‘baby bonus shonky sham bill’, because that is really what this is about. It makes out that this is pro-family legislation which is going to provide enormous benefits for people who are having children, but in fact it is really more of the same from the Howard government.

This legislation is very consistent with their GST legislation. The GST legislation is all about having a principle which says: the more you earn, the more you benefit. That is exactly what this so-called baby bonus bill is all about. The more you earn, the more you benefit and, from the point of view of those of us on this side of the House, that is not the type of legislation that we want to see the Commonwealth parliament focusing on. We want to see the Commonwealth parliament focusing most Commonwealth government resources on those parts of society and those sections of our community which need the most help. That is what the priority should be for the Howard government—that is what the priority should be for any Commonwealth government—but it has not been for the past six years, and it is certainly not true when it comes to the provisions of this particular piece of legislation.

I well remember the so-called baby bonus being raised in the context of the federal election last year. It quickly became one of those issues which attracted a great deal of attention early on. A lot of people thought, ‘Wow! This sounds fantastic.’ But sure enough, in the manner we have seen so often in relation to the Howard government, the strands started to come away very quickly and the ends started to unwind. It became very apparent fairly quickly that in fact the Howard government’s promises in relation to the so-called baby bonus were all quite hollow, that it was going to be something which only a small minority of families were going to benefit from, and that we were going to see a substantial differential in this so-called baby bonus between families with a high level of income and families who are not in that high income band.

On this side, we would like to see Commonwealth legislation having a greater focus on the people who need the most help, not just providing schemes with the most reward and the most benefit going to families who already have very high levels of income,
very high levels of asset accumulation and very high levels of affluence more generally. In that regard, this is consistent with legislation which the Howard government has introduced to this House over the last six years. It is not legislation which we think should be the focus of a national government, which should be all about ensuring that people are included in our society, using all Commonwealth government resources to make sure that people are able to participate in all parts of our society and our community and do not get left behind.

The key point on this legislation is that it misses the point in relation to what Australian families really want: good services. Australian families want to make sure that they are able to send their kids to a choice of very good child-care centres; they want to make sure that they are able to send their kids to a good kindergarten and not have to pay large amounts of money to do so; they want services in place for families and want to be able to access good parenting courses and good parenting information; and they want a good choice of schools in their local community—that means a good choice from the public sector, the Catholic sector and the independent schools sector.

We often hear the Howard government talk about how they embrace choice. This is a laughable concept when it comes to what they have in mind. These people are freedom maniacs. They do not understand that choice in the context that they often talk about is only relevant if you have a fair bit of money. If you have a fair bit of money, you can choose not to send your kid to a local Catholic school or a public school. Not everyone can afford to send their kids to one of the affluent schools to which the government seems to be very obviously preferring to give large amounts of Commonwealth money. Our focus on this side is about making sure that when we talk about choice we talk about fair dinkum choice for people. That means having choices of good public schools, good Catholic schools or good independent schools. In many parts of Australia, people do not have those choices.

We think it is fundamental for Australian families to be able to choose between those different types of educational opportunities for their children and to be confident in knowing that, whatever choice they make, their children will receive a first-class education, that it will not simply be an education which is limited to however much money they can afford—the more they can afford, the better education their children get. That is not what we are about. This is something we believe Australian families want and should feel confident in. They should have access to great primary schools and great secondary schools. We think they should have the option of going to a really good university as well, and that the determination as to whether or not their kids are able to get into university is how hard their kids work and how smart they are, not how much money mum and dad have to buy their kids a place ahead of someone else who really deserves it.

We think these principles are important for Australian families. While I think that is the reality of what Australian families want, it is not the reality of what the Howard government thinks families want. There is a substantial difference of opinion between my view of what Australian families think a government should be providing and what the Howard government thinks Australian families want it to be providing. It is very well characterised by this bill. The Howard government thinks that high-income people want to be able to access this money so that they can do whatever they want with it. The people in my electorate are interested in good services. We understand what good services bring to families. They provide people with that opportunity to have good services in place for their children, so that their children can get the start in life which will mean that they are able, later on, when they get into their working life or further education, to take advantage of those opportunities.

Services are very important in a regional electorate like McMillan. Regional services are important in attracting families to our district in the first place. This is the frustration that many of us who represent country districts feel when we consider legislation like this. Sure, this legislation is going to put
more money in the hands of high-income earners, and they will be able to use it for whatever purpose they think is most appropriate in their familial circumstances. But the opportunity cost of legislation like this is not being able to provide services which are involved in paying for the provisions of this bill might have gone into in providing services in places like the Latrobe Valley, West Gippsland and Pakenham, which I represent, or your own electorate, Madam Deputy Speaker Corcoran, or the electorate of Ballarat. We need good services in place in order to attract families to live there in the first place.

There is good reason why we want to attract families to live in our district. First of all, it is a great place to raise a family. Second, families are a very important component of the economic development and renewal of the electorates that I and the member for Ballarat represent. We need young families to come to our district, we need them to enjoy the benefits of raising a family there and we need the benefits of having them there. Young families are exactly the type of people you want to attract to our region because they are great consumers, they are great spenders. They come to a district, buy a house, get a mortgage, send their kids to the local school, fill up our schools and buy stuff for their kids. They might get a bigger family and have to get a contractor in to build an extension on their house. They are great consumers; they spend money.

They are activists in our local community; they are active on our local kindergarten committees, our school councils and our parents and friends groups. They end up being very active in our local communities by being involved in activities to do with their children, but more generally they involve themselves in other parts of our cultural life as well. These are the people who make sure that our community is cohesive. These are people who make sure that we have all of those voluntary organisations which we talk so often about and revere, but so often we fail to understand what is required to really keep voluntary agencies powering along. The most important ingredient, in my experience, is plenty of young families and community spirit.

So we need good services in place in electorates such as ours to make sure that families are able to confidently come and live amongst us. We understand why it is that these services are so important. When you think about what attracts families to live in an electorate like McMillan, it is good services—good public hospitals, good community services, good schools, plenty of support in parenting, education and early intervention programs which encourage families to participate fully in their children’s development and to make sure that they are able to understand all of those things which are involved in raising a young family. People want to know that those services are in place.

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

Mr ZAHRA—Before the suspension of the sitting for dinner I was pointing out that families are very important to regional communities because they are the drivers of economic development—they are the big spenders, the big consumers. When they come to an area, they purchase a house and renovate it as their family gets bigger. These people are activists in our communities—they make sure that there are enough people on the kindergarten committees and on the school councils. They are active in fundraising and community service in many different parts of our community. These are the types of people we want in rural and regional Australia.

Unfortunately the government have their priorities all wrong in relation to this so-called baby bonus. They think that, by providing affluent families with a great amount of money and poor families with a lesser amount of money, somehow this will be a panacea in dealing with family issues. On this side, we disagree. We think that the government have focused their resources in the wrong area. The focus should be on providing support and services for families right across Australia, and in particular in rural and regional Australia. There is a lot of benefit to be had in rural and regional Australia. We should be providing an environment in which more families feel confident and comfortable moving outside the capital cities,
taking advantage of the great opportunities which exist in raising a family in a country district and enjoying the benefits of our good local schools and the infrastructure that we have in place.

This money would be better spent providing those services to people. There is a lost opportunity in the money that the Commonwealth government is spending on this bill, money which I think could be better directed in rural and regional Australia. Whilst the government talks a lot about providing choice to people, there is not really much of a choice at all for those who are not on high incomes—and the higher your level of income, the bigger your payment under this so-called baby bonus legislation.

The government’s priorities are wrong. We on this side want to see a greater focus of Commonwealth government resources on those people who need to be more included in our society. In particular I think there has been a missed opportunity in relation to early intervention. There has been a lot of research done which points to the importance of intervening in the early years of a child’s development, making sure that there are enough services in place to give children every opportunity available in the early years through to about six or seven years of age. We proposed—and this was supported in the course of the election campaign last year—a national early intervention program. It is a great tragedy that the government seems to think that providing a large amount of money to people on high incomes is a greater priority than supporting the national early intervention program. This program would have given more support to families in the early years of the child’s development and families would have been given support services such as parenting education and a national parent telephone line and the help they needed at a time which was most critical.

We think there is a missed opportunity there in the government’s priorities. As I mentioned before, when you talk about the needs of families you cannot just talk about how, in this set of circumstances, you will provide high income earners with a certain amount of money and that will provide more money for them to spend on their children. We do not think that is enough. We think that is adopting the position taken by those on the other side of the parliament, that is, every individual family knows best what to do in their particular circumstances and to hell with everyone else. They have taken that approach too far. It is more important to make sure that there are services in place which all families can access. In particular, there should be more support services in place for families early in the piece. An effort should be made in rural and regional communities so that people have access to support services which are fundamental to the way their children are given opportunities in life: properly functioning kindergartens, a good choice in child care and schools and that people have the opportunity to go on to TAFE, university or some other form of training. These are things which are fundamental to families. You cannot talk about what is important for families in isolation. That is what the government is trying to do with this legislation. Services are important—not just the cash. Cash is not a panacea; cash does not make family services better for everyone in the community. We have concerns about the government’s priorities in relation to this legislation. Our view is that a lot more needs to be done for families.

I have mentioned the national early intervention program. This program is a good example of the things people in the community want to see the government focusing on when it comes to legislation or Commonwealth government effort to do with families. Communities recognise that it makes much more sense for governments to allocate resources at the beginning of a child’s life when their family needs the most support, rather than just focusing resources on the later end of a child’s development where they might come into contact with the juvenile justice system or become victims of alcohol or drug abuse. People in the community understand that it is a commonsense approach to make more resources available in the early stages of a child’s life.

This is an area which the government needs to respond to and do something about. There is a lot of understanding in the community about the importance of focusing on
the early years. This government, instead of focusing its efforts on this bill—which is all about providing high income families with as much money as possible—should be directing resources to the early years of a child’s development, as we all know the enormous benefits which can be gained.

In particular I think the bill and its provisions, which will see the largest amount of money given to people on the highest levels of income who mostly do not live in rural and regional Australia, is the wrong approach to take. I would like to see more focus placed on making sure that the services are in place that support families in rural and regional communities. I mentioned before the importance of having good public health services and good specialist medical services in rural and regional Australia as a way of attracting families to come and live there. We should make sure we have good schools, kindergartens and child-care centres. These are the types of things that make our regions attractive to families. We all know of the massive economic benefit that rural and regional communities get when new people come and live in our districts. It makes an enormous difference when we have new people come into our districts who are prepared to participate fully in community life and, as well, be substantial economic drivers in our districts. We think that we in rural and regional Australia have a lot to offer, and we think, with the support of the Commonwealth government in making sure that services are in place and that the efforts of the state government are matched in terms of the development of existing services, that we can really market and sell rural and regional Australia as a great destination for families to come to live in and as a place to raise their children in a positive environment where they can enjoy access to quality infrastructure.

I think the government has it wrong in terms of its priorities. This is a bill which makes sure that the most money goes to the people who already have the most in terms of incomes and assets. I think there should be a greater focus placed on making sure services are in place in rural and regional communities so that we can attract families there who we know are the drivers of economic development and the activists in our communities who will make sure that we have a future in rural and regional communities. (Time expired)

Ms KING (Ballarat) (8.09 p.m.)—In speaking to the Taxation Laws Amendment (Baby Bonus) Bill 2002, I have to agree with the member for McMillan that in regional seats such as our electorates it is services that are important. What we are seeing from the government is a continuing decline in its willingness to provide funding for services in regional areas and a stronger focus on a system of vouchers which benefits those who are better off in our society but does not take into account the particular needs of regional seats.

Whilst I think it is appropriate that we do recognise the challenges faced by families on the birth of their first child, this bill does not quite manage to get there. The birth of a first child marks a significant change in the lifestyle and financial commitments of families. Not having had to go through the purchase of baby items myself, I have had to rely on the evidence from my constituents, my friends and my sisters and sisters-in-law. They reliably tell me that the purchase of basic baby items—pram, cot, clothing, car seats, nappies, bath and other sundry items—can well be in excess of $5,000. These are the up-front costs and do not include the ongoing daily costs. I suspect that this is a fairly conservative estimate for some families. Whilst many families, like my own, hand these items from sibling to sibling and some local councils and nursing mothers’ associations have borrowing schemes, the costs nevertheless are substantial. This bill will provide some assistance for families on the birth of their first child, although it should be acknowledged that, despite the government’s hype, it is only a small contribution to the overall costs incurred.

Despite supporting the bill, I do have to ask in terms of government policies: is this it? This is the government’s grand scheme for families? The bill itself has a number of problems: it is too complex, it provides too blunt an instrument to actually meet its stated objectives, it is not located within a broader
family and work policy, and it is, as are many of this government’s policies, inequitable. I will take each of these criticisms in turn.

Turning to complexity, the new scheme is to be provided as a separate rebate and, as such, is contradictory to the aims of the new tax system which rolled discrete tax rebates into the new family tax benefit part B. Many of my constituents are already coming to me, unclear about the government’s statements in the election campaign regarding what their entitlements may be under the baby bonus. The government has consistently failed to address parents’ concerns regarding the family tax benefit system, with many families left in debt. My constituents want assurances that they are not going to face similar complexity with this additional rebate and the administration of it. I am also interested to know how the government intends to communicate the new policy in order to make sure that eligible women do not miss out.

The stated objectives of the bill are to help families with their first child when they most need it. However, the baby bonus is paid as a lump sum at the end of the financial year, not during the year when families actually need it. I do not know many families that are able to plan the birth of their children with that degree of accuracy. The bill seems to me in its language and construction to be based on an outmoded understanding of women’s lives and the interactions that they have with work, family and the community. The bill, whilst supporting families on the birth of their first child, needs to be backed up by a stronger system of child care and family-friendly workplace policies. What happens when these women wish to return to paid work? In my electorate there are limited options.

Last week I was contacted by email by a family who have recently moved into my electorate. This is one of the families that the member for McMillan talked about; this is exactly the type of family that the member for McMillan and I are trying to attract into our electorates. Kate is a qualified nurse. The state government has done a fantastic job in attracting nurses back into the health system. But Kate, as a qualified nurse, has had to refuse a job offer from a local health service provider as she cannot obtain child care for her children in my electorate. There are currently 83 families on the waiting list of each of the long day care centres in Ballarat; occasional care runs a stand-by list of up to 12 each day, and family day care is full.

This bill does little to assist women in making choices about whether to have children. We need to have in this country a serious debate about maternity leave, a serious commitment to child care, a fuller understanding of the need for women to be able to continue their connections to paid work, their community and sporting activities at the same time as undertaking parenting, and a more serious attempt to provide early intervention for children. The government has done little to take us down this path with this bill.

Like many of the government’s policies, this bill, in seeking to recognise the costs associated with the birth of a first child, does not recognise that families do not all start from the same position. The baby bonus provides greater support to high-income families and, as a result, women earning $50,000 will receive five times more assistance than those earning $25,000. The Sydney Morning Herald reported on 30 October 2001 that approximately a third of the female workforce earned $20,000 per year or less and will be eligible for the minimum payment of $500. Approximately 50 per cent of the female work force earned $20,000 per year or less and will be eligible for the minimum payment of $500. Approximately five per cent of the female work force earned $26,000 or less and will be eligible for a maximum of $800 per year. Approximately five per cent of the female work force will be eligible for the maximum rate of $2,500 per year. So five per cent of the female work force, who earn in excess of $50,000, will be eligible for a greater bonus than the larger percentage of women who earn $26,000. I do not see how this can be equitable.

In concluding, I am pleased to be able to speak on this bill and support its aim of helping families in a period of major change. But the bill is too complex and too limited and it continues to attempt to drive a wedge between higher and lower income families in this country, despite the common costs and
the common aspirations they share for their newborn children.

Ms PLIBERSEK (Sydney) (8.16 p.m.)—
The Taxation Laws Amendment (Baby Bonus) Bill 2002 provides a tax offset for mothers following the birth of their first child. It is designed so that over a period of five years a mother can claim back tax that was paid in the year prior to giving birth. The amount calculated depends on the amount of tax paid and therefore the income lost to the woman. The income for the year before she has the baby is compared with the income for the year in which she has the baby. The bonus is calculated on the difference and the rebate is paid through the tax return process.

People who are not part of the tax system are eligible for this bonus, but whether they take it up will be another matter entirely. The system is confusing even to people who are well entrenched in the tax system and have an accountant to fix it up for them. They have to think about how many months into the previous taxation year the baby was born and work out how much a person is entitled to. But it is even worse for people who are outside the tax system—a social security recipient, for example—who will have to not just put in a tax return for the first time but approach the tax office for the form. These forms, as far as we know, will not be available from Centrelink offices. Whether people on the lowest incomes will take up this opportunity at all is highly questionable, and that is the very beginning of the problem with this legislation.

I am sure we all support any measures that make it easier for people to take time off work to care for children. We want to make it as easy as possible for people to combine work with bringing up a family. We want to make sure that, in those years that people take out of the work force to bring up very young children, they are not under the most extreme financial hardship. As a statement of principle, we have a lot of agreement on both sides of the House that we all support making combining work and family easier. Unfortunately, this legislation is the wrong way to do that. It is a start but it does not go nearly far enough.

Throwing money at the issue of a declining birthrate has not worked overseas. In fact, the countries that have had the best success in keeping their birthrates reasonable are countries that have legislative protection for women in the work force that makes it easier for them to return to work once they have had children and makes it much easier for them to combine their work and family responsibilities—incidentally, it makes it easier for men to combine work and family responsibilities as well. One of the things that we as a community should be talking about—and, indeed, Labor has put up arguments repeatedly—is legislative protection against discrimination of breastfeeding and pregnant women. We have had some movement from the government in response to the Pregnant and productive report, but there is still a very long way to go in this area.

The other major problem with this legislation is that not only is throwing money at the problem not the best way of addressing the falling birthrate but it is throwing money in the wrong direction. It throws the money in the direction of people on the highest incomes who of course need it—I do not think that anyone starting a family would say that they could not do with a few hundred dollars or even a few thousand dollars to help them out with the expenses of having a new child. The people who benefit most from this legislation are the people on the highest incomes to start with.

The legislation directs the biggest advantage to those women on high incomes. If you look at the figures, anyone earning under $25,000 can expect a benefit of about $500 per year for that five-year period, if they are out of the work force for that whole five years. That is the same for a social security recipient. If you earn twice that—if you earn $50,000 a year—the proposed benefit would be about $2,500 each year. So, if you earn $25,000 a year, you get $500 a year; if you earn $50,000 a year, you get $2,500 a year. If you are on twice the income, you get five times the advantage. That really shows the error of the targeting in this legislation.

Social security recipients would be entitled to that minimum $500, but the problem with this legislation, I am convinced, is that
many of them will not know about their entitlement. They do not have accountants to advise them. They do not have their accountants putting in their tax return for them each year and reminding them that it is worth applying for this extra $500. You can bet that someone on $50,000 a year will have that sort of advice and will be encouraged to apply for the money. Because of the complexity of the legislation and the way it is targeted, I think a lot of people will miss out.

Surely, if this government’s aim is to remove the disincentive for people to have a first child, the people who should be targeted are those in most financial need. They are the people who are most likely to be influenced by the extra income in their decision about whether to have a child or not. It is also worth remembering that reports will show that the women who are on high incomes are more than likely to have partners who are on higher incomes as well. In that sense also they are probably not in need as much as the people who will receive much less under this legislation.

Another problem has already been identified by the member for McMillan: the money is paid as a lump sum at the end of financial year in which the baby is born. The stated objective, of course, is that it is to help out with all those initial expenses that a new baby brings with him or her, such as buying a cot, buying a car seat, buying a pram, buying nappies—all those expenses that can add up to many hundreds if not thousands of dollars. All of those things are paid for by the time that this money comes in. That is okay if someone has financial reserves to depend on, but if someone is living on a social security income or on a very low wage, that extra $500 would come in really handy when the baby is born, not eight or 12 months later.

Of course, we will not oppose this bill, and the reason we will not oppose it is that this government does little enough for families. We should be pleased, I suppose, that they are doing anything at all. We have serious reservations about the way the money is to be paid and who will benefit most from this money. As the member for McMillan said, services are important, not just cash. All of these things are true and important and worth considering, but they are not something that would make us hold up the legislation. We are very concerned to have any benefits for new families paid to them as quickly as possible, but this does not go far enough.

The Deputy Leader of the Opposition has already canvassed the idea of paid maternity leave and how we will, as a community, have to do something about this over the next few years. We are one of the very few developed countries that does not have paid maternity leave. In fact Slovenia—the country that my parents are from—has two years paid maternity leave for all women workers. They were planning to extend that even further but discovered they could not really afford to. Certainly for a small country and a small economy, they are seeming to manage paid maternity leave much better than we can.

We, as a parliament, are faced at the moment with other legislation making it easier for small business to sack workers. This is a first step that we can take to make it easier for people to have families. If you have a couple, both of them perhaps in casual work or perhaps one of them in part-time work, and their work is not secure, one of them will not take a year out of the work force or even six months or six weeks to have a baby if it means not getting back into the work force. We need to ensure that work is secure, that jobs are secure, that people will not be sacked for no reason and that, when their period out of the work force is concluded, they have a reasonable expectation of obtaining similar work when they return to the work force. That is the first thing that we can do to ensure that our birthrate does not continue to decline in the way that it has.

Another major issue in my electorate—I am sure that it affects people right around the country, but I think it is particular to urban electorates such as mine—is the cost of housing. If you have two people planning a family—and many people do want to buy a house before they have their first child, or at least put a deposit on a house—in Sydney we are looking at housing prices that mean that a couple is often spending one entire wage paying back a mortgage. It makes it very
difficult for someone to take time out of the work force and have a child. I know that we cannot fix Sydney housing prices in this chamber, but we do have to make some very serious attempts to ensure that housing is affordable for young families. It does not have to be in the eastern suburbs of Sydney but it has to be accessible, near where jobs are being created and near public transport. If couples are spending one-third or one-half of their combined income paying rent or their mortgage, that is a very serious impediment to people having families.

If this government really is serious about addressing Australia’s declining birthrate, we have to see action on the following fronts. We have to see people with some security in the work force so that they can return to work after they have been caring for a child. We also need to make sure that working hours are more flexible and that permanent part-time work is protected so that we do not have this continual rush to the casualisation of the work force, which is a disincentive to starting a family. We need to have protected regular part-time work that allows people to combine work and family responsibilities more easily. We have to have, as both the member for Ballarat and the member for McMillan pointed out, decent child care — the member for Ballarat was talking about the incredible waiting lists in her area. We also need to have decent kindergartens that parents trust and schools that they are happy to send their children to.

We have to ensure that pregnant and breastfeeding women are not discriminated against in the workplace. I am sure that there is no greater disincentive to young women who are considering starting a family than seeing their older colleagues who have had families being discriminated against and passed over for promotion or even restructured out of a job while they are on maternity leave. Of course that is a disincentive. We need to give people job security so that they can plan their financial futures, so that they are not continually worried that they might both be out of work at the same time. That would make an enormous difference to people’s confidence when it comes to starting a family. As I said earlier, we also need to give them an affordable roof over the head.

We will pass this legislation because it does involve giving some money to people who are starting families. Of course, we would never stand in the way of that. But it really is a very tokenistic effort to address Australia’s declining birthrate and it is a very tokenistic effort to try and provide a better balance between work and family for Australian families.

Dr Lawrence (Fremantle) (8.30 p.m.) — The Taxation Laws Amendment (Baby Bonus) Bill 2002 is the government’s major initiative in family tax policy for its third term—at least that is what we are led to understand. It would provide a tax offset for mothers following the birth of the first child, designed so that over five years mothers can claim back the tax paid on their income in the year prior to the birth of the first child. As I am sure has been outlined here, the amount paid to a woman in any year is calculated by comparing her taxable income in the year prior to the birth of the first child with her taxable income in the year in which she claims the benefit. The payment is calculated on the woman’s loss of income; therefore obviously the greater the loss of income the greater the benefit. The bill does offer specific financial benefits to some women, and it is consistent with the Prime Minister’s undertakings during the election campaign. It is probably the one area of policy where he can claim to have a mandate, and Labor does not intend to oppose the bill.

However, as other members have indicated, the bill before the House has a number of serious flaws, and the Labor Party’s amendment to the motion for the second reading notes these weaknesses. These weaknesses include, first of all, the regressive nature of the measure. It is very clear that the baby bonus is greatest for those women who forgo the greatest amount of income, directing the greatest rewards to those who earn the most prior to the birth of their first child, not those in greatest need. Broadly speaking, the average annual benefit for someone earning under $25,000 is $500; for someone earning over $50,000 it is $2,500. In other words, someone on twice
the income gets five times as much. This hardly seems to us to be equitable. Clearly, the effect of this is that the measure actually directs the most support to women who really least need it. In addition we point out that the proposed baby bonus is complex. It will be difficult for parents to understand their entitlement, and it is likely that as a result eligible women will miss out.

The proposal also fails to meet a number of stated objectives. Firstly, because it is paid as a lump sum at the end of the financial year, assistance is not available when it is most needed—that is, immediately after the birth of the baby when the costs go up. The structure of the payment is such that it has no effect on the falling birthrate, which is allegedly one of its aims. The key driver of lower birthrates is the decline in births of second and subsequent children, but the bonus is limited to the first child and it increases with taxable income in the base year, potentially encouraging couples to further delay having a child so they can receive a higher bonus, although I would have to say I think it is unlikely that an amount of this magnitude will have much effect on such decisions.

Most importantly, the baby bonus does not offer choice to families with young children. It does provide some financial assistance which every parent will welcome—that is, if a parent stays at home to care for their first child—but it is quickly dissipated if that parent earns any income. In other words, far from offering choice, it actively penalises women who return to work.

This is not the first time we have seen policies of this kind from this government. Women are telling us—and I am sure the government, too—that they want policies to address the needs of both work and family, yet this bill only addresses one of these and does this, in my view, pretty poorly. The government needs to develop policies to combine both—that is, work and family—and provide a real choice for women and families. For the parent who would like to return to part-time work—or indeed needs to for economic reasons—and for those who are going back to low- or middle-income jobs, it means that there is little financial incentive to do so. Indeed, in some cases they may end up worse off. The simultaneous withdrawal of family tax benefit B and the baby bonus, the means testing of the child-care benefit, the cost of getting to and from work, and other associated work costs all conspire against a gradual return to the paid work force.

We have seen over the last several years our tax and welfare systems being re-engineered by this government so that they do not really reflect or support the desire of many families to combine caring for children and paid work. They are really being told it is one or the other. Most families tell us they prefer a combination in which one parent works full time and the other works for at least part of the time, to both add to the family’s income and keep contact with work, as it is frequently women who are in that position. The various planks of the Howard government’s family packages do not build a bridge between motherhood and the labour market but actually force mothers to choose between them.

But, most importantly, this bill, as the sole measure by the government to help Australians balance their work and family responsibilities, which is a key policy for women, falls far short of the policy effort that is required. And I am sure there would be members of the government, if not the minister responsible for this, who would know that research indicates quite clearly that it is women who carry the burden of juggling work requirements with family needs and that, in the views of families, this struggle is placing increasing pressure on them. We hear it time and time again from our young families around the country.

The Prime Minister seems to spend an awful lot of time telling Australian families one way or the other that there is little that we can do about these work based problems and that it is all in the market that these decisions are being made. In the last five to six years of the Howard government we have heard that governments cannot protect industries under threat from global pressures and deregulation—we have seen them take their hands off these—and that, generally speaking, they cannot do anything about longer working hours, declining conditions and in-
creasing job insecurity. We have certainly seen no policy action on those fronts.

It appears that they are saying you cannot turn back the clock. Well, governments cannot create an additional two hours in every day, I understand that, but they can ensure that people do have a life outside work and that work does not solely dictate all of their other choices. Through decent policy, particularly through a fair and balanced umpire, in the Industrial Relations Commission, we can ensure that part-time work and flexitime are real options and are secure. We, as policy makers, can work to reduce the number of people forced to work in permanent casual jobs and we, as policy makers, can reduce the number of people who work split shifts and unsociable hours without compensation. Instead, we have been going in the opposite direction. These are the sorts of things that place pressure on families. We can, too, through good social and tax policy, ensure that the decision to have a child is not an onerous financial burden on families and we can, through the provision of good quality and affordable child care—as many have indicated here—ensure that being a working parent does not mean lower quality care for your children. We can, through good industrial relations policies, ensure that women with family responsibilities—indeed whether they are caring for children or for old parents or disabled relatives—actually have the opportunity to meet those responsibilities without penalty, so that they are not overlooked for employment and promotion, they are not accused of lacking commitment to their jobs and they are not dismissed from their positions. These are all capable of being addressed by governments, but we have seen very little from this government on those fronts.

These are things that governments should be doing and that this government should be doing, but this government has failed to acknowledge and respond to the significant structural changes that have taken place which obviously make it harder for people to manage both work and family, and it has not tried to resist or prevent the more destructive of these changes. Indeed, in some cases, it has championed them—this is the flexible labour market we are talking about here.

Who is adversely affected? Families, first and foremost.

Since the 1970s but accelerating in the last decade, three major changes have taken place—Australia is not unique in this, but we can soften the blows and improve the outcomes—working hours have lengthened, they have become less standard and more irregular, and work at family-unfriendly hours has increased and increased, in just about every industry. Each of these changes disproportionately affects women who, despite changes within families and the workplace, continue to bear the greater share of family responsibility—I would it were otherwise, but it is in fact the case. These changes, as I have suggested, have worsened in recent times.

It is a challenge for the government, one they appear not to be taking up, to determine how they can best help people manage the conflicts between their work and their personal and family needs—a challenge which the government have not even tried to address. We do know that nearly everyone is having trouble managing these various responsibilities, whatever their income in society and whatever the arrangements they are making—whether as parents, carers for older people or those with a commitment to community activity such as Meals on Wheels, blood donations, environmental and union activism, and the local P&C. That all takes time. The government need to assist Australians with these responsibilities and make it easier for people to live balanced lives. They will do their bit, but the government need to support them in policy.

One important step would be to provide an adequate system of paid maternity leave. It is a debate we have been ducking in Australia for some time that we now need to tackle head on. We can also seek to create options for families in the years before their youngest child starts school. Many parents want to stay at home at least some of the time with their children for some time after childbirth. This needs to be accommodated in ways that strengthen family life and encourage and equip parents to move back into the work force when they are ready. A lot of
the programs that assisted them to do that have disappeared or have been wound back substantially.

To achieve these goals we need to develop more flexible models of parental leave and income support and to improve access to high quality, affordable child care. This bill provides a sliver of attention at least to income support. We need to look at the parental leave models that are on offer around the world and assess their relevance for Australian men and women. Internationally, there is a noticeable trend towards granting periods of leave that can be taken by either parent and allowing a partial return to work over a longer period of time. We do not even get close. Among industrialised nations, only Australia and the US now do not meet the ILO convention requiring a minimum of 14 weeks paid maternity leave with no length of service conditions. Indeed, less than a third of our female employees have access to employer-funded paid maternity leave, and these benefits are generally the preserve of women in the public sector and larger private organisations. The same people, by the way, who are being rewarded in this bill. There is little on offer to the majority of women who work in shops, offices, cafes and factories.

The Howard government argued that the Workplace Relations Act—this is part of the hands-off policy—would enable workers to reconcile work and family responsibilities through enterprise agreements and individual agreements, but few enterprise agreements and even fewer AWAs contain any work-family provisions, let alone any that are friendly. Put simply, the right to paid maternity leave is not being achieved through enterprise bargaining. According to research by Deborah Brennan, the 14 weeks recommended by the ILO is available in just three of the 1,866 federal awards. That is an extraordinarily poor outcome. In fact, the deregulation of the labour market has meant that previous entitlements to paid maternity leave can be removed, particularly when awards are being ‘simplified’.

It is against this backdrop that the debate and discussion on paid maternity leave must seriously begin in this country. In the past, Australia has shown in other policy areas that it can be a policy trailblazer: from the introduction of Medicare to compulsory superannuation and HECS—all Labor initiatives now embedded in our culture. I am not suggesting we copy other nations. We should do better than that. It is now the 21st century and, having missed the 20th century on paid maternity leave, we should be creative.

Just as the doomsayers of the past prophesised that Medicare and compulsory super would send the country broke, there has been too much talk about why paid maternity leave cannot be done and not enough about how it can be achieved and how we can work together to do it. Labor know that nearly half of the women working in the private sector are employed by small business and we recognise that the cost of paid maternity leave cannot and should not be disproportionately borne by small business. The last thing we want to do is impose disincentives to the hiring of women in any employment sector, but I am sure we can work out an appropriately creative response.

There is a range of models on offer internationally. Some are government funded, some employer funded, some a combination of both. There are clearly arguments for both parties making a contribution, and I would certainly support that. There are benefits to business too—and I think these should be underlined—from policy measures that encourage long-term attachment of staff and reduce turnover costs. The Equal Opportunity for Women in the Workplace Agency found that the cost associated with recruiting, training, relocating and replacing employees is a major expense for most organisations, whether it is women or other staff. Labour turnover costs can range from 50 to 130 per cent of the employees’ salaries—that is massive.

Companies that promote family-friendly policies enjoy increased productivity and employee loyalty, and enhance their reputation and image with customers and staff. For example, Westpac has reported that its retention rate of female employees increased from 54 per cent in 1995 to 93 per cent in 2000 as a result of introducing paid maternity leave. Think of the amount of money saved in that process. Westpac has calculated that an in-
crease in the return to work rate of 10 per cent in three years would cover the cost of the employees’ maternity leave. That is how head-in-the-sand we are—the benefits are there, demonstrated for all to see. When the return to work rate went up by over 30 per cent it was a nice return on its investment; it actually came out in front.

When the connection between women and the workplace is severed, the cost to business and of course to the individual is very high indeed. For the individual there is the loss of relevant skills, difficulty in building a career, and a drop in lifetime earnings and superannuation—and at some point most women do re-enter the work force. Women today have a lot more to lose. They cannot afford to lose their skills and confidence in a rapidly changing world where work is less secure; where family breakdown is more prevalent, sadly; where home ownership is beyond the reach of many single income families; and where superannuation is tied to work force participation—their retirement incomes depend on it. There is also the cost to the public purse when our investment in the education and training of women is not realised in a more productive economy. In an ageing population with smaller numbers entering the labour market, we cannot afford to lose these skills.

In my view, a key challenge for the new century is for governments, including this one, to develop policy and a raft of policies that reflect the real lives of women and families, instead of trying to engineer women into a position that they approve of. Policy must recognise that women’s participation in the work force, and their family and caring roles, vary widely and change throughout their lives. Policies should be flexible enough to recognise that. The government has to address the continually changing dynamic between work and family, rather than set up work and family, as they do now, as competing instead of complementary interests. The Taxation Laws Amendment (Baby Bonus) Bill 2002 and the Howard government’s agenda in its third term—if this is all it is—do not come anywhere close to identifying these challenges, let alone addressing them.

Mr KATTER (Kennedy) (8.45 p.m.)—Isaac Asimov, the famous science fiction writer, wrote a very famous book in which people from outer space visited the planet Earth, and upon the planet Earth there were no people. Isaac Asimov, for those who follow these things, was a very profound thinker and was respected as such. The people of Earth had gone out to other planets and had found that they were already occupied. There was no future horizon for them, no land of opportunity, no excitement, and they simply lay down and died.

The Massachusetts Institute of Technology did a very famous study on earthworms. An earthworm was trained to go to the Y-branching of a tunnel. In one branch of the Y there was a light, and in the other branch there was not. They were able to train the worm to go to where the light was to get food. After the worm had achieved about 20 or 30 times its objective of getting the food, it did a very funny thing: it lay down and died. This occurred again and again in the study. Once the challenge, the excitement and the opportunity were removed, life became profoundly boring and the little earthworms simply died.

Dr Bob Birrell wrote in the Weekend Australian a disturbing landmark article which should be compulsory reading for every Australian. He simply extrapolated the birthrates in Australia out to this time next century. Over a very long time, every time I gave a speech on this subject, I would ask people how many Australians they thought there would be if we were able to maintain our current birthrate for the next 100 years. It has been falling, but let us say that we can hold it where it is: how many Australians will there be in 100 years time? Only three out of about 10,000 people that I put that question to over about 10 years got the answer qualitatively right. Only three out of about 10,000 Australians said that the population will actually diminish.

When I read in Dr Birrell’s article that the population in Australia in 100 years time would be seven million people, I did not believe it. But then again he is a very distinguished demographer, and it was hard to question his conclusion. I went to the par-
liamentary library and they said, ‘Of course it’s going to be that way.’ If every 20 Australians replace themselves with only 17 Australians when they die, and you do that five times in a century, you do not have to be Albert Einstein to work out that your population is going to fall, and fall dramatically.

We do not live in outer space; we live on planet Earth, and our neighbours have a different attitude towards population. Their population in 100 years time will be in excess of 600 or 700 million people, crammed onto five or six tiny islands. Who, as a fair-thinking person on Earth, would say that we as Australians should sit on this huge treasure trove of natural wealth, whilst our nearest neighbours scrabble for a living on six or seven tiny little islands? What fair-minded person on Earth thinks that that situation should continue? It was a question that Birrell posed in that profoundly important article.

You have to ask yourself this: what is so wrong with the Australian nation that it has decided to eliminate itself from the gene pool? There cannot be a more profound statement upon a race of people than that they simply vanish from the gene pool. What is so profoundly wrong in the philosophy and the spirit of modern Australia? Are we so unloving of children that we do not want to have any? To look for answers, I suppose you have to pick other times and other places when people have not had children. In the dark days during the 100 Years War—the Norman French, who were based in England at the time, ravaged France and a fair proportion of Europe—people did not have children. The horror that was meted out to the French people was profound, and people did not have children, due to the economic oppression, political oppression and every other type of oppression that occurred in that period. During the Great Depression, birthrates fell throughout the world and particularly in this country. There was hardly any growth at all during that period of time.

Where there is no hope, people simply die. It is a proposition that I have put before this House again and again: that in this country, for the vast bulk of Australians, there is no hope. Unfortunately and sadly, the people that come into this House mix with the winners, the Alphas, and there is hope for them—there is great excitement for them. But they are not sharing that hope or excitement with the rest of Australia.

There was a very good article which was recommended to me in the August edition of Marie Claire magazine—not the sort of magazine that one would expect to find anything profoundly important in normally, but I must pay them great credit for this article. The library has not been able—there would be far too much work involved—to check out the figures, but maternity leave in Australia is nil; in Algeria they quote it as 14 weeks; in Bangladesh, 12 weeks; Brazil, 17 weeks; Canada, 18 weeks; Chile, 18 weeks; China, 13 weeks; Costa Rica, 16 weeks; Cuba, 18 weeks; Denmark, 28 weeks; France, 16 to 26 weeks; Germany, 14 weeks; Hungary, 24 weeks; Italy, 20 weeks; Norway, 44 weeks; Sweden, 64 weeks; United Kingdom, 14 to 18 weeks. In Australia, nil.

If we are looking for a reason why we are one of the three world champion countries in eliminating ourselves from the gene pool—we are winning the race magnificently; there are only two countries that are ahead of us—then one has to look at not only the general and macro problems but also the specific problems. Regrettably I was not able to have the following figures updated as much as I would have liked—these figures are for July 1996, but there is no doubt that they have changed very little since that time. In 1996, the average weekly earnings of a single income family with a wife and two children where the wife chose to stay at home and be a full-time mother to her children were $34,424. The tax paid was $8,242. That left a disposable income of $26,182 which, divided amongst the four of them, worked out at $6,545. Having raised a number of children during that period of time, believe me, you are flat out getting by raising a child on $6,500 a year. But to stay alive yourself as an adult on $6,500 a year most certainly is a challenge and it is one I would not like to be meeting in most of the electorate that I represent where our cost of living is much higher than in either Brisbane or Sydney. If they are
Mr KATTER—Mr Deputy Speaker, this bill is an endeavour to provide alleviation of the financial stress upon families when they have children. I am delineating to you the financial stress that is upon families that have children. If you want to have two children and you want to have your wife look after them full time or if it is her decision to look after them full time, or her husband looks after them full time, then you choose to have an income per person of $6,500—that is your income. If you are a double income family with a wife and two children you have $68,848; you pay tax of $16,484, leaving you $52,364, which works out to $13,000 each. So there is a huge incentive for the mother not to be a full-time mother. But a lot of women want to do that and have a reluctance to have children unless they can give their child full-time care—and that is also true to say in our day and age of many fathers as well.

If they are very selfish people, they do not have any love for children and they are very self-indulgent, then they are a double income family with no children and they have a disposable income—I will not bore you with the figures again—of $26,182 each. If you are two people living together or married and you have a decision to make as to whether you have children the question becomes, ‘Do I want to stay on $26,000 a year of personal income or do I want to go down to $13,000 of personal income or do I want to fall down to $6,500 of personal income?’ This bill today—and I compliment the minister and the government on bringing this bill forward—is an effort to come to grips with those figures, which are profoundly disturbing and profoundly moving.

If we are dragging the chain on maternity leave as the opposition is claiming, and I do not doubt for a moment that they are correct—they are rarely correct, but they are correct on this occasion—then there is no doubt in my mind that we have to come to grips with providing. I do not like to say ‘more incentive’ to have children, but less financial oppression if you have children. A profoundly important graph was done by the then federal Department of Health and Family Services showing the rise in unemployment for 20- to 24-year-olds between 1966 and 1994. Of course, there is a fairly spectacular growth in that period from the heyday of John McEwen when we had 0.8 per cent unemployment. That has risen up and hovered around 16 and 17 per cent for the people in that particular cohort. The profoundly important feature of this graph was that it then graphed the rise in male suicides for that same cohort of the population. Again, as with Birrell’s article, that graph should be a part of compulsory education for every Australian, because they are identical graphs. It is almost weird how identical those graphs are—how exactly the rise in unemployment is followed by a rise in the suicide rate for people in that cohort of the population to a point where as a country we now have arguably the highest juvenile male suicide rate in the world. So we are world champions in the area of where there is no hope. An effort is being made today to come to grips with some aspects of that problem, and we must praise the government for it.

But if we are encouraging people by removing the economic oppression that results from having children, if we are removing some of that problem today, we must also provide not only a removal of stick but a provision of carrot as well. That is the provision of jobs, and constantly I hark back to that in this place. Those who cannot learn by history are doomed, as Winston Churchill said, to repeat it—and that is what is happening today in Australia.

In that period back in 1966—when we had no unemployment; when we had no suicides; when we had a growth rate twice what it is today, a natural birthrate twice what it is today—why was this land a land of hope and opportunity where people went out and had children and looked forward to a bright future for themselves and their children? What was happening in Australia in those days? I had the very great privilege and excitement to be in Australia as a young man in those
days. I did not know whether I wanted to go into mining, where people were making fortunes and doing wonderful and exciting things for their country. I did not know whether I wanted to go into farming, where people were doing wonderful and exciting things for their country and for themselves and their families. I was not too sure which direction to go in, but I had all of those directions available to me.

Mr Edwards—including conscription.

Mr KATTER—you say 'conscription'. In spite of that fact, in spite of what was a very bad part of that period of our lives, we still had all of these low figures on all of these various things that were occurring. Yes, as it was for everyone of our age, that was a reality of life for us. But let me just go back, because I do not want to concentrate on that. Most certainly there was a negative there, but the positives were so overwhelming that this was the country of adventure, hope and excitement in spite of what was a very big negative.

I have on my wall a picture of Red Ted Theodore, a person who I very greatly admire, and I also have a picture of John McEwen. When I left my education behind and went out into the world they were building the beef road scheme.

The DEPUTY SPEAKER—Could I ask the honourable member to come back to the bill.

Mr KATTER—Mr Deputy Speaker, I must argue that this is profoundly the nature of the bill. What is happening here today is an effort to stop Australia from being a dying race. That is really at its most basic what is occurring here with this legislation, and I pay the government very great tribute for moving in this direction. You also must understand that it is not just about the economics. There is an extra $2,500 at one end of the spectrum—and I agree with the ALP’s criticism that with the $500 there does not seem to be a balance there; the other end of the spectrum is exactly the way that we want to go about this. But I do not want to criticise the government; I want to praise them lavishly for what they are doing here today.

But you have to provide jobs, hope and opportunity for those little children that you want to come into the world in Australia. To do that, you must return to the policies that provided those things. You have to build those infrastructures, you have to open those mines, you have to open those tourist resorts and you have to have a mentality in Australia that we can do it and we are intending to do it.

Talking about population in our country, Mr Carr recently said that Australia could not support a population of 20 million—so he would be against this bill, you understand. He does not think we should have more population; he thinks we should continue to be a dying race. That is the enlightenment of that particular leader. When he says that, I say that the Murray-Darling system in Australia—and it may be overtaxed; I do not know—supports a population of 20 million people. The Gulf Country has two, arguably three, times more arable land than the Murray-Darling system has. It has six times more water, it has a more reliable water supply and it has brilliant sunshine for nine months of the year. It is a magic land and we could support, on the basis of the figures out of the Murray-Darling, a population of 80 million people in the Gulf Country alone.

The three Nobel Prizes in science that were won by Australians were all won by Australians living in another country. When I say that we have got to create for these children that will be coming into Australia—and to encourage people to bring children into the world in Australia—a land of hope and excitement, we have to have a sufficient population to allow them to develop their talents and to use their talents here in this country. That is the other dimension that the government need to put with the initiatives that they are taking today and for which I most certainly congratulate them.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.05 p.m.)—I would initially like to place on record the thanks of the government to all honourable members who made a contribution to this very important debate. The Taxation Laws Amendment (Baby Bonus) Bill 2002 will implement the
government’s election commitment to introduce the first child tax refund, known as the baby bonus. Unlike the Australian Labor Party, the Howard government places a very great store on our election promises, and upon being returned to office with such an outstanding majority we were determined to deliver at the first available opportunity on this keynote policy which we took to the poll last year. The baby bonus recognises that one of the hardest times for families financially follows the birth of a first child. A family could lose one of its two incomes for a period of time as the mother, or father, gives up or reduces paid employment to care for the child.

The honourable member for Lilley made the outrageous statement that the Howard government has put Australian families last. If anyone was listening to the member for Lilley, he or she would have found that comment absolutely laughable. The member for Lilley has clearly forgotten what was the policy of the Australian Labor Party at the last election when it claimed to want to assist families with newborn babies. In his policy statement 'Kim Beazley’s plan for families' under the heading 'Extra assistance for families with newborn babies’ Labor put forward a pathetic $22 million over a few years, all to be handed over to the Australian states. This offensive policy pales into insignificance when compared with the almost $1 billion this government is now committing to Australian families through this legislation. Once again, the member for Lilley has clearly overlooked why the Australian Labor Party was so resoundingly rejected by the Australian people at the poll in November last year.

This government has always believed in supporting Australian families. The honourable member for Cunningham suggested that the measure comparing income before birth with income in the following year was a complex provision. The measure is designed to pay back to people, over five years, tax paid in the year prior to the birth of their child. The comparison between income years is necessary in order to improve the equity of the measure. For example, where a person re-enters the work force and earns one-third of the income of the year before birth, he or she will receive one-third of the baby bonus.

The honourable member for Werriwa criticised the fact that the baby bonus can be contributed to superannuation and claimed that the benefit will not be available until the child turns 55. ‘Why can’t families put it into a trust fund until the child turns 18?’ was the point of view of the honourable member for Werriwa. The baby bonus will be paid to eligible parents annually as part of the tax return process. Parents can choose how to spend their baby bonus. In a democracy this is a fair and appropriate way to go. However, as part of a package of superannuation measures the government took to the election, it will allow the baby bonus to be contributed to superannuation. Allowing the baby bonus to be deposited in superannuation provides a further choice for people caring for children, and who can oppose that choice? I do not know how the Labor Party can possibly claim that the choice the government is providing is somehow inequitable.

The honourable member for Cunningham claimed that high-income earners who may receive $2,500 will benefit five times more than low-income people who will receive only $500. That was a thread running through the speeches by a number of opposition members. The facts are that women on incomes of around $53,000 or more will have their baby bonus capped at $2,500 per year. However, if they remain in the work force after the birth of their child, they will have their baby bonus reduced in proportion to the income they earn. The $500 is a guaranteed minimum. Some women who earn $25,000 or less in the year they claim the baby bonus may receive more than $500.

We also had the bizarre statement by the honourable member for Cunningham accusing the Howard government of following in the footsteps of Tony Blair, who he claimed brought in a similar policy. Isn’t it amazing that the Australian Labor Party is opposing the successful political approach of the Blair government in the United Kingdom? Perhaps if the Australian Labor Party had the intestinal fortitude to follow in the footsteps of its British cousins, such as pulling itself away from the trade union movement, it may find
similar support to that which Prime Minister Blair currently enjoys. But we all know that the current leadership of the Australian Labor Party is far too gutless to cut the umbilical cord. The Labor Party is where it is only because of the union movement. The Labor Party is the party of the unions. It is governed by the unions, and its policies are created for the unions. Most Australians believe that is an entirely inappropriate way for an alternative Australian government to operate.

The honourable member for Gellibrand is, I suppose, living and breathing proof that numeracy has been a major problem in the Australian community for some time, because she made the incredible comment that the calculations that are required to work out how much people are entitled to are very complex. Let us look at the facts. Let us reassure the honourable member for Gellibrand that there is not going to be great difficulty in working out the amount to which people are entitled. The Australian Taxation Office will be developing systems to make claiming the baby bonus easy. Those lodging by e-tax, for example, will simply have to answer some questions and their baby bonus will be calculated for them. For those who do not need to lodge an income tax return, the Australian Taxation Office is developing a simple two-page form. Running through the speeches of another member or two from the Australian Labor Party is this suggestion of complexity. There is not going to be complexity. What we are looking at is delivering on our election policy in a very appropriate way.

The member for Gellibrand was also worried about the fact that Treasury was involved. She said it was a concern that the Department of Family and Community Services was not involved in developing the baby bonus. The baby bonus policy, Madam Deputy Speaker Gambaro, as you well know, was a key election promise of the Howard government. It will repay to parents over five years the tax they paid in the year before the birth of their child, up to a maximum of $2,500 per year. It is a refundable tax offset. Isn’t it reasonable, then, that, if it is a refundable tax offset, it should be administered by the Australian Taxation Office and not by the Department of Family and Community Services? Maybe the member for Gellibrand ought to look at the various government departments. Once she does that, she would concede that it is appropriate that it be administered by the Australian Taxation Office. It is therefore appropriate that this measure be developed and introduced by the Treasurer.

The member for Lilley also claims that the baby bonus is not available until the end of the year and will, therefore, not be of immediate benefit to families. The object of the baby bonus is to recognise the loss of income that generally follows the arrival of a first child. As I pointed out—and I point it out again and again, for honourable members opposite—it is being delivered through the tax system because, for most people, it is a repayment of tax over a period of five years. People not in the workforce or those who have not paid any tax would still be eligible for the minimum amount of $500 per year until the child turns five years of age. People who are not required to lodge an income tax return may still lodge a claim for the baby bonus with the ATO. The baby bonus does not require people to estimate their income. This would add greater complexity to the measure.

The member for Lilley claimed that people who earn a little more actually get more than low income earners. Again I repeat that the baby bonus is designed to repay, over five years, the tax paid in the year prior to birth. As an equity measure, it is capped at a maximum of $2,500 per year.
The member for Werriwa said that there are better proposals available than this measure. The government simply would not agree with this. What the ALP brought forward prior to the last election was nothing short of pathetic. It was pathetic, it was a sham and it was rejected by the Australian people. This is a simple bill; it is only 12 pages long. It is not a complicated measure. The baby bonus is in addition to other measures introduced by this government to support Australian families.

The member for Werriwa also made us all wonder why the new Leader of the Opposition brought him from the far back row of the opposition to the front bench. He says he does not know anybody who understands how the baby bonus works. What an incredible statement on the part of the honourable member for Werriwa! It presumes that he does not understand how it operates and that no-one else does. In order to simplify the baby bonus, the government will base the payments on the tax payable and taxable income. These amounts are provided on the notice of assessment provided by the Australian Taxation Office and will remove the need for taxpayers to undertake complicated calculations. For parents who do not pay tax, as I said a moment ago, the Australian Taxation Office will prepare a simple two-page form.

I am very pleased to have this opportunity to elucidate this matter for the benefit of the honourable member for Werriwa and, apparently, every other person that he knows. He, like other members, criticised the ability to use the baby bonus to contribute to superannuation. I have explained that; we simply reject that comment.

We had some really peculiar remarks made by the honourable member for Sydney, accompanied by the honourable member for Lilley. The honourable member for Lilley said that the baby bonus does not encourage families to have subsequent children. The member for Sydney said that the baby bonus will not have the effect of increasing the birthrate. Sure, Australia has a major problem in that we have a declining birthrate and an ageing population, and, like everyone else, the government would like to see more Australian children born, but the aim of this policy is not to boost the Australian birthrate. If that happens as a by-product or consequence, that would be wonderful, but it really is strange to suggest that the aim of this policy is simply to boost the Australian birthrate.

The baby bonus is designed to recognise that one of the hardest times for families is the birth of their first child. However, as a transitional measure, the baby bonus will be available to families who have children who were born on or after 1 July 2001. So I am pleased to be able to clarify those matters for the honourable members for Sydney and Lilley.

The member for Sydney referred to parents who were outside the tax system and claimed that they would have to submit a tax return and may not take up the baby bonus. I pointed out that parents who do not normally lodge a tax return will be able to apply for the baby bonus through a simple two-page form and will not have to complete a full tax return. This form will be available through the Family Assistance Office and the Australian Taxation Office. The honourable member for Sydney will be pleased to know that communication campaigns are being developed for hospitals, health care providers, et cetera, to educate people outside the tax system.

The member for Shortland claimed that those who need the money the most will receive the least and that high income earners will get the most. Various members opposite claimed that the baby bonus does not adequately compensate people for having children. The measure is not about compensation for the cost of raising a child; it is designed to repay the tax paid in the year prior to birth. Members opposite should at last appreciate that.

The member for Shortland, who seems to be one of the last old-time socialists in the House, is concerned that baby bonuses are to be spread over the five years. The baby bonus effectively allows a parent to pay tax as if their income before the birth of the child was spread over up to five years of the child’s life.
The member for Fremantle queried whether the baby bonus penalises mothers who returned to work. The baby bonus is intended to recognise the loss of income that generally follows the birth of a child when one parent may give up work or reduce their hours of employment. Certainly, while people who go to work might have the baby bonus slightly wound back, at the end of the day people who return to work part time will still receive benefits under this measure.

The member for Lilley actually claimed that the bill before the House will encourage families to delay having children so that they can maximise their family bonus. I think that is amazing, and it is interesting that the member for Fremantle saw through that ludicrous statement made by the member for Lilley when she acknowledged that it is unlikely that parents would delay the birth of their child to take advantage of the baby bonus. That is a commonsense proposition put forward by the honourable member for Fremantle, in clear contrast to the utter tripe uttered by the member for Lilley, who stated the exact opposite. The Labor Party is unable to form a common view on this legislation. It is another example of the shambles that the opposition has become under the current opposition leader.

The government always supports Australian families. That is why we like to keep mortgage interest rates low. That way, families can afford to buy their own homes. That is why we announced extra support for families with the baby bonus. That is practical, direct assistance with the cost of raising children. Before the 1996 election, the Liberal and National parties announced the family tax initiative to increase the tax free threshold for families with children and to provide additional benefits for single income families with one child under five—we delivered. Before the 1996 election, we said that we would make it easier for people to take out private health insurance—we delivered with a 30 per cent rebate. In 1998, we said we would introduce a new system of family tax benefits, worth another $2 billion a year—we delivered. We said we would cut income taxes so that people on incomes up to $50,000 would pay a top tax rate of 30c in the dollar—we delivered. We said we would provide a $7,000 first home owners grant to assist home buyers with the purchase of a new or existing home—we delivered. Then we went one better by introducing a $14,000 grant for new home buyers and now a $10,000 grant.

Under Labor, mortgage interest rates were 10.5 per cent. Today they are at 6.05 per cent, the lowest since man first walked on the moon. For a family with a mortgage of $100,000, this represents a saving of $4,440 a year, or $370 a month. Relative to the 17 per cent peak in interest rates under Labor, that same family is saving $912 a month, or $10,950 per year. That is putting money directly back into family budgets and taking the pressure off. Now, once again, we are delivering with the baby bonus. This is targeted help for hundreds of thousands of families. We expect that around 245,000 mothers and their families will benefit from the baby bonus in the first year and that eventually it will deliver benefits to some 600,000 families at any one time.

This is implementation of a solid policy that only this government has the credentials to deliver. We do not just bleat and whine about Australian families the way those opposite do; we do not just talk about Australian families and their needs; we deliver. We are proud to deliver and we are proud to deliver this key election promise of the Howard government. I commend this bill to the House and on behalf of the government utterly reject the second reading amendment moved by the honourable member for Werriwa on behalf of the Australian Labor Party.

The DEPUTY SPEAKER (Ms T. Gambbaro)—The original question was that the bill be now read a second time. To this the honourable member for Werriwa has moved as an amendment that all words after ‘that’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.
Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (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.

REGIONAL FOREST AGREEMENTS BILL 2002

First Reading

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

Ordered that the second reading be made an order of the day at the next sitting.

BUSINESS

Rearrangement

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.26 p.m.)—I move:

That business intervening before order of the day 8, government business, be postponed until a later hour this day.

Question agreed to.

VETERANS’ ENTITLEMENTS AMENDMENT (GOLD CARD EXTENSION) BILL 2002

Cognate bill:

VETERANS’ AFFAIRS LEGISLATION AMENDMENT (FURTHER BUDGET 2000 AND OTHER MEASURES) BILL 2002

Second Reading

Debate resumed from 14 March, on motion by Mrs Vale:

That this bill be now read a second time.

Mr EDWARDS (Cowan) (9.29 p.m.)—The first of these bills being debated cognately in the House this evening, the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002, is the same as that submitted in the last parliament but which lapsed due to the prorogation prior to the election of last November. At the outset, I state that the Labor Party does not oppose this bill because it is beneficial in nature and generally aimed to resolve some operational issues within the administration of the Veterans’ Entitlement Act, which parallels the Social Security Act in many areas to do with income support matters. I will not address the particulars of the bill, as they have been canvassed in the original debate and there is little to add.

I do, however, wish to highlight that part of the bill which deals with the changed treatment of compensation payments of an income support nature as they have been applied to date to couples. In short, the proposal to limit the offsetting calculations for such payments from third parties to the payee first, and only to the payee’s partner second rather than jointly as is currently the case, is both fair and equitable. The Centrelink policy relating to the offsetting of income support payments from third parties, such as insurance companies where compensation for lost income has been paid, is a very important element of general policy but it is one where there is blatant discrimination against ex-service people in receipt of disability pensions for their service related injury or illness. Equally, I should mention that some insurance companies also employ an offsetting policy which, depending on the terms of the policy, may also be discriminatory. But that practice is not the subject of this bill.

There is a major weakness in the way the means test, under the Social Security Act, works. For the record, while income support payments of the kind referred to in this act are included as income in the means test, other payments for pain and suffering are not. Strictly speaking, the latter is not income; it is compensation for the loss of life amenity and for the physical loss that has lowered the quality of life that otherwise might have been expected. This is also how the Veterans’ Entitlement Act works for those who are in receipt of a service pension—that is, their disability compensation is not counted as income in the means test, the same means test as in the Social Security Act. Yet if an ex-service man or woman is in payment of a benefit from Centrelink, such as the age pension or disability support pension, the disability pension paid to these veterans by the Department of Veterans’ Affairs for service related injury or illness is so counted.
The Labor Party has seen this as a matter of some contradiction and unfairness for many years. As I said before, ‘discriminatory’ is probably a more appropriate description. Despite attempts to amend legislation such as this in the Senate the government has stonewalled and, despite assurances to the contrary, has done nothing about it. Well, we will keep trying and I can inform the minister that when this bill goes to the Senate we will again attempt to amend it to make provision for the exemption of ex-service disability pensions from the means test under the Social Security Act at the general rate. Here I point out that we are specific about the general rate of disability compensation, because that is the rate under which over 162,000 veterans receive a pension for their war and service related injury, as opposed to the above general rate where a much smaller number, some 26,000, are compensated as well for their loss of work ability. That part of the pension, while compensatory in nature, is more in the form of income support. In this latter group I refer to those TPIs on what is called the ‘special rate’ and to those on the ‘intermediate rate’. This is a very important principle to understand because it is a distinction drawn in modern workers compensation jurisdictions, in the social security jurisdiction and in the courts. It is a great pity that this government has allowed the veterans’ jurisdiction to get so out of sync.

This is not a new issue. We know that the government has done the costings and we believe that, as we have now refined it, the cost is likely to be less than $20 million a year. The beneficiaries, as we can best determine, are about 4,000 ex-service age pensioners—predominantly those who enlisted to serve in World War II but who did not leave the country, through no fault of their own, and up to another 500 younger ex-service people most of whom are TPIs. For these people the exclusion of their non-taxable, non-means tested Department of Veterans’ Affairs disability pension from the means test at Centrelink would result in immediate and substantial relief. A single person on a disability pension of 50 per cent with no other income, for example, would be better off by $10 per fortnight. For a single TPI pensioner in the same circumstances the increase would be $65 per fortnight. This would make an enormous difference, particularly for those with family responsibilities. This is how much this outrageous discrimination is costing ex-service people in need. Some thanks for their service!

I also remind the government that veterans and ex-service people who have served this country are not welfare beneficiaries. They are ex-service people, a large number of whom have been injured during their service, who now see themselves as being penalised. We have seen the government brazenly boast that they have spent an extra $2.6 billion on veterans during their term in office. We have seen $508 million committed in the last budget and in the election promises—all in the clear knowledge that this was an outstanding issue of merit.

So let us not have the budget stringency plea, or the much bandied excuse—which is now well worn out—of competing priorities. This could be paid for from the cost of waste in the Department of Veterans’ Affairs and unnecessary memorials, if the government was in the slightest bit serious about good policy, or about helping people in need. We know that the government has now erected a time-stalling device in the form of a review which will no doubt be used to keep this, and a whole range of other veterans’ issues, on ice for a year or two until the eve of the next election. However, the veteran community will not be fooled again. They remember the 1996 coalition pre-election commitment:

The coalition, whilst maintaining existing entitlements, will also review the apparent anomaly existing where a disability pensioner has that benefit counted as income when receiving a pension from the Department of Social Security.

The second bill before us this evening is the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002, which increases the veteran population in possession of this much prized card by including all those with qualifying service over 70 regardless of where they were deployed, and those who were not already in possession from compliance with other eligibility criteria. The Labor Party also promised this benefit in the last election, so it suffices today to say we are happy to give it speedy passage in
order that the processes can be put in train to have the cards issued by 1 July. Fitting the great respect with which we treat our veterans, the gold card is seen as a great source of comfort by veterans, particularly as they age and health care becomes more critical and costs mount up. Understandably this is always a worry, and great peace of mind is provided to those people who have the card as valuable insurance in case of need.

I think it is fair to say, though, that, whilst we support this extension, we are concerned at the rapidly increasing cost of veterans' health care. This in no way is a comment upon veterans' needs but reflects a deep concern we on this side of the House are developing as we see the exploding budgets of the Department of Veterans’ Affairs health program. Our spokesman in the Senate Senator Mark Bishop will be elaborating on this because it is clearly a major management issue which cannot be simply attributed to the ageing process or to escalating medical costs. It is indeed a management issue.

I do not intend to speak for much longer. We have indicated that we will not be opposing these bills, but I do think it is appropriate to make a couple of concluding comments. At the end of the previous bill which passed through this House we had the parliamentary secretary standing at the table, thumping his chest and saying, ‘We have delivered; we have delivered; we have delivered on a whole range of issues.’ They have not delivered when it comes to the veteran community. I want to go back to the 1996 commitment which the coalition made in relation to those veterans who have their Department of Veterans’ Affairs benefits counted as income against the Social Security Act. This is what the coalition said in 1996:

The Coalition whilst maintaining existing entitlements will also review the apparent anomaly existing where a Disability Pensioner has that benefit counted as income when receiving a pension from the Department of Social Security.

I simply ask the government: when are you going to deliver to the veteran community on this commitment which was made in 1996? It is on the record how the government have tried to let that particular commitment slide through, but there are some very good and very active people out there in the veteran community who are determined that the government will not get off the hook on this particular commitment. I want to pay tribute to people like Blue Ryan from Western Australia, who is the National President of the TPI Federation. Blue himself is a TPI pensioner. He is not always well and not always healthy, but he is always in there fighting for his membership and fighting to improve the benefits that TPI veterans rightly enjoy because of the service that they have given this country and because of the health ramifications of that service.

It breaks my heart to see some of these young SAS veterans who at the age of 35, 36 or 40 are on a TPI pension. If they do not have qualifying service, they have a fairly severe impediment when it comes to getting a reasonable income. These are young men who served their country well. They are young men in their late 30s or early 40s who only have a TPI pension to look forward to for the rest of their lives. I want to congratulate in particular the CT group, the counter-terrorist group, on the tremendous work that they have done in keeping their issues alive and in keeping up the fight to have their benefits recognised and improved.

It is incumbent upon this coalition government to put into practice the commitment which they made back in 1996. I was not intending to make these comments, but I must say that the chest thumping of the parliamentary secretary during consideration of the previous piece of legislation when he stood at the dispatch box and proudly boasted about how the coalition have delivered prompted me to say that they have not delivered in relation to veterans—and it is time that they did. The opposition does not oppose these bills.

Mr BALDWIN (Paterson) (9.43 p.m.)—There could be no prouder moment than when one stands in this House to pay tribute to those who risked their lives for this country and indeed to those who gave their lives for this country. This Saturday marks a very special occasion for veterans in my electorate of Paterson with the official opening of the Hawks Nest-Tea Gardens War Memorial.
In past years ex-service men and women on occasions such as Anzac Day have marched on the local streets to memorial gates. From now on, with the support of this government, they will be able to attend a service such as the up and coming Anzac Day service and be able to march to their own war memorial, a memorial built from their own efforts.

I congratulate the war memorial committee on their efforts that will culminate in Saturday’s opening, and I also congratulate everyone in the community who helped along the way. In particular I would like to acknowledge the chairperson, Daryl Martin; the secretary, Lyn Davis; and the treasurer, Connie McDonald. The entire community, including generations that have never known nor witnessed a war, recognised that a real need was there to honour and pay their respects to our veterans at a local war memorial. The needs of veterans in the area are also recognised by this government which provided a grant of $5,000 towards this worthwhile project. I look forward to seeing and attending memorial services at this site in the years to come.

The Department of Veterans’ Affairs also recently announced a grant of $175,000 to the Myall Lodge Hostel. This will go towards the construction of a 20-place extension. I personally visited the hostel prior to the election to discuss the needs of this 10-place hostel, and I met with the residents and staff. Recently I went there to make the announcement of this $175,000, supported also by an aged care grant for 20 beds, plus an additional $325,000. They were delighted that the needs of the veteran community in the area were finally being recognised and that funding would enable veterans who had lived in the area for so long to remain there. Congratulations to the staff and in particular the administrator of the facility, Frank Caulfield, on supporting not only the veterans but the whole of the Tea Gardens-Hawks Nest community and their needs.

So whether it is Raymond Terrace, Nelson Bay, Lemon Tree Passage, Salt Ash, Beresfield, Maitland, Hawks Nest, Tea Gardens, Coomba Park, Forster, Tuncurry, Gloucester, Dungog, Stroud, Gresford or Bulahdelah, Paterson has a very rich history of commemorating and recognising the sacrifices of our veterans. There is no other group in our society who deserve our gratitude more than veterans and those who fought for this country. These people put their lives on the line for people like you and me, so that we can live in freedom. These people fought for our security and our freedom, and without their individual efforts and sacrifices Australia would not be the place it is today.

Given these two recent examples of recognising veterans and their needs in Paterson, I am pleased to speak on these two bills tonight which take that recognition of veterans another step forward. As our veteran population ages, their health care and needs change significantly. By 2007, two-thirds of all veterans and war widows with gold cards will be over the age of 80. This government is committed to developing innovative and flexible health care programs for the ageing veteran community, whilst continuing to meet the needs of our younger veterans. Through the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002, there will be an extension of the gold card eligibility to all Australian veterans who are 70 years of age or over with qualifying service after World War II. This was a commitment that the coalition made during the election campaign: to extend recognition, care and compensation to a very special group of Australians—our veterans and war widow community. Since the election, the government has reiterated its commitment to implement this proposal with effect from 1 July 2002.

It is estimated that approximately 4,000 veterans will be eligible for gold cards in the first year, rising to around 5,000 by the fourth year. The veterans who are eligible to receive a gold card will gain access to a comprehensive range of medical, hospital, pharmaceutical, dental and allied health care services. In addition, travel assistance is available to and from the veteran’s nearest health care facility. The gold card also enables access to the veterans’ home care scheme. This provides help with domestic tasks, personal care, home and garden main-
tenance, delivered meals, community transport and respite care.

Gold card holders can also receive various discounts and concessions from state authorities and organisations, such as transport concessions. It is important to note that they do not have to pay the Medicare levy or the Medicare levy surcharge, and they may choose to discontinue their private health insurance membership. Many veterans will not even have to submit an application for the gold card because the department will identify eligible people through existing records. So eligible people will automatically receive a gold card.

I would also like to highlight that this initiative will provide access to a gold card in the future for veterans of conflicts such as the Gulf War, East Timor and our current deployment in the war against terror. So this is all about helping now and into the future those who have risked their lives for our nation. Our veterans deserve it, and this government can provide it.

We are also looking at the Veterans' Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002. This bill again recognises the need to support our veterans by improving the delivery of income support benefits through the repatriation system. It will bring about a more consistent and fair system that reflects changes already made to our social security system. The bill amends the Veterans' Entitlements Act 1986. In essence, it will mean a more generous treatment for income support recipients whose partners receive periodic compensation payments, such as those paid by insurance companies. It will also mean changes to the treatment of financial assets, income streams and the payment of income instalments.

This bill and the gold card bill go a long way to embellish this government’s commitment to veterans. They help provide for the needs of veterans now and into the future. They recognise the importance that veterans have in our community and the sacrifices they have made for us and our children. This recognition is paramount to honour our veterans now and in the future. It would be very remiss of me not to mention those brave soldiers and personnel who are currently involved in the war against terrorism. We wish them every safety and godspeed on a safe return. We are proud of them and through them we are proud to call ourselves Australian.

Ms HALL (Shortland) (9.51 p.m.)—I join with the member for Paterson in recognising the contribution of all our veterans past and present. Their contribution to our country and our safety has been enormous and they deserve the recognition that they have been given over the years.

I rise to support the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 and also the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002. In doing so, I must express my concern that it has taken so long for the government to introduce this legislation. This is legislation that should have been introduced in the past parliament and it is absolutely disgraceful that it was not. This legislation seeks to resolve an inequity—and I am talking about the gold card extension here—that currently exists within the veteran community, with only those veterans who served in World War II who are over the age of 70 being eligible for the gold card rather than it being for all those who served in any theatre of war.

Madam Deputy Speaker Gambaro, I am sure that you have been approached by many veterans about this issue and are very aware of the anomaly that exists. Where there is an anomaly such as this it should be corrected, and it should have been corrected during the last parliament because it has become more and more apparent as our veterans of conflicts other than World War II have reached the age of 70. There are still many anomalies and the government’s current review of the Veterans’ Entitlements Act may resolve some of them, but I will not be holding my breath waiting for that to happen.

What I am really worried about, and what I fear, is that this review could lead to benefits, the entitlements of veterans, being diminished in some way. I certainly hope that that is not the case, because I know that within the veteran community in the electorate of Shortland veterans are most hopeful
that the review will lead to an extension of their entitlements and a situation where more of our veterans are entitled to benefit from the Veterans’ Entitlements Act. Hopefully, it is these veterans that will benefit from the review, not Treasury’s pockets.

As I have mentioned many times in this House, the Howard government is the most deceitful government in Australia’s history, with its win at all costs mentality. You only have to revisit the pension savings bonus fiasco to see how this government deceived both the veterans and the pension community in Australia. Following the payment of that savings bonus I had many, many veterans come to my office. They were distraught because they believed that they were going to receive $1,000. When some of them only received $1 or $2 they were absolutely devastated; they felt that they had been insulted. That is why it is always so important to read the fine print on any legislation that this government introduces into parliament.

I checked the Liberal Party web site prior to the last election and I see that this legislation is in line with the undertaking given by the government prior to the election. But since the election a number of veterans have told me that they actually voted for the Howard government because they believed that the Prime Minister had promised to extend the gold card to all veterans over the age of 70, regardless of qualifying service.

It has not been just one person that has rung my office about this—a number of veterans have rung. There has been a series of letters in the Newcastle Herald, where quite an argument has raged about this issue and also about the fact that veterans believed that they were going to be immediately entitled to the gold card. I have worked with some of these veterans and one veteran in particular, a Mr Castles from Caves Beach, was one of the leaders in trying to get to the bottom of the issue of whether or not the government had promised immediate extension of the gold card and also if it was for all servicemen regardless of whether they had qualifying service or not.

There was quite a furore between these veterans and Senator Tierney, I wrote to the minister on their behalf and the minister replied most promptly, explaining the situation and the government’s position. Finally, I spent about an hour with Mr Castles going through the material from the webpage and explaining in detail the government’s position. At the end of it he looked at me and he said, ‘That means I get nothing? That means I’m not entitled to anything? But I thought I was.’ I would like to read from a letter that Mr Castles sent to the Newcastle Herald, and it probably sums up very, very much the way he felt. He wrote:

John Howard had strings attached to the veterans getting the Gold Card. He is setting up a Commission of Inquiry, which finishes in November. Then Howard will make a decision in July 2003, some 18 months after the election. It is straightforward. Every veteran or seaman with qualifying service over 70 should automatically get the Gold Card. We’re talking about veterans in their 80s. How could Howard be so tricky, cruel and mean to build up our hopes?

He was disillusioned, he was sad, he felt cheated. He was so disturbed and convinced by the government—

Mr Hardgrave—Madam Deputy Speaker, I rise on a point of order. As much as I regret interrupting the honourable member’s contribution, I believe she should refer to the Prime Minister by his title, not by his surname.

The DEPUTY SPEAKER (Ms T. Gambero)—I ask the honourable member for Shortland to refer to the Prime Minister by his title.

Ms Hall—Madam Deputy Speaker, I certainly will as the base of my contribution to the House, but if I could remind the minister that I was quoting from a letter, which I am quite happy to table for the benefit of the parliament, and that I was not using my own words. That is why I was referring to the Prime Minister in that way. As I say, I was quoting from a letter and I read the letter as such.

The DEPUTY SPEAKER—I draw the honourable member back to the legislation and ask her to continue.

Ms Hall—Certainly. Madam Deputy Speaker, can I table the document?

The DEPUTY SPEAKER—Is leave granted to table the document?
Leave not granted.

Ms HALL—Thank you, Madam Deputy Speaker; I am sure that the veterans in my community will be most interested to hear that. As I was saying, Mr Castles was quite devastated by the whole of the trickery that he saw involved in the government’s policy particularly relating to the qualifying service issue. As I have said, he was only one of many veterans that rang my office, so it is not an issue that is related to one person; it is an issue that is rampant within the veterans community that I represent and it is an issue that I will continue to work with them on.

I say that the government stands condemned for misleading veterans in the way that it has by not ensuring that they fully understood the proposal being put forward on the gold card extension prior to the election. Once again they were fooled by the fine print. There are many challenges for the government in the area of veterans’ entitlements, as there are still many anomalies. Where there is an anomaly, one veteran is entitled to a service or financial gain whilst another veteran misses out. Believe it or not, all veterans believe that the contribution that they made to their country was an ultimate contribution and one that was worthy of recognition, and they feel very much like second class citizens when they are treated in that way.

Problems exist in many areas and there are many vocal veterans groups that have approached us all. There are people like Mr Castles, whom I have referred to throughout this speech and who is a veteran who served his time in Australia and felt that his contributions were just as great as those of the people that actually served in war zones. That is an issue that is of particular concern to a number of veterans and British and Allied ex-servicemen—people like Bob Nelson OAM, who has fought valiantly and successfully for merchant mariners’ rights and who is now fighting for British and Allied ex-servicepeople. He is fighting for them to be granted the gold card. They are just a couple of groups within our community that feel that they have been excluded, and they are the kinds of people, the kinds of veterans, who really need to be taken into account in this current review.

The gold card has really caused great division within the veterans community over the years, and even this legislation, as I have demonstrated, has caused great angst and division within the community. I urge the government to ensure that the recommendations from the review of veterans’ entitlements actually benefit veterans and that those recommendations are implemented and communicated in a clear, concise and inclusive manner. Both pieces of legislation before us tonight should be supported, and I urge the government to implement them as soon as possible. Even though I know the start-up date is 1 July, there are many veterans in our community who believe that should have been sooner and believe it was to have been sooner.

Mr KING (Wentworth) (10.03 p.m.)—It has been truly said that without our armed forces Australia would not be here today and without our veterans Australia as we know it would not be here today. It is therefore important, at the outset of this significant debate on the veterans legislation, to say how significant to the veterans community the gold card has become. I quote the words of one of the leading veterans in the eastern suburbs of Sydney whom I have the honour of representing in this place, Mr Bill Harrigan, who referred to the gold card as ‘the greatest thing that has happened to the veterans community in Australia’.

What is he and others referring to when they make that reference to this important dispensation and pension card that is entailed in the gold card? The technical description of it is ‘a repatriation health card for all conditions’. Coverage involves treatment for such services as private patient hospital care, general practitioner services, specialist treatment, optical care, physiotherapy, podiatry, home nursing care and dental services—a broad range of services and not limited to those, I should add, because a number of state and other dispensations are likewise covered under the gold card. So it is of significant value to our veterans, and it gives them a justifiable peace of mind to know that
our country supports them in the best way that we can.

In my own community in the Wentworth electorate we have very strong veterans groups amongst several of the RSL clubs, and I would mention, amongst others, the Bondi Junction-Waverley, Bronte, Clovelly, North Bondi, Paddington-Woollahra and Rose Bay subbranches, each of which I have recently visited and at which I have discussed the legislation that is currently before the House. There is a great deal of enthusiasm for it and recognition that the coalition is doing all it can to assist the veterans community, particularly through the proposed gold card extension.

I will briefly deal with the bill itself and then make some remarks regarding the coalition’s commitment to veterans. I wish to then say something about Labor’s record on these matters and about a proposed inquiry into an issue that was raised in some of the debate earlier on this matter.

The Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 implements a key commitment made by the government to the Australian veteran community during the last election. The bill extends eligibility for the gold card to include all Australian Defence Force veterans who are over the age of 70 and have qualifying service. The benefit of this is that it will make the gold card available to older veterans of conflicts, including the Korean War, the Malayan Emergency, the Indonesian Confrontation, the Vietnam War and those serving currently in Afghanistan and possibly other places under the coalition in the war against terrorism. The initiative is proposed to take effect from 1 July this year, and it is highly commendable that the government has seen this as a priority in its legislative program. It is significant—and perhaps should be mentioned by way of the record—that many eligible veterans will not need to submit an application for a gold card.

I mentioned the coalition’s commitment to veterans generally. I would suggest to the House and to those who have an interest in these matters that the coalition’s record is far superior to that of our political opponents. Let me just mention some of those initiatives in this area. In compensation in respect of injuries and other problems that might arise as a result of service, the coalition has addressed anomalies in the repatriation benefits extending right back to the 1997 defence review, which extended benefits to an additional 10,500 veterans, and it legislated to link the service and war widows’ pensions to 25 per cent of male total average weekly earnings, even when the consumer price index increases failed to meet that benchmark. It is, I respectfully suggest to the House, a very generous measure. Indeed, under the same heading of initiatives, we have reduced interest rates on Defence Service Homes loans to a rate which is 1.5 per cent below the average market rate. This rate will never exceed 6.85 per cent to provide both savings and security.

Other initiatives of the coalition include: a move to improve care with the Veterans’ Home Care program, which is separate from the Gold Card program; an additional package of $32.3 million to assist Vietnam veterans and their families; the HomeFront program to reduce the risk of falls among veterans and war widows—a very real concern; and the provision of another $5.3 million over four years to continue the Community Care Seeding Grants program to improve the independence and quality of life of the veterans, war widows and widowers—a recognition of the important role the community plays in the lives of veterans.

The coalition’s initiatives in the area of commemoration, which is important in our community and an important issue for me, include the highly successful Their Service—Our Heritage commemorative program. Amongst these initiatives there was the construction of the Australian National Service Nurses Memorial—unveiled not so long ago—in recognition of the magnificent contribution that women have made to our armed services and the defence of our nation. I just mention these to illustrate and reinforce the commitment that the coalition has to the veteran community. I am, therefore, very proud to be part of the team which supports the government not just on this legislation but on other legislation—contrary to the re-
marks of one or two other speakers that have spoken before on this bill in this House.

What is Labor’s record? It ought to be noted that in the past the Labor Party has shown a reluctance to address some of these issues as proposed by the coalition. It has had a grossly inadequate veterans’ affairs policy, which, I think it is fair to say, has lacked vision and substance. In opposition, it has obstructed the passage of legislation proposing positive measures for the veterans community, and that includes the vocational rehabilitation program and the initiative providing for social security age pension payments to be paid with veterans’ affairs disability pension payments through the DVA. That legislation was delayed by almost 12 months because of obstructionist tactics in the Senate.

It is pleasing to hear—perhaps as a result of the last election and the lessons learned, one hopes, by our political opponents—that Labor is not proposing, at least at this stage, to delay this legislation. Rather, it has indicated through several speakers that it proposes to support the legislation—although, I have to say, listening to some of the speakers as I have done this afternoon and this evening, with some reluctance.

The real concern that we ought to have in relation to this proposed legislation is not so much the obstructionist or delaying tactics of our opponents and their poor record in relation to veterans’ affairs but rather to address some of the issues which those in the veterans community have brought to my attention to represent them in this place. One of those, I am pleased to say, is being addressed by the coalition, although not directly in this legislation. I refer to the proposed further inquiry, which was announced by the minister cognate with this proposed legislation, to be chaired by Justice Clarke, a former judge of the New South Wales Supreme Court, together with Air Marshal Douglas Riding and Dr David Rosalky. Under its terms of reference key areas to be looked at are: the eligibility of the veterans who did not serve outside Australia; the eligibility of veterans of the British Commonwealth occupation forces in Japan; the eligibility of participants in British atomic testing programs in Australia; and, finally, the adequacy of benefits and support for veterans receiving the TPI rate and other rates of disability pension.

The reason that it is important to address these matters, I respectfully suggest, is that there is a misunderstanding amongst some in the general community as to the whole purpose of the gold card, and its origins. It is, of course, a provision that originally became available to former prisoners of war in Japanese prisoner of war camps. It was intended not to be a reward but to mark, through an extended payment, the respect and recognition of the broader community for those people who suffered so much. So it has always been seen as something of a payment for suffering extreme conditions in war. That has led to the continuing qualifying requirement that those who receive the pension should have seen overseas service and/or warlike operations.

I will briefly mention the history of this matter to put it into some context and then will conclude my observations. The first war pensions legislation, which led to the veterans legislation, was the War Pensions Act 1914. On page 2098 of volume 53 of Hansard, Senator Pearce, the then Minister for Defence, is recorded as saying:

One of the saddest spectacles of the past has been to see men who have been willing to risk their lives in the defence of the country left destitute and the dependents of men who have laid down their lives for their country having to live on charity.

Similar comments were made by Senator Millen in discussion of the same legislation. That war pensions legislation was added to over the following years and led in 1920 to a further, consolidated act called the Repatriation Act 1914. On page 2098 of volume 53 of Hansard, Senator Pearce, the then Minister for Defence, is recorded as saying:

One of the saddest spectacles of the past has been to see men who have been willing to risk their lives in the defence of the country left destitute and the dependents of men who have laid down their lives for their country having to live on charity.

I will not go into the details of the changes over the years other than to say that the debate about cause has been one of the most consistent and contentious debates in repatriation. In fact, between 1945 and 1947 the act was deliberately interpreted to exclude disabilities inevitable with the passage of years, an interpretation later removed.
with contemporary issues, such as the Agent Orange issue, the debate continues. Some of the reasons for that are the difficulties of assessing causal links based on medical opinion, incomplete information and the impossibility of clarifying or distinguishing conditions and isolating post-service influences.

It is very pleasing to be able to stand tonight and speak in favour of this legislation, to commend it to the House and to the people of Australia, to say how warmly it has been regarded by those with whom I have contact in my electorate who take a real interest in these matters, and to say that this is legislation that I am very proud to support.

Ms JANN McFARLANE (Stirling)
(10.18 p.m.)—I take great pleasure in taking part in the debate on the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 and the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. The first bill is a package of amendments to improve the delivery of income support benefits through the repatriation system. The second bill deals with the extension of the gold card to Australian veterans who are aged 70 or over and have qualifying service in any period after World War II. I want to talk about both bills and the benefits they bring to veterans and their families.

The first bill deals with compensation payments and the way we deal with periodic compensation payments. Under the current legislation, when a person receives a compensation affected payment, a couple’s combined pensions are reduced by $1 for every dollar of a periodic compensation. The new measures which this bill contains will change the dollar for dollar arrangements. They will now apply only to the pension of the person actually receiving the compensation. Once the payments have matched the person’s pension, the excess is then treated as the ordinary income of their partner. This change is fair. The reason it is fair is that compensation is not income; compensation is payment for loss of quality of life that in some cases can never be returned.

There are some anomalies that need to be pointed out in regard to compensation. In the policy of offsetting income support payments from third parties where compensation for lost income has been paid, there is clear discrimination against ex-service people in receipt of disability pensions for their service related injury or illness. Compensation for pain and suffering are not included as income. However, if an ex-service man or woman is in receipt of Centrelink benefits, such as a disability support pension or an age pension, the disability pension paid to these people by the Department of Veterans’ Affairs for service related injury or illness is counted as income in the means test.

When this bill goes to the Senate, the Labor Party will attempt to amend the bill to make provision for the exemption of ex-service disability pensions from the means test under the Social Security Act, at the general rate. For these veterans, the exclusion of their non-taxable, non means tested DVA disability pension from the means test at Centrelink would provide quite significant benefits. Examples used in this debate already state that a single person on a disability pension of 50 per cent and with no other income would be $10 per fortnight better off, while the single TPI pensioner in the same circumstances would be $65 per fortnight better off. This discrimination needs to be removed immediately, and I call on the government to support the Labor amendments in the Senate.

The second bill before us today is the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002, which increases the veteran population in possession of this much prized card by including all those over 70 with qualifying service, regardless of where they were deployed. The Labor Party also promised this benefit at the last federal election, and we are happy to give it speedy passage so that the cards can hopefully be available to veterans by 1 July this year. The fight for the gold card extension has been long and hard, and I would like to acknowledge the work of a number of veterans associations, both local and national. One of the driving forces in this campaign is Blue Ryan, who I am sure is well known to members on both sides of this House through his energetic and never ending lobbying for reform in this area. The Australian Federation of
Totally and Permanently Incapacitated Ex-Servicemen and Women, Western Australian branch, have also been busy lobbying. The president and PR officer, Eric True, and his able vice-president, Don MacLeod, have also been working tirelessly. The TPI vets are extremely well organised. I recommend that others in this place look at their web site, which is www.tpivets.com.

I would also like to mention the lobbying of Greg Young, who is a local veteran from Karrinyup. Greg has certainly made me aware of the issues that face veterans, especially those who are sick and unable to work. Greg does great work advocating on behalf of veterans in his role as President of the Services Assistance Program at the Perth RSL. Greg and I had some interesting discussions on this issue. I kept bumping into him at my community morning teas and getting a roasting on how politicians do not understand the challenges facing veterans. I ended up taking Greg aside and pointing out to him that I am the daughter of a veteran who suffered many emotional problems due to war trauma and left our family. My mother had to cope with three children under the age of four and our family lived in poverty. As we grew older my family became aware that my father would have benefited from counselling and support, except these services were not available to him or to many other veterans. My stepfather was also a World War II veteran, my brother is a Korean War veteran and my nephew served in East Timor. I have explained to Greg on a number of occasions that I am certainly aware of the problems of being a member of a veteran’s family. These days Greg pops into my office and, rather than giving me a hard time, he has been working hard with his colleagues to provide me and my staff with practical and proactive information on solutions for veterans as well as for veterans affairs policies. Thank you, Greg.

The local RSL sub-branches in my electorate of Stirling do a great job. I would like to take this opportunity to recognise the sometimes unheralded volunteers at the sub-branches—these are the women’s auxiliaries of the sub-branches. I know that Bill Sullivan from Osborne Park RSL, Keith Boxshall from the Nollamara-North Perth RSL and Fred Abbott from North Beach RSL regularly sing their praises. Congratulations for all the work they do in support of their veteran family members and their local veteran community. This gold card extension is a worthy tribute to our veterans. It provides great peace of mind to them and their families and I am happy to support the passage of this bill through the House tonight.

Mr SECKER (Barker) (10.24 p.m.)—All Australians are indebted to our defence forces, from those who fought in World Wars I and II to those who served in Vietnam, Korea and the Indonesian Confrontation to our peacekeepers in East Timor right through to those who are currently fighting the war against terror. Our government is setting up a system that will show this group the appreciation that all Australians have for their efforts; that will not only recognise their sacrifices but also help them in their lives after they have left the forces. With the introduction of the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2001 and the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002, the government is putting these systems into place.

Our Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 implements a key commitment made by this government during the federal election in October last year. With an ageing veteran population, the bill seeks to extend further the eligibility for the gold card to include all Australian Defence Force veterans who are over the age of 70 and have qualifying service. That includes older veterans of conflicts in the Korean War, the Malayan Emergency, the Indonesian Confrontation and the Vietnam War.

The Howard government has always been very conscious of the need to provide adequate health and other services to our other veterans. In fact, back in January 1999 we extended the eligibility for the repatriation gold card to include Australian veterans and merchant mariners who have qualifying service from World War II and are over the age of 70. As a result of that extension we now have some 282,000 veterans who have the gold card. This latest extension is further
proof that the government is committed to our veterans society and recognises that Australia as a country has a duty of care to those who served us during war periods.

What is most important with this extension is that it also takes the longer term view of providing access to the gold card to those future veterans with qualifying service such as those who served in later conflicts such as the Gulf War, East Timor and the current war against terror. Eligibility for the gold card is certainly a huge issue throughout my electorate of Barker and, I am sure, throughout the whole of Australia. In my time as a representative in this House I have been told some grave stories and some brave stories. I have had the privilege of meeting some very interesting people and I have seen some of the effects of these wars. I do not all too aware that I have my freedom because of the actions of these people and others just like them. That is why I am so vehemently supporting this legislation.

With the extension of the gold card, many more veterans—not just in Barker but throughout Australia—will gain access to a comprehensive range of medical, hospital, pharmaceutical, dental and allied health services, with travel assistance available to and from the veteran’s nearest health care facility. They will gain access to the veterans home care scheme, which provides help with domestic tasks, personal care, home and garden maintenance, delivered meals, community transport and respite care. Gold card holders can also receive various discounts and concessions from state authorities and organisations, such as on council rates and electricity charges. They do not have to pay the Medicare levy or the Medicare levy surcharge and they can elect to discontinue their private health insurance membership if they choose. All of these things go towards helping veterans with their day-to-day lives while telling them that we, the Australian people, appreciate what they have done for us.

The benefit of this particular legislation is that many veterans who now find themselves eligible for the gold card will not need to submit an application. The Department of Veterans’ Affairs will be able to identify many veterans who will qualify by virtue of their age and qualifying service from the department’s records. This in itself is of huge benefit to many veterans, particularly for those who have difficulty in filling in forms and supplying the required information to have eligibility assessed and is yet another indication of the government’s commitment to improving services for Australia’s veteran community. With this extension the Howard government has gone a long way to provide this privilege to as many veterans as possible within budget constraints. Qualifying service is one of the current eligibility criteria that must be met for a veteran to receive a service pension and/or a gold card. This gives recognition to those who suffered the unique stresses and deprivations of those in frontline war experiences.

Australia already provides generous benefits to Commonwealth and allied veterans living in Australia and through the introduction of this legislation our government is sending a clear message to veterans that we do care. This bill is a package of amendments not only comprising the remaining budget 2000 measures but also designed to reflect changes in the social security system so that both systems operate consistently and fairly. Tonight we in this chamber have the ability to make or break the future of many of our older veterans, the same veterans who did not think twice to enlist and fight wars to protect Australia’s freedom; to protect our freedom—mine and yours. We have the opportunity to give them our thanks and show our appreciation for their role in our country. I commend this bill to the House and urge all other members on both sides of the chamber to do the same.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

Environment: Greenhouse Gas Emissions

Mr JENKINS (Scullin) (10.30 p.m.)—Today the Minister for the Environment and Heritage launched the State of the environment 2001 report. The findings of that report show:
Greenhouse gas emissions increased by 16.9% between 1990 and 1998.

The report says:
Australia has a high per capita level of greenhouse gas emissions by world standards.

The report also indicates:
Since 1910, Australian average surface temperature has increased by 0.76°C...

and:
A mean sea level rise around Australia during the last 100 years appears to be about 12 to 16 cm.

The report goes on to say:
This value is consistent with the intergovernmental Panel on Climate Change, global estimates for the previous century (10-20 cm).

It indicates that the so-called greenhouse effect is in fact occurring. It underscores the need for Australia to join in the global effort to combat the greenhouse phenomenon and to reduce the level of greenhouse gases. The problem that we have, of course, is that Australia, in the very generous compromise that was reached in the Kyoto discussions, is able to increase its greenhouse gas emissions by eight per cent on top of 1990 levels through to 2012. At the rate that we see these emissions increasing—16.9 per cent over an eight-year period, and the fact that greenhouse gas emissions continue to increase on an annual basis—there are real concerns about whether we have the ability to achieve our levels.

One of the things that is often said of our effort to commit to the Kyoto requirements is that it will go against economic growth. The *State of the environment 2001* report cites national greenhouse gas inventory data which shows that greenhouse emissions increased by 1.1 per cent during 1999 while the economy grew by 5.4 per cent. It says that that is the decoupling of greenhouse emission growth with economic growth.

Regrettably, the American administration, as was thought before the election of the Bush government, has chosen to go it alone. The basis of President Bush’s so-called policy called ‘Clearer Skies’ was that in fact what was required was that anything that in some way affected economic growth would be against the ability of America as a nation to put in place environmental measures. I say it is regrettable that the Americans have gone it alone because we have had unclear signals from the Howard government about where they fit into the developing global debate between the so-called Kyoto group of nations and the non-Kyoto nations. Regrettably, the non-Kyoto ones seem to be America and perhaps Australia as a nation.

It is time to have the government showing some leadership about whether it is going to sign up to Kyoto, and whether it is going to commit to trying to tackle the ambitious target that it has, because to achieve that 108 per cent on 1990 levels is a mammoth task. I have quoted figures given by different bodies to the Howard government that have indicated that to achieve that would require a reduction in the order of 100 million tonnes of greenhouse gases. To get that into perspective, if in fact we were to cease all motor vehicle movements and the use of motor vehicles in Australia, including private cars, the reduction that we would achieve—and I will get my orders of magnitude right—would be only 60 million tonnes of CO₂ equivalents, and I indicated that there was a need to cut back some 100 million tonnes of carbon dioxide equivalent.

One of the real concerns is that we have to come to grips with the fact that we should not just follow in the wake of the Americans. It is not ‘all the way with George W’; it is a matter of showing that we can act in an independent fashion but we are willing to join with the rest of the global community to tackle what in fact is very much a global phenomenon. *(Time expired)*

**Casey Electorate: Community Organisations**

Mr ANTHONY SMITH (Casey) (10.35 p.m.)—I rise this evening in this adjournment debate to pay tribute to two of the many community groups in my electorate of Casey who do so much for so many within their local communities. Whilst governments can provide assistance to local communities—be it in the form of grants or programs—a very large part of the success and benefit from that assistance relies on the strength and initiative of local community leaders in implementing these programs on the ground in their suburbs and in their regions. The
maximum benefit is gained when strong and vibrant local communities and local community leaders initiate, organise and design programs which meet the particular needs of their own area.

In the Mount Evelyn region in my electorate of Casey, an organisation called Morrison House are making a monumental contribution to the local area through a range of programs from child care to adult education and training to Work for the Dole, more recently, providing assistance to small business. With the assistance of a federal government grant, Morrison House have begun a program to provide local small business people with important skills development training in key areas of their business. The training offered is wide ranging, from simple bookkeeping to more complex skills in areas so essential to small business survival—marketing, occupational health and safety and information technology.

In addition, the program will provide for a mentoring service where participants receive one on one advice from other successful small business men and women in their own community. As this government recognises, helping small business helps the whole community—not just because small business is the engine room of jobs growth, which it is, but because in communities like Mount Evelyn the services they provide are greatly needed and as a consequence their success is the whole community’s success. It is in everyone’s interest that new and struggling small businesses get some help and assistance to succeed, because every small business success creates new jobs and new opportunities in new industries throughout our country.

Morrison House has also been preparing people for jobs through a number of high quality and highly successful Work for the Dole programs, which have helped many participants and the community as a whole. The participants have had their links with the community restored, their cycle of despondency broken and their motivation renewed, as well as gaining greatly needed work skills that come only from working as part of a team on tangible projects. In return, the town and the people of Mount Evelyn have benefited from a number of important building and landscaping works that have been completed in the town centre. The work of people such as Jan Simmons, the manager of Morrison House, and all her staff and volunteers in running these programs on the ground in Mount Evelyn has meant maximum community involvement and benefit, and their effort is to be commended.

In Lilydale there is a similar success story in progress. A community based not-for-profit organisation, Vineyard Valley Care, run by one of a number of large churches located in the Casey electorate, is also running a successful Work for the Dole program which has directly benefited over 250 participants over the last couple of years. Many of the programs have been based around comprehensive computer training and multimedia, and young jobless participants have gained valuable skills which have opened the way to employment in nearby businesses and organisations. In a new project funded by this government participants will design and set up webpages for community based organisations. The staff of Vineyard Valley Care; Terry Johnson; Work for the Dole coordinators, Marcus and Beck; and the leadership of the Yarra Valley Vineyard Church, which includes Peter Downes and Geoff Marsh, are making a real difference to young people’s lives. Their commitment to our community is both commendable and, indeed, inspirational.

Travel Agents: Ticket Refunds

Mr SIDEBOTTOM (Braddon) (10.39 p.m.)—The Ansett collapse in September last year marked one of the darkest days in Australia’s corporate history. We have subsequently lost an Aussie icon, and thousands of workers have lost their jobs. Almost daily we watched events unfold. We saw the despair of employees and the frustration of air travellers. We willed on the efforts of the administrators, unions and workers to get the airline back in the air but ultimately witnessed the demise of Ansett.

But there is a story of the collapse that has not been told. There are other unsuspecting victims who have, until now, largely been silent, yet they too are paying a hefty price for the failure of Ansett. They are travel
agents whose losses it has been estimated run into the tens of millions of dollars. I am told by the head of the Australian Federation of Travel Agents, Mr Mike Hatton, that, collectively, travel agents around Australia will have paid out over $100 million because of the Ansett debacle. Many of these people are small business men and women who, through no fault of their own, are also directly picking up the tab for what happened to Ansett. I was alerted to the problem by the owner of a travel agency in my electorate, Mr Simon Findlay, who runs North-West Travel, with offices in Devonport and Burnie. He told me that he has been stung for $6,000. I know of another travel agency in Tasmania whose losses are over $100,000.

So how did this happen? To understand, we have to follow the money trail, which begins with the purchase of an Ansett ticket. The customer pays the travel agent with his or her credit card to fly with Ansett. The travel agent then pays Ansett for the flight—a simple enough transaction, it would seem. Simple enough but for the unexpected collapse of the airline. The customer, whose ticket cannot be honoured, then wants his or her money back, which is fair enough. So they go to their bank and say, ‘You guarantee that, if anyone pays for a service with their credit card and they don’t receive that service, you will refund the money.’ That was the deal.

Now here is the sting: who actually pays? On the face of it, the bank does. It honours its commitment to its customer and refunds the money—or at least that is what the customer is led to believe, especially if one believes the PR media campaign the banks ran in relation to this. What really happens is that the bank goes to the travel agent and gets the money out of the travel agent’s own account to refund the credit card holder. This is called a reverse transaction.

The problem for the travel agent is that, because it paid Ansett, it is not holding the money. The money with which the bank refunds its customer comes directly out of the pocket of the travel agent, not the bank. In reality, it is not the bank’s money. The money was not recovered from Ansett; it came from the travel agent. So the travel agent took the Ansett booking, paid the money to Ansett, Ansett collapsed and the banks reclaimed the money from the agent. This does not seem right, but it is legal. Morally it does not seem right but, legally, under a merchant agreement with certain travel agents the banks can do it. Under these circumstances, the travel agents are deemed to be the merchant. However, fortunately, not all travel agents have been caught. In cases where payment was forwarded directly through an Ansett ticketing system—in which case Ansett was deemed to be the merchant—the banks picked up the tab for their credit card customer. Of course, in reality, travel agents are just that—agents. They are not the merchants in this debacle. They do not own aircraft or run an airline, but, because of an unforeseen legal technicality, they—that is, the agents—are forced to foot the bill but as merchants.

I leave you, Mr Speaker, to judge the morality of the issue; I will present the facts. The Australian Federation of Travel Agents has sought legal advice and is considering a class action on behalf of its members. Currently the issue is also before the banking ombudsman. There must be security for credit card users when it comes to paying for, but not receiving, a service such as air travel, and I acknowledge the guarantee that banks offer in the form of credit card reversals. But I strongly believe that, in this case, it is the thin end of the wedge for travel agents and that, by sticking to the letter of the law, banks are causing them real hardship. In reality, many thousands of customers received refunds through their banks, but these funds came out of travel agents’ accounts—accounts that did not contain the customers’ fares. (Time expired).

Macarthur Electorate: Aircraft Noise

Mr FARMER (Macarthur) (10.44 p.m.)—The people of Macarthur enjoy many privileges. One of those is access to a light aviation general airport at Camden. Camden airport services light aircraft and gliders and provides access to flight training, limited commercial flights and facilities for amateur pilots to take off into the skies. In recent times, a new operator has come to the airport and has begun taking joy-flights in ex-
military fighter aircraft. These single engine aircraft are operated using a permit which allows demonstration flights to be conducted. One or two aircraft fly at a time, often simulating dogfights for the occupants.

Since this operator has commenced operating at Camden, my office has received numerous letters and telephones calls about these aircraft. I have also received a petition from 140 residents of a nearby nursing home, opposing the flights. Most of my constituents are primarily concerned about the noise generated by these aircraft and the effect this is having on the amenity of the area. I would like to take this opportunity to read from some of those letters to give my colleagues a better idea of my constituents’ concerns.

Merv and Jackie Collins of Camelot Close, Camden, write:

The decibel output by these aircraft are extraordinary and I believe surpasses the jet aircraft operating out of Kingsford Smith.

Syd and Janie Lee of Ellis Lane write:

This is very difficult to live with as it is difficult to talk and just makes for a difficult time for the residents of Ellis Lane and Grassmere for their amenity. We moved from Leichhardt, to escape this very loud aircraft noise.

MK O’Brien-Dority of Meadows Estate in Camden writes:

727s were taken out of service due to noise restrictions in the Sydney Basin years ago and the Strike master produces more noise on its own than two 727s.

The opposition to these aircraft does not come only from my constituents. The Director of the Development and Environment Division of Camden Council writes:

In light of the severe impact these aircraft are having on the residential amenity of nearby residents, I urge you to seek to prohibit the operation of these aircraft from Camden Airport which has always been a rural airport for light aircraft.

Bankstown Airport Ltd—the operators of both Camden and Bankstown airports—has written to the Civil Aviation Safety Authority questioning the use of these aircraft at the two airports.

You can see that the opposition to these aircraft flying is widespread, and I, like my constituents, am also deeply concerned about this issue. On behalf of my constituents, I have taken up this issue directly with the office of the Minister for Transport and Regional Services, Mr John Anderson. I have made his office aware of the concerns surrounding the use of jet aircraft in the airspace around Camden and of my constituents’ concerns at the noise being generated by these fighters.

Like my constituents, I question the need to have these aircraft operating out of Camden airport. I ask the minister’s office to investigate if it is appropriate for them to operate out of Camden airport. I will also be arranging a public meeting on the issue in the near future, to bring together all the residents of the surrounding area, tenants at the airport, including the operators of these joyflights, and representatives of Bankstown Airport Ltd and of Camden Council. I believe it is vitally important to bring all these people together to provide on open dialogue on the issues surrounding the use of these jet aircraft and to ensure that all parties have access to up-to-date and accurate information.

However, I would like to make it clear to this House that I in no way support changes to the existing operation of the airport in terms of light aircraft traffic, gliders and hot air balloons. I believe the airport provides a vital service for the people of Macarthur and that no further restrictions should be placed on the operation of existing light aircraft. Camden airport is not the most appropriate place to operate this type of old jet fighter aircraft and I will do my best to ensure that this issue is resolved in the interests of the people of Macarthur.

Centrelink: Client Breaching

Ms PLIBERSEK (Sydney) (10.49 p.m.)—I rise tonight to speak about a very important issue: the issue of breaching of Centrelink clients. I am contacted every day, as I am sure many members are, about the issue of breaching. These breaches are imposed on clients of Centrelink, usually because of some misunderstanding or miscommunication between Centrelink and clients. More often than not, it is a case of errors in Centrelink’s automated breaching system.
A major report entitled *Breaching the safety net*, released in August last year by the National Welfare Rights Network and ACOSS, noted that over the last three years there had been an alarming 200 per cent increase in penalties imposed on unemployed people. Also last year, Patrick McClure, the chief executive of Mission Australia and chairman of the federal government’s reference group on welfare reform, stated quite clearly:

Without a fundamental change in the direction of the nation’s social support system, far too many Australians are at risk of long-term poverty.

I believe that the current breaching system is contributing to that risk of long-term poverty.

Just last week, we saw another report—the *Independent Review of Breaches and Penalties in the Social Security System*—that showed further disturbing findings. This review was chaired by Emeritus Professor Dennis Pearce, a former Commonwealth Ombudsman and Dean of the Law Faculty at ANU, and included Heather Ridout, the Deputy Chief Executive of the Australian Industry Group, and Professor Julian Disney. I think the people from outside the field of social security were particularly shocked at what they saw in the Centrelink breaching regime.

The report found that the government’s use and abuse of breaching mechanisms through financial penalties was ‘harsh, unfair and counterproductive’. Review chair Dennis Pearce said:

The system has concentrated excessively on achieving high breach rates and penalties rather than on encouraging active efforts to find work. It should be fairer, more cost-effective and strongly supportive of attempts to escape welfare dependency.

Unfortunately, Minister Vanstone has rejected outright the recommendations in this report as ‘old news’, even though the findings were endorsed by some of the most established welfare organisations in the country, such as Mission Australia, the Salvation Army and the Smith Family. She has proudly boasted that, since she no longer has Christopher Skase to chase any more, she is going to go after dole bludgers. More appropriately, I think, we could add single mothers, pensioners and recipients of disability allowance.

Currently the breaching regime works as follows: with the first breach someone loses 18 per cent of their benefit for 26 weeks, with the second breach they lose 24 per cent of their benefit for 26 weeks and with the third breach they lose 100 per cent of their benefit for a period of eight weeks. In monetary terms, someone who is breached to the maximum level pays a fine of $3,000. The current model is harsh and ineffective.

According to Adele Horin on 16 March:

... it reduces people to destitution, and crime, impedes their job search, puts a burden on charities and creates homelessness.

In my own electorate I have had three cases that I wanted to draw to the attention of the House, although time is running quite short. Peter was breached because he earned too much money in one fortnight. The money he had was docked, affecting the following fortnight’s pay and sending him into a cycle of debt that meant he was unable to buy text books for a TAFE course that he wanted to undertake that would have helped him find work.

Julie was breached a number of times in the last couple of years for missed appointments. These appointments were usually for seminars that I wanted to draw to the attention of the House, although time is running quite short. Peter was breached because he earned too much money in one fortnight. The money he had was docked, affecting the following fortnight’s pay and sending him into a cycle of debt that meant he was unable to buy text books for a TAFE course that he wanted to undertake that would have helped him find work.

Carolyn, who is a single mother, wrote to me saying:

... I can say that the ideas put around by the Howard government, anti single mum ideas, and stereotypes that we are welfare bludgers who are just a drain on the community, foster the growth of divisions in our communities.

It is clear that Howard does not recognize the work that parents do in raising children, particu-
Mr NAIRN (Eden-Monaro) (10.54 p.m.)—Earlier in the parliamentary sittings I spoke on the appropriation bill, and as part of that particular speech I mentioned that I would be making a submission to the forthcoming inquiry into the 2001 federal election, based on some of the tactics of my Labor opponent in that particular election. In particular, I want to draw to the House’s attention some of the failings in the current Commonwealth Electoral Act. The Commonwealth Electoral Act prescribes precisely how general elections are to be conducted. This includes provisions regarding election advertising. Section 329(1) provides:

A person shall not, during the relevant period in relation to an election under this Act, print, publish or distribute, or cause, permit or authorize to be printed, published or distributed, any matter or thing that is likely to mislead or deceive an elector in relation to the casting of a vote.

This was interpreted in the High Court case of Evans v. Crichton-Browne, where it was stated that this only applies to material circulated which would have an effect at the time of recording the vote. The court clearly stated that they did not interpret this as applying during the campaign, as to do so would:

... require an election campaign to be conducted in anticipation of proceedings brought to test the truth or correctness of any statement made in that campaign.

This arbitrary narrowing of the scope of the legislation effectively allows individuals to publish or broadcast statements known to be incorrect during the very time in which the vast majority of voters make up their minds as to whom to vote for.

I referred to the AEC the specific examples in the campaign in my electorate, and I got back basically the standard line: in the case of Evans v. Crichton-Browne, the court held. In the first example, we were contacted by a resident of a little location called Frying Pan, down near Lake Eucumbene, in my electorate, who had received a letter from the Labor candidate. In that letter, the Labor candidate said:

A pensioner in Frying Pan told me that her husband was on a three-year waiting list to get broken dentures fixed. Just down the road, a young mum and dad said they were angry that rich Sydney private schools were getting $150 million from the Liberals, but local Frying Pan kids missed out at their schools.

These people contacted me from Frying Pan because, they said: ‘There are actually only five people in Frying Pan. My husband and I are the only people of pensioner age, but we are not pensioners, therefore we are not that pensioner couple, and nobody else is of pensioner age.’ When challenged in the media, the Labor candidate said this was a computer error.

Then all of a sudden somebody contacted us from a little area called Tinderry just down near Michelago in my electorate. They had also received a letter from the local candidate. Surprise, surprise: a pensioner couple in Tinderry also were waiting exactly three years for dentures, and mum and dad down the road were complaining about school aspects for their kids. These were clearly fabrications in both instances. Subsequent to the election, there was yet another example. People from Buckenderra contacted me with exactly the same thing. Once again, a pensioner couple from Buckenderra were waiting on dentures as well. These were clear examples of absolute fabrication on behalf of the Labor candidate. It was an absolute disgrace involving fabricated stories, probably being too clever by half.

This is the sort of example where I think the electoral act has to be tightened up so that this sort of matter can be prosecuted, where clearly people are being deceived. There is no doubt about it: in that particular case, people were being deceived. I would say that those letters went to probably every town in the electorate. In a town of Queanbeyan or Cooma you can probably get a good Labor Party couple that will say, ‘Yes, we’ve been having a problem with dentures.’ But it clearly demonstrates the fabrication that went on, and I will be writing to the electoral matters committee to look at this matter. (Time expired)
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 Price to move:
That this House:
(1) refers to the Standing Committee on Procedure the draft Framework of Ethical Principles for Members and Senators and the draft Framework of Ethical Principles for Ministers and Presiding Officers in 1995;
(2) seeks advice from the Procedure Committee as to the continuing validity or otherwise of the drafts; and
(3) requests the Procedure Committee to confer with the Procedure Committee of the Senate in its consideration of these matters.

Mr Windsor to move:
That in the opinion of this House the diesel fuel rebate scheme should be extended to cover industries in remote or isolated locations where access to the normal electricity grid is not available economically.

Mr Kerr to move:
That this House recognises that only five more ratifications are required to establish the International Criminal Court treaty as a founder member. (Notice given 19 March 2002.)

Mr Kerr to move:
That this House, while reiterating its strong condemnation of terrorism and restating the House’s support of Australia’s participation in United States led actions in Afghanistan directed against terrorist organisations:
(1) asserts that it is the right of all Australians (irrespective of the crimes they are suspected of having committed) who are held in detention to be accorded fundamental civil and political rights;
(2) records its view that it is the obligation of the Australian government to provide consular assistance to any Australian citizen held in detention in violation of these rights;
(3) notes that an Australian is currently being held in detention in camp X-ray as an alleged terrorist; and
(4) calls on the Australian government to either seek his return to Australia to face trial for whatever violations of Australian law he may have committed, or to make representations to the United States authorities calling on them to allow him access to legal representation and for them to determine promptly whether or not he is to be charged with any offence under US law and if so to guarantee a fair trial before an impartial tribunal. (Notice given 19 March 2002.)
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 4.08 p.m.

**APPROPRIATION BILL (No. 3) 2001-2002**

Cognate bills:

- **APPROPRIATION BILL (No. 4) 2001-2002**
- **APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2001-2002**

Second Reading

Debate resumed from 14 March, on motion by **Mr Slipper**:

That this bill be now read a second time.

upon which **Mr McMullan** moved by way of amendment:

That all words after ‘that’ be omitted with a view to substituting the following words: “whilst not declining to give the Bill a second reading, the House condemns the Government for its:

1. pre-election spending spree;
2. speculation in currency derivatives at a cost of nearly $5 billion over the life of this Government;
3. blatant disregard for the application of Australian accounting standards in compiling its own accounts;
4. failure to recognise the GST as a Commonwealth tax and this Government as the highest taxing Government of all time;
5. complete lack of disclosure and accountability in relation to the escalating costs of the so-called ‘Pacific Solution’;
6. breaking its election promise to make health insurance affordable by approving a premium increase at twice the rate of inflation;
7. misleading the public about the real cost of its defence commitments prior to the election;
8. woefully inadequate support for the development of the broadband infrastructure integral to Australia’s participation in the information economy;
9. inadequate attempts to remedy chronic under funding of research and innovation; and
10. failure to address the significant investment needs in the areas of education and the provision of social services”.

The DEPUTY SPEAKER—Before the debate is resumed on this bill, I remind the committee that it has been agreed that a general debate be allowed covering the Appropriation Bill (No. 4) 2001-2002 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2001-2002.

**Ms HALL (Shortland)** (4.09 p.m.)—Thank you, Mr Deputy Speaker Causley. I am not sure if this is the first time I have spoken when you have been in the chair. If it is, I would like to congratulate you on your election and I look forward to working with you throughout this parliament. I rise to support the amendment and I do so because I believe this government’s record is appalling. It is a high-taxing government with no vision and one that bases its policies and success on deceit. It is a government that has no regard for families, small business or any person or organisation that does not conform with John Howard’s 1950s vision for Australia.

Time and time again we have witnessed, in this parliament, the degree to which the Howard government will distort the truth and reward its mates and supporters. The former minister for health demonstrated his commitment to his benefactors when he directed $5 million earmarked for rural health and a childhood asthma prevention program to Wooldridge House. This really demonstrates the former minister’s value system: the things that he values and
holds dear to him are his future success and his future financial security. This has been indicative of many areas within this government over the time that I have been a member of this parliament.

The direction of money away from these vital programs, programs that are of great benefit to the community, has had enormous health implications. For instance, asthma programs, prevention-of-asthma programs, and research into asthma are of crucial importance to our community. The incidence of asthma has increased dramatically over the years. Its treatment and prevention are a challenge for medical research and for programs that are put in place to support young people with asthma. We only have to see the sad consequence for the young boy whose parents were not able to access medical help through the failure of their telephone and Telstra’s failure to correct that problem. Asthma is an enormous problem within our community and one that poses a challenge, and we need to have the right health programs in place. I was devastated when I heard that the former minister directed money away from this area to a building, as he did. The health implications are quite enormous.

As well as that, money was taken away from rural health—something that I know is very dear to you, Mr Deputy Speaker Causley, and to many members on both sides of this House. Rural health always struggles; it is an area where there is a shortage of doctors and where a government should be looking at putting more money into resources, so as to ameliorate the disadvantages of people in rural areas. Unfortunately, that did not happen in this case. Obviously the former minister, Minister Wooldridge, placed a higher value on a building for the Royal Australian College of General Practitioners than he did on the future treatment of children with asthma and the health of all those Australians who live in rural communities. What we really need, as I have mentioned, is more money going to rural communities, rather than being taken away and put into projects such as this building.

It appears that this government has made an art of wasting and allocating money in line with its own interests. It seems the rule is that if a policy or expenditure benefits any member of the government, or its re-election prospects, then it is to be supported or promoted. This was most apparent in the lead-up to the election in November last year, when the government spent $20 million a month on advertising, promoting its policies—advertising in an unashamed way and expending public dollars on its advertising campaign. It was a disgrace. That money could have been better spent on policies in areas such as health and education, and on benefiting families that have really struggled under this government. I have asked a number of people whether they think that that would have been a better use of money. Every time I have asked that question the answer has been ‘Yes’. That money should have been spent on health, education, and supporting struggling families in our community.

In the area I represent—and I know in the areas a lot of other members represent—there has been an enormous crisis in bulk-billing. Since 1 September 2000 the number of doctors that are bulk-billing has decreased dramatically. In the area that I represent—the electorate of Shortland—this has had an enormous impact, particularly in the Central Coast region, where I think there is one doctor, one practice, that is actually bulk-billing people. That would cover 40 per cent of the people that live within the electorate. I do not think that can be supported. There is one Medicare office in that area and it is extremely difficult for people to be able to collect their money. Quite often, that places a whole health care regime in jeopardy because families need to collect the money to be able to buy the medicines that the doctor has prescribed. This has created real hardship.

Within the Hunter part of the Shortland electorate it is a very similar story. There are more doctors who are bulk-billing, but the overall percentage has decreased so that you would now probably be lucky to find 20 per cent of doctors bulk-billing—and by that, I mean bulk-billing pensioners. That is what I was referring to on the Central Coast—not bulk-billing the whole of the population but bulk-billing the most disadvantaged people in our community. The fur-
ther you get away from the centre of population the more likely it is that the doctor will no longer be bulk-billing. That is coupled with the fact that there is a shortage of GPs—once again, I would have to say, that is impacting particularly in the Central Coast area of the electorate, where people are waiting for between seven and 14 days at times to actually see a doctor on a routine medical matter. If you have the flu or a virus, invariably by the time you get that appointment with the doctor you are either cured or hospitalised. So I think that it is an issue that needs to be addressed, and it needs to be addressed as a matter of immediate importance.

One of the things that I think would go some way towards resolving the problem would be if the classification that is given to areas such as the one that I represent was changed. Currently it is classified in the same way as inner Sydney, where we know that, in the eastern suburbs or the North Shore, you can go and find doctors that are bulk-billing—you can get an appointment to see a doctor because there is an overabundance of doctors. The classification for doctors in that area, and the money that they are paid by Medicare, is the same there as it is on the Central Coast and in the Hunter, and the choice that doctors are making is to stay in Sydney. This is really causing problems for people in the area that I represent. The government has said that it has a real commitment to Medicare, but I find that the commitment in dollars is going to maintaining health insurance rather than health care. More money is going into insurance under this government—the increases have been going into insurance rather than into the actual provision of medical services.

One matter that was brought to my notice as recently as last week was from a constituent, Mrs Lynne Duffy, who had to have a colour Doppler echocardiograph and carotid ultrasound at Newcastle and Hunter Cardiac services. When she made this appointment she was advised that if she wanted to be able to claim Medicare rebates then she would have to have the appointments on separate days. This lady lives at Swansea, which is about 25 kilometres from where she would have to have the tests, and it would mean going there and back to have them done. Obviously, the service is not bulk-billing, and her nearest Medicare office is at Charlestown. It is a 40-kilometre round trip from her home to the Medicare office and back. Previously, there was a Medicare office in Belmont and it was eight kilometres from her home. This government closed that office and, with that closure, really created a burden for people within the electorate. The Medicare office at Charlestown identified the reopening of Belmont Medicare office as the single most important issue that needed to be addressed in relation to Medicare in the area. It was not a cost-saving effort, because a Medicare Private office was opened and all the staff were employed. I really believe that there are some serious health issues that money should be allocated to and that it is not being allocated to, whilst on the other hand we are having money put into areas that I think are questionable.

I will quickly touch on education. I know that, at the moment, the states grants bill has been before the House and it is dealing with establishment grants to private schools. What concerns me greatly is that I have a number of public schools in the electorate that I represent that are not having the capital works carried out in them that should be carried out in them, because more money is going to the private schools under this government than ever before. I have probably the poorest area within the whole of Australia—it has been identified in a number of studies—and that is Windale. That area is in desperate need of capital funds to just upgrade. They need a fence around the school and they need some other facilities. On the one hand we are giving money for new schools to be set up, and on the other hand we have these schools that are really suffering.

The Howard government is a government of special interests—one that looks after the special interests of its supporters and members. The Howard government has caused enormous hurt to many Australians. Of course, its king hit was the GST—a hit that is still hurting Australian families and businesses. Apart from the obvious way it is hurting people, with the in-
crease in prices—something each and every one of us would hear about every day—it has also created great confusion. I felt obliged to raise this issue today because over the last 24 hours we have received a number of calls in our office from people who are concerned that things like their registration and third-party insurance still have the state government charges on them as well as the GST.

There is a regime in place whereby everything is supposed to be removed by a certain date, but what has happened is that this has not been publicised adequately. Whilst we have had an enormous advertising campaign about the good news, we have not had this fact advertised to people. I know, from speaking today to somebody that works for a charity, that it is causing great concern for them. The information that they need in relation to workers compensation and the GST, and claiming back a refund on that, was not apparent. This charity actually claimed they were told they could not claim the GST and then were told they could, which meant they had to make changes to their records. This took a lot of time and it was costly to that business.

Also, when people are ringing my office, they are being sent to my office and to the state members by Senator Tierney, who is saying that it is a state matter. I really think that he and his office should be honest with the people of the area and, rather than sending them hopping, should provide people with the information they need. They should be saying, ‘The information is available on the Internet. There is a regime that the Howard government put in place when they introduced the GST, and there are set times that everything has to be withdrawn by,’ rather than costing people extra money by forcing them to ring me or the state member. I really feel that there needs to be some effective communication by the government in this area, and unfortunately to date it has failed.

Just as businesses and charities have struggled to come to terms with the government’s obscure GST legislation, HACC programs have struggled to come to terms with finding money to meet the increases in wages that their staff have recently been awarded. The Howard government has failed to increase the amount of grants to these HACC services in line with the salary increases, and I call on it to do that. The New South Wales government has already agreed to the increase. HACC programs, as you know, are 40 per cent funded by the states and 60 per cent funded by the Commonwealth; the New South Wales government has agreed to that 40 per cent increase already, but the Howard government is refusing to increase the grant. Workers who were given the pay rise were really in need of that money. It had been a long time since they last had an increase.

The government depends on community organisations to deliver these services. A lot of the services are delivered through volunteers, but to organise the volunteers and to run the Meals on Wheels, the disability services and the refuges we need some paid employees. These people work very long hours, long past the time that they are actually paid for. Unless the federal government meets the cost of these salary increases, a number of these struggling organisations will have to close down. There are only so many raffles that you can run. They will have to cut either staff or services. When we are talking about appropriation, that is one area that we should be looking at and focusing on.

I had also intended to speak at some length about the Job Network, about how the government ended up with a surplus of $214 million and how our long-term unemployed are being disadvantaged. They are going through the Intensive Assistance Program a number of times, but the actual number of long-term unemployed is increasing whilst other areas of employment seem to be decreasing or remaining static. So we need to look at reintroducing some of the job subsidy schemes and other programs that were there under the old CES. I worked with those programs. I know that people actually move from unemployment to jobs and I would strongly encourage the government to invest in those areas.
The area of aged care—an area that I am particularly interested in—needs to be addressed by the government and money put into it. I do not have time to concentrate on that; I can only say that unless we focus on this issue and on the needs that come with an ageing population, we as a nation are going to be in a lot of trouble. The government has failed in this area to date. It is a new parliament, there are new challenges and I hope that it will address this issue.

In conclusion, this is a mean-spirited government, one that appropriates money deceitfully and one that works in the interests of sectional groups—the most wealthy groups and the most wealthy people in our society. It is a government that has created great division between rich and poor, and it is a government that thrives on blaming the victims. (Time expired)

Mr CADMAN (Mitchell) (4.29 p.m.)—With respect to the Appropriation Bill (No. 3) 2001-2002, the Appropriation Bill (No. 4) 2001-2002 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2001-2002, I want to look at what is happening to employment and employment services around Australia. In particular, I would like to draw to the attention of the House the figures received by members today prepared by the information research services of the Parliamentary Library and based on the most recent, March 2002, figures. The figures are from a report on the monthly economic and social indicators for Australia. Using up-to-date facts and figures, I want to look at what is happening to the average Australian and at what has occurred over the last three or four years of this government—and not at the total period of the government, because that is even more spectacular than the period that I am going to use.

First of all, I would like to draw the House’s attention to the change in the number of employed persons from 1997 until 2002. In 1997-98 there were 8,527,000 people employed in Australia. That is taking the month of January, which is often a difficult month for employment, because that is when school leavers are on the market, when people are generally on holidays and when employment in the building industry is down. We will take the January figure, which is the most recent figure that we have available to us. The 1997-98 January figure was 8.5 million, as I have said, and the 2001-02 January figure was 9,280,000. There has been a massive increase of approximately 700,000 jobs in that time—people in full-time employment. What a terrific result for a period of just four years—a really big increase in employment opportunities. That is people in full-time employment in Australia.

The unemployment rate has continued to fall dramatically. Whether one looks at the seasonally adjusted figures or the original figures, one sees in January 2002 a significant fall in the unemployment rate. I do not want to skate over unemployment. In particular, I want to look at the long-term unemployed and youth unemployed, because they are the ones who trigger our reaction and comments from the community, and they are the ones whom the press is most likely to select. If one looks at the long-term unemployment rates in 1997-98 and 2001-02—that is, the January 1998 figure of 210,800 and the January 2002 figure of 151,000—one sees a big drop. Those are people who are unemployed for 52 weeks or more. Job Network and Work for the Dole concentrate on those people, and that is where the maximum impact of Work for the Dole can be identified. In picking up 60,000 or 70,000 people, this government has targeted the long-term unemployed and adopted economic policies which assist them.

I know that the graph I am holding cannot go into Hansard—I know that I should not flash charts and so on—but it depicts the downward trend in the number of long-term unemployed. It is a terrific result; it is a marvellous feat of the government. Those are people who have been out of a job for 52 weeks or more. In percentage terms of the total unemployed in January 1997, 28 per cent were long-term unemployed; we are down to 21 per cent now. Looking at youth unemployment, in 1997-98 there were 88,500; now there are 71,500. There has been a big drop in youth unemployment. Those are 15- to 19-year-olds who are now in jobs. If you look at the expanded work force, it is no wonder that the number of unemployed youth has
dropped from 28 per cent to 24 per cent. The result of this government’s policies has been massive.

Let us put another bunch of statistics on the record because they are significant too—that is, the statistics for the industrial disputes, the stoppages. There is nothing worse than protracted stoppages for encouraging employers to lay off workers or to gradually run down their work force, because they have got a lot of dead money going out to pay for overheads—superannuation and other benefits for people who have employed but who are not currently working during a dispute. Altogether, 58,700 working days were lost in 1997-98; 36,500 were lost up to November of this year—almost half. The figure is down to 60 per cent of what it was previously. We have made a big impact on the number of disputes, despite the dire predictions of the Australian Labor Party.

This is not a confrontationist government. We are getting results in the workplace that satisfy people, because they want to be able to bring home their salaries every week, to be able to pay their mortgages and to be able to pay for their kids’ education. Industrial disputes, for most people, are an absolute pain in the neck and they hate them. They hate being stopped from working and they do not like union intervention when they know that all they have got to do is get out there and get a job. Basically, they are satisfied. Unless somebody does something extraordinarily bad to employees, in this day and age, most employees just want to keep working. And so the result of reducing industrial disputes is that more money is being taken home. That also affects the level of unemployment because more people keep their jobs.

Average weekly earnings is another measure. It was said that we were going to be a miserable, mean-spirited government—I think they will remember that term ’mean-spirited’ being used in the parliament, as members of the Australian Labor Party tried to get it up and running, day after day, week after week. But what did this ’mean-spirited government’ do? There was a fall in average weekly earnings during the period of the Labor government; they did a trade-off with wages and super, and the accords did nothing but squeeze workers. Under the current government, average full-time adult ordinary time earnings—the most recent figures we have are for the last quarter of 2001, just a few weeks ago, really—were $848.60 per week, as compared with $711 four years ago. So that is an increase of $140 a week. That is how mean-spirited this government has been! Wages have increased terrifically. The take-home proportion of wages, with the changes in tax scales, has had an even more dynamic impact on the means of each family. So the annual change in percentage terms of take-home pay has risen from 3.7 per cent in 1997 to 5.8 per cent last year. Total male earnings—that is, dollars per week—jumped from $709 to $811. That is a total increase of $102 for total take-home pay for males.

The consumer price index is just flat. The year 2000-01 was one year when there was a jump in the consumer price index, but the consumer price index is running between zero and three per cent. Wages are increasing at something like four or five per cent and the consumer price index is rising at around 2.4 per cent—but there is one jump of six per cent. So wages are increasing faster than the cost of living. What a dynamic environment that is for employees. What a dynamic environment for families—their wages are actually rising faster than the rate of inflation, the capacity to work is improving, there are fewer disputes and more people on the job.

So I felt that today, in the appropriation bills in relation to employment services, we had to look at what is happening to employment and to the whole environment that relates to employment. I have used enough figures in this debate, but one final figure I need to use is the gross domestic product. How much are we actually producing and how much are we actually putting out there to sell—that is, from farms, non-farms, manufacturing and all sorts of industries? These are in millions of dollars on an annual basis. In 1997-98, it was $561 million. We are now up to $671 million dollars—that is a $100,000 million total increase by the look
of these figures. They are really amazing results when one looks at the productivity and growth of the nation.

The turnover in retail sales, dwelling approval rates, motor vehicle sales and business investment are all very positive, but the ones that I come back to are the ones which say that the consumer price index—the cost of living—is lower than wage increases. There has been a massive increase of three-quarters of a million jobs in the four-year period. There has been a big decline in the number of people that have been unemployed for 52 weeks or more and there has been a big drop in the number of youth who are unemployed. That is a massive result Australia-wide and I think that that is the sort of result Australia needs to see.

As I look at these appropriation bills, I want to encourage the government to provide a still better opportunity for Australians which includes giving Australians the chance to work. We have got some wonderful Work for the Dole programs running in our area; they are colossal. We cannot get enough people to fill the places. We are bussing them in from Parramatta and Blacktown to fill the Work for the Dole opportunities. To my friend from Tasmania, the member for Franklin, who sits across there, I can say that it is really good because these kids are getting skills that they would not get otherwise. They are on the job with good trainers and they are getting a bit of a TAFE component. I am finding that employers are coming in and plucking them out of the Work for the Dole programs before they have even finished their six months because—what are the employers looking for?—they are looking for attitude. They are looking for a willingness to go to work and a capacity to get out of bed and to start to do things.

One of the computer programs we are running is just excellent. We use computers that companies who change their computers on a regular basis have brought in. They have diagnostic work done on them by the Work for the Dole employees, repairs are made and then they are given away. It cannot be a for profit process, but they are given away to worthy organisations like the Red Cross or to the CARE program to send some to overseas refugees. All sorts of organisations take these computers. Some are going to an Aboriginal group up in Northern Australia and some are going to disabled young people. It is a great result, but it is not an expensive result and it is getting a yield of people actually getting back into the workplace. I think that every unemployed person in Australia should be involved if it is physically possible for them to be offered a Work for the Dole opportunity, rather than them not have any opportunity to work at all but just receive benefits. And that is, in fact, what the people in Northern Australia are doing. The Aboriginal communities that I have been to—and the member for that strange seat which I cannot pronounce—

Mr Snowdon—Lingiari.

Mr CADMAN—As you know, there are community development programs with Aboriginal communities which is something that the older people insist on: no sit down money. They say, ‘We want you to contribute something to our community and we will then see that you get your benefits.’ I think we can learn from that, and my experience in my electorate is that it is very beneficial that we have people working for benefits— working for the dole—and wherever possible, in my view, that program ought to be expanded right across Australia. Suitable programs ought to be designed for more mature people who may not be able to do hard, physical work. They should be given opportunities for training and a change in lifestyle, job or career path.

Against that, there is a negative attitude coming from the Australian Labor Party. I think that is a pity. They have now accepted Work for the Dole as a program that they can run and that they will accept, but all through the election campaign there was constant negativity. Meg Lees summed it up about two years ago when we were talking about the prospect of roll-back and what could be done. The goods and services tax is about getting tax cuts to Australians. Sure, the big spenders pay more when they buy things, but it is about getting tax cuts and
benefits, and the results can be seen in the statistics I have read out today. Meg Lees said of Kim Beazley’s roll-back that it would cost over $4 billion. This is what she said:

Well, the ballpark themes run out to a ticket of over $4 billion. Now, somewhere in there we reach a line that’s simply unaffordable. Either we are going to have to have income tax increases or we’re going to have to see the tax base eroded for the states and the Commonwealth, so there will be less money for the states to spend on hospitals and schools, less money for the Commonwealth to spend on universities, defence … what the Commonwealth will be responsible for once the states get the GST money, or he is going to have to roll back the pensioner benefit increases, take out the rent assistance, take out some of the health initiatives like the Childhood Nutrition Program—a range of things that we negotiated in the package that we thought were higher priorities.

I think that is a reasonable attitude from the former Leader of the Democrats which clearly explains the situation Australia has found itself in. I want to commend the government on the results for jobs and opportunities for Australians. Australians want to work; they are not lazy and, if given the opportunity, they will take it up. Young people, if given opportunities in Work for the Dole, will take up those opportunities with great results. Not everybody wants to work on a building site as Work for the Dole. Not everybody wants to cut grass, put up buildings or do landscaping, but there are many other jobs and opportunities in Work for the Dole. The wide range of Work for the Dole opportunities—such as computer repair, assistance in schools and caring for handicapped kids—will, I believe, continue to improve employment opportunities and the exciting future that we have as a nation.

Mr SNOWDON (Lingiari) (4.48 p.m.)—I notice in the explanatory memorandum of Appropriation Bill (No. 4) 2001-2002 that, apart from a list of items, the balance of the amount included in Appropriation Bill (No. 4) is made up of minor variations in a majority of departments and agencies. I wonder how much of that money has gone to providing the costs involved in investigating the claims made by Senator Heffernan. I raise this issue because we now have in front of us a process, which has become very transparent to the wider community, of this government vilifying the institutions of the state and undermining the confidence of the community in the institutions of the state—in the Defence Force, the Public Service and the judiciary. I have to say that it appears to be a deliberate attempt. I am concerned about what has been expressed in the parliament today by the Leader of the Opposition: the unashamed use of parliament to undermine the integrity of the High Court and of a justice of the High Court, and the failure of the government, principally the Prime Minister and the Attorney-General, to safeguard the national interests, protect the interests of the court and protect the interests of the justice concerned.

We had a situation last week where, when the Attorney-General was asked if he had confidence in Justice Kirby, he would not express a view about that. He said he had confidence in the court but not confidence in Justice Kirby. We might remind ourselves of what happened last week, why he might say that, and what leads me to believe that, notwithstanding the protestations which came out of the mouth of the Leader of the House in the main chamber this afternoon, there has been a conspiracy in attempting to besmirch Justice Kirby, his name in the High Court, and undermine the confidence of the community in the High Court. What we have to remind ourselves of is the fact that last week the Prime Minister read into Hansard accusations made by Senator Heffernan concerning the High Court without the blink of an eye.

Then, later in the week, he referred to the conventions which operate in this country as to how a High Court judge might be dismissed. Effectively you do not need to be found guilty of any offence; it is sufficient under the Howard government for an allegation to be made, your name to be besmirched and the confidence of the community in your position to be undermined, and you might be then removed from office. That is effectively what the Prime Minister said last week, on the basis of the allegations which were made by Senator Heffernan and
which relied on a fraudulent document—a document, which it has become clear, was an absolute forgery.

We know from the Prime Minister’s own mouth that he had words with Senator Heffernan. He then walked into the chamber to read Senator Heffernan’s letter to the New South Wales Police into *Hansard*. So presumably he canvassed the view with Senator Heffernan as to whether or not there was veracity in the claims he was making and whether or not he had evidence to back up the documents he was basing these allegations on. There is no indication at all from the Prime Minister that he had any evidence to back up the allegations made in this document.

If the Prime Minister—and we heard this today because it was told to us in the parliament—and the government had been advised previously that the allegations referred to them by Senator Heffernan in relation to the misuse of Comcars by Justice Kirby were false, we are now expected to believe that when Senator Heffernan made available to the Prime Minister and the community this document, this fraudulent Comcar record, concerning the allegations he trotted out in the Senate last week, the alarm bells did not ring in the head of the Prime Minister or in the heads of members of the government. Well, no-one on this side of the chamber believes you. What we understand now, after it has been examined—and it took 24 hours for the Labor Party to find this out—is that Senator Heffernan has had this document for some time. The government refuses to tell us when the Prime Minister first became apprised of the document or what advice he sought on the document, or what advice the Attorney-General sought on the document.

But, as a result of the work done by the member for Kingsford-Smith, we do know a couple of things. There were allegations about the use of this vehicle on a particular day by John Dawkins, a former minister in the Keating and Hawke governments, but he was in Fremantle for his daughter’s christening—he was not there. Ian Sinclair, former Deputy Prime Minister and Leader of the National Party, is 90 per cent certain that he was on his farm in New South Wales at the time he is alleged to have been using this vehicle somewhere else. Jim Lear did not live in Cremorne and never used the Commonwealth cars on a Saturday, yet his name was down here. Laurie Brereton was on Hayman Island on a family holiday. If the Labor Party could find that out within 24 hours of getting hold of this document, what was the government doing?

We are being told here this afternoon that this is all an escapade by Senator Heffernan that has been undertaken without the knowledge and support of the Prime Minister and other senior ministers. I can tell you something: we do not believe you. We do not believe you and neither does the Australian community. Because this is about undermining the confidence of the Australian community in the judiciary and, in particular, in Justice Kirby. I have no doubt that the basis of this is homophobia. The Prime Minister can say what he likes. He can cut Senator Heffernan adrift, as he has done today. Senator Heffernan has been abandoned by his mates. Mr Abbott did so in the main chamber this afternoon during the debate on the motion to suspend standing orders in order to move a censure motion. Senator Heffernan has been cut adrift by the government.

We now know that this was all based on a fraudulent concoction. My view is that the government was aware of it. Indeed, the Labor Party’s view, expressed by Simon Crean in the chamber today, is that—and we know what went on—there were many more frolickers than Senator Heffernan, including the Prime Minister, the head of the finance department and, I think, the Attorney-General, to be frank. This is what happened.

Several years ago, Senator Heffernan made an FOI request to DOFA for Justice Kirby’s Comcar records. His requests were refused. He approached Dr Boxall, then working as head of the department of finance, to overturn the decision. We think Dr Boxall did so, ordering a new search. Again, nothing could be sent to Senator Heffernan. A second FOI request, similar
to Senator Heffernan’s, was sent to DOFA. In connection with this, Dr Boxall requested copies of the Comcar records to assist in finding the original. When he received the supposed Comcar document in the year 2000, it was checked by the department. Long serving Comcar administrative officers examined them and concluded unanimously that the record was a hoax. In other words, the government knew more than two years ago that the record produced by Senator Heffernan was false.

I would have thought that that was game, set and match. Yet, when we, the community, ask for an explanation, we get a view expressed to us that we should not be asking the Prime Minister about this matter because it is not a matter for the Prime Minister; this is all about Senator Heffernan. Well, this is not about Senator Heffernan; this is about good government and the failure of this government to acknowledge what its responsibilities of good government are. It is also about the failure of this government to accept responsibility to ensure that the confidence in the judiciary is not undermined, as it has been undermined deliberately by the Howard government, with Prime Minister John Howard at the helm, assisted ably by his lieutenant in the Senate—his best mate—Senator Heffernan. We know it happened, and I think everyone on the government’s side of the House knows it happened as well. It ain’t good enough, and you will be called to account without question.

There is a role here for the government to understand that the community should be concerned about the way the government has misused, and continues to misuse, the Australian defence forces in its border protection regime—and I will come to that in a moment. We also know that it has abused and misused the Australian Public Service. I can tell you, Mr Deputy Speaker, because I know a lot of people in the Public Service, that the morale of the Public Service is, I think, at an all-time low. It is at an all-time low because of the lack of respect that this government has shown for the Public Service and those people who diligently try to carry out their functions without being politicised by the government. Yet they have been politicised on a continuing basis by this government, as decision after decision is trotted out and the views of the Prime Minister, trying to take us back to the Menzies era, become ever more evident.

I want to go to the issue of asylum seekers, and particularly the reference in the appropriation bill for appropriations to the war on terrorism and unauthorised boat arrivals, and a $45 million injection for the Department of Immigration and Multicultural and Indigenous Affairs to provide for detention contingency for unauthorised arrivals in Australia. I will come to the detail of that shortly, but I want to emphasise, yet again, that the defence forces are sick and bloody tired of being used as political scapegoats by this government. We are training people to fight war, to kill and to defend Australia—and that is what they are good at. The government now expects them to sit on a frigate off Christmas Island, cruising up and down with a detachment of Army personnel trained as a boarding party. It expects them to sit out there and wait for vessels carrying unauthorised arrivals. Well, they do not like it. Despite the fact that they do not like it, when they are asked to do it they do it very well, and we should be very pleased that they apply themselves in the way they do. But they have no confidence in this government and its decisions about asylum seekers or in their ability to seek some redress for the misuse that has been made of them by this government on a continuing basis since September last year.

I want to raise, in particular, the question of a new facility on Christmas Island. Last week—Tuesday, 12 March—the minister for territories went to Christmas Island. He held a series of meetings at which he told the community of the government’s decision to put in place a permanent facility on the island, at a place determined by the government. Then he flew back. It was in conjunction with an announcement of the same statement which was made in the parliament by the Minister for Immigration and Multicultural and Indigenous Affairs. I put out a press release in which I stated:
Apart from knowing where the facility will be built the community of Christmas Island know very little about the proposed centre and what it will mean to the community in terms of jobs, training and the type of centre that will be built.

I also stated:

It appears the Minister’s visit has been short on detail and the Islanders remain in the dark about what their involvement will be in the centre.

And also:

This announcement has come as a surprise to the community. While not opposed to the building of a facility, islanders want input to maximise benefits for the struggling Christmas Island community.

Lo and behold, I got right under the skin of the minister for territories, which was no surprise. He tried to have a go at me in the chamber last week—and failed dismally—and, as a result, he wrote to the editor of the Christmas Islander. He did not have the letter published as a document; it was put in as an insert to disparage me. In part, he stated:

Ministers cannot formally consult the community on matters of detail before the project has Cabinet approval.

What rot. I have had enough experience in executive government to know that if you have got on your mind the prospect of building a facility on Christmas Island as a contingency—which may or may not come to fruition or that you may or may not do—there are ways and means by which you can sit down and consult with communities about what you anticipate doing. Do not forget that, in this instance, the Christmas Island community had stated last year that they thought they would support a permanent facility. The government was on notice that the temporary facility on Christmas Island would have to be relocated at some point in the future; they had been told of how the Christmas Island community were concerned about that particular facility. But Minister Tuckey and the government have failed miserably to sit down with the community and discuss with them the prospect of this permanent facility. Minister Tuckey arrived there last week and had a public meeting, and it is worth noting how he treated my constituents on Christmas Island at that public meeting. I will read from the Shire News, which is an insert put into the Christmas Islander by the shire council. The final paragraph of that newsletter reads:

We have sympathy for the private citizens who were so rudely dealt with by the Minister at the Christmas Island Club meeting. You are entitled to ask questions and the Minister should treat all Christmas Islanders with respect in answering. He should not be rude and arrogant as he was. We will listen to all Christmas Islanders and your views will be answered with due respect for your rights to raise questions and issues.

Just as I have a right—as the member for Lingiari, the member responsible for Christmas Island, and shadow parliamentary secretary for Northern Australia and the Territories—to raise very important issues. These are the important issues. The minister says:

My office is open to him—

that is, me—

to advise me of issues that arise from the Island not his personal philosophies on border protection and the detention of asylum seekers.

What sort of bumptious tripe is that! This bloke is not serious. We know that when they arrived on Christmas Island last week they could not answer any questions about what the facility design would be, what the cost of the facility would be, or what the time frame would be for the establishment of this facility. Minister Tuckey says:

I have recommended that an assessment of available and interested personnel be made and that training courses be conducted during the construction phase to ensure such people can commence their duties immediately.
They have no organised training program or employment program. They do not have a plan for employment. This is all off the back of being criticised by me in the parliament. The fact of the matter is that they have no plans. We know that, like other decisions made on the basis of border protection and asylum seekers, this was a seat-of-the-pants decision, with no comprehensive planning being done, and the lack of advice to the community about the nature of this facility, its design, its cost et cetera are proof of it.

There are other matters. This facility will cost a lot of money—let there be no doubt about it—and there are huge environmental assessment issues to be dealt with, not the least of which is the social impact assessment which ought to happen. In effect, we will be doubling the population of Christmas Island with the establishment of this facility. These are reasonable questions: what EIS process is going to be implemented? What is the process for assessing the social impact of this proposed facility on the community of Christmas Island? Let there be no doubt that the Christmas Island community think that it is a good idea—they do. They support the construction of the facility. As I said in the parliament the other day, in September and October I had discussions with the people on Christmas Island about the prospect of a permanent facility.

There was no question about what our position was going to be, yet here we have Minister Tuckey abusing his role as a minister and attempting to vilify me and undermine the Christmas Island community’s confidence in my ability to represent their interests. Let him be under no illusions: I have known that community the whole time I have been in the federal parliament, and that started in 1987. I get 75 to 80 per cent of their vote. They know what I do for their community. Minister Tuckey can rant and rave as much as he likes. We know that he has failed to advise them properly of what is going to happen in relation to their community. He is unable to provide the information they require. He is unable to affirm to us what the impact of this facility will be. He is an embarrassment to the government, and he will continue to be so while ever he is a minister.

Mr MOSSFIELD (Greenway) (5.08 p.m.)—I rise to speak on Appropriation Bill (No. 3) 2001-2002 and Appropriation Bill (No. 4) 2001-2002, which appropriate some $2.6 billion to pay for some of this government’s election promises. With nothing in the way of savings, this represents a huge blow-out in the budget bottom line. In these appropriation bills we find a $1.1 billion increase for the Department of Defence, $200 million for the Department of Immigration and Multicultural and Indigenous Affairs, $144 million for the Department of Transport and Regional Services, $122 million for the tax office, and $195 million for the first home owners scheme. Unfortunately, we will not find a single cent for community service programs to cover the increased costs that these organisations are facing. I would like to make some comments about valuable community organisations in my electorate, such as the Riverstone Neighbourhood Centre, under the direction of its President, Doreen Ross, who recently received an OAM for her services to the local community. The centre is one of a number of community centres in the Greenway electorate whose services will be under threat if the federal government does not come to the party with increased funding.

The New South Wales Industrial Relations Commission last year handed down a new social and community service award for community workers in New South Wales. This was the first award increase in a decade. In 1991, both the New South Wales government and the federal government increased funding to organisations such as the Riverstone Neighbourhood Centre to cover the increased staffing budgets associated with the new award. Last year the new award came down and the New South Wales government agreed to meet its share of the funding increases, as it did in 1991. However, the federal government has remained silent at this stage. If the federal government does not increase its share of the funding appropriately to cover the wage increases then services will have to be cut—there will be no other option. The residential development in the north-west sector around Riverstone over the coming few years...
will place additional strains on the services provided by this neighbourhood centre. With effectively less funding and fewer services, the strain on the neighbourhood centre and others like it would quickly become unbearable.

John Viccochi is the centre’s dedicated and hardworking coordinator. In his annual report he made reference to the number of issues relating to the work of the centre. One relates to families in need, and the fact that emergency relief to such families has escalated due to the number of disadvantaged families who have suffered economic hardship through the high cost of living, such as electricity charges and increases in other costs associated with the GST. In some cases, this has resulted in some families being without power for long periods during the winter months. Funding for emergency relief has remained at the same level for quite some time, which could cause some major problems in the future as demands for these services increase.

With the rapid growth in population that the area is experiencing, and will experience in the near future, there will be a great strain on local infrastructure. John’s chief concern is that the Riverstone railway station will be seen as a connection to the city transit scheme and, as such—given the location of the centre in close proximity—this will attract a variety of target groups to the centre. This increase of business has already meant that there is a need to extend the centre, and I am pleased to be able to say that the Blacktown City Council and mayor Alan Pendleton have already agreed to begin a feasibility study toward this end.

There is a clear and identifiable need to extend these facilities and to increase the services that they provide. But without federal government support this will be incredibly difficult, and the centres may very well suffer as a result. The coordinator’s report praised the staff of the centre for making an atmosphere of welcome and a safe haven for those with difficulties in coping with life’s pressures. The focus of the centre has been to break down social isolation and to provide an environment conducive to learning. The volunteer workers who come in for particular thanks were the management committee of Doreen Ross, Grace Taylor, Brian Hubbard, Margaret Mills and Mavis Lane.

I would now like to turn to the youth development report by Christine Norman, Riverstone’s youth worker. Christine referred to a very successful program that she runs called the Breakfast Club. The Breakfast Club now provides breakfast two days a week for young people who come from dysfunctional families, and at times there are up to 20 young people in attendance. Fortunately, on other occasions, adult members of the families also attend, creating a relaxed family atmosphere. Milk is donated by Perfection Dairies, bread from the neighbourhood centre, and cereals, space and utensils are donated by the Riverstone Family Centre—another separate organisation, and one which is making an outstanding contribution in the area. The local schools have reported an improvement in the behaviour of the children who attend these breakfasts, as a result of improved learning capacities. So successful has the Breakfast Club proved that the local school is considering arranging breakfast for the other three days of the week.

The Job Club is another project that is proving highly successful, with over 20 resumes prepared in a four-month period, 60 inquiries for Job Search and 17 positions obtained through the project. Christine also runs several other very successful programs, such as the learning centre, information stalls, a mosaic art workshop and Aboriginal community consultation, which will hopefully lead to a specific program for the indigenous youth of the Riverstone area.

On the subject of youth work done by the community organisations, I would also comment on the situation that exists at the other end of my electorate. Riverstone is at the northern end and Toongabbie is at the southern end. Recently, my colleague the member for Werriwa, in his capacity as shadow minister for housing, and I visited the local residents of the Seven Hills-Toongabbie housing estate. There were well over 650 young people on that estate and yet the
community centre has a youth worker for only 12 hours per week. I make this point: that is far too short a time for the youth worker to have a real impact on the young people in the area. In fact, the centre’s coordinator, Galavizh Ahmadina, is employed for only 30 hours per week, and she is the coordinator.

I want to focus on this situation. Here we have a housing estate where we do not have anyone working full-time to provide community service. This is a community that is very much in need of adequate family services and yet in total there is someone there only 42 hours per week. This centre is starved of resources and, despite the help from some very outstanding local volunteers, the centre has already had to cut back on services such as the Friday night drop-in, which was recently cancelled. If there is a need for a full-time youth worker, it is at the Seven Hills-Toongabbie community centre. Twelve hours is simply not enough.

I am sure all members have sections of their electorates where there are disadvantaged families, where there are areas of young people who are not fully employed. The minister earlier this year drew attention to the high rate of youth suicide in an article in the *Sydney Morning Herald* on 7 February. The article was written by Stephanie Peatling. She quotes the Minister for Children and Youth Affairs who said:

> Australia is losing the war against youth suicide and needs a fresh approach.

The article goes on:

> Larry Anthony named depression and suicide as issues he wants to address, saying they were of particular concern for boys and young men in rural areas where it was often combined with drug dependency and problems of self esteem.

The article goes on to say:

> According to the Australian Institute for Health and Welfare’s figures, Australia’s youth suicide rate for males is the fifth highest in the western world behind Finland, New Zealand, Switzerland and Austria.

It is my submission that the area that I am representing is no worse and no better than any other area of Australia and, in fact, I am not really aware of any high incidence of suicide at all. But the point is that, unless young people are counselled, unless those who are unemployed and who have drug problems have people who are prepared to go out of their way and look after their interests, this problem could eventuate.

I think it is rather inconsistent, when the government is not providing any funding for the organisations that I am speaking about today, to be talking about the high rate of youth suicide. The government has to come to grips with the fact that you have got good organisations out there; you have got good, committed people. You have to fund them and you have to fund them on a full-time basis. These people cannot operate part-time. The other problem is that the workers in those particular organisations complement each other and, if one cuts out, it throws a higher load on other people.

I reiterate the need for the federal government to provide funding to address salary increases awarded by the New South Wales Industrial Relations Commission in November 2001. One of the ministers in question time today was saying how award wages have increased, which may be right, but in many cases the people are not working full-time, so they are actually getting less money. Even though the award rates of pay may have increased, as they are not working full-time they are getting less money for the work that they are doing.

The community services provided through organisations such as the Riverstone Neighbourhood Centre and the Seven Hills/Toongabbie Community Centre are funded through joint Commonwealth-state arrangements, such as the Supported Accommodation Assistance Program, the Home and Community Care program and the Commonwealth-State Disability Agreement. Others, such as the National Illicit Drug Strategy, are funded directly by the Commonwealth, while others are solely state funded.
The New South Wales government has agreed to grant salary increases for programs that are solely state funded and also to pay its share of the salary increases for joint Commonwealth-state programs. Unless the Commonwealth government agrees to provide the additional funding to cover its share of the salary increases, many services provided by the neighbourhood centres in my electorate will be cut. This would affect women’s and youth refuges and services to older people—such as Meals on Wheels and community aged care packages—and people with disabilities and their families.

On the issue of people with disabilities, I would also like to make some comment about an organisation operating in Sydney’s north west—including in my electorate of Greenway—which will face harsh cuts unless the government comes forward with additional funding. I make the point that this organisation is not funded by the state. Cumberland Industries is a not-for-profit organisation which has been providing training and employment opportunities for people with disabilities for over 50 years. At present, there are some 430 people with disabilities—mainly intellectual disabilities but also a range of others—employed across a number of businesses.

These businesses are in the head office of this organisation, in Baulkham Hills; there are a couple of factories in my electorate, around Blacktown and Seven Hills; and there is a factory at Auburn and also one at Mount Druitt. At Seven Hills, in my electorate, there is an industrial sewing business that produces such items as lawnmower bags for Victa mowers; they also debadge police leather jackets before they are sold to the public; and they do a range of other sewing jobs. There is also a pharmaceutical section, Clean-Pac, that has in its two clean rooms a blister machine, for putting tablets into blister packs, and bottle-filling capacities. A lot of the hand assembly work—putting the blister packs in boxes—is also done by workers in Seven Hills. At the Seven Hills facility, between the pharmaceutical section and the industrial sewing section, there are some 90 employees with disabilities and about 10 support staff.

Cumberland Industries does not receive a single cent from the New South Wales government—all their funding comes from businesses, donations and the federal government. There are some 40 staff members across their entire network paid under the Social and Community Services Award—with 10 of those in Greenway. While other organisations have received at least partial compensation for the wage increases from the New South Wales government, Cumberland Industries has not because it does not receive any money from the New South Wales government in the first place; it relies on funding from the federal government. Because it is federally funded and because this government has chosen to ignore the workers of this industry, this very valuable organisation is facing enormous difficulties. Mr Stephen Treloar, Chief Executive Officer of Cumberland Industries, wrote me a letter, and in it he says:

We write to seek your urgent assistance to obtain appropriate funding from the Federal Government to enable our organisation to maintain employment services for people with disabilities in our community.

Our organisation pays staff under the NSW Social and Community Services (SACS) Award and receives funding from the Commonwealth Department of Family and Community Services for the delivery of supported employment services for people with disabilities that were negotiated before the NSW Industrial Relations Commission handed down the new Award on 16 November 2001.

The letter goes on to refer to the double-whammy effect of the award increases and the costs incurred as a result of abiding by certain federal government regulations:

These operational cost impacts occur in tandem with a significant increase in administrative costs flowing from the Commonwealth’s reform agenda for disability employment services. They take effect at the same time as our organisation has agreed to deliver award-based wages to our employee workers with disabilities as part of the Commonwealth’s introduction of a new Quality Assurance system.

The final quote from the letter is this:

The likely outcome of the Award’s impact coupled with compliance costs associated with the Commonwealth’s reform agenda for business services will require restriction in the scope of services pro-
vided to our employees with disabilities and will necessarily impact on our efforts to improve wages and conditions.

That is rather a serious position that I have outlined, for a range of organisations in my electorate who are looking after people that have some disadvantages. The last one I specifically referred to was people that are looking after people with intellectual disabilities. I think we would all agree 100 per cent that this group of people certainly needs to be looked after.

Finally, the organisations that have been referred to are being hard hit from all sides while trying to provide valuable services to the community and to the people with disabilities and to the people that have various forms of economic disadvantage. It is incumbent on the government to address the reasons why it has not lived up to its own responsibilities and has not paid its share of the cost increases faced as a result of these award increases. I call upon the government to look very closely at its responsibilities in this area.

Mr KELVIN THOMSON (Wills) (5.26 p.m.)—In speaking on the appropriation legislation, the area I want to focus on is the state of the environment. There was a report into the state of the environment—Independently carried out for the government—released this afternoon by the Minister for the Environment and Heritage, Dr David Kemp, and by Professor Thom, who is the chair of the committee which prepared this report. It is the first report of its kind for five years. The first State of the environment report was done in 1996. This is the State of the environment report prepared for the year 2001.

The report is a comprehensive catalogue of the failure by this government to address environmental issues, and it must serve as an urgent call to arms and as a wake-up call for both this government and the broader community. We have heard plenty of rhetoric from this government about environmental issues—its commitment to environmental issues via the Natural Heritage Trust and so on—during the course of the past few years, but the on-the-ground results, as indicated by this report, reveal a catalogue of failure. The report says, in its executive overview:

Despite some areas of significant improvement, Australians still have major challenges in the sustainable use of resources and in the maintenance of our natural and cultural heritage. This Report concludes, as did SoE (1996), that progress towards sustainability requires the integration of environmental with economic and social policies.

Indeed, Professor Thom said this afternoon that his primary finding was that we are still not sustainable in environmental terms. The report’s executive overview says that pressures on the Australian environment continue to grow, that degradation of lands and waters remains of critical concern, especially in the intensive land-use zone upon which much of Australia’s agriculture depends, and that population growth has particular effects on coastal Australia, with urban sprawl, high energy consumption, stormwater pollution of estuaries and coastal waters, and the continued decline of biodiversity as a result of land-clearing all arising from population and economic pressures. The report also notes the global pressures on us through global warming. It says that we cannot in isolation deal with this but points out that we have a responsibility to contribute to global solutions to these problems.

The report indicates concerns about the increased area of land affected by salinity and that some of our fisheries are not sustainable—so the old line that there are plenty more fish in the sea is no longer true in some areas. It expresses concern about the clearing of mature forests, woodlands and grasslands and points out that greenhouse gas emissions went up by some 16.9 per cent from 1980 to 1998. So, far from containing our greenhouse gas emissions—which is a necessary part of our contribution to dealing with the problems faced from climate change—they have gone up by 16.9 per cent.

The report says that Australia has the highest per capita incidence of hay fever sufferers. I have to say that I have been experiencing a few problems of that character myself in recent months, so I am apt to believe that conclusion. It also expresses concern about the loss of
coastal habitat, the pressures on our coral reefs, the increased levels of nitrogen and phosphorous, and the net loss of vegetation—in particular, noting that broadacre land clearing is continuing in Queensland and New South Wales; indeed, the rate of land clearance has accelerated. Unfortunately, some people think that land clearing and poor land management practices are a thing of the past—when the pioneers did not know any better and they cleared the mallee, with the resultant problems of erosion and the like, and that now we know better—but in fact there has been as much land cleared during the last 50 years as during the 150 years before 1945. Indeed, as recently as 1999, there were only four countries in the whole world with a faster rate of clearing than ours, three of which were Bolivia, Brazil and the Congo.

There is also the problem of dryland salinity. The report says that ‘two million hectares of native vegetation will be cleared by 2050’. The report also expresses concern about the proposed demise of the Register of the National Estate, which it says will create gaps in the identification and conservation of heritage places. The state of the environment report also raises issues of resource consumption and other issues to do with urban life and our energy intensive ways of living and so on. So this is a substantial report; it is the first one we have had for five years but its bottom line is that the state of the natural environment has improved very little since 1996 and that, in some critical aspects, it has worsened.

As I said earlier, the report lists the clearing of mature forests, woodlands and grasslands for economic reasons as something that continues to raise many environmental concerns about the consequences of such actions on river water quality, soil quality and ecosystem loss in catchments and in areas far removed from the land clearing activities. As the report says:

Land-holders frequently operate as if what they do on their property or lease is an unfettered right. Their conclusion on this front—and I am pleased to see that the government has endorsed this—is that we need to recognise that ‘the environment, including our cultural and natural heritage, is everyone’s business’. I mentioned before that we have a very high per capita level of greenhouse gas emissions; indeed, the report notes that, since 1910, the average surface temperature in Australia has increased by 0.76 degrees Celsius, which is around the global temperature increase during this period of 0.6 to 0.7 degrees Celsius. We have also experienced a rise in the sea level during the last hundred years of around 12 to 16 centimetres. That is consistent with the Intergovernmental Panel on Climate Change global estimates for the last century of 10 to 20 centimetres.

One of the areas that is certainly of great concern to me and, I suspect, to all Australians is the pressure on Australia’s coral reefs, which are of enormous value to us and to the wider world. Those pressures continue unabated from the downstream effects of land use and other human activities. Large nutrient loads of nitrogen and phosphorous are still being discharged into coastal and estuarine waters, both from point sources and from non-point sources.

Similarly, in the area of vegetation cover, we have a problem with land degradation, including erosion, still being a major contributor to turbidity, nutrients and pesticides going into waterways and a loss of soil fertility. These things are a matter of great concern. They suggest that, whatever the rhetoric from the Howard government has been on these issues, when you look at what is happening on the ground the situation is deteriorating. When we look at our land and the issue of salinity, at our surface water and groundwater quality—surface water quality has deteriorated further in many areas because of increasing salinity—at biodiversity, at the conservation of species and at the marine environment, all these areas are showing signs of deteriorating since the first report was conducted in 1996.

The report also expresses some concerns about pressure from human settlement. It says that we need to make these things more consistent with a sustainable environment. It says that most indicators of resource consumption continue to outpace population growth, that there is a high and increasing per capita energy use in human settlements leading to an increase in
greenhouse gas emissions—particularly through electricity generation and transport usage—and that environmental noise and its effects on residents is increasing as a result of trends such as increased residential density, traffic volumes and the 24-hour city. I believe the government needs to respond urgently to the State of the environment 2001 report and to take the steps that need to be taken to ensure that our use of land, water and resources is, indeed, sustainable into the future.

I want to focus on one particular aspect of sustainability which has attracted quite a lot of attention in recent years, as it well should: that is, the issues of salinity, water quality and, in particular, the Murray-Darling Basin. The State of the environment report itself has some interesting comments to make in this area. It suggests that regulation, supported by compliance mechanisms, will be needed to improve environmental quality in some areas for land and water use. It says:

As yet, the commitments of the states and other authorities to regulating the water flows in the Murray-Darling river system, doing away with unsustainable irrigation practices, improving estuary water quality and reducing land clearing, is far from satisfactory. A major coordinated effort between stakeholders will be necessary to solve these problems.

To their credit, a number of newspapers have been focusing public attention on issues to do with the Murray-Darling Basin. The Australian has carried a series of articles over time drawing to public attention some of the crises confronting the Murray-Darling Basin and raising issues concerning the health of the Murray River. Similarly, just over the last few days, a number of other newspapers have carried important reports adding to the store of public information on this urgent issue. For example, the Adelaide Advertiser today carries a front page report headed ‘100 years of talk, but we need action’. The environment reporter, Catherine Hockley, has a quite comprehensive set of articles in the Advertiser. Her report today says:

The health of the depleted River Murray is reaching crisis point with lack of flow forcing water restrictions ... wetlands dying and still no political will to save it.

TheAdvertiser report continues:

Two years after the Murray’s condition was brought to national attention, the dwindling river remains beset by health problems which have been worsened by the prolonged dry spell this summer ...

Let me provide some information about the state of the basin: one of the basin’s major storages, the Menindee Lakes in New South Wales, is almost dry for the first time in around a decade; irrigators in New South Wales and Victoria who use Murray water are facing water restrictions; demand for water for irrigation from the Murray between Echuca and Wentworth is exceeding flow; and, in South Australia, the flow of the River Murray is less than the amount of water being drawn from it. All of those things indicate a very serious situation indeed.

The Menindee Lakes are at 29 per cent capacity. Some lakes are completely dry; therefore, all the resident fish die. The Hume reservoir is now at only 29 per cent of capacity. As the Advertiser points out, there will be a meeting in the New South Wales river town of Corowa next month, on 12 April. That meeting of federal, state, land, water and environment ministers will be discussing the Murray River and, in particular, water allocations for it. It is absolutely essential that we get action out of that meeting to address some of the issues that I have outlined and which have been outlined in the State of the Environment report and in newspapers such as the Advertiser.

In the report of the Advertiser, I note a reference to the Australian Conservation Foundation’s director, Don Henry, who said:
The Murray needs—at the very least—1,000 gigalitres, or about 10 per cent more water to begin to save native fish, wildlife, wetlands and flood plains—as well as the industries and communities that depend on the river’s health for their future.

The Advertiser headline was ‘100 years of talk, but we need action,’ and indeed we do. I am therefore disappointed to have come across the responses to estimates questions asked by Senator Bolkus last year concerning the issue of maintaining and upgrading the barrages in the Coorong, at the Murray River mouth, including for installation of fish passage. I mention this in particular because this question of being able to update and/or remove the locks, weirs and barrages along the river is indicated to be one of the ways in which the river can be saved.

The answer to questions asked by Senator Bolkus on this matter of costings was that, in March 2001, the Murray-Darling Basin Ministerial Council agreed to commit $10 million for a structural works program to provide passage for fish on the River Murray from the Hume dam to the sea. This included an estimated budget of $2 million for the modification of the barrages on the River Murray, including the installation of fish passage; however, the structural options for these modifications have not yet been finalised. So, in short, nothing has been done.

Senator Bolkus also asked whether the government had been advised on any costings for replacing the barrages in the Coorong at the Murray River mouth with a new lock upstream. Once again, the answer was that replacing the barrages with a new lock or barrage was one option considered by the Lower Murray Environmental Scoping Study. The study did not include costings for the various options so, once again, no action has been taken on that front. He asked what estimates the government had received of the volume of fresh water that would be saved by returning the Coorong to estuarine conditions and was told that work is about to start on a project looking at the impact of a weir at Wellington on water savings and on water levels in the lower lakes, and that a response would be premature until the study is completed.

Once again, the kind of action or sense of urgency that we need to deal with this problem is simply lacking. Senator Bolkus also asked whether the government was aware of estimates of increased fishing industry productivity that would accrue from relocating the barrages. Once again the answer was that the government had received no quantitative estimates of increased fishing productivity that would accrue from relocating the barrages. So, again, there is an unfortunate catalogue of inaction, of delay—of just sitting there—with substantial and pressing issues needing to be dealt with on the health of the Murray River.

The Adelaide Advertiser is not the only newspaper which has been pursuing this issue in recent times. I noted, for example, the Saturday Age had a book report concerning the history of the Murray River and its people. If you go back to 1937 there was a book called Water into Gold by Ernestine Hill who wrote:

Left to nature ‘the water was not where it ought to be”; but now a network of dams, weirs and locks had “banished” the “menace” of the river’s irregular seasonal flow to facilitate progress.

The Age wrote:

Hill looked forward to the day when two million acres of the river’s hitherto unproductive shores would be brought under cultivation. Sixty-five years later, Paul Sinclair’s The Murray: A River and its People looks at what progress has done to the Murray and its communities, human and otherwise. Denied its natural flow, stranded from its floodplain and wetlands, crusted with salt, and choked with mud-sucking carp, the river has been reduced to a hardened artery.

Similarly, the Sunday Herald Sun carried an interesting couple of articles about the problem of salinity in a range of areas going beyond the Murray into western Victoria to areas that now have salt levels six times the level of the Dead Sea. So, it is significant that these newspapers are alerting the public to the issues of salinity and water quality. Concerted action, not
rhetoric, is needed by this government. The government has to spend the money, take the action and take the hard decisions needed to protect the Murray-Darling Basin system. *(Time expired)*

Mr BYRNE (Holt) *(5.46 p.m.)*—Tonight I rise again in this place—although it is the first time since the federal election—to detail serious concerns relating to the practices of a government defence agency and a defence contractor that is supposed to provide the backup that our defence forces, which are so ably serving us here and abroad, deserve. I will detail practices by these agencies which amount, in effect, to betrayal of our defence forces. I will also detail the experiences and treatment of three people who have dealt with Asset Services and the Defence Estate Organisation and wished to tell the truth about the practices that they were subjected to and observed.

This story commences last year when a Mr Ron Ashman of Ridgewell Pty Ltd, a local building contractor, came to my office about concerns regarding delay payments for a contract he undertook on behalf of Asset Services and the Defence Estate Organisation. Mr Ashman provided me with information, which raised my concerns about the operations at HMAS Cerberus, which is a naval base. My interest was further heightened when a Mr Daryl Felix, an employee of the Defence Estate Organisation, brought to the attention of the then shadow defence minister, Mr Stephen Martin, dubious practices in the tendering and management of maintenance and repair works at HMAS Cerberus and many other defence bases in Victoria and elsewhere. The information that Mr Felix provided to both Mr Martin and to the then defence minister, Peter Reith, was then used in the Inspector General’s Management Audit Branch inquiry. I will discuss the outcomes of that a bit later.

I have recently received representations and evidence from a former senior employee of Asset Services at HMAS Cerberus who has been kind enough to fill in many of the gaps that I have been unable to fill in earlier comments in the House. He has confirmed much of the information I was given previously from Mr Ashman and Mr Felix. This former senior employee is now without a job because he could not accept the improper practices that he witnessed at the time of his employment. Some of the issues were raised with the former Minister for Defence, Peter Reith. In correspondence to the shadow defence minister, Mr Martin, on 6 April, the then defence minister wrote of Mr Felix:

I have forwarded his allegations to the Secretary of the Department of Defence last year, and they have been subject to review by the Inspector General’s Management Audit Branch. The review has concluded and reported to the Secretary. The review found that about half the allegations made were partly or fully substantiated by the available evidence.

Today, Mr Felix has been sidelined and does not really have a job with the Defence Estate Organisation, nor CSIG. Mr Felix is today in the surplus area of personnel within the Department of Defence. He has nothing to do and no-one to talk to because he has had the courage to raise allegations of corruption. However, this correspondence did not state that the Management Audit Branch was not able to find many of the files which should have been there covering the allegations raised by Mr Felix. Somehow, many of these files had gone missing. They cover works for the Defence Estate Organisation Corporate Services Infrastructure Group—contracts to the value of some $235 million. So, that is a scandal within itself. However, some of these missing files have now surfaced—the missing files for Mr Ron Ashman and Ridgewell Pty Ltd.

However, firstly I wish to again read out from correspondence I have received on behalf of Ron Ashman. I requested the minister’s office to look into the contract at HMAS Cerberus upon which the delay costs were being claimed by Mr Ashman from Asset Services. I received a letter from Senator Hill on 8 January. It read:

The Inspector General’s examination has been carried out by the same internal auditors who previously investigated the whistleblower allegations concerning HMAS Cerberus. The auditors were not able to
determine the claims of unfair dealing, unreasonable changes of scope and undue delay. In regard to the issue of whether the Commonwealth should pay Ridgewell a debt Ridgewell claims is owed, the auditors found that it is not clear whether any entity owes Ridgewell money.

What I can explain in this place today is that the minister was being lied to, the parliament was being lied to, and there exists a cover-up by the staff of Asset Services and the Defence Estate Organisation to ensure that the proper audits were impossible to undertake. I want to talk specifically about two issues in the Ridgwell Pty Ltd contract with Asset Services. The minister told my office that the contract entered into by Ridgewell matched the Defence Estate Organisation works brief to SSL Asset Services in respect of the remedial works to the junior sailors galley. I have now had confirmation from the former senior manager of Asset Services at HMAS Cerberus that there were in fact three different scopes of works and that major variations to the contract, such as the tiling component, were added in after the original contract was signed on 16 November 1999. Further, this gentleman confirmed that he was instructed by the state manager of Asset Services to put together one scope of works from various different scopes of works for Mr Ashman to sign in October 2000. Of course, none of the various scopes of works or any variations or delays requested by Asset Services were provided to the inspector-general’s management audit branch late in 2001 when they began their investigation on behalf of the minister’s office. They were given a small file with very little in it. Another whistleblower, Mr Daryl Felix, has confirmed verbally that actually 12 different scopes of works were done by Asset Services for this one project, and that these documents had been removed from HMAS Cerberus. The state manager of Asset Services had personally requested many of these changes. So what we have here is Asset Services misleading a minister and the parliament.

In the same letter mentioned above, the minister addressed the question of delay costs claimed by Ridgewell Pty Ltd. The response was as follows:

SSL Asset Services have advised Infrastructure Division that the claim for delay costs was rejected as there was no contractual or other entitlement for Ridgewell to be paid these costs. Ridgewell was not instructed to suspend works and had access to the site for the entire period of the contract.

This statement is, again, not true, since I have been provided with a document initialled by a senior staff member from the Defence Estate Organisation accepting delay costs on behalf of the Commonwealth to a total of $23,250 as at 10 April 2000. I have been advised that, at the time, this staff member was working under instructions from the state manager of the Defence Estate Organisation. This was at around the time that Mr Ashman was offered another contract, a novation contract, with DEO to fix up the mess caused by Asset Services. Again, none of the documents appears to have been provided to the management audit branch of the inspector-general’s office, either by Asset Services or the Defence Estate Organisation, when they were carrying out their investigation. It appears there is a deliberate action by both Asset Services and the Defence Estate Organisation to stop the truth coming out. In each contract cited by this office for the contract regarding the repair of the junior sailors galley, payments for delays were listed as $250 per day.

A former senior manager from Asset Services has told my office that all documentation in relation to building No. 523—the junior sailors galley contract I have been discussing—was transferred to the North Melbourne offices of Asset Services in September 2001, before the second inquiry of the management audit branch and the current inquiry of the National Audit Office. The former senior manager further indicated that he had sent these documents under the instructions of the state manager of Asset Services via document transmittal and that he had never received confirmation that these had been received. The former senior manager still has the paperwork for this transmittal and he has confirmed that three different scopes of works were in this paperwork, which was contrary to the advice tendered by the defence department to the former Minister for Defence, Mr Peter Reith. Under the comprehensive
maintenance contract, and previous contracts held by Asset Services, these documents should have been handed over to Defence at the end of the contract period, to keep until such time as the warranty on such works finishes. Maybe they were—although it is very hard to sort out who made these documents disappear. Was it Asset Services or was it Defence? Such documents have been kept out of the hands of the management audit branch.

I would like now to talk specifically about the comprehensive maintenance contract running at HMAS Cerberus. Around March 2000, Asset Services won the current contract for the comprehensive maintenance, which was to begin in July 2000. Prior to the current CMC contract, Asset Services had been employed under the general building and facilities management and the fixed plant and equipment maintenance contract at Cerberus to undertake basic but very important work such as occupational health and safety. Under the contract signed by Asset Services with the Defence Estate Organisation, the supplier is required to abide by all state legislation covering occupational health and safety. When our source, a senior manager for Asset Services, arrived in July 2000 he confirmed the following: only logbooks concerning emergency exit lighting were in existence, records covering fire sprinkling testing were not accurate and the checks carried out by a local contractor were irregular. Most of the 43 essential service logbooks, as required under the Victorian building regulations, simply were not kept. Further, not only were the books not kept; the work was not being done. This is a major breach of the contract. These logbooks identify that vital safety work has been done to items such as fire panels so that, if there is a fire at Cerberus, personnel have a chance to escape.

This lack of activity is risking the lives of our serving officers. I can confirm that from July 2001 the fire technicians of Asset Services did not carry out the fire maintenance work as required weekly, monthly and annually but just turned up whenever they felt like it. In May 2001, the Hendry Group identified in an audit that many fire doors were not fire rated and required repair—and this is at a major naval base. Requests for money to cover this were refused by DEO/CSIG at the time since Asset Services should have completed this under their previous contract anyway. In addition, the DEO/CSIG did not have the money in that financial year to undertake the repairs. Some 120 days after signing the comprehensive service contract, Asset Services were required to provide a comprehensive maintenance plan, but, as at December 2001, this was not forthcoming. Clearly, both DEO and Asset Services were aware of this oversight. The source requested an additional six staff in August 2001 to ensure that work required under the comprehensive maintenance contract, not just essential services and reactive maintenance, was carried out. The request was rejected but our source continued to highlight the breaches of occupational health and safety regulations and contract conditions to both Asset Services and DEO/CSIG. We believe this action eventually annoyed the Victorian manager of the Defence Estate Organisation so much that she instructed Asset Services to remove him; he no longer has a job with Asset Services.

An equipment audit undertaken by staff of Asset Services at Cerberus between September and October 2000 identified approximately 10,700 pieces of fixed plant and equipment maintenance items to be maintained. Prior to the audit, the equipment schedule forming part of the comprehensive maintenance contract tender document only identified some 4,200 items. From this audit, which took 2,000 man-hours to be done, equipment was broken into three categories: performance based statements, schedule based maintenance and fail to run. Approximately 7,200 items made up the performance and schedule based maintenance schedules. The maintenance plan, as mentioned, was to have identified these items and produced maintenance dockets in accordance with the manufacturers’ recommendations for maintenance, including state statutes, standards, and occupational health and safety requirements. Dockets should have been provided by the maintenance staff and then sent to the north Melbourne office of Asset Services to be filed; they were not.
It was actually this old, outdated and incorrect Asset Services equipment schedule—from its previous role as contract manager under the general building and facilities maintenance and the fixed plant and equipment maintenance contract—which was used by Defence for the public tender of a comprehensive maintenance contract. At the time of the tender, Defence admitted that the schedule was not exhaustive—only 40 per cent of the items on the schedule is far short of the mark. Subsequently, the amounts allocated for the CMC contract to the Cerberus changed from 730,000 to 1.3 million after negotiations between the Defence Estate Organisation and Asset Services. In May 2001, it was found that the maintenance planning tool, a software program set up by Asset Services to produce plans and schedules for maintenance, had corrupted data entry in 2001. In June 2001 it was suggested by the facilities management people of Asset Services that the data should be re-entered so that a proper maintenance plan could be placed later in the year. This request was rejected and overridden by a senior manager at Asset Services.

Since the comprehensive maintenance plan for the CMC contract was not finalised as at December 2001 when our source was removed, the maintenance of fixed plant and equipment was not being done according to the contract. Further, we have been shown documents that indicate that only approximately 40 per cent of the scheduled maintenance items for fixed plant and equipment maintenance under the CMC contract had been carried out by Asset Services in June 2001—11 months after the contract had begun—and that this did not include three major areas of HMAS Cerberus, those being the gunnery, communications and seamanship departments. Asset Services senior management at Cerberus were well aware that they were falling short of contract requirements. Our source has all the documentation to prove this and is willing to cooperate with authorities if requested. In summary, what this confirms is that Asset Services is taking money from the Commonwealth but not doing the job required by the contract. This is a very serious breach of contract law, which the defence department must act on immediately, and a serious breach of the trust that we place in our public service and, through them, their designated contractors.

I have raised this matter in parliament on numerous occasions. There was goodwill employed by the former minister in trying to get to the bottom of these allegations, but it is very difficult to get to the bottom of an allegation when files that are required for an appropriate and proper investigation into this matter have either been destroyed or secreted where an appropriate investigation cannot take place. The three people who have indicated the extent of the corruption at that enterprise have suffered at the hands of those who have tried to cover up the matter. For example, Mr Ashman’s building business has been destroyed. Mr Felix sits in limbo while the hands of justice move slowly. Our other source can no longer get work in his specialised field since personnel at Asset Services have sullied his reputation. In fact, in litigation arising from this matter he has spent about $35,000 of his own money defending himself. Our other senior manager cannot get any work. These people should be encouraged in their endeavours. What they are trying to bring to the public’s attention is a serious breach of contract law which will ultimately endanger the lives of the service personnel at that naval base. As a consequence of their bringing the truth to the public’s attention and to the parliament’s attention they have been persecuted by the Defence Estate Organisation and Asset Services.

I called upon the minister some time ago to launch an appropriate investigation, and that was undertaken by the Auditor-General and the Audit Management Branch. However, in light of the subsequent revelations and in light of the new evidence that has emerged, I call for an inquiry to be conducted by the appropriate authority. Whether that be the Federal Police or any other appropriate authority, this matter must be investigated. There are moneys being paid to a defence contractor for work that is not being done. That effectively constitutes fraud, and it is fraud that is effectively putting our defence based personnel at risk. This matter has been
Ms JANN McFARLANE (Stirling) (6.03 p.m.)—I speak today in this debate on an issue that is becoming a crisis: the rise of public liability insurance premiums and its effect on local community, sporting, recreation and cultural groups in the electorate of Stirling. I bring this to the attention of the House today as I am becoming increasingly concerned whether this issue will cause a cancellation of Anzac Day marches and ceremonies in my electorate. I will be contacting the RSL sub-branches in my electorate on my return to Perth and will give them all the assistance I can to make sure that this issue does not take away the right to honour our veterans and their fallen comrades in arms.

Scanning Hansard recently I was struck by the large number of fellow members speaking out on the effect of public liability insurance on community organisations. I agree with the comments of my colleague the member for Bass in her speech in the House on 21 February, when she said:

For years now, sporting and community organisations have been assailed by government to become more self-sufficient—less dependent on government grants. But their ability to do so is being diminished more and more each day. Their budgetary position is under attack. For the majority of these responsible organisations the end of year result is a balanced book. They have no room to move if outgoings rise without commensurate increases in grants or new sources of income, and it is in the area of alternative sources of income where the double whammy comes into play. If the organisation hires out its premises or facilities, it is forced to pass on the effects of insurance increases to the hirers—the same hirers who have already been hit by increases in insurance premiums of their own.

The problems faced by these groups in Tasmania are also being faced by community organisations in my electorate of Stirling. I will give the House some examples of events and organisations that have been severely impacted by this crisis. These organisations are only the tip of the iceberg. There are sporting and other groups that do not know that they will face this problem until they go to organise their event or try to renew their insurance policy. The first of the groups that came to my attention was the Scarborough Beach Association who, in conjunction with local businesses and other supporters, staged an extremely successful Carols by the Clock tower on the Scarborough breachfront. This is a family event which attracts thousands of people each year to celebrate Christmas. Last year the event was cancelled, then reinstated, then cancelled when the organisers found, to their horror, that their public liability insurance had risen to over $5,000 and they could not afford to pay it. Despite a last ditch attempt to raise funds, the event had to be cancelled.

I spoke recently to Paul King, president of the Scarborough Beach Association, about the situation and unless public liability insurance is sorted out by the government, or the association is able to raise some money for insurance, the event will be in danger of not occurring this year as well. Even if the Scarborough Beach Association is able to raise the money, getting insurance is the next problem. A not-for-profit organisation called Volunteer Labourers of East Stirling (VOLES) in my electorate, who I have spoken about before in this place in regard to their nightmare with the changes to the tax system and its treatment of charities, is also facing closure.

Val Ashman, the coordinator of the group who stage disco and dance parties for children with cancer, children with disabilities and youth at risk, says they are struggling to get reinsurance. The group contacted my office early in the new year after they had read media reports about problems with public liability insurance. They are currently insured with SGIO, who have verbally told them that they cannot run their own functions or assist the children with disabilities. When pressed for written confirmation of this, SGIO just sent them a letter which only restated their existing policy. In this letter, there is no mention that the terms of...
their insurance policy have changed in regard to the events that the group organises. SGIO also told them verbally that there was no certainty that they would be reinsured. This group is now in limbo until May until they are sure they can be reinsured. They are scared to hold a function due to the ambiguity of the situation. Who are the losers in this scenario? The community are—the children with cancer on the Canteen program, the children with disabilities who look forward to their dances and the at risk youth in Balga, Balcatta, Westminster and Nollamara who are starved of a constructive social outlet as it is. It is absolutely outrageous that the insurance company will not give this group certainty in both respects.

Another example of hikes in public liability insurance premiums can be seen in the two Police and Citizens Youth Clubs in the Stirling electorate. Currently, the fees for the Police and Citizens Youth Clubs are $11 per member for 12 months. I have been told that the public liability insurance rate for PCYC’s in Western Australia has increased by over 400 per cent since last year. This hike, if directly translated to an increase in membership fees, would mean that children who were members would have to pay an extra $50 a year for their membership. Should these clubs be forced to close due to increased costs, the kids in Balga and Scarborough will lose another service which offers them a constructive outlet. Should these costs be passed directly on to the members, there is a real chance that kids from low socioeconomic backgrounds would be forced to miss out yet again.

In the summer edition of my electorate newsletter, Jann’s Journal, I highlighted the success of the Christmas celebrations organised by the Balga Action Group in Balga. This has become an extremely popular event which is held every December—my grandson and I attended the event and we had a wonderful time. There were numerous activities for children such as pony rides, face painting, a bouncy castle, clowns, a climbing wall, Harley rides and Father Christmas giving presents to the kids. There was also a ‘Carols by Candlelight’ and a fireworks display. Lotteries WA, the Office of Multicultural Interests, New North and the city of Stirling fund the day.

I spoke recently to Alan Stafford, who is the president of the Balga Action Group. When Mr Stafford and his committee went to renew their public liability insurance policy, they thought that an increase of maybe $100 was on the cards. They had paid $600 the previous year. After shopping around through an insurance broker, the cheapest insurance they could get was $2,100. The interesting thing about this exercise was that no Australian insurance firm would insure the event. The broker had to go offshore to get insurance. This is a 350 per cent increase over the previous 12 months for the Balga Action Group. The total sponsorship for the event was just over $17,000. The increase in the insurance meant that 12 per cent of the total funding was being spent on insurance, up from 3.5 per cent the previous year. The problem faced by the Balga Action Group was that they had no idea of the increase when they applied for funding, so they were immediately out of pocket by $1,500.

They are faced by another dilemma, How much will insurance go up in the next 12 months? Do they increase the premium by another 350 per cent to cover costs in their next budget? Will funding bodies take this into account when assessing grants? Will the funding body give more funding to cover the premium increases? This is the problem faced by the Balga Action Group and many other community groups who are providing invaluable service to the community.

But it gets even more complicated. All groups that performed at the Balga Christmas party had to have their own public liability insurance. This included the fireworks company, the bouncy castle, the Harley ride company, the police who had a display at the event, and the pony ride company. Mr Stafford tells me that the pony ride company owners were forced to close down their business, due to insurance costs, just after the Christmas party.

I note an article recently in the Daily Telegraph stated that this insurance malaise has extended to the full range of horse riding activities. Two national bodies, including the Eques-
trian Federation of Australia, are facing the prospect of no insurance cover when their policies expire in the next few months. This means that over 12,000 members Australia-wide might not have insurance cover and that the federation, like the Balga Action Group, will have to shop around overseas for insurance.

Another example of local organisations that have been adversely affected by the increase in public liability insurance is the local surf clubs in my local area. I have talked a number of times in this House about the beautiful beaches of Scarborough, Trigg and North Beach. If you want to look them up on the web site, the address is: www.perthsurfreport.com. Both the Scarborough surf club and the Trigg Island surf club have been hit by this increase. Luckily, the clubs insuring through the peak body, Surf Life Saving WA, has spread the immediate costs this year. The insurance costs for the peak body have increased from $36,079 to $81,236 over a 12-month period. That is a 125 per cent increase in general insurance premiums. The public liability insurance premiums have risen from $6,800 in 1997-98 to $35,136 this year. That is a 416 per cent increase over this period in time, with an expected increase when the premiums are renewed in September this year. The General Manager of Surf Life Saving WA, Mr David Armstrong, has been quoted in the West Australian saying that Surf Life Saving WA will have to seriously consider whether they will be able to continue beach patrols in the light of insurance premium increases.

My state colleague, the member for Innaloo, Mr John Quigley MLA, has been working hard on this issue. One of the suggestions that he has been working on is to exempt volunteers from organisations such as surf life saving clubs from being sued for negligence, unless it is proved to be malicious. This would solve the problem for the surf life savers on patrol when they attempt to save a person, but would leave open the ability of the victim to sue for malicious negligence—for example, in a situation where clubbies might have a few drinks, go for a burn in the inflatable rescue boat and hit someone and injure them. I am not saying that this would happen, but it is a useful analogy to describe the thrust of Mr Quigley’s endeavours.

As I said earlier, this is only the tip of the iceberg. Reading media cuttings from around Australia on this issue has concerned me greatly. There are horror stories that span a wide range of activities and groups. They astounded me. The story about the five seniors who were not able to meet in the local hall to do their quilting together stands out. Events and activities I am concerned about are varied. I will outline some of them, starting with seniors groups.

I have many active pensioners and seniors groups in my electorate. The Balga Autumn Club, Innaloo Pensioners League and Scarborough Autumn centre are three examples. Agricultural shows are another type of event that has been affected in other states. The Osborne Park Agricultural Show is a major event in my electorate each year that could come under threat due to the increased premiums or lack of availability of insurance. Theatre groups are another type of community group that has had problems with insurance. The Stirling Players is a local theatre group that has just moved to new premises. I recently attended their short plays performance to present a Commonwealth recognition award for seniors to Brian Maddox, a hardworking long-term volunteer of the group.

As can be seen from some of these examples, there are some real concerns about the ability of volunteer run groups to get insurance for their volunteers. A particular worry is the practice of insurance companies to refuse cover to volunteers over the age of 75 and in some cases 70 years. This is effectively forcing charities and community groups to refuse the services of these civic-minded senior Australians. The insurance companies are imposing tougher restrictions on the age of volunteers. It puts the organisations in an invidious position: they have to ask the volunteer to go home. This is a shame and an indictment on our society, particularly when the International Year of the Senior was held in 1999 and last year we celebrated the International Year of the Volunteer.
This hike in insurance premiums also affects small business. I am especially concerned about tourism operators. The beach area in Scarborough is one of the premium tourist precincts in Western Australia. My concern is the effect on tourism operators. I will be speaking again with members of the Scarborough Beach Association about this issue when I return to Perth. They have raised this issue with me a number of times.

I have briefly touched on the issues affecting my electorate. What can I do? I will be writing to all sporting, non-profit organisations, seniors clubs, small business and other volunteer organisations affected. I will enclose a survey to allow me to gauge how this has affected all of them. I will also hold a forum for the issues to be discussed. I will then bring the results back to this place and provide them to the minister so that he gets an understanding of the problem my area. I will encourage my colleagues to do the same.

I will not enter into the debate that has raged regarding a national insurance scheme which then turned into the minister’s attempt to strip rights away from people who cannot afford legal fees. This is a feeble reaction to the thrashing he received from his colleague the minister for finance. The meeting of the states and the federal government on 21 March to discuss this issue needs real solutions to be offered. Passing the buck to the states is not the answer. It is clear that the Commonwealth government has to act on this issue. The editorial of the Daily Telegraph on 8 March 2002 concluded with the following statement:

This is a matter for government.

We do not need to get caught up in the blame game being currently played out between insurers and lawyers. The minister’s statements that blame aggressive lawyers for the increasing claims are buying into this argument. Both sides of the House need to stay out of this argument and work together to provide a solution that will benefit the people who are losing out: our local communities.

Mr MARTIN FERGUSON (Batman) (6.18 p.m.)—I take the opportunity to speak on these appropriation bills and, in doing so, at the outset congratulate you on your appointment, Mr Deputy Speaker Scott. I appreciate that it is a huge change going from being a minister to a Deputy Speaker, no doubt brought on by the significant loss of numbers with respect to National Party representation in the House of Representatives at the recent election. That aside, I appreciate you taking on these responsibilities in your twilight years. I will wait to see whether the rumours circulating in the National Party caucus room that this is your last term in parliament are proven to be correct.

With those remarks aside, can I say at the outset that, as we appreciate, the Appropriation Bill (No. 3) 2001-2002 seeks additional appropriation of more than $2.6 billion for measures not outlined in the 2001-02 federal budget. A great deal of this additional appropriation is to fund, as we are all aware, the government’s bungled attempt to handle asylum seekers entering Australia by sea. I simply say in passing that, contrary to what we were all led to believe by the coalition government—contrary to what the Prime Minister and other ministers said—during the recent election campaign, despite the expenditure of huge amounts of money, some of these asylum seekers will actually come onto Australian soil. We should also note that some of the money is appropriated to pay for Australia’s involvement in the war in Afghanistan. Some of it is for additional resourcing for the Australian Taxation Office and some of it is for a range of programs within the Transport and Regional Services portfolio—a portfolio that I have responsibility for in the opposition.

Within the $144,327,000 for the transport and regional services portfolio, an amount of $16.7 million of additional funds is appropriated for the Stronger Regions program. Almost all of the Stronger Regions program funds, as you know, Mr Deputy Speaker Scott, have been allocated to eight identified sustainable regions to strengthen the economic and social sustainability of the region. Even though this program is in its infancy, it is clear already that
much of the funds are being provided to individual businesses to increase their bottom lines. This is another example of an increasingly arrogant government, so far as I am concerned, looking after its mates. If it is not former ministers, such as the former health minister, Dr Woodridge, or the former Minister for Defence, Mr Reith, it is another form of government pork-barrelling in terms of looking after its mates—in some instances. That is not just my view. I refer, as the *Northern Daily Leader* put it on 12 March this year, to the following:

There are clearly two sets of standards when it comes to the Federal Government doling out money. First of all, there’s money for mates—and we all know about that, as evidenced in the proceedings in the parliament this year. It goes on to say:

That’s funds for any project that a minister or even an ex-minister may deem as worthwhile.

So there is even hope for you, Mr Deputy Speaker Scott, as a former minister, to have some influence with respect to the allocations of grants. Having dwelled on the comments of the *Northern Daily Leader* of 12 March, a highly reputable newspaper, I also make the point that little or no money is being allocated to assist the regions to build what I think is exceptionally important—because these regions do not want handouts; they actually want an opportunity to do it themselves—and that is their own local capacity.

The government must recognise that an informed community is central to general participation and that ordinary people have the right to contribute to decision making. Regional Australians are getting sick of this government allocating scarce resources for regions to individual companies. They are, in actual fact, demanding a change—and not one led by the government but one driven by local communities, demanding that their voices be heard and be taken seriously by the Commonwealth government. Regional communities want their national government to recognise, to understand and to help address their challenges. I believe that the current government has refused to be part of the regional development debate raging, as we all appreciate and as was evidenced during the recent election campaign, throughout the Australian community.

The heart of Labor’s approach is an alternative. It is one that basically says that, with respect to regional development, we have a philosophy which effectively means that, whether you live in the city or the country, you deserve a fair share and an equal opportunity to participate in the benefits, economic growth and lifestyle opportunities of this nation. Australia needs to have a debate about managing growth not only in rural, remote and regional Australia but also in our outer-urban communities.

We need to have a debate about provincial cities as hubs of ‘whole of region’ innovation and development. We also need to have a debate about how governments can support communities through structural adjustment. That means that there is a need, and an urgent need, for a regional development agenda that must have an objective of developing learning regions and learning communities, not keeping them in the dark and doling out a grant here and there every time there is an election campaign but, more importantly, working out how to develop a long-term commitment to enable these regions to have the leadership and the capacity to do this themselves. That is what they want. They do not want hand-outs; they want a commitment by government to assist them to do it at a local level for their own regional development.

Labor therefore believes that the education and research sector provides a largely untapped source of ideas and leadership to assist in this debate. But unfortunately, as we all appreciate—not just in this House but also in the broader community—the government continues to stay away from the debate about regional development, about a new regionalism. This new regionalism must be based on devolved power, improved coordination, better consultation and, importantly, greater transparency with respect to program delivery by the Commonwealth government. It must involve, as central to such a debate, a stronger dialogue and an
ongoing partnership, not direction from Canberra. It must work across government agencies, across the three tiers of government and across the breadth of the community. In essence, there needs to be an inclusive approach at a government and community level to regional development. It needs a strong recognition of groups that have too often been outside the leadership loop, such as women, youth and indigenous people. The structures through which it is implemented need to evolve rather than be imposed and need to build on existing networks. You do not need to reinvent the wheel but build on the networks that exist and that need fostering and encouragement.

Unfortunately, the current government’s approach has been based on mistrust of the people, tempered by fear. They are afraid of giving communities the capacity to do this for themselves. I believe this is an alternative approach. It is an honest approach not only based on and, more importantly, driven by trust in the people but also tempered by prudence. We believe that the focus for regional development policy must be to make government a better partner and this must involve more power for our regions, not just promises. Throughout this term of government, it is my responsibility to continue to drive this agenda and to try to put a spotlight on the challenge of regional development not only in terms of rural, remote and regional Australia but also in terms of the regions, especially in the outer metropolitan areas of our major cities. We will therefore seek to provide some ideas with respect to where we should go in this debate.

It is up to the Minister for Transport and Regional Services to provide leadership for regional Australia. We all know that he is not prepared to provide that on the transport front. At least he can finally get serious about regional development, especially given the significant losses of some regional seats at the recent federal election by his own party, the National Party, as represented by you, Mr Deputy Speaker Scott, in this parliament.

Mrs De-Anne Kelly—Mr Deputy Speaker, I rise on a point of order. There have been enough personal reflections on the chair. I would ask that the Deputy Speaker direct the member to the point in question.

Mr MARTIN FERGUSON—Mr Deputy Speaker, there have been no personal reflections on you at all. If I had made personal reflections on you, you know your duties as Deputy Speaker and you would have pulled me up. You do not need any protection from the member for Dawson.

The DEPUTY SPEAKER (Hon. B.C. Scott)—Order! I ask the member for Batman to direct his comments through the chair and desist from using the word ‘you’, which is a reflection on the chair.

Mr MARTIN FERGUSON—I was referring to the member for Maranoa—you, Mr Deputy Speaker Scott. It is up to the Minister for Transport and Regional Services to admit his errors and start focusing on regional development. We all know it is the Howard government’s third term, but where is the agenda, other than trying to cover up ‘children overboard’ or creating smokescreens by attacking members of the judiciary and undermining a pillar of democracy in Australia—the all important concept of separation of powers—as we have seen over the last week with respect to the unfounded accusations by a very, very close mate of the Prime Minister—Senator Heffernan?

We can no longer use smokescreens such as an attack on the judiciary to hide from our responsibilities to develop a policy agenda for regional development. Unfortunately, it is clear that the Howard government has avoided any commitment to regional development. It is also clear that it is just not interested in fronting up to the challenges of urban development. As my colleague the member for Werriwa recently stated:
The growth in Australia’s cities is being driven by Federal factors including economic management—or in this instance lack of economic management by the Howard government—
migration policy, and major infrastructure decisions such as the construction of major transport infrastructure and universities.

He then goes on to say:

The Federal Government needs to take greater responsibility for the urban consequences of its policies. It is not sufficient for the national government to drive change in our cities but leave the management of change to the States and local government. Cities, the places where most Australians live, are a national responsibility. The Leader of the Opposition has declared his intention to put cities back on the national agenda. We want to modernise Australia's housing and urban policies.

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

Mr MARTIN FERGUSON—Mr Deputy Speaker Price, as I was saying before the suspension of the sitting for dinner—I know this is very important to you, as someone who represents a large western Sydney seat—already the Leader of the Opposition has clearly stated that it is his intention to put cities back on the national agenda. Therefore, it is important to place on the record this evening, by way of background, some of the history of the evolution of urban development policy by the Commonwealth government. I would like to take the House through a brief chronology of that.

The history will show that the federal government had no direct involvement in urban development from 1901 until 1945 when the Commonwealth State Housing Agreement began its operation. There was substantial involvement of the federal government after the Second World War when interest in urban and regional development was part of a general concern with postwar reconstruction. The Chifley Labor government's commitment to the postwar rehabilitation program was exceptionally important to a lot of people who came from the fringe of the cities at that particular time. It gave a lot of children of the Depression the opportunity to obtain skills through the training program introduced by the then Labor government.

We then come to 1971 when Australia, as one of the world’s most urbanised nations, had had very little federal government involvement, until the election of the Whitlam government focused attention on urban issues. These included, for example, city decentralisation, such basic things as putting the sewerage in a lot of the outer suburban areas of our major metropolitan cities, and also a commitment to try and do something on the public transport front. From 1972 to 1975 we had the Cities Commission, composed of experts, and then the investigation of further urban regional development plans was commenced. There were recommended growth centres and a broad national urban framework.

The problem was that the subsequent Fraser period saw a decline in infrastructure investment. The Hawke and Keating governments increased public housing and amalgamated separate agencies into the Department of Transport and the Department of Housing and Regional Development. Consequently, urban issues rose on the public agenda through the federal Labor government's national housing strategy and the inquiry into the pattern of urban settlement by the House of Representatives Standing Committee for Long Term Strategies. Unfortunately, in 1996 this saw a further backward step on the urban requirements with respect to the role of the federal government. The election of the Howard government saw another giant step backwards, in my mind. The incoming government abolished any commitment to urban and regional development policy.

I argue this evening, Mr Deputy Speaker Price, as I know you do as a representative of an outer western suburb seat of Sydney, that it is clear that more vigorous urban and regional policies are a pressing need. Current patterns of urban and regional development are economically costly, involving enormous expenditure and infrastructure vision. In that context, I totally reject the proposition by the member for North Sydney, which basically suggests that we in Sydney, for example, should seek to double our population. I actually believe that, when it comes to the requirement to develop a proper population policy for Sydney, we should be
concentrating on the other major metropolitan cities in association with working out what we do with respect to the development of a proper population policy which assists in overcoming population decline in regional centres of Australia.

That is exceptionally important. Of course, if you go to capital cities such as Sydney, you now find that they are socially inequitable because the increasingly unequal distribution of income is giving rise to a further great gulf between the well-to-do localities and the poorer localities. Current patterns of urban and regional development are also ecologically unsustainable, transport and housing forms are wasteful of energy resources, while further metropolitan sprawl creates environmental stresses on the urban fringes, despite the greater perceived urban amenity—

_Honourable members interjecting—_

**The DEPUTY SPEAKER (Hon. L.R.S. Price)—** Order! Can we hear the honourable member for Batman and not have a meeting?

**Mr MARTIN FERGUSON**—Thank you very much, Mr Deputy Speaker. I agree with your endeavour to bring some order to the House. They were rudely interrupting what you and I regard as very important issues, especially those going to the requirement to improve the quality of our cities. I know that does not mean much to someone representing a minor city such as the city of Geelong, for example, but for people from cities such as Sydney and Melbourne, these are very key issues.

There is a requirement for urban regional policy to be linked to population and immigration policies, as I have said, so as to guarantee compatibility of economic, demographic and environmental aspects of public policy. The resolution of these urban and regional problems needs careful attention to various interconnected issues. It needs clarification of the policy objectives, going to efficiency, equity, ecological sustainability and political cohesion. It needs clarification of basic conceptual issues concerning the importance of place and space and how these are being reshaped by technological and economic changes, including the effects of internationalisation.

A more ambitious approach to urban and regional policies would require a stronger commitment to interventionist policies. It would require a more extensive role for the public sector, particularly as a catalyst for private sector development. It would require a regional restructuring explicitly directed towards the goal of ecologically sustainable development. It would require a more compatible and comprehensive program for the redistribution of income and work.

Labor, in line with the announcements by the Leader of the Opposition, is working to develop a comprehensive policy for both urban and regional development. This government, as we are all aware, has none. They are clearly a tired government with a tired leader—when he is not telling lies—

**Mr Ross Cameron interjecting—**

**Mr MARTIN FERGUSON**—and a tired Minister for Transport and Regional Services, out of puff and out of ideas.

It is clear that state, territory and local governments have a large role to play in implementing urban and regional policies. This government—when it is not telling lies—has a unique opportunity to forget their ideological obsession with bashing state and territory governments and to work with them to achieve national outcomes of urban regional development and infrastructure.

Labor basically says, in conclusion, that the time has again come for the Commonwealth government to get serious about urban development. Urban development is not just about infrastructure, it is about the provision of services and, in doing so, trying to create an atmos-
phere which creates reasonable opportunities for all in Australia to gain a fair share of the economic cake and, in doing so, guarantee that we are one nation. That is what it is about: overcoming some of the division that currently exists between those suburbs that are better off compared to other suburbs—something that has worsened since the election of the Howard government some six years ago. Mr Deputy Speaker, thank you for the opportunity to address the House. *(Time expired)*

The DEPUTY SPEAKER—Before I call the honourable member for Grayndler, can I point out to the parliamentary secretary that I did not hear the context of the honourable member for Batman’s remarks. Had he taken a point of order, I would have acted.

Mr ALBANESE (Grayndler) *(8.09 p.m.)*—Over recent months, the true Machiavellian machinations of the Howard government have been exposed to the whole of the Australian community. The ‘Honest John’ label was always a joke, but now it has become a farce. We have seen ‘children overboard’ and ‘Wooldridge House’ and have today exposed the outrageous, disgraceful actions of Senator Heffernan. Many people of course believed Howard in 1996 when he said that older Australians would be one of his priorities if he was to become PM. All too quickly, they understood what a Howard priority was—a savings option.

Currently in Australia we have the most horrendous situation: many older Australians can only wait and hope that a bed in a nursing home or hostel can be found for them before they die. But, sadly, a shortage of beds is not the only tragedy in aged care. Currently, not one area of the government’s aged care program is working. Not one measure, policy or action that this government has taken has improved aged care services. You do not have to take my word for it; you can talk to anyone who owns or who is operating aged care services, anyone who uses aged care services, their families or any of the nurses or carers you can find. One of the engagements that I have been pleased with on my appointment as shadow minister for ageing and seniors is being able to address the Aged Care Alliance. It is a unique organisation and it is the product of one person: the member for Mackellar. She deserves credit for creating unity in the sector. Whether people are providers, consumers or family members, they are united by the knowledge that this government has got aged care policy wrong and that strong action is needed to turn around the direction of aged care in Australia.

Certainly, the appointment of the fourth minister for aged care in just six years—the member for Menzies—is an acknowledgment that the system has been failing. But what we do not see is a change in direction; what we see is a minister saying, ‘I’m prepared to talk to the sector,’ which is an improvement, ‘but that’s all.’ What the sector needs is not talk but action. It is not surprising that there is such concern. Just as during the federal election untruths were told about children being thrown overboard, just as in relation to Michael Wooldridge House the previous health minister took money off kids with asthma and gave it to the ACGP where he got a consultancy after the election, just as Senator Heffernan has been prepared to besmirch not just Justice Michael Kirby as an individual but the High Court of Australia, this is a government without morals, dignity and honesty. In aged care it is no different; the pattern is consistent.

During the election campaign the former minister, now sacked, said that there were 4,600 beds coming online in the next three months. In the Senate estimates committee, we asked whether the department provided that figure, and we were told no. More extraordinarily, we asked whether the department knew where this figure came from. We were told no. In fact, fewer than one in four of those beds were provided during the period from September to December. But we ask questions of the new minister in the House of Representatives and we find that there is a consistent pattern with this government—a pattern of lies and deceit. The minister, when questions are raised during question time, says, ‘I don’t know what the answer is; it wasn’t me.’ It’s the Sergeant Schultz defence, and that is no way to run a country. Across the spectrum, it is time for a change and an acknowledgment that this cannot continue. In
aged care it has the real impact of human suffering. It is not an academic exercise and it is not about besmirching an individual or an institution, it is about denigrating older Australians who deserve respect and dignity.

It is now two years since Riverside—since the infamous kerosene baths that brought undone the former minister for aged care—yet there is still substandard care for older Australians. Just over the last few weeks we have had two horror stories from Western Australia. The first concerned Perth’s Mosman Park Nursing Home, following an investigation into allegations that a resident’s leg had become infected, with maggots tunnelling into his leg. It highlights the critical shortage of skilled nursing staff, it highlights the crisis in aged care and it also demonstrates the hopeless inadequacy of this government’s existing inspection regime. This problem was only found out by the government when it appeared on the nightly news. That is how they found out that there was a problem in Mosman Park Nursing Home. It simply is not good enough.

But it keeps happening. The Tanby Hall Nursing Home in Western Australia has had sanctions placed on it. The audit found that the basic medical needs of elderly patients were not being met and, most disturbingly of all, that a resident with six broken ribs and two broken vertebrae was left without medical attention for two days—two days of acute pain. This latest revelation follows the sanctioning of the Mosman Park home.

It is a disturbing fact that up to 19,000 older Australians are living in nursing homes that do not meet basic fire safety standards. In 1999, the Commonwealth government identified 1,200 residential aged care services—one-third—that failed to meet at least 19 of the 25 required fire safety standards. Despite being aware of this serious problem since 1999, the government have done little to ensure that nursing homes improved their safety standards. They have simply ignored the problem, leaving residents at risk.

But it has to be said that it is not just in those areas. No matter where you look in the area of aged care, there is a problem. There is an urgent need to address the average waiting time for nursing home beds—figures that the government simply will not provide to the public because those figures are rising so substantially. There is a need to ensure that there are enough beds. There is a need to ensure that the sector’s difficulties in recruiting and retaining registered nurses are improved. There is a need to address the lack of wage parity between aged care nurses and their hospital counterparts. There is a need to fix the crippling administrative costs of complying with the accreditation process and the excessive paperwork requirements that are taking nurses away from the provision of care for residents and that are nothing more than an attempt to claw back money from operators. There is a need to improve the complaints system, which simply is not working. There is a need to ensure that the 13,300 phantom beds are actually made operational. There is a need to develop a funding formula that actually works, rather than one that all in the industry consider to be fundamentally flawed and not reflective of the actual costs faced by operators.

The government, of course, created this crisis when they came to office by cutting out half a billion dollars from aged care. You cannot take that amount of money out of the system and not create a crisis. But since then there has been no action—no action whatsoever.

In order to camouflage the crisis in aged care the government have been promoting the national ageing strategy. There is no doubt that there is a need for a National Strategy for an Ageing Australia. There is no doubt whatsoever that we have to address those issues which will confront us in coming years. But the government have used it simply as a PR exercise.

On 27 November 1997, the then aged care minister, Warwick Smith, announced that the federal government would, as a matter of priority, commence the development of a National Strategy for an Ageing Australia. On 12 May 1998, in a press release, Warwick Smith reaffirmed the government’s commitment but did not detail any action, simply saying:
The focus of the Government’s efforts for 1999 will be ... development of longer term policy initiatives as part of the National Strategy for an Ageing Australia to address the needs of future generations of older Australians.

Of course, 1999 was the International Year of Older Persons, and that is when the strategy was meant to be in place. The government itself said that. But what we got was no action. Meanwhile, back in the aged care facilities, nurses were leaving in droves. Some 18,000 registered nurses had left the sector. The waiting lists were getting longer, and families across Australia were under stress because they could not find a nursing home bed for an elderly relative.

Australians not aware of the current crisis in aged care could have been tricked into feeling assured that the government was taking action, that they had some plan. But by 1999 there was no ageing strategy—though there was a new minister. Warwick Smith had been dealt with by the electors of Bass, who elected the fine Michelle O’Byrne to seriously represent their interests. The residents of Bass—particularly the elderly residents—knew that Warwick Smith simply was not up to the job.

From there we had Minister Moylan. She made an art form of digging herself deeper into the hole that she inherited, and only lasted for 19 months. In her place came the member for Mackellar—the third and supremely incompetent Minister for Aged Care under this government. Minister Bishop took up the idea of the strategy with great gusto. She released a press release that said:

I am honoured that the Prime Minister has appointed me chairman of a Ministerial Reference Group to investigate and develop strategies for a whole-of-government response to ageing in a National Strategy for an Ageing Australia.

The government allocated $6.1 million towards this process. Up to this point, there had not been any outcome from the strategy. But with an election due in 2001 they needed a smoke-screen, and the minister was prepared to provide that. In the meantime, we had Riverside nursing home and the crisis becoming more and more public, and the hurt and pain being suffered by older Australians due to the inadequate response of government being more and more evident.

Of course, they did produce a document, but they produced the document during the caretaker period. That document cost some $44,000 just to print, but it could not be released by the minister because she was advised that it was contrary to caretaker provisions. So we had the farcical situation of the minister holding the public release of this document but not being able to hand out the copies. The majority of those copies were pulped, just as surely as the minister’s frontbench career was pulped after the election. The fact is it was used by the government as an election stunt. We in the Australian Labor Party firmly believe that the Liberal Party secretariat should pay for the production of that document. Why should taxpayers, on top of all the pain, pay for a document which the minister had been advised, by her own department, was not appropriate?

Of course, the Howard government’s fourth minister has also released this document. Minister Andrews launched a redone version—a black-and-white version—of the National Strategy for an Ageing Australia last month at the Sheraton Towers hotel in Melbourne. Full of hope, the aged care stakeholders thought that there might be a change in this document, that there might actually be a strategy, a plan, a time line, a single funding commitment to address this crisis. What they got was the same 77-page document, with one exception: Bronwyn Bishop’s photo was gone, and in its place was Kevin Andrews’s, and a new foreword. That was it. That is the only distinction between the two documents—the new foreword.

There is a difference, however. In the previous minister’s foreword she thanked her ‘colleagues on the ministerial references group for their constructive contributions, she referred to
the expert advice from the multidisciplinary expert advisory group and the business mature age work force advisory group and she mentioned the contributions they had received from the business sector, industry bodies, academia, community organisations and individuals’. The former minister was saying in this document, ‘Well, we know that we started the strategy in 1997 and we knew it was due to finish by 1999 for the international year, but even though we were two years late our excuse is that we consulted all these people—all the community organisations and people in the sector—and here is the end product.’

But what did the new minister say? The fact is, a few copies of the former minister’s document were floating around. We have got a copy. It makes interesting reading, and there is much in it that is worthwhile as an analysis of Australia’s ageing population. We do not deny that. But what the sector really wanted as an end product was a plan, a time line and a spending commitment. What we got from the new minister’s foreword was a revisiting, a rewriting of history. His foreword says:

As a first step, I am delighted to announce the next phase in progressing the National Strategy for an Ageing Australia ... as a springboard to engage with the community on the issues of ageing.

So, whereas the previous minister was saying it was the end product, for the new minister it was a new beginning. The government are saying this is the start of the process, because of their embarrassment that there is no strategy. It is just a research document, and that is acknowledged by the fact that the minister is now saying that the end has become the beginning. The ride is starting all over again; it is Groundhog Day. The sector know that they need results; they need something more than an offer of just more consultation.

There is a sense of despair across the Australian community. Over the past months I have spent much time visiting aged care facilities in Victoria, in Queensland, in South Australia and in New South Wales. I have visited big facilities, small facilities, ones in regional Australia—in places such as Rockhampton and the Illawarra—and ones in the cities. I have visited facilities run by private organisations—and, of course, the biggest providers are the not-for-profit sector. These people, these hard working Australians, are involved in these issues due to their commitment to their fellow Australians. There is not a lot of money in this: the not-for-profit sector in particular, by definition, are there due to their commitment to social justice. The nurses, carers and providers are crying out for action from government, and they will not accept a situation whereby the government simply gives platitudes. I think that if these people in the sector can carry on each and every day, we can indeed offer—I have made this offer to the minister—to put aside some of our partisan differences and try to work towards a solution.

But the fact is, this government at the moment does not have a strategy for an ageing Australia. It has no beds, it has no funds, it has no plan and it has no care. (Time expired)

Mr GAVAN O’CONNOR (Corio) (8.29 p.m.)—The appropriation debates provide members of this House with a very important opportunity not only to speak on behalf of their constituents on matters of national significance, but also to raise issues of real concern in their electorates as they relate to programs administered by the government of the day. In this particular debate, I intend to do all of the above: raise matters of national significance, speak on a very important program currently being funded in the Geelong region and, at a time when the government is preparing its budget, canvass a project of political and cultural significance currently being mounted in Geelong, in my electorate of Corio.

I will commence with a program currently being funded in the Geelong region which is delivering much needed support to men and their families. I refer to the Men and Family Relationships program, which operates in my electorate under the auspices of Bethany Family Support. I wrote to the minister in January 2001 outlining the great benefits the program has delivered to men in the Geelong region since it was established there as one of 18 pilots around the nation funded under the Men and Family Relationships project. Bethany Family Support was one of the successful agencies funded to conduct the pilots, which in themselves
have proved to be extremely successful. It was somewhat of a travesty that I, along with the Geelong community, had to plead with the government to continue funding the program locally, given its effectiveness in meeting the needs of men and their families and given the wide community support for the program. We were successful then in arguing for its continuance—but here we are again arguing for a continuance of funding beyond 30 June 2002.

There are two points I would like to make at this stage of the debate. The first concerns the matter of priorities and resources. Our community has noted that the Howard government in the lead-up to the last election found $180 million to pour into the pockets of advertising executives and their agencies for rather useless publicity of programs of dubious community value, but here the community has to go cap in hand again for funding to continue a program that is necessary and has a high impact on the lives of men and their families.

The other point I wish to make relates to the issue of funding certainty for these worthwhile programs. In Geelong, the Men and Family Relationships program has built up a delivery infrastructure that has the confidence of both men and the general community at large. The letters of support that I know the minister has received from individuals and professional groups in the field are testimony to that fact. I would like to read from some of those letters of support, because I think they encapsulate the sentiments of the community far better than anything I could draft or say. The first is from the Barwon Paediatric Bereavement Program. It has this to say about the Men and Family Relationships program:

Barwon Paediatric Bereavement Program has joined with the Men and Family Relationships Project at Bethany in the provision of a group for bereaved fathers. The group is in its infancy and we have been touched by the need of the participants to have a place to talk to others experiencing bereavement. The group titled, ‘Men and the Death of a Child’, is open to all bereaved fathers and has representatives from the SANDS (Stillbirth and Neo-natal Death), SIDS VIC (Sudden Infant Death), and The Compassionate Friends.

This project represents the only specifically funded men’s service in the whole region, and the loss of this service would have significant impact on families in the area.

The group itself is also unique and is the only one in the region. Our Programme recognises the value in partnerships in provision of services especially in remote areas where sole workers struggle to provide comprehensive and professional services.

The second testimonial comes from the Kardinia Network, which is sponsored by the Salvation Army. It had this to say about the program:

This project has become a well-established part of family support services within the Barwon South West Region of Victoria, and has demonstrated many positive service benefits to the men who have used the program in response to a wide range of personal and family relationship issues. Since its establishment the project has assisted over 1,200 individuals, with new referrals growing constantly. This project represents the only specifically funded service for men related to relationship issues in the whole of the region, and the prospect of it being withdrawn leaves no alternative services. The loss of such an important and prominent service will have a significant and detrimental impact on families requiring support in response to significant problems and difficulties.

It goes on to say:

The Men and Family Relationships Pilot Project is a highly positive and innovative response to the particular needs and interests of men in our community. The obvious success of the project provides clear evidence of the increasing demand for relevant support for men in addressing their personal and family relationship issues. The program offers positive opportunities for men to develop helpful understanding and skills in dealing with the many complex challenges facing families.

A further testimonial from the Reverend Doctor Brian McKie had this to say:

I am the Pastor of a city Church in Geelong and have contact with people who have benefited from the excellent services of Bethany.

... ... ...
Loss of this project will have a serious effect on families so affected, and remove an important opportunity for the men involved to develop understanding and skills in dealing with the many challenges facing them and their partners and children.

A further testimonial has come to me from the Anglican Parish of Newcomb and Whittington, who have also written to the minister. They had this to say:

I am writing on behalf of the wardens, vestry and parishioners of the Anglican Parish of Newcomb and Whittington.

We wish to ask for your support to have the funding for Bethany Family Support’s “Men and Family Relationships Project” continued. This project is vital to the welfare of families needing support in our area.

They have sought my support, as their local member, but they have also written to Senator Amanda Vanstone, the Minister for Family and Community Services, seeking her support and the government’s support for a continuance of the program. The Surf Coast Shire has had this to say:

The Surf Coast Shire supports the critical need of continued funding of the Men and Family Relationships Project at Bethany Family Support beyond 30 June this year.

And they go on to detail the elements of their support for the program. Here we have churches—a very important social network—local government and other agencies delivering their support to this particular program. Other organisations have given that support and have written to me about this particular matter. Time will not permit me in the context of this debate to quote from those organisations, but their support is strong and unequivocal. This program is very important to the region and should be supported.

The second matter I wish to bring to the attention of the House, and to government ministers, is a project of national significance which is currently seeking Commonwealth support. It is the Alfred Deakin Prime Ministerial Library. All members would agree that the missing link for many Australians in understanding the nation they are a part of and Australia’s place in the world is their knowledge and understanding of how their nation came into existence and of the personalities who toiled to create the modern Australia we now inhabit. Alfred Deakin was one such personality. Members may know that Deakin University was named after one of Australia’s founding fathers and a great contributor to Federation and to the political and legal institutions that govern us. Deakin University has described the project as follows:

Like the grand Costa Hall, seating 1,500 people, the adjoining Alfred Deakin Prime Ministerial Library will blend the historic past with the most advanced technological developments to create a unique, publicly available space for education and research in an exciting and architecturally acclaimed restored woolstore on the foreshore of—

the great—

Corio Bay.

The great Costa Hall mentioned by Deakin University is part of Deakin University’s waterfront campus, located in the old wool store which is situated on Corio Bay. This refurbishment was a great Labor initiative. The Deakin wool store was refurbished under the Building Better Cities program when Labor was in government, and this particular development on Corio Bay has spawned some $200 million of investment on Geelong’s waterfront from this catalytic investment of $2 million provided by federal Labor when it was in power.

There are many elements to this particular proposal and I would like to canvass some of them briefly here. The project will celebrate the great contribution of Alfred Deakin to the framing of the Australian Constitution and the founding of this great nation. He was a Prime Minister who made an enormous contribution to the nation in the first decade of the history of
modern Australia. As I mentioned before, he made an outstanding contribution to the development of the political and legal institutions that govern us today.

The proposed Alfred Deakin Prime Ministerial Library will create a centre for scholarship on social issues, processes, structures and institutions of nationhood and nation building for students from primary school to postgraduate researchers and it will be accessible in physical and virtual, or digital, format—and that is one of the most intriguing aspects of this particular project in its development. As I have mentioned, it will be located on Geelong’s waterfront, in the Eastern Beach area, but it will be surrounded by some other significant cultural assets that exist in Geelong: the National War Museum, the Ford Discovery Centre, and the City of Greater Geelong Art Gallery. It will make an important contribution to the cultural life of Geelong.

We are seeking to raise $4 million, and I think that the Commonwealth has a very important role to play here in making an investment of some substance in the cultural and heritage assets not only of Geelong but also of the nation. Alfred Deakin was a great Australian who made a very important and significant contribution to Australia, as we know it. I think this would be a fitting project for the government to support and for us all to honour this great Australian in this way.

The third matter I want to raise here in this debate tonight goes to the issue of standards in this parliament. We have had four weeks of parliamentary sittings and we are into the fourth month of the current term of the third Howard government. The political credibility and legitimacy of the government have been destroyed and are in tatters. You can always count on the Howard government to start off with a sacking. Of course the events of the last couple of days have merely shown the Prime Minister and the government true to form. Those of us who came into the parliament in 1993 and were here for the election of the first Howard government viewed with dismay the multiple sackings that took place in the first term. I think some seven of the executive hit the fence, and three more should have if the Prime Minister had lived up to the standards which he articulated to the Australian people at the time.

I have said it before in this House, and I will say it again: the standards of the Howard government are so low that even the snakes are complaining they cannot get under the bar. It is an extraordinary situation that we now face that the Prime Minister’s closest ally, who was able to indulge himself in an attack on a chief justice of the High Court, was only yesterday—or was it today—sacked for this massive assault on the integrity of the judicial system and Justice Kirby.

Mr Danby—Forging and uttering!

Mr GAVAN O’CONNOR—Some people have gone to jail for forging and uttering but, of course, all we get here in the Senate is a bit of a rap over the knuckles. I thank the member for Melbourne Ports for alerting me to this particular fact. As we know, this attack on Justice Kirby was made on the basis of a forged document. I want to know where the moderates are—where the true Liberals are. Where is the Liberal heart beating now? We know from press reports that there is a group of moderates in the Liberal party at the moment.

Mr Danby—The LOMs.

Mr GAVAN O’CONNOR—The LOMs. I think the leader of the moderates is the Deputy Leader of the Liberal Party, the honourable Treasurer, Peter Costello. On this side of the House, we do not call him the LOM, we call him the LOT—the lack of ticker. That is what we call him. He has a lack of ticker when it comes to dealing with this particular issue. We, and all of the parliament, know that Senator Heffernan got up in the Senate with the imprimatur of the Prime Minister. Why is that so? Because the government knew, in advance of the statement, that we were dealing with a document of dubious truth. Yet they goaded the good Senator on. The Prime Minister’s good friend got up in the Australian Senate and launched a
frivolous attack on the High Court of Australia and our judicial system. You might say that this is the tip of the iceberg. We have already in these four weeks had some controversy over the Governor-General, and that is the Prime Minister’s appointment; that is all his work. Far be it from me to cast aspersions on the office of the Governor-General, but the responsibility—

**The DEPUTY SPEAKER (Hon. L.R.S. Price)**—Order! Standing order 74 prohibits you from casting aspersions on the Governor-General.

**Mr GAVAN O’CONNOR**—I defer to your wisdom in this matter, Mr Deputy Speaker. Let me move on to the ‘children overboard’ scandal, another instance where government ministers have compromised a very important part of the Australian political structure—the defence forces of Australia. But it does not end there. They are known for getting their snouts in the trough while they are in the parliament, but now they are getting their snouts in the trough when they leave it. I cannot believe the standards and morality of a party that would have a minister of the Crown, as a minister, make an allocation from his portfolio of $5 million to an organisation that he goes and works for when he leaves the parliament. If that is not the lowest of political standards, I do not know what is.

But it is only true to form. As we know, in the Howard government’s first term, seven ministers hit the fence. I am a great fan of the Geelong Football Club, but if we took seven of the players out on report on Saturday we would not have much of a team. If seven of them went out of the team on report, I would say that they were no good as players; they should not have been on the team in the first place. Yet the first term of the Howard government is a litany of rorting, it is a litany of low standards and of course the Prime Minister and his ministers are continuing the grand tradition that he set in the first term. Let me say this to the members opposite: there will be a writing of the history of this period, and when it is written, this grubby episode will feature as one of the hallmarks of a tragic nine years in Australia’s political history. *(Time expired)*

**Mr COX (Kingston)** (8.49 p.m.)—The supplementary appropriation process has revealed an underspend of $214 million on the Job Network. That is a very significant underspend—about 20 per cent of the original budget estimate—raising significant questions about whether the Job Network is delivering the outcomes that the public, and particularly job seekers, expect. The minister has not to my knowledge tried to claim that the underspend is the result of a reduction in unemployment. Certainly, there has not been a change in the unemployment parameters on which the budget was based that would indicate a 20 per cent reduction in outlays in this program. I suspect that a major component of the 20 per cent underspend may be a reduction in the proportion of outcome payments for job seekers on intensive assistance, who are not being placed in employment at the same rate as was the case earlier in the program.

What is probably the principal factor bearing on that was revealed in the recent estimates committee hearings. The department told the committee:

At the present time about half of the commencements into Intensive Assistance represents people who have participated in Intensive Assistance before.

In something that I suspect was an understatement, the department said:

In looking at people who are participating for, say, a second time in intensive assistance, we see that outcomes are still being achieved for those people, although the rates are a little lower than for those who are participating for the first time round. That is not surprising that one would expect that individuals who were participating for a second time in intensive assistance would be those that face very significant disadvantage in the labour market and would be the more difficult cases to be dealt with.

From that, I concluded that the intensive assistance program is facing a situation which economists call ‘diminishing returns’. In short, it is running out of steam.
Since a large part of the expenditure is supposed to be on outcome payments, if there are not as high a proportion of positive outcomes as was expected then that is likely to account for a large part of the underspend. Neither of the ministers in the portfolio have addressed this issue. All we hear from Brough and Abbott are claims that the Job Network is performing better than previous labour market programs and is delivering results more cheaply. Claims of cheaper and better are one thing but the fundamental question is: are disadvantaged job seekers getting the assistance they need to get back into the work force?

Whenever problems with the Job Network are raised, the two ministers brush them aside saying, ‘The Job Network is a work in progress.’ The recently released independent review of Job Network by the Productivity Commission exposes the government’s labour market programs to some serious questions about how well they work and how much progress is being made for the unemployed. The commission’s report has exposed some fundamental issues, the most significant of which is the parking of the most disadvantaged long-term unemployed in intensive assistance, the program which was explicitly designed to help them.

Job Network providers receive payments totalling more than $9,000 to help the long-term unemployed and disadvantaged job seekers. Job Network providers receive a commencement payment of $2,122 when a job seeker is referred to them for intensive assistance. If the job seeker is placed in work for 13 weeks, the Job Network provider receives an interim payment of $4,953. If the job seeker remains in the job for 26 weeks, the Job Network provider receives a final outcome payment of $2,144. These are substantial payments, the intention being that the Job Network provider would use part of the money to make these disadvantaged job seekers ready for work. That was expected to include training, removing practical barriers to re-entry into the work force—for example, repairing or re-registering the job seeker’s car so that they have transport to work—or it might include a wage subsidy or a retention bonus to encourage an employer to give a disadvantaged job seeker a try.

That is fine in theory: a flexible outcomes oriented approach to helping the long-term unemployed. The problem is that the incentive structure produces perverse outcomes. Job Network providers are discouraged from spending resources on harder to place job seekers—the job seekers the intensive assistance program was designed to help—because they are less likely to generate an outcome payment. Providers who focus their resources on the easiest to place job seekers maximise the payments they receive. The Productivity Commission found that in many instances a Job Network provider may be content to collect the sign-up fee and park the more difficult to place job seekers and that it is widely acknowledged by participants in this inquiry that parking of some job seekers does occur. The Productivity Commission said:

Parking is most acute for severely disadvantaged job seekers and raises some more important equity and efficiency issues. It undermines the expectations that IA—
intensive assistance—
helps the most disadvantaged job seekers, and sometimes damages their morale. For such clients IA is a pretence of aid.

The cause of parking is simple: placing people who are job ready is quick, does not involve expenditure on assistance and the outcome fees are achieved faster. It is a win, win, win for the Job Network provider but not for the most disadvantaged job seekers. Data from the employment department’s own Job Network evaluation shows that 48 per cent of job seekers on intensive assistance had only monthly, or less frequent than monthly, contact with their Job Network provider. This indicates how many job seekers placed on intensive assistance get little support or no assistance from their Job Network provider.

Frequency of visits to the Job Network provider is highly correlated with participation in activities to assist the job seeker. Job seekers who had contact with their provider only once a
month or less were only half as likely to be sent to a job interview or to speak to an employer about a job than those who had fortnightly meetings or more—24 per cent compared with 48 per cent. They were also less likely to receive training in job search skills such as writing resumes, preparing for an interview and writing job applications—32 per cent compared with 54 per cent. They were also less likely to be given training in job-specific skills such as a computer course or a special certificate course—14 per cent compared with 21 per cent. The Department of Employment, Workplace Relations and Small Business found evidence of parking in its stage 1 evaluation of the Job Network. They said:

There is evidence that some job seekers receive little direct assistance after referral to Intensive Assistance. In the qualitative research, some providers acknowledged they were unwilling to invest time or resources in job seekers who they felt would be unable to help them receive an outcome ... In many cases, a service which went beyond the basics would be provided only if it was judged that it would make a critical difference to the person’s employability.

The department has also found that on average the frequency of regular contact declined with duration in assistance. If you define regular contact as once a fortnight or more, the proportion of job seekers who had regular contact dropped from 53 per cent for those who were in intensive assistance for one to four months, to 44 per cent for those who were in intensive assistance for nine months or more. The proportion of job seekers on intensive assistance for six months or more who were sent to a job interview or to speak to an employer was 23 per cent. For those who were on intensive assistance for more than six months and had meetings with their provider once a month or less, the likelihood of being sent to a job interview or to speak to an employer was only 12 per cent.

What do we conclude from this? If you are a particularly disadvantaged job seeker and you are referred for intensive assistance you may be parked immediately, and the longer you remain on the program the less services you will receive. The Productivity Commission concluded that this phenomenon was not surprising, given the payment structure for Job Network providers. Obviously there are significant differences in the performance of different Job Network providers. The Productivity Commission cited an OECD study published in 2001, which in the context of job search training showed that:

Over half the participants served by the top performing providers were either sent to a job interview or spoke with an employer about a job, whereas only one-fifth of those served by the bottom performing providers had those contacts.

No doubt there are variations in the performance of providers giving intensive assistance and some provide disadvantaged job seekers with excellent service. However, the Productivity Commission has exposed the brutal reality of the design faults in the Job Network system: parking the most disadvantaged job seekers in intensive assistance where some providers give them no help, demoralising them without even telling them they are being parked; the waste of taxpayers’ money on high intensive assistance payments which are supposed to cover the cost of helping disadvantaged job seekers, but which provide high returns for minimal outlay to Job Network providers who only help the easy cases; and incentives to breach disadvantaged job seekers to get them off Job Network providers’ books to make way for new cases with higher chances of positive outcomes. A couple of the submissions to the Productivity Commission inquiry are worth noting. The Productivity Commission set them out in its report. One was from Wise Employment, and it said:

It is not coincidental that there has been an outcry over the number of breaches applied. There is a cash-flow pressure on organisations to maintain a turnover in their caseloads as well as possibly picking up some easy outcomes.

From ACOSS:
It would also help improve relations between providers and many job-seekers if providers had less incentive to ‘breach’ hard-to-place job-seekers in order to make room for extra referrals within their contracted capacity.

There are also incentives to treat the unemployed as contingent assets, with providers who have spare capacity keeping disadvantaged job seekers on the books without helping them on the chance that they might get a job and produce an outcome payment. The Productivity Commission has moved into an area of criticism in respect of some of the government’s proposals under its Australians Working Together policy document, with particular regard to re-referrals. This has to do with the practice of creaming:

It could be argued that the capacity for re-referrals makes it easier for Job Network providers to ‘cream’—to only handle job seekers for whom a job can be found easily and cheaply. But, in reality, this is what is being done already by parking some job seekers within the system, but with the disadvantage that it is hidden under a veil of pretended assistance.

Under Australians Working Together, the Productivity Commission tells us that the less scrupulous of the Job Network providers will be able to re-refer the hard cases to other government programs and, in many cases, government programs that this government certainly does not classify as labour market programs.

Ministers Abbott and Brough have been totally silent on these issues since the report was released almost two weeks ago. Tonight Minister Abbott told me that he simply had not had the opportunity to address the many issues in the Employment portfolio because the opposition was not giving him the opportunity. Apparently, as Manager of Government Business and Leader of the House, he is too preoccupied with handling the string of scandals that are besieging the government and is having to neglect his portfolio responsibilities. I promised him that I would record that excuse in the proceedings tonight. I do not know what Mal Brough’s excuse is; I suspect that it is that his boss does not trust him and will not let him say anything.

The government has to be held accountable both for the waste of taxpayers’ money and for its failure to help the most disadvantaged job seekers. The opportunities for this abuse have been created by the rules that the government has put in place for managing the Job Network system. Job Network providers are responding to artificial market forces which many of them refer to as the ‘Lego’ market, because its structure, incentives and dynamics are determined by rules set down by the government and not by real market forces. The government has created a flawed system and is protecting the interests of that system ahead of the interests of job seekers.

The Department of Employment and Workplace Relations and Small Business report of August 2001 on job matching, which found its way into the public domain on Sunday, is further evidence that more needs to be done for disadvantaged job seekers. The report shows that the government’s job matching program predominantly caters for lower skilled and lower paying jobs. A third of people who get work through job matching are out of work again within three months. The report reveals that 46 per cent of those who are unemployed again had been placed in temporary or seasonal work. Another 14 per cent were laid off, or their boss went out of business or sacked them as unsuitable. Some are forced to leave work because of illness—I think that is about six per cent. Only 13 per cent left their job because they were dissatisfied with the pay and conditions. More than 20 per cent leave for other reasons. Many in this group are likely to be suffering significant disadvantage in the labour market and require special programs to improve their employability.

The report shows that the more education or training a job seeker has, and the longer they remain in work, the more likely they are to improve their skills and move up the pay scale. This suggests that training and labour market programs that improve employability of the most disadvantaged job seekers would produce real benefits. The disappointment about this report is that it has obviously collected a great deal of useful data about job matching, but that
data has been very selectively presented to demonstrate that the longer job seekers remain in employment the more likely they are to improve their skills, move into higher pay brackets and remain employed. What has not been presented is the very useful information that was obtained about the reasons that the most disadvantaged job seekers left the jobs they received—the 20 per cent who left for other reasons. That information would be very useful for designing programs targeted to meeting those job seekers’ needs.

Mr MURPHY (Lowe)  (9.06 p.m.)—I speak tonight on an issue of great importance to the House of Representatives—the management of government business in this House. During the 39th Parliament the opposition was highly critical of the government’s management—or, more properly, mismanagement—of government business in the House. Moreover, there is a sad history and practice of the previous government failing to abide by what A.V. Dicey, in his 1908 text, calls ‘constitutional conventions’, relating to the way in which government business is administered in this House. The bad habits of the 39th Parliament are being repeated in this 40th Parliament, as the first weeks of government business reveal.

Whilst there are many examples of flagrant abuse of non-compliance with constitutional convention, I will simply cite one example of particular audacity and temerity. I refer to the introduction last week into the House of five bills dealing with very serious and complex issues associated with Australia’s security. I note that it took the government over six months to introduce these bills, whilst affording the opposition only 16 hours to consider them. What is the significance of the government’s conduct in this matter? To answer this question, we need to remind ourselves of what our Westminster system directs in terms of the laws and constitutional conventions governing the business of the House.

I first refer to the House of Representatives Practice. This issue goes to the core of responsible government: what is responsible government? The word ‘responsible’ is a concatenated word in two parts: ‘response’ and ‘able’. To be responsible then is to be able to respond. In order to respond I must have something to respond to. I cannot respond in a vacuum, nor can I respond to silence. To be able to respond, I must have the capacity to do so. I cannot respond, even if I want to, if I do not know or am incapable of responding. This government is abusing accepted conventions relating to government business in this House in such a way as to thwart any hope of a responsible reply from the opposition. In doing so, this government has realised the worst fears of noted jurisprudence and political science commentators on the operation of the Westminster system of this House—in particular, the fundamental doctrines of jurisprudence, including the separation of powers doctrine as espoused by Montesquieu in 1748 in the work, L’Esprit des Lois.

The separation of powers doctrine has become a cornerstone of the Westminster system and is of critical importance to the issue of responsible government and, in particular, the issue of the ordering of government business. What is this critical connection between the separation of powers doctrine and the ordering of government business in this House? In answering this question I again refer to the House of Representatives Practice at page 42. I wish to quote from this text in showing how the worst fears of the author have become realised by the conduct of the coalition government. It states:

According to Bagehot, the relationship between the legislative and the executive powers in the Westminster system is better described as a “fusion of powers”... of the executive and legislative powers.

However, the House of Representative Practice warns:

It is accepted to be undesirable for all or any two of the three powers to come under the absolute control of a single body. There are therefore checks and balances which prevent the fusion of executive and legislative powers from being complete. The essence of a democratic Parliament is that the policy and performance of government must be open to scrutiny, open to criticism, and finally open to the judgment of the electors. When the Government puts its policy and legislation before Parliament it exposes
itself to the scrutiny and criticism of an organised Opposition and of its own Members, who may be critical of, and suggest changes to, government policy and administration. Parliament is an important brake on the misuse of executive power of the Government collectively, or Ministers individually.

Most importantly, the text advises in the strongest terms at page 43:

It is essential that there is no erosion of Parliament’s role in scrutinising the actions of the Government, such as might cause the Parliament to become a mere ‘rubber stamp’ in respect of government policy.

The executive is selected from the party in power in appointing ministerial portfolios. The executive and council is chaired by the Governor-General, but it is the parliamentary executive that really runs the country, as the Governor-General acts substantially on the advice of his or her ministers. I now turn to the fundamental issue of constitutional conventions. The constitutional conventions are defined in the *House of Representatives Practice* at page 46, citing L.F. Crisp’s text *Australian National Government*, 5th edition at page 352, which states that constitutional conventions are:

... extra judicial rules of structure or procedure or principle, established by precedent, consolidated by usage and generally observed by all concerned. They will affect the operation of the Constitution and may affect the working of the law but they themselves have not the force of law.

Professor Gordon Reid, in his text *The Double Dissolutions and Joint Sitting Commentaries* from page 244 of former Labor minister the Hon. Gareth Evans’s text *Labor and the Constitution, 1972-1975*, makes this observation on the application of constitutional conventions:

It is well known that Australia’s written constitution is silent on many important aspects of government. It says nothing about the Prime Minister, the Cabinet, responsible government, ministerial responsibility, electing a government, dismissing a government, parliamentary control, what is to be done if the Senate refuses to pass an appropriations bill (or a supply bill) and so on.

I will direct my observations to only one of the several areas where Professor Reid notes the constitutional law is silent: that of parliamentary control. For it is in this area of constitutional silence that is the source of the mismanagement by the Leader of the Government in this House through total ignorance or non-application of constitutional conventions which, in turn, has led to the prostitution of government business in this House. I draw to the attention of this House the constitutional conventions relating to that part of the *House of Representatives Practice* titled ‘Parties and their effect on the House’. I quote:

The importance of functions performed by the parties are mostly unrecognised by the standing orders in the working of procedure, although the standing orders recognise the Government’s control in arranging the business of the House ... To facilitate the management and programming of the business in the House, a Government/Opposition consultative arrangement has existed since 1951. The Leader of the House, generally a senior Minister, consults, or ensures that consultations are held, with a member of the shadow ministry nominated by the Leader of the Opposition (the Manager of Opposition Business) and is assisted by the Chief Government Whip. They are jointly responsible for the daily programming of the House. The final responsibility remains with the Leader of the House acting on behalf of the Government.

In short, the government stands condemned for flagrantly disregarding this constitutional convention that has existed for over 50 years in this House. The dumping of five very important bills on the opposition in the House last week with very little time for us to respond made this an impossible situation for the opposition to effectively contribute to this legislation.

Whilst the government may feel smug about the utter dishonesty it exhibits by its contempt for this constitutional convention, the Leader of the Government’s conduct strikes at the very heart of the following fundamental principles of our democracy: the application of the constitutional convention is fundamentally compromised; the Westminster system of responsible government is fundamentally compromised; and the ability of the opposition to effectively organise is fundamentally compromised.
These observations raise a further constitutional convention of direct relevance: that of party committees and meetings, which are directly referenced at page 54 of the *House of Representatives Practice*. You, Mr Deputy Speaker Adams, as a member of the Labor Party determine responses to government business through our party committee and policy meetings. For the Labor Party caucus and caucus committee, meetings are held. *House of Representatives Practice* notes:

Both the government and the opposition parties have backbench committees to assist them in the consideration of legislative proposals and other issues of political significance allied to each committee’s function.

Put simply: if the opposition is denied access to government business in the prescribed way, and not supplied with this information within a reasonable time, then the very foundations of our democratic system are fundamentally debauched.

On the basis of these facts, I put to the Leader of the House that the administration of government business is all of the following. Firstly, it is oppressive, for it denies adequate consultation with the opposition, which holds a legitimate expectation based on the constitutional conventions that have existed since 1951 that it will be consulted in a timely manner. Secondly, it is tyrannical in that this maladministration denies accountability to the opposition party in our Westminster system, thus denying adequate debate on bills put before this parliament. Thirdly, it is unjust in that justice demands that ‘each is to be given their due’. The 1951 constitutional convention relating to adequacy of notice from the government party to the opposition party—a convention that has been in use in this House for more than 50 years—generates a reasonable and legitimate expectation that convention raises justice issues to what the opposition is owed to them: the timely notification of justice business. To deny the operation of that convention is thus a fundamental breakdown of governance in this House.

Fourthly, it is capricious because it demonstrates the whimsical nature of the agenda setting by this government. Fifthly, it is arbitrary in that it denies consistency in agenda setting and engenders an environment of uncertainty and confusion within the ordinary affairs of government. It is as if this House is now incapable of ‘getting its act in order’. It is certainly my own observation that the government business is in a shambles and clearly incapable of managing its affairs in an orderly and dignified manner. It appears that the Leader of the House has exceeded his level of competency, demonstrating that he is incapable of the task that has been visited upon him. Sixthly, it is biased in that the Manager of Government Business not only sets an agenda of his own making but denies any opportunity for reasonable time for preparation from the opposition on the bills put before it.

I now put to the government these tenets of accountability. One, it is reasonable that the constitutional conventions be applied with probity, predictably and in a disinterested manner. Two, it is reasonable to expect the Westminster system to continue to operate with an organised government and opposition working in this House to the mutual advantage of the good operations of responsible government and for the benefit of its citizens, to whom we are ultimately accountable. Three, it is reasonable to expect responsible government to be allowed to operate efficiently and in conformance with constitutional conventions that have prevailed in this House for over 50 years. Four, it is reasonable that the executive of the Commonwealth, the Governor-General, be called on to play a constructive role in the resolution of disputes in the administration of this House, particularly in relation to the timely support of government business to the opposition party.

In support of this last proposition, I refer to P.J. Hanks’s *Australian Constitutional Law—Materials and Commentary*, which deals with the topic of the role of the executive and, in particular, the operation of the executive during the constitutional crisis of the Whitlam dismissal and decisive intervention into the political dispute between government and opposition. Hanks notes that there is a role for the executive to intervene if it is clear that the dispute
threatens to disrupt good government or violate fundamental rules of jurisprudence or democracy. I believe we have reached that point with the administration of government business in this House tonight, as it threatens both our jurisprudence and democracy. The 16 hours given was simply not enough time in which to permit the opposition to order its affairs and deliberate on five bills dealing with the complexity of issues surrounding border protection and Australia’s security.

So too the text by Anson states:
... conventions provide the flesh which clothes the dry bones of the law. They make the Constitution work; they keep it in touch with the growth of ideas.

This government has ignored the constitutional conventions, relying more on the strict legality of a situation. This is not a tenable position from which to run government. This is a serious development in the governance of the parliament of Australia. The repercussions mean that this government has seen fit to deny the operation of constitutional convention. This means that a new era of capricious, arbitrary, tyrannical and unjust governance has gripped this government for its own privative ends. This government seeks to deny the good operation of democratic process, preferring a power that is neither just nor valid.

Far from the belief that rules of governance ought not be rigid but progressive and flexible, the scenario is now clear that the executive is the parliamentary executive—represented by the front bench of the Liberal-National parties. They act with impunity in fulfilling the wrongful words of Chief Justice Barwick and the former Governor-General, Sir John Kerr, who asserted on the notion of responsibility:

In this context ... “responsible” is a word having no legal significance: its meaning is provided solely by the working rules of responsible government commonly called “conventions”, and under those rules it is not possible for a government to be responsible to two houses so elected that they can have different political majorities.

We see in the attitudes expressed by the Liberal-National coalition’s philosophy, as demonstrated by their conduct in the business of this House in the time of the 40th Parliament, a rejection of the Westminster system and a rejection of the separation of powers doctrine. In doing so, they are following the same lines as Barwick and Kerr. They are doomed to repeat the mistakes of history. For their sins, we must all pay the price of the loss of democracy—and that is too high a price to pay.

This government repeats the history of mistakes of Governor-General Kerr in meddling and interfering with well-established constitutional conventions that have served this House so well for 50 years. In the words of Hanks, it is:

... rejection of an established and defensible view of the relationship between Parliament and executive, and the assertion of a novel (indeed revolutionary) view of that relationship, a view which, if adhered to, would throw that relationship into confusion—

that lies at the heart of the problem of how this House is currently being mismanaged. For it is the confusion that the government leader has thrown this House into which lies at the heart of the problem. His capricious reshuffling of government business wreaks havoc on the opposition’s ability to probatively and properly deal with the business put to this House. The result of such a view of this government is that it thinks it is somehow immune to the executive. Therefore, the time is reached where the role of the executive has become perhaps too intertwined with the role of the parliamentary executive and, in particular, the government party. The government executive and the official executive have largely become synonymous, and that is a dangerous thing and ultimately fatal to the operation of government in the Commonwealth of Australia.

In concluding, the order of business in this House must be afforded greater certainty, greater predicability and greater political responsibility. It is time the Governor-General con-
considered how administration of government business can be more properly made accountable, predictable and just. The present government’s administration of government business in this House has caused confusion throughout the House and in the eyes of the public. In doing this it is, I believe, slaughtering the public interest. Finally, if government business mismanagement continues in this way then further breaches of, or instances of disregard for, constitutional convention are likely to occur in the future, with even more corrosion on the effect of governance and probity. It is time this government’s practices were put to an end.

Ms JACKSON (Hasluck) (9.25 p.m.) — I am pleased to be able to speak tonight on Appropriation Bill (No. 3) 2001-2002, Appropriation Bill (No. 4) 2001-2002 and Appropriation (Parliamentary Departments) Bill (No. 2) 2001-2002 and in support of the amendment moved by the member for Fraser. If one criterion by which governments are judged is how they provide support and assistance to those in the community who are most in need, then this government would fail.

I said in my first speech in the parliament that the government needed to urgently reprioritise its spending, particularly in the areas of disability services, aged care, public health and education. This coming budget is under pressure from all sides because of this government’s pre-election spending spree. The costly and unsustainable Pacific solution to the issue of asylum seekers is a prime example of how this government has failed to responsibly manage the affairs of this country. Disability services in particular have been in the government’s firing line now for several years with its so-called welfare reform process, constantly cited by this government as justification for nothing more than cuts in funding. It seems that there are recent plans by the government to cut the disability support pension, for example, to help balance its May budget, and I see this merely as the tip of the iceberg. Australia’s disabled should not be hit with the bill for things such as Peter Costello’s gambling debts. You only have to speak to the many individuals, families and community support groups in my electorate who have to deal with the frustration and suffering resulting from insufficient funding and support to realise that this government has lost touch with those in the community who need its help the most.

In Western Australia, a coalition of parents and community groups has initiated the Time to Care campaign. This campaign started out of pure desperation on the part of a number of Western Australian families seeking support for their children, particularly their adult children with disabilities who are in urgent need of supported accommodation. One of the most confronting meetings I have ever attended was one where I met with a group called CASA, a group in Western Australia who advocate for accommodation services for people who care for adult children with disabilities. I attended their meeting in October last year and heard family after Western Australian family discuss their daily struggles to care for their children, under enormous stress and with a significant lack of support. They tell me that last year alone, 476 people, or 476 families, in Western Australia applied unsuccessfully for supported accommodation funding. Of that group, over half of those people, or some 238 families or individuals, were considered to be in the most critical need — priority 1: needing urgent assistance. The number of people in that category requiring support is increasing all the time.

One of the many families who live with this crisis 24 hours a day, seven days a week, is the Franklin family, who live in the suburb of Huntingdale in my electorate of Hasluck. Carol and Norm Franklin, day after day, struggle to care for their son, Stephen, who has Prader-Willi Syndrome and an intellectual disability. The Franklins have applied unsuccessfully for accommodation support funding eight times since 1996. Stephen’s needs were assessed 12 months ago as being high priority or category No. 1, and yet they are still awaiting funding. As parents like Carol and Norm Franklin continue to wait for assistance, their situation becomes more and more critical. They themselves are getting older and less able to manage their
son Stephen without support. This causes them deep distress and their concern deepens day by day.

They are not, as I said, the only family out of the 478 families who missed out on accommodation funding. Another example, from the other end of my electorate, is the Ryder family from the Midland area. Their daughter, Tanya, has a disability which has not been rated as priority No. 1. However, they have constantly applied for accommodation funding because she began to demonstrate aggressive behaviour. This has been completely ignored by the funding authorities. We simply have inadequate facilities in the outer eastern suburbs of Perth, particularly in the Hills area, and parents and families are expected to bear the burden without any obvious support or assistance from this federal government.

It is obvious to all that the accommodation shortage crisis for people with disabilities is rapidly getting worse. Currently, the Commonwealth-State Disability Agreement, or the CSDA, governs the national funding framework for the provision of disability services in Australia. That agreement currently expires in mid-2002 and negotiations for another agreement are presently under way. At this time, the federal coalition government has failed to commit to continue funding under the CSDA, let alone to factor in an increase in that funding. This is in stark contrast to the Western Australia state Labor government, which already provides some 84 per cent of the total funding under the agreement. In its last budget, the 2001-02 budget, it committed an additional $16.7 million, which was an overall increase of seven per cent to the agreement.

The formulation of a realistic, new CSDA is of critical importance to people with disabilities and disability service providers. The government has to realise that it has a shared responsibility under the agreement to assist in the provision of accommodation support for people with disabilities. The stress on the families is obvious to anyone who comes into contact with them. This government must accept its responsibility and allocate sufficient funds to the CSDA. The unmet need for accommodation support services must be addressed. The Time to Care campaign has estimated that a further $15.5 million are needed to meet the shortfall in accommodation. I call on the government to make a clear commitment to realistically increase disability services funding.

While funding continues to remain at crisis levels in this sector, so also do levels of funding in the aged care sector. I have two public hospitals in my electorate of Hasluck, the Swan Districts Hospital and the Kalamunda Hospital. I also have the Armadale Kelmscott Health Service immediately near the southern boundary of the electorate. Many beds in these facilities are currently being occupied by ‘care awaiting placement patients’, or CAP patients as they are known in the system. They are elderly Australians who need nursing home care but who, because of this government’s failure to provide the necessary number of aged care beds, cannot find places in appropriate aged care facilities that they so desperately need.

In 1996, there was a surplus of 800 aged care beds nationally. Six or seven years later—because, in my opinion, of poor planning, mismanagement and a complete lack of care and respect for older Australians—by November 2001, that figure had turned into a national shortage of 6,517 aged care beds. The Commonwealth Department of Health and Ageing provided those figures. Of the 6,517 bed shortages across the country—that is in every state and territory—over 220 were in Western Australia.

Not only is the government callously placing this unfair burden on elderly Australians and their families but also on the public hospital system which, in turn, has its impact on the wider community. Patients are waiting longer for surgery because they cannot get a hospital bed and hospitals are going without required medical equipment such as MRIs—a subject that I will return to in a moment. In the end, all the community are left with is an underfunded Commonwealth aged care system and an overstretched public hospital system.
One only has to speak to the many nurses, care workers and support workers in the aged care sector, who regularly cite excessive workloads, lack of parity with their public health counterparts and their inability to provide desired care outcomes for their residents and patients, to realise that the effect of the funding shortfall in the aged care sector is wider reaching than just bed shortages alone. The recent shocking incident that occurred at that Mosman Park Nursing Home in Perth, and the subsequent sanctioning of the home, further highlights the unacceptable situation that exists in our aged care system. But, still this delusional government refuses to admit that there is even a crisis.

But let me return to the issue of the pressure on our public hospital system. Another significant factor contributing to this problem is GP shortages. In an outer-metropolitan electorate such as Hasluck there has been a decline in the rate of available GP services. More importantly, of those services that are available, most are now opting out of bulk billing. Fewer health services are bulk billing today than when this government came to office. It confirms what the Prime Minister said in 1987 was his long-term intention when he said:

What I am going to do is take a scalpel … to Medicare.

He also said he would get rid of bulk-billing for people other than pensioners. There have been many calls to my electorate office from constituents concerned with the increase in waiting times and costs of visiting their local GP. Residents have been told that they will have to wait in excess of three days to have their sick children seen to, with some told that their local GP’s books are now closed for new patients.

Under this government, the maldistribution of doctors has worsened. Their efforts to increase the number of doctors in rural areas have seen a very small increase, while the situation in outer metropolitan areas has virtually been ignored. In Western Australia, there is a concentration of practising GPs in the western suburbs—for the rest of you, that is usually the leafy suburbs of your capital cities but, of course, in Perth it is those suburbs along the corridor of the coast—whilst the suburbs in my electorate in the eastern suburbs do not have enough GPs to service residents.

The effect of this GP shortage in Hasluck has resulted in some patients utilising the local emergency department of hospitals such as Swan Districts Hospital. The emergency department of Swan Districts Hospital is under constant pressure from patients, not only from those seeking emergency medical treatment but from people who have been unable to secure an appointment with a GP. This leads to excessive stress on the emergency department and its staff. We urgently need to see moves towards a lasting solution to this problem. If Labor had won government on 10 November 2001, Swan Districts Hospital would have received a $1.5 million upgrade to its emergency department including an observation ward to reduce delays in patient admission. But, as we know, the Howard government was returned to power and the situation at Swan Districts Hospital shows no sign of improving in the near future.

This government must act to rectify the declining rate of GP services in the outer metropolitan regions and ease the stress on already stretched services. I am equally concerned by the federal health minister’s recent failure to rule out both a new $4 billion tax to fund the Pharmaceutical Benefits Scheme and also further means testing of the PBS. My office has been contacted by many residents, including one in particular who is worried that she may soon be faced with the prospect of having to pay the full price for her subsidised medication. It seems to me that this is just another case of a disadvantaged section of the Australian community paying for the debacle of the government’s current management of government finances and funding.

Perhaps the most urgent health issue concerning Western Australian people is this government’s current refusal to supply a Medicare licence for a magnetic resonance imaging machine, or MRI, at Princess Margaret Hospital, Western Australia’s children’s hospital. The
state government has committed to buying or leasing a $2 million diagnostic machine for Princess Margaret Hospital. The federal government will not provide the Medicare licence to run it. Because of the high cost involved in running the MRI machines, most of the other state children’s hospitals have Medicare licences to run their MRIs, but this is not the case for Western Australia.

Sick children in Western Australia who are receiving treatment at Princess Margaret Hospital must endure transportation to Sir Charles Gairdner Hospital for every MRI scan. Of the 10 MRI machines operating in Western Australia, only two of them are in public hospitals—Royal Perth Hospital and Sir Charles Gairdner Hospital—whilst there are eight MRIs in private hospitals. This is an unacceptable situation, especially when it is at the expense of Western Australian children. I use this opportunity tonight to call upon the federal government to grant an MRI Medicare licence to Western Australia’s only specialist children’s hospital, Princess Margaret, as it is an essential machine for a range of paediatric medical conditions.

The recent revelations about the loss of nearly $5 billion in currency speculation caused me to think about a number of projects that may well now not be considered in my electorate of Hasluck; indeed, will not be considered at all, I suspect, as the government looks at where it will spend its money in the forthcoming year. I will go through just some of those that I want considered and recorded, which I fear may not get consideration in Hasluck. The first is a proposed university in the Midland area, which would provide the only tertiary education institution in the Perth East metropolitan corridor. At the moment, all of the university campuses are either in the western corridor or in central Perth, despite the fact that over one-third of all tertiary students who attend these campuses reside in the eastern corridor. I ask rhetorically: where is the significant investment in education services so desperately required? Wherever it is, it is certainly not in Hasluck and not in the outer eastern metropolitan area.

What of the construction of the bridge over the Helena River for car and rail transport? The bridge construction was a crucial component of the redevelopment of the Midland area and will assist in the regeneration of the local residential area, as well as providing access to the area and to other areas of Perth, and will provide a major boost to the small business community.

What about the funding for the redevelopment of the historic Midland railway workshops? The closure of the workshops by the former state Liberal-National coalition government devastated the Midland area. Over 1,500 jobs were lost at the workshops alone, not counting those jobs lost through the multiplier effect in the local community, and the heart of the city was severely cut. This project is essential to the revitalisation of the Midland area, as well as to the important preservation of the great rail and industrial heritage of the area. The workshops site has been identified by experts as a heritage site of world significance and it ought to be supported and funded by this federal government. These are just a few of the projects that perhaps will not even be considered by this government as a consequence of their mismanagement of finances, and it simply is not good enough.

I would also like to make the point when addressing a bill such as this that when this government says that it requires extra money to fund things such as the HIH royal commission, the family tax benefit debt waiver and the Pacific solution—not to mention the Treasurer’s money market gambling problem, and I suspect the list goes on—the government is merely demonstrating once again how it lacks the vision to fix the problems it creates, making Australia continue to pay for the government’s own mistakes. The coalition government has once again shown its contempt for the majority of Australians, in particular those in our community most in need. Why should those who are most in need have to suffer even more because of this government’s continued incompetence?

We do not need a government that has no third-term agenda, that refuses to accept its responsibility and that does not care about those in our society who need its support and assis-
tance the most. We need a government that has a plan and that has a strategic response to the range of issues confronting it in areas like aged care, disability services, health and education. This government, it seems to me, will continue to make mistakes and will continue to make the rest of the community foot the bill for these mistakes. Australia deserves better.

Ms ROXON (Gellibrand) (9.45 p.m.)—I would also like to speak on the appropriation bills tonight, particularly in my area of shadow ministerial responsibility, the area of children and youth. I would particularly like to spend a little bit of time going through some of the detail in the administration of the child-care programs that are administered by the Commonwealth, because, since I have been in this position, it seems that there has been debacle after debacle—which is the politest way to put it—in the administration of child-care money.

Although these issues are having a very serious impact on the individual child-care services that are being required to repay such large amounts of money, it seems that the minister is refusing to accept that there is an issue in this area. There are actually two different and distinct debt problems in the child-care area. It seems that Minister Anthony thinks that, if he keeps finessing around between the different ones, he can deny on one and fob it off to something else. But the bottom line for child-care services throughout the country is that many of them are being hit with notices that advise of significant overpayments that have been made by the department, which they are required to repay. I am not trying to argue that child-care services, if they have received more money than they were entitled to, should not repay it. What I am concerned about is the overwhelming and excessive delay in the Department of Family and Community Services in the notification of these debts, and the way that it is being handled and the consequences that that has for so many of our child-care services.

I would like to start with the oldest debt and biggest problem that is currently being experienced. This is in the reclaiming of money that was overpaid to child-care services from the old child-care assistance scheme, which expired in June 2000. That was over 18 months ago, and the first services—Victoria being the first place where this process is now being undertaken—only received their notices after the election, for a debt that had been owing since June 2000. We know that there is normally an acquittal process which is done quarterly. Even if that quarterly process had maybe stretched out to six months—we know that a new system was being introduced and there were lots of problems with that, but I will come to those later—this is more than 18 months later and rather conveniently, it seems to me, was left until after the election.

We have had it confirmed by the department, in Senate estimates, that the amount of money across the country is in the order of ‘tens of millions of dollars’. So this is not chicken-feed. We are talking about a lot of money having to be paid back from a child-care sector which is largely community based or run by small businesses. There are some bigger businesses in child care, but largely it is the community sector and small businesses. Often, the community-sector and council providers are run by volunteer parent committees and, whilst they use their best endeavours to be able to administer complex payment arrangements, being notified of the debt 18 months after the event is really not an acceptable way to deal with this problem.

I think the government has exacerbated the problem by not notifying services earlier and not allowing them sufficient lead time to be able to repay the money. It seems to me that once you have left it 18 months, or nearly two years, the government will get a little bit jumpy if that money is not repaid. What could have happened instead, and would have been a much better process for those child-care services, would have been for them to have been notified early on how much they had been overpaid and to have been given a longer period of time to be able to pay it back.

The minister’s response to date on this has been, ‘Everybody knew that they had money that had been overpaid.’ He is not talking to very many child-care services if that is what he
still persists in believing. Certainly, child-care services were aware through newsletters that were sent to all services—but not personally addressed or anything like that—that there was an issue for some services in that they had been overpaid. We have copies of plenty of newsletters that say, ‘Service providers should be reminded that if they have been overpaid they will be required to pay this money back,’ but nothing to say, ‘Dear service provider X, you have been overpaid this amount of money and you will be required to repay it.’

So for month after month, when the child-care services kept putting in their quarterly acquittals, and sometimes monthly acquittals, they were entitled, I think, to assume that their money had been properly accounted for. Then more than 18 months later they get hit with this notice. I think that is really very unfair. In Victoria, more than $1 million has already been repaid by these services—many of them did set aside the money or have been able to juggle quickly, as they were required to, the payment of their current child-care benefits so that they can pay it back. But it is putting them under enormous strain, and I do not think it is a good way to administer what is a very large Commonwealth program.

We have also been told that these debt notices are now about to start hitting in Queensland, so all the child-care services in Queensland are currently waiting to find out whether or not they are going to also be asked to repay large amounts of money. Many of them do not know whether they are going to have to pay the debt, or whether they even have the debt. After that we know that, in the coming weeks, New South Wales and then the other states will also be asked to repay their money. So this is something that is of great concern. We have got a lot of child-care services that are really anxious about what services they can commit to for the future if they do not know whether they have got to repay some money, whether it may lead to fee increases or whether it may even affect the viability of some child-care services.

So this is an issue that the government cannot pretend is not here. The minister does have to deal with it, and child-care services across the country need to be encouraged to speak out about it. I have found a great amount of reticence amongst the individual service providers because they feel worried that it might be a reflection on their own administration—whereas, in fact, they are one of thousands who are in this situation and have been put in this situation by the government’s poor management of this program.

On top of that we have the current child-care benefit debt fiasco. Although the scale of the debts in the child-care area are not as large as in the family tax benefit area, there still are significant numbers of families seriously affected by this. We know that there are over 6,000 families who have had debts of over $1,000, so their debts have not been set aside by the government’s waiver. The government did not have the decency to tell these families at the time that their debt arose or when they first knew of it but waited until after the election—in most cases, waited until late January or February—to start sending out these notices.

Again, this is not fair—not just because of the obvious political approach that has been taken by the government but also because many of these families are still receiving child-care benefits. If they are not aware that they have accrued a debt from last year, they may not be aware that they are accruing that same debt again this year. This year there will not be any $1,000 waiver. The government have made it clear that that was just a one-off ‘bribe’, if you like—they have done nothing to fix the system since. I am very concerned about the large numbers of families that are going to be affected by that. So that is a very real issue.

The larger issue, though, in relation to the child-care benefit and its administration for individual services is that large debts are accruing because of the advance payment and reconciliation process that the government is going through. We have been advised that, at January 2002, there were over 180 child-care services across Australia that had a child-care benefit debt of more than $40,000—and $40,000 is the smallest of these debts. We do not know how high they go. This is a part of the advance payment and then reconciliation process. We un-
I understand that it means that there will be some payments that are larger than services will be entitled to, depending on usage and all those sorts of issues.

However, in a system which allows 180 services across the country to have more than $40,000 of debt, even when this process has been in place for 18 months, that is a lot of money. I can tell you that it is a lot of lamingtons to sell if you have to make up that money at a child-care centre. It is a serious problem which is threatening the viability of some services. Again, the government says, ‘It’s all just normal,’ but it is not a normal amount of money for community run child-care services to have to keep accounting for. Centres have to go through an incredibly complicated and difficult process in estimating usage and then accounting for each individual child. We accept that there are no easy answers, but we are concerned that, 18 months on, this large government program is still not running properly and that those debts are still causing problems for families.

Again, the only response that I can get from the government on this issue is: ‘We’re spending more money on child care, we are paying more money through child-care benefit, and that has made child care affordable for families.’ They are not answers to such a monumental stuff-up—if you, Mr Deputy Speaker Adams, can allow that as parliamentary language, but it describes the child-care administration that is currently in place and which is causing so much trouble for so many services.

Ms Julie Bishop—Perhaps that’s a legal term.

Ms ROXON—Yes, I think that is right. ‘Monumental stuff-up’ is definitely a legal term—we can describe it as a stuff-up in child care! It also concerns me that the government seems to be very proud of the amount that it puts into the child-care benefit and the way that it runs the system. That seems to be in the face of all evidence to the contrary on the administration side and in terms of other problems with child-care services. We have waiting list crises in so many suburbs and towns across the country at the moment that we do not know where to start. I visited the electorate of the member for Bass several weeks ago and went to a child-care centre in Launceston that had 83 or 84 places and 100 extra children on the waiting list. They could close and reopen tomorrow with all the spots refilled immediately. That was just one service in Launceston. We are told that the story is the same not just across northern Tasmania but in many seats—and probably in your seat as well, Mr Deputy Speaker Adams.

The member for Ballarat spoke today about the issues that she raised even in her first speech. Child-care services in Ballarat are at crisis point. In my own electorate of Gellibrand we have 300 people on waiting lists in one local government area. That is a lot of people who are unable to get into these services. It is not sufficient for the government to say, ‘We’re putting more money into the child-care benefit; therefore everything is okay.’ It is not okay. There are still large numbers of families who cannot get care for their children when they need it, and this is something that the government needs to pay attention to.

We on this side of the House are very concerned that there are a lot of rural and urban areas, particularly those that are not the most affluent of metropolitan suburbs, where private child-care providers are not setting up. The government’s statement that market forces will take care of these issues is not right. There are still many areas where private providers will not set up because their profit margins will not be sufficient to make it worthwhile, and there is no assistance for a community or council provider to set up because the government has taken away the incentives and does not believe that it should play a role in dictating where spots are. For a family who lives in one of those areas, that is not very helpful, because there are limited choices.

I met with some parents last week who said that they had been offered several part-time jobs which they had to decline because they could not get child-care services to match the hours that they were offered. Three mothers said, ‘We eventually were able to accept work
when we found out which days we could get child care, and then we went back to the employers and said, “I know you really want us to work Wednesday and Thursday but, as we can only get child care on Monday and Tuesday, can we do that?” They were lucky enough to have employers who could be so flexible. The system is not working for people. The government needs to start to deal with the matter because it is only going to get worse.

There are many people on our side of the House who have growing concerns that families are not getting the support they need. Opportunities are being lost when people need to return to work for their family income and they cannot do that. The government cannot keep on avoiding these issues. A concerning thing about it also is that the government has mucked up the administration of child-care benefit and has ignored some of the other problems, which means that in holding the government to account, we are not spending as much time on the more positive and creative areas and talking about issues that could really help families in the future. It is an area in which, around the world, some fantastic initiatives are being introduced. Some of our state governments have started to pick up and run with some early parenting and early intervention programs that can make a significant difference to the future of children’s lives and of their families’ lives.

The government is really not picking up on these initiatives. For example, I was very pleased to read in the paper several weeks ago an apparent announcement by the minister that the government was going to provide some project money for child-care services in high schools in areas where there are a lot of teenage mothers. This would make sure that young mothers were able to complete their education and therefore would not be part of a downward spiral that often meant they never finished their education and found it very difficult to get back into the employment market when they needed to. It was disappointing that, despite the reports that were in the paper, the government is funding one project at one high school in Western Australia. It even had the cheek to use an example of a school in Sydney and a school in Queensland who, through their own good work, have been running peer support group programs and other things, have received no funding from the government and have been told that they cannot receive funding from the government. I think that was really cheeky.

The opposition have been trying to pursue that. I have spoken directly to the minister today about Mabel Park High School, in the member for Rankin’s seat in Brisbane, which runs a program for young parents and is very anxious to be a part of this pilot. It seems to me that the government should not able to announce with great fanfare an initiative which might be a good one and then provide funding in only one spot. The government cannot even tell us when this pilot project will be reviewed and, therefore, when people might be able to apply in the future. If the government were serious, it would run this pilot in a few more areas. There are already some schools that have identified themselves as having a demand, and they have put their heads together to come up with some creative solutions to assist these young parents. They deserve support from the government for what they are trying to do for these young people.

Having the responsibility for children and youth provides a great opportunity because we need to talk more about transitions through different phases of people’s lives. We need to start talking more about the impact of the experiences that children have when they are young and when they move on to school, as well as later in life—even in high school—when seeking future employment and educational opportunities. There is a great amount of work to be done in that area.

Given the time, I will not speak any further on these issues. The important point I want to make, in speaking on the appropriations, is that the federal government cannot afford to have a hands-off view about child care. It cannot say that all of these administration problems are not of its own making. It cannot say that these problems do not have a massive impact on the child-care services across the different states. The government must deal with the growing
problems in many of the sectors, which include debts; growing waiting lists; concerns about family day care, and in particular the way accreditation systems will work; and the way spots are allocated for family day care. They include different issues for outside-school-hours care, which often gets left behind. Older children who are also in need of support and assistance and who do receive child-care benefit are always grouped in with the child care for the nought to fives, when a number of the issues are quite different. Availability is a growing problem in many states, in particular New South Wales.

Those are the things that we will be looking out for when the government announces its budget initiatives in this area. It is not just a case of looking for more money where it is needed, but of looking for the government to play an active role in resolving some of these problems in the sector.

Ms O’BYRNE (Bass) (10.05 p.m.)—The appropriation bills now before the Main Committee provide for the additional appropriations for the 2001-02 year to which the member for Fraser has moved an amendment. The matters raised by the member for Fraser highlight the extraordinary journey on which the government has taken this country since the middle of last year. It is an extraordinary journey in response, admittedly, to some extraordinary circumstances. Some, in the case of the events of September 11 and the New South Wales bushfires, were beyond the government’s control. Others, sadly, were entirely of the government’s making. A proportion of the amount sought in the additional appropriations relates to the funding of Australia’s contribution to the war against terrorism. This, of course, is an entirely appropriate allocation, perhaps as good a reason for the approval of additional expenditure as one could expect; an event that was not foreseen and an appropriate Australian response to it.

However, there is a sharp contrast with the additional appropriation sought to fund programs to deal with unauthorised boat arrivals, including an additional $190 million to provide for detention contingency and the government’s strategy to deal with unauthorised arrivals. From what we can gather from all of the available information, this will bring the total allocation for these purposes to at least half a billion dollars in 2001-02. This, of course, includes the now much discredited Pacific solution, an ill-conceived and hasty non-solution designed to get the government out of a corner into which it had placed itself, by way of its own deviousness, in a desperate attempt to be re-elected. Because the Prime Minister and the minister for immigration had stated that none of these unauthorised arrivals should set foot on Australian soil, we then had to go through this ridiculous charade of transporting all and sundry to Nauru, Manus Island and Papua New Guinea, with all the accompanying drama that we were to witness. There were other, vastly less expensive, ways to deal with this problem—just as we had dealt with every other boatload of unauthorised arrivals prior to the Tampa pick-up. The taxpayers’ dollars spent on establishing the camps in neighbouring countries could have been spent more wisely and more effectively in a myriad of other areas. The reality is that a large proportion of the arrivals will turn out to be legitimate refugees and will almost certainly have to come to Australia in any case.

This scenario typifies the government’s approach to almost every new issue which arises. The additional estimates provided for in these bills are testament to the extent of the mopping-up operation which is required each time the government finds itself or involves itself in an issue like this. In fact, that is the very problem that we are encountering: the government operates on the run. It seems almost unable to foresee the obvious and, as a result, has few well-considered or established policies to deal with these situations when they arise. There is no forward planning at all. Whilst the Pacific solution is perhaps the most pathetic example—as well as being a tragic and sad reflection of Australia’s incapacity to deal with these matters in the eyes of the international community—it is but one manifestation of the government’s lack of sound operational principles. With this incredible lack of foresight and planning, the gov-
The government can only react as each issue arises—issues which it either creates or which, with reasonable foresight, it could have acted to avoid.

These bills provide for $44.4 million for measures in response to the Ansett crisis. Whilst funding for the measures is definitely appropriate, given that the crisis has been allowed to occur, it would have been better for Australia and for the workers and customers at Ansett if the crisis had either not occurred at all or at least not been allowed to become as deep as it did. The demise of Ansett will remain forever one of the most notable of the many blights that will characterise this government’s period in office. Ansett was an Australian icon and part of the furniture of this great country but, like many Australian icons, it experienced a rough patch, a rough patch that every Australian could see—except for the minister for transport and his partners in dreamland, the Howard government.

As the road got rockier, those who watched in amazement as the minister and his cronies did nothing told the minister what was going on at Ansett—but still he did nothing. When it got so serious that even the minister could see that the matter might deserve some attention he was, for once, quick off the mark—quick off the mark to deny any responsibility whatsoever for him or his government. According to the minister, he did not in any way mishandle the collapse of Ansett. According to him, he was misled by the management of Air New Zealand. As the Ansett workers found themselves out of work and without futures, Mr Anderson was still asserting that, as Ansett was a private company, it had to work it all out for itself.

But by then, even his backbench colleagues had managed to get a grip on that which Mr Anderson still could not or did not want to understand. One reportedly told the Financial Review:

“John has stuck steadfastly to the argument that this is a private company and they must help themselves, which is a fine argument to mount and I agree with it, but it doesn’t make a lot of sense to the punters who see us helping out Mitsubishi in South Australia and AMC [Australian Magnesium Corp] in Queensland.”

“What we haven’t done is convey the impression that we’re all over this—that we actually know what is going on and that we’re managing it.”

Never has a truer set of words been uttered by a government backbencher, because the reality was that they were in no way over this issue. They had no idea what was going on, and they certainly were not managing it. This backbencher was not the only bright light in the abyss of ignorance; there was one other, who is reported—again in the Financial Review—to have said:

“I simply can’t believe that running around saying ‘I didn’t know’ is reassuring to people—he’s the Minister for Transport and it’s his job to know. It suggests an appalling level of incompetence. I could hardly have described the minister’s grasp and handling of the matter more appropriately myself. The minister became angrier and angrier with Air New Zealand, claiming that what they had previously told him was not correct. It appears that the only information he was relying on in relation to Ansett was what Air New Zealand was telling him. Surely, we could have expected the Minister for Transport and Regional Services and the government of a country so dependent on air travel to be receiving, or at least commissioning, some independent advice on an issue which so drastically affected the country’s air services and the employment of so many of its citizens.

With the collapse of Ansett, 16,000 workers and their families lost their livelihood; thousands of Australians had travel plans and holidays taken from them; and hundreds of businesses, large and small, will lose out when payment will not be forthcoming for the goods and services which they provided to Ansett. But this government and the Minister for Transport and Regional Services, in particular, were happy to stand by, to do nothing at all initially and then frankly to do too little too late—still, no doubt, rationalising in their own tiny little minds...
that all the financial loss and heartache that would be experienced by so many Australians and their families was the necessary by-product of a system where private companies should be left to their own devices, whatever the consequences on ordinary Australians.

That is the same theory that they would prefer to apply to Telstra, even though the government remains—thankfully, for the moment—the company’s majority shareholder. One of the most tragic acts of this government has been the partial privatisation of Telstra. It would be an even greater tragedy if any steps were taken to initiate further privatisation. The reality is that Telstra, in providing the basic telecommunications infrastructure in this country, is the custodian of one of the most basic services required by this country’s inhabitants. But when we arrive at the situation where the provision of basic services needed by every Australian is constantly assessed against the return to the shareholders, we are placing in jeopardy not only the basic rights of Australians but also, as sadly demonstrated only recently, their lives.

We are constantly assailed by members of the government lauding the benefits of Telstra privatisation to Australian families. But what decision would the majority of mums and dads of Australia make if the choice were between, on the one hand, the provision of basic services to and the guarantee of safety for their families and, on the other hand, a few bucks from dividends from a parcel of Telstra shares?

The death of Sam Boulding is a terrible tragedy and, to the extent that it followed the failure of Telstra to address the conditions of phone services in his family’s home, we should all stop and think about whether there is something that we can do to ensure that this never happens again. In the days leading up to Sam’s death from an asthma attack at his remote family home, his mother—who is visually impaired—asked Telstra on several occasions to repair their phone line. Telstra’s own inquiry has found that Telstra failed to give sufficient priority to this matter. Many Australians, including many in my state of Tasmania, do not live in a big city where communication alternatives more easily exist in an emergency. Those who live in more remote areas or in towns which are not serviced locally by some or even all of the emergency services rely heavily, if not completely, on the provider of telecommunications for their security when problems arise. As stated last week by the CEPU’s New South Wales Technical and Services Secretary, Ian McCarthy:

Dr Switkowski knows that you can’t run a network like ours without the skilled staff to do it. Telstra has got rid of 40,000 jobs, a disproportionate number of them in the country. Maintenance has suffered badly.

Is it surprising that service levels are being jeopardised, jobs are being lost and maintenance is being decreased when the provider is constantly weighing up profit and return to shareholders against service provision? Of course it is not. It appears that when this dilemma faces the provider of one of the most basic of human services it cannot resolve the conflict. No minister in this government should ever be in the position of standing up and excusing in any way the lack of basic phone services to Australians because of any obligation to shareholders until such time as we can be satisfied not only that a full basic service is in place but also that systems and procedures are in place to ensure its maintenance.

The government has said that it has put the further privatisation of Telstra on hold until service levels are at a satisfactory level, especially in rural and regional Australia. Senator Alston is reported as saying that the government is to impose new licence conditions on Telstra to make sure it gives priority to people with medical conditions. Whilst this action is appropriate, given the circumstances in which the government has found itself, it is yet another example of legislating on the run—a reaction to a situation which should never have been allowed to occur in the first place. No-one would dispute a policy or procedure which gives priority to customers such as those with medical conditions, but one has to question why it is necessary to have to impose such a condition. Surely the provider of an essential service would do so automatically.
It is reported that Telstra failed to respond within 10 days of the Boulding’s call for repairs. Surely we should be able to expect that every customer’s call would be dealt with within 10 days and the most urgent ones should surely have been dealt with immediately. If Telstra’s staffing and expertise levels are not sufficient to provide this level of service, then they should be increased so that they can. If this means the return to shareholders has to go down as a quid pro quo, so be it. Senator Alston is also reported as saying that it was up to Telstra to investigate its own internal processes but that it seems to have slipped up badly. He is also reported publicly as saying:

It’s fair to say there have been significant failures and certainly their practices in a number of areas need to be overhauled as a matter of urgency and we’ll be insisting on that.

It would be much better if the minister were directly responsible for ensuring that these significant failures had not occurred in the first place, as would have been the case with an un-privatised Telstra.

Sam Boulding’s case, although one of the saddest, is not the only one which has highlighted unsatisfactory Telstra service levels. It illustrates the very problem we will still face even if the day should come when the government believes that service levels are good enough to proceed with its great aim of further privatisation: the problem of whether any of us can be certain from that day on whether services will be properly maintained. As long as the interests of the shareholders are a crucial factor—and there will be more of them with shares—if further privatisation occurs none of us can be sure that service levels will be maintained thereafter. It is plain and clear that the further privatisation of Telstra must be resisted at all costs. Australians, quite frankly, cannot afford the risk. If another life in Australia is lost, attributable in full or in part to the inadequate service levels at Telstra, then we all as legislators must bear some responsibility.

As I have stated in the House before, many of my constituents in the rural area of Bass have had to wait weeks before phones were connected or repaired. Dangerous faults identified by the understaffed Telstra work force wait over a year to be repaired. The government says it is now acting—at least to cover cases of those at high medical risk. Let us hope that it follows through.

In my speech in this House on the second reading of the Appropriation Bill (No. 1) 2001-2002, I drew attention to the government’s ongoing lip service claims that it cares about rural and regional Australia. These further appropriations again demonstrate that, if it does care, it just does not know how to demonstrate it. There are still no programs to relocate government departments or services to regional Australia. How long must we wait to see real evidence of the government’s supposed desire to get the non-metropolitan areas back on their feet—programs such as those that would give the graduates of regional Australia real chances to work in the places that they would honestly prefer to call home. Or is the government content to see the continuing break-up of families across the country as parents, eager for their children to have the best education opportunities, have no choice but to wave them goodbye because their offspring have no chance of meaningful employment at or near to home? If you ask year 11 and 12 students at any college in my electorate where they expect to be living and working in five years, the vast majority will tell you that it will be somewhere else from where they are now—one of the big cities, probably Melbourne or Sydney, where they believe the only real opportunities lie.

Government programs aimed at creating employment, both government and private, in regional areas can do much to stop family break-up and talent drain. Certainly in my electorate there is plenty of suitable accommodation space for decentralised government offices. Despite the collapse of Ansett, there is a reliable airline service, which can get people who need to travel to Melbourne there in under an hour. We also have a broadband project, which could be directly utilised by government should it relocate more of its operations to cities like
Launceston, cities which provide young Australians with great educations but are then unable to offer the opportunities for those people to stay there and work.

Launceston’s broadband project is a classic example of the joint mismanagement of the government and Telstra. Telstra’s executives, who seem unable to see beyond the city boundaries of the mainland’s five big cities in terms of success or service, claim that the broadband experiment in Launceston has been a flop. This is hardly a surprise when both the government and Telstra seem to have done their very best to keep the existence of the project top secret. The concept of the Launceston broadband project was, in itself, an excellent one, but if the government had really understood the importance of this technology for Australia—in particular, rural and regional Australia—to be able to take its place in the competitive world of the global economy of the future, it would actually have given the project every chance of succeeding.

In the case of Telstra, I am sure they understand the significance of technologies such as broadband. It just appears that they either do not want or do not have any faith in regional areas as communication centres. The way that Telstra marketed—or, one could argue, failed to market—this project makes one really wonder whether they were ever actually very serious. It was as though they kept it quiet so that it was doomed to failure. As we know, Telstra know how to market when they choose to. Many of the people in Launceston who have managed to become aware of the project have embraced it warmly and spoken highly of the advantages which the technology brings. When Telstra did start doing a small amount of promotion of the scheme’s availability and giving a bit of an explanation of what was going on, the numbers of those participating quickly rose.

The member for Fraser’s amendment includes a condemnation of the government for its woefully inadequate support for the development of broadband infrastructure integral to Australia’s participation in the information economy. He is right, and it just demonstrates once again that this government is being reactionary rather than visionary. Even something as obvious as the importance of broadband technology, although warmly embraced almost everywhere else in the world, is just a little bit too hard for this government. It seems much easier for the likes of Senator Alston to pay lip-service now and then, and leave it for someone else to pick up the crumbs later on.

Whilst the media commentators find it easy to highlight the scandals which have so characterised the Howard government, it is equally easy to log the failings of this government to provide appropriately for the everyday needs of the Australian people. The Ansett collapse, the crisis in public liability insurance—which today even threatens the celebrations on Anzac Day in many Australian communities—the mismanagement of Telstra, the flawed handling of unauthorised arrivals, the embarrassing experiment with the Pacific solution, the failure to adequately prepare Australia to take its place in the world of the 21st century and the complete indifference to the need to revitalise rural and regional Australia provide just the beginning of the list of inadequacies of this government.

These failings probably explain the government’s extraordinary approach to debate in this House and in this committee. It is clearly displaying a reluctance to expose its programs and its failings by refusing to provide adequate time for debate for many of the important pieces of legislation before this House. Of course, this is only logical for a government which has no forward planning. ‘Government-on-the-run’ provides the opportunity for debate only in retrospect. My colleague the member for Lowe has rightly drawn the attention of the House to the government’s appalling disregard for the processes of this House—too few sitting days and too little time for debate and scrutiny of legislation. This is, once again, another sad reflection on a very sad administration.

Mr BRENDAN O’CONNOR (Burke) (10.23 p.m.)—I certainly do agree with the comments raised by the member for Bass. Can I say, in rising to speak to these bills, that I would
like to draw the attention of this place to the concerns that I have with respect to the health system in this country and, in particular, the direction the health system is taking. There have been some efforts made, or at least allegedly made, by this government in attracting people—inducing people, if you like—to join the private health system in order to somehow assist the public health system and provide broader and better services to the community. However, my concern is about the decline in services within the health system and, in particular—if I can refer at this point to my own electorate—I am concerned about the way in which private hospitals are closing services even after they have booked patients in for the services within those areas.

I speak, in particular, about the proposed closure of a maternity ward in Sunbury Private Hospital operated by Mayne Health where they have determined that the maternity ward be closed on 5 April this year. I have been informed that they made that decision in November. However, they were taking patients and booking pregnant women into the hospital up until February this year. So, in other words, they had made their decision with respect to the ward and the fact that it was to close on 5 April, but they were giving women the impression that they were going to give birth in the hospital beyond 5 April. I find that behaviour unconscionable and very disturbing. I do believe that, whilst it is a private hospital—and it would like to see itself as a private citizen—it is working in the field of health, which I would hope would mean it would act in a way that was sensitive to the users, and to the patients in particular.

Further to that, I am concerned that this hospital acts in the manner of a private corporate identity but, as we all know, receives enormous benefits through taxpayers providing approximately $2 billion per annum to the system which induces people to take up insurance in the first place. That certainly has annoyed and dismayed many of the locals in Sunbury and in the region, because they believed that they paid their private health insurance in the full knowledge that they would be able to choose their hospital. That was confirmed when that hospital wrote to these women—I think it involves more than 100 women—and indicated that they had a bed in that hospital. But, as we found out subsequently, that was not to be the case.

I was hoping the concern I raise was an isolated incident. I have written to the hospital in question and have asked them to provide some answers to the questions I have raised on behalf of the women and the broader community in the Sunbury region. I am somewhat disappointed with the answer that I received last Friday. I am in receipt of a letter from Mayne Health who have indicated to me:

While the population in the region has grown over the past few years and despite intensive marketing efforts, the number of privately insured families choosing to use Sunbury Private Hospital’s Maternity Unit has not increased to a sufficient level to ensure an ongoing provision of high quality clinical care.

The only thing I agree with in that paragraph is that Sunbury and the region is a very fast-growing area. In fact, it is hard to imagine that the maternity unit referred to could do anything other than increase its usage if this hospital properly targeted and marketed itself. Whilst they assert the fact that they have marketed the area and they have attempted to use ‘intensive marketing efforts’, there is not one skerrick of evidence that suggests that that is the case. In fact, there is evidence to the contrary and it concerns us, because it raises the spectre of cherry picking, which has been alleged now on a number of occasions by private operators. That reputable organisation, the Australian Medical Association, has started to conduct some analysis of the way in which private hospitals investigate these things. They are concluding that there is a lot to be considered in the way in which these hospitals operate. I think that what it really means is that this government should ensure that there is greater accountability of those private operators that are benefiting from the $2 billion of taxpayers’ money in order that they be more accountable to the patients that they are supposed to look after because, at the moment, that is clearly not the case.

Debate (on motion by Mr Neville) adjourned.

Main Committee adjourned at 10.30 p.m.
QUESTIONS ON NOTICE
The following answers to questions were circulated:

**Australian Broadcasting Corporation**

(Question No. 53)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 13 February 2002:

(1) Does section 8 of the Australian Broadcasting Corporation Act state the duties of the Board of Directors of the Australian Broadcasting Corporation.

(2) Will the Minister ensure that the Chairman of the Board of Directors to the Australian Broadcasting Corporation is made accountable to the Senate Estimates Committee during the 40th parliament by the Chairman being available to appear before such committees if required; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) No. It is a matter for the ABC to decide who is best placed to explain the ABC’s expenditure and performance to the Committee. Under s.78(6) of the Australian Broadcasting Corporation Act 1983, except as expressly provided by legislation, the Government has no power to direct the ABC.

**Health: Smoking Levels**

(Question No. 65)

Mr Murphy asked the Minister representing the Minister for Health and Ageing, upon notice, on 13 February 2002:

Is it a fact that, while overall smoking levels of people living in Sydney have generally fallen, both toxic transport emissions and lung cancer rates have risen in Sydney.

Mr Andrews—The Minister for Health and Ageing has provided the following answer to the honourable member’s question:

Yes, according to data from The Health of the people of New South Wales (Report of the Chief Health Officer 2000), overall smoking levels of people living in Sydney have generally fallen over the past ten years.

With respect to the claim that transport emissions have risen in Sydney I am unaware of any data which supports this claim.

Due to the lack of time series data on lung cancer rates for each NSW Health Area, I am unable to say whether the incidence of lung cancer rates in Sydney has risen. The Honourable Member may be interested to know that data from The Health of the people of New South Wales indicates that the incidence of lung cancer in NSW fell from 66.2 cases per thousand in 1989 to 57.9 in 1996.

**Ageing: Hearing Impairment**

(Question No. 73)

Mr Murphy asked the Minister for Ageing, upon notice, on 13 February 2002:

(1) What publicly funded services exist for the provision of reliable hearing tests from audiological services.

(2) What are the Medicare service provider codes relating to persons suffering hearing impairment under the public health system.

(3) Are services funded under the public health care system to allow same-day repairs for persons who use hearing devices that break down during use, thus requiring prompt repair; if so, what are the details.

(4) What training is provided for staff of Australian Hearing and other service industries in dealing with clientele who are hearing impaired, in particular, what specific training is provided to staff in dealing with pre-lingually deaf people.
Mr Andrews—The answer to the honourable member’s question is as follows:

(1) The Commonwealth funds hearing services, including hearing tests, to eligible clients under the Commonwealth Hearing Services Programme at an overall cost per year of approximately $160 million. Services are provided by a network of Audiologists and Audiometrists, contracted by the Commonwealth to provide such services. Some forms of hearing test are performed by Otolaryngologists under Medicare while some testing is also performed in hospitals, although the level of provision varies from state to state.

(2) Diagnostic testing for hearing loss are covered under items 11300-11332 in the Medicare Benefits Schedule. Other tests not covered under an individual item may be performed as part of a consultation item by a specialist. Procedural items for the correction of hearing loss resulting from disease (congenital and acquired) are available to medical practitioners under items 41500-41650, eg cochlear implants under item 41617. Services such as the provision of hearing aids are not covered under Medicare.

(3) In most cases repair of a hearing device requires that the device be sent to the manufacturer for repairs. Under the Commonwealth Hearing Services Programme, manufacturers are required to repair a hearing device and return it to the hearing service provider within six days so that the repaired aid can promptly be provided to the eligible client.

(4) Staff at Australian Hearing undergo an intensive and formally structured induction on commencing employment with Australian Hearing. This includes formal training on dealing with hearing impaired clients whether they be adults; pre or post-lingually deafened or children. On the job training with a supervisor also covers all aspects of communicating with the hearing impaired. The provision of training to staff of other service industries is variable.

Ageing: Community Care Programs

(Question No. 76)

Mr Murphy asked the Minister for Ageing, upon notice, on 13 February 2002:

(1) Were persons employed under the Social and Community Services New South Wales Award granted a salary increase with effect from 28 November 2001 by the NSW Industrial Relations Commission when it handed down its determination on 16 November 2001.

(2) Do the Commonwealth and the NSW Governments jointly fund the cost of the salaries of the majority of Community Services’ employees covered by this award.

(3) Has the NSW Government committed to fully fund its share of the salary increase awarded by the Commission.

(4) Will the Commonwealth fully fund its share of the salary increase awarded by the Commission; if so, when; if not, why not.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) I am advised that this occurred, though the Commonwealth is not a party to this award.

(2) No. The Commonwealth Government provides funding for community care outcomes.

(3) This is a question that should be addressed to the NSW Government.

(4) The Commonwealth Government provides cost indexation for all its community care programmes funded through this portfolio.

Communications: Media Ownership

(Question No. 133)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 14 February 2002:

(1) Is it necessary to change Australia’s cross-media ownership and foreign ownership laws simultaneously; if so, why.

(2) Will the Minister change Australia’s foreign media ownership laws without changes to cross-media laws; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:
Representatives

The Government is committed to reforming Australia's media ownership laws, in a manner that will both encourage competition and ensure that diversity of opinion and information is maintained. Without reform, the current media ownership laws will limit the Australian media sector to an outdated structure with little or no capacity for new players, improved competition, or the ability to respond to a rapidly evolving and converging international media environment. Removal of foreign ownership restrictions and changes to cross-media laws are both necessary to improve the regulatory environment and increase competition.

Communications: Carriage Service Providers

(Question No. 150)

Mr Brereton asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 18 February 2002:

(1) How many disclosures of information or documents by carriers, carriage service providers or number database operators were made under the provisions of Part 13 of the Telecommunications Act 1997 and reported to the Australian Communications Authority for 2000-2001.

(2) What were the numbers of disclosures in 2000-2001 in respect of each relevant section and subsection of Part 13 of the Telecommunications Act 1997.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) A total of 733,485 disclosures of information or documents by carriers, carriage service providers or number database operators were made under the provisions of Part 13 of the Telecommunications Act 1997 and reported to the ACA in 2000-2001.

(2) The numbers of disclosures in respect to each relevant section is section and subsection of Part 13 of the Telecommunications Act 1997 are as follows:

<table>
<thead>
<tr>
<th>Section</th>
<th>Number of Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>280 - Authorisation by or under law</td>
<td>18,472 disclosures of information or documents</td>
</tr>
<tr>
<td>281 - Witnesses</td>
<td>2,320 disclosures of information or documents</td>
</tr>
<tr>
<td>282 - Law enforcement and protection of public revenue</td>
<td>440,380 disclosures of information or documents</td>
</tr>
<tr>
<td>282 (2) 83,873 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>282 (3) 163,256 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>282 (4) 3,349 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>282 (5) 15,857 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>284 (1) 9 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>284 (2) 265 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>284 (3) 4,221 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>284 (7) 1,483 disclosures of information or documents</td>
<td></td>
</tr>
<tr>
<td>288 - Communications for maritime purposes</td>
<td>0</td>
</tr>
<tr>
<td>292 - Circumstances prescribed in the regulations</td>
<td>0</td>
</tr>
<tr>
<td>293 - Uses connected with exempt disclosures</td>
<td>0</td>
</tr>
</tbody>
</table>
Communications: Media Ownership
(Question No. 166)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 20 February 2002:
(1) Has he seen media reports that the Press Council has warned the Federal Government that (a) its plan to change Australia’s cross-media ownership laws could lead to a direct threat to the freedom of the press and (b) giving powers to the Australian Broadcasting Authority could be detrimental to the independence of the press.
(2) Will the Minister proceed with the proposal to change Australia’s cross-media ownership rules to allow a person to own newspapers, television stations and radio stations in the one licence area; if so, why.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:
(1) Yes.
(2) Yes. The Government has made an election commitment to reform Australia’s media ownership rules. The Government believes that the current media ownership laws will limit the Australian media sector to an outdated structure, little or no capacity for new players, an absence of further competition, and an inability to respond to a rapidly evolving and converging international media environment.

Employment: Unfair Dismissal Applications
(Question No. 168)

Mr Bevis asked the Minister for Employment and Workplace Relations, upon notice, on 20 February 2002:
(1) What is the total number of unfair dismissal applications filed in each State and Territory each year since 1996 under the Workplace Relations Act.
(2) How many of the applications were filed relating to businesses with fewer than 20 employees.
(3) For all applications in each State and Territory in each of those years, how many were (a) settled by conciliation, (b) determined in favour of the dismissed employee, and (c) rejected by the Commission.
(4) For all applications relating to businesses with fewer than 20 employees in each State and Territory in each of those years, how many were (a) settled by negotiation or conciliation, (b) determined in favour of the dismissed employee, and (c) rejected by the Commission.

Mr Abbott—The answer to the honourable member’s question is as follows:
(1) The following table provides information on the number of federal termination of employment applications (covering both unfair dismissal and unlawful termination) lodged under the Workplace Relations Act 1996 (WR Act) in each Registry in each calendar year since commencement of the termination provisions of the WR Act (31 December 1996).

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>1997(1)</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
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<tbody>
<tr>
<td>New South Wales</td>
<td>1115</td>
<td>1383</td>
<td>1274</td>
<td>1388</td>
<td>1721</td>
</tr>
<tr>
<td>Queensland</td>
<td>623</td>
<td>309</td>
<td>365</td>
<td>416</td>
<td>458</td>
</tr>
<tr>
<td>Western Australia</td>
<td>272</td>
<td>303</td>
<td>455</td>
<td>401</td>
<td>369</td>
</tr>
<tr>
<td>South Australia</td>
<td>273</td>
<td>284</td>
<td>214</td>
<td>199</td>
<td>170</td>
</tr>
<tr>
<td>Tasmania</td>
<td>117</td>
<td>242</td>
<td>129</td>
<td>127</td>
<td>140</td>
</tr>
<tr>
<td>Victoria</td>
<td>4527</td>
<td>5134</td>
<td>4627</td>
<td>4606</td>
<td>4798</td>
</tr>
<tr>
<td>Australian Capital Ter-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ritory</td>
<td>260</td>
<td>249</td>
<td>239</td>
<td>236</td>
<td>243</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>277</td>
<td>233</td>
<td>267</td>
<td>236</td>
<td>258</td>
</tr>
<tr>
<td>Total</td>
<td>7464</td>
<td>8137</td>
<td>7570</td>
<td>7609</td>
<td>8157</td>
</tr>
</tbody>
</table>

Note (1): Information provided for 1998 – 2001 calendar years is drawn from monthly statistics provided by the Australian Industrial Registry. Prior to December 1997, information was not collected on a monthly basis, but only on a weekly basis. The information provided for the 1997 cal-
endar year relates to lodgements by week, not lodgements by month, so may not be directly comparable to the information for later years.

(2) From 1 December 1997, the Australian Industrial Registry surveyed respondents to termination applications under the federal Workplace Relations Act 1996 to collect information about business size, specifically the number of claims that related to employers with 15 or fewer employees. From 1 March 2002, the Registry has changed its survey to collect information about the proportion of respondents with fewer than 20 employees. However, the information provided below relates to the period 1 December 1997 – 31 December 2001.

The following table provides information on federal termination applications broken down by the State and Territory in which the federal application was lodged. Note that this information is incomplete, as employers provide the data voluntarily. Not all employers respond to the Registry's request for information on employer size — the total number of respondents who provided information on employer size is indicated in the table.

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total applications lodged</th>
<th>Total responses to Registry’s question on employer size</th>
<th>Employers employing 15 or fewer employees as % of total responses received</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>5924</td>
<td>1560</td>
<td>376</td>
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<tr>
<td>Queensland</td>
<td>1582</td>
<td>972</td>
<td>193</td>
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<tr>
<td>Western Australia</td>
<td>1564</td>
<td>258</td>
<td>96</td>
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<tr>
<td>South Australia</td>
<td>893</td>
<td>457</td>
<td>46</td>
</tr>
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<td>Tasmania</td>
<td>646</td>
<td>235</td>
<td>58</td>
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<tr>
<td>Victoria</td>
<td>19692</td>
<td>6397</td>
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<td>Australian Capital Territory</td>
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<td>162</td>
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<tr>
<td>Northern Territory</td>
<td>1015</td>
<td>547</td>
<td>195</td>
</tr>
<tr>
<td>TOTAL</td>
<td>32301</td>
<td>10812</td>
<td>3634</td>
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Federal termination of employment applications lodged between 1 January 1998 and 31 December 1998

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total applications lodged</th>
<th>Total responses to Registry’s question on employer size</th>
<th>Employers employing 15 or fewer employees as % of total responses received</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>1383</td>
<td>378</td>
<td>83</td>
</tr>
<tr>
<td>Queensland</td>
<td>309</td>
<td>202</td>
<td>63</td>
</tr>
<tr>
<td>Western Australia</td>
<td>303</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>South Australia</td>
<td>284</td>
<td>151</td>
<td>10</td>
</tr>
<tr>
<td>Tasmania</td>
<td>242</td>
<td>45</td>
<td>9</td>
</tr>
<tr>
<td>Victoria</td>
<td>5134</td>
<td>1928</td>
<td>782</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>249</td>
<td>94</td>
<td>36</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>233</td>
<td>141</td>
<td>48</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8137</td>
<td>2979</td>
<td>1041</td>
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</table>
Federal termination of employment applications lodged between 1 January 1999 and 31 December 1999

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total applications lodged</th>
<th>Total responses to Registry’s question on employer size</th>
<th>Employers employing 15 or fewer employees who responded</th>
<th>Employers employing 15 or fewer employees as % of total responses received</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>1274</td>
<td>388</td>
<td>85</td>
<td>21.9%</td>
</tr>
<tr>
<td>Queensland</td>
<td>365</td>
<td>209</td>
<td>24</td>
<td>11.5%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>455</td>
<td>20</td>
<td>7</td>
<td>15.0%</td>
</tr>
<tr>
<td>South Australia</td>
<td>214</td>
<td>96</td>
<td>12</td>
<td>12.5%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>129</td>
<td>30</td>
<td>3</td>
<td>10.0%</td>
</tr>
<tr>
<td>Victoria</td>
<td>4627</td>
<td>1592</td>
<td>619</td>
<td>38.9%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>239</td>
<td>101</td>
<td>50</td>
<td>49.5%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>267</td>
<td>118</td>
<td>49</td>
<td>41.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7570</td>
<td>2554</td>
<td>849</td>
<td>33.2%</td>
</tr>
</tbody>
</table>

Federal termination of employment applications lodged between 1 January 2000 and 31 December 2000

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total applications lodged</th>
<th>Total responses to Registry’s question on employer size</th>
<th>Employers employing 15 or fewer employees who responded</th>
<th>Employers employing 15 or fewer employees as % of total responses received</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>1388</td>
<td>371</td>
<td>105</td>
<td>28.3%</td>
</tr>
<tr>
<td>Queensland</td>
<td>416</td>
<td>243</td>
<td>44</td>
<td>18.1%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>401</td>
<td>37</td>
<td>15</td>
<td>40.5%</td>
</tr>
<tr>
<td>South Australia</td>
<td>199</td>
<td>115</td>
<td>16</td>
<td>13.9%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>127</td>
<td>69</td>
<td>12</td>
<td>17.4%</td>
</tr>
<tr>
<td>Victoria</td>
<td>4606</td>
<td>1414</td>
<td>520</td>
<td>36.8%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>236</td>
<td>95</td>
<td>31</td>
<td>32.6%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>236</td>
<td>127</td>
<td>52</td>
<td>40.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7609</td>
<td>2471</td>
<td>795</td>
<td>32.2%</td>
</tr>
</tbody>
</table>

Federal termination of employment applications lodged between 1 January 2001 and 31 December 2001

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total applications lodged</th>
<th>Total responses to Registry’s question on employer size</th>
<th>Employers employing 15 or fewer employees who responded</th>
<th>Employers employing 15 or fewer employees as % of total responses received</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>1721</td>
<td>379</td>
<td>90</td>
<td>23.7%</td>
</tr>
<tr>
<td>Queensland</td>
<td>458</td>
<td>298</td>
<td>59</td>
<td>19.8%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>369</td>
<td>154</td>
<td>63</td>
<td>40.9%</td>
</tr>
<tr>
<td>South Australia</td>
<td>170</td>
<td>87</td>
<td>9</td>
<td>10.3%</td>
</tr>
</tbody>
</table>
Federal termination of employment applications lodged between 1 January 2001 and 31 December 2001

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Total applications lodged</th>
<th>Total responses to Registry’s question on employer size</th>
<th>Employers employing 15 or fewer employees who responded</th>
<th>Employers employing 15 or fewer employees as % of total responses received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasmania</td>
<td>140</td>
<td>87</td>
<td>31</td>
<td>35.6%</td>
</tr>
<tr>
<td>Victoria</td>
<td>4798</td>
<td>1423</td>
<td>538</td>
<td>37.8%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>243</td>
<td>90</td>
<td>39</td>
<td>43.3%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>258</td>
<td>148</td>
<td>41</td>
<td>27.7%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8157</td>
<td>2666</td>
<td>870</td>
<td>32.6%</td>
</tr>
</tbody>
</table>

(3) Information about the outcomes of termination of employment applications is collected by the Registry and published in the Commission’s annual reports. The following tables provide information drawn from the annual reports about outcomes during the period from 31 December 1996 to 30 June 2001.

As the information is drawn from annual reports, it relates to financial years, rather than calendar years. The first full financial year after the commencement of the Workplace Relations and Other Legislation Amendment Act 1996 (which substantially amended the termination of employment provisions in the former Industrial Relations Act 1988) was the 1997/98 financial year. Information for the 2001/02 financial year will not be available until later in 2002.

The Commission’s annual reports do not provide information on the outcomes identified in the question on notice by the State and Territory in which the application was lodged.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Matters dismissed for lack of jurisdiction or out of time(2)</td>
<td>239</td>
<td>256</td>
<td>238</td>
<td>214</td>
<td>947</td>
</tr>
<tr>
<td>Matters settled by conciliation(3)</td>
<td>4094</td>
<td>4870</td>
<td>4168</td>
<td>4447</td>
<td>17579</td>
</tr>
<tr>
<td>Matters arbitrated in favour of the employee(4)</td>
<td>497(5)</td>
<td>124</td>
<td>150</td>
<td>149</td>
<td>920</td>
</tr>
<tr>
<td>Matters arbitrated in favour of the employer(5)</td>
<td>154</td>
<td>153</td>
<td>196</td>
<td>142</td>
<td>645</td>
</tr>
</tbody>
</table>

Note (1): Other outcomes reported in the Commission’s annual reports include: applications withdrawn, settled or otherwise discontinued prior to conciliation; applications lapsed after conciliation certificate issued, due to no election to proceed or election not to proceed; applications withdrawn, settled or otherwise discontinued after conciliation but prior to arbitration; and matters not yet finalised.

Note (2): The majority of matters dismissed for lack of jurisdiction or because applications are out of time are dismissed at a preliminary stage (before conciliation). A small number of matters could also be dismissed on these grounds at arbitration. The Commission’s annual reports do not identify the number of matters dismissed on these grounds at arbitration.

Note (3): Most of the Commission’s annual reports provide only total numbers of matters settled by conciliation from 31 December 1996 onwards. Estimates of matters settled by conciliation in each
financial year have been made by taking the running total of matters settled by conciliation at the end of the financial year, and subtracting the running total at the end of the previous financial year.

Note (4): Outcomes arbitrated in favour of the employee include decisions where orders for reinstatement or compensation in lieu of reinstatement were made, and decisions where a breach was found but no remedy ordered.

Note (5): Includes 282 applications relating to the same employer and facts – Re Gordonstone Coal Management Pty Ltd (Print P7786).

Note (6): Outcomes arbitrated in favour of employer include decisions where an application was dismissed on the merits.

(4) The Registry cannot provide statistics on outcomes of termination of employment applications by size of business. Because information on size of business is provided voluntarily by employers, it would be necessary for the Registry to then cross-match that information to open applications and track the status of each application according to business size. This additional matching and tracking is not done by the Registry at present.