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The SPEAKER (Mr Neil Andrew) took the chair at 9.30 a.m., and read prayers.

**TAXATION LAWS AMENDMENT BILL (No. 1) 2002**

**Second Reading**

Debate resumed from 21 February, on motion by Mr Slipper:

That this bill be now read a second time.

Mr LATHAM (Werriwa) (9.31 a.m.)—The Taxation Laws Amendment Bill (No. 1) 2002 seeks to reinstate a tax concession for investors in the plantation forestry industry. The concession would allow investors to claim deductions up to a year in advance of their investment being spent by plantation managers. This concession previously applied across the agricultural sector and was withdrawn in November 1999 as part of the government’s business tax reforms. So, to some extent, this is the government trying to undo what was a flawed aspect of its business tax reforms some time ago. Prior to the 2001 election, Labor agreed to support the introduction and passage of legislation for this particular concession. Accordingly, we support the passage of the bill through the House.

The government’s legislation provides a short-term option to encourage new plantations consistent with the government’s 2020 vision for forestry, but there is nothing to guarantee that these plantations will be maintained and developed over the period required to build high value plantations and lead to investment in processing for value adding export orientation, which is what is required if there are to be any real trade benefits for Australia. If there are to be lasting benefits on our balance of trade, then we certainly need something more substantial than the provisions in this legislation.

This is why I foreshadow that Labor will be seeking an amendment in the Senate to put in place a sunset clause to phase out the concession at the end of the financial year 2005-06. This will allow for a timely review of the policy, and it will also allow for consideration of better options for medium-term support to the industry and to encourage re-investment in and maintenance of established plantations. Labor will be looking to develop these options during the parliamentary term. Our position is clear—we are supporting the legislation through the House. I foreshadow that in the Senate we will be moving amendments to place a sunset clause on this provision and Labor, over the next three years, will be developing more substantial and more effective means of providing medium and long-term support for the plantation industry.

The argument for this tax concession measure is based on a need to increase investment in the plantation forest industry in order to achieve the targets contained in the government’s sectoral plan. There are good whole-of-economy arguments that, if expanded investment in the sector can only be induced by a tax concession of this kind, the economic returns in the sector are likely to be limited. Accordingly, capital may be more efficient in achieving forestry export and employment results if invested in other parts of this particular industry. There is also a good argument that a tax concession of this kind may not be the most efficient vehicle for delivering industry assistance. I repeat: Labor will be examining and articulating more effective means of industry support.

We want this industry to grow; we want it to export; we want it to employ Australians through the medium to longer term. We believe there are more effective ways in which this can be achieved than through existing government policy.

Mr Lyndon Rowe, the Acting Chief Executive of ACCI—the Australian Chamber of Commerce and Industry—made an important statement about whole-of-economy management recently. He said:

Economic reform in Australia is languishing and needs renewed drive and support ... in order to maintain living standards and to secure the nation against the uncertainty of the international economy. Reform appears to be low on the Government’s agenda ... Australia owes much to courageous and intelligent policy decisions of past reforming governments for its current economic strength but there is now an absence of clear government advocacy for ongoing reform. This is both disappointing and puzzling ... Governments
should do more than reacting to issues as and when they arise. They should have a coherent and consistent program for economic management.

Indeed, Mr Rowe went on to say:

The economic strength carrying Australia is in part a result of the reform agenda initiated by past Labor governments.

I agree with this statement. The statement, of course, confirms the way in which this government has been looking at short-term issues in the plantation forestry industry rather than the long-term ones. That short-term reactionary focus is indicative of this government’s overall approach to economic policy. We can do much better—there are better policies that could be implemented by the parliament.

On balance, the government’s bill is a workable proposal but it does seem that the revenue implications can be contained to this sector only. Consistent with our pre-election undertakings, we will support the bill. That said, the legislation is a short-term option to encourage new plantations. There is much more work to be done to guarantee the development of high value plantations and investment in processing for value added export. This government is not good on the detail, and it is not good on the implementation. As ACCI has pointed out, it does not have a coherent and consistent program for economic reform and economic management. But a coherent and consistent program for economic management is what good whole-of-economy management requires; it is what the long-term interests of the plantation forestry sector require; it is what the government cannot provide; and it is something that can only be provided in Labor Party policy.

In supporting the bill, I foreshadow the amendment for a sunset clause in the Senate, and I hope that this will provide an opportunity for the government to provide that coherence and consistency. We support the bill—we just believe in a better approach for the plantation forestry industry. My colleagues in the Senate will set that out in due course.

Mr NAIRN (Eden-Monaro) (9.37 a.m.)—I rise in the House today to voice my support for the Taxation Laws Amendment Bill (No. 1) 2002 or, as it is less formally known, the 12-month rule. This rule is about encouraging investment in plantation forestry. In Eden-Monaro we rely heavily on plantation forestry as well as native forests, especially around the Bombala and Delegate areas where, for example, Willmott Forests have invested a huge amount of money in setting up a large plantation forestry operation. They employ about 20 people in that particular region, as well as another 20 elsewhere. They have been doing very well and they are great supporters of the local community, which is certainly great to see. I congratulate Marcus Derham, who runs Willmott Forests, and his employees on the great support that they provide to such a small community around the Delegate area in particular.

One of the impediments they face to expanding their operations relates to the seasonal nature of their work. They need to raise funds in one year to pay for activities that will not result in immediate income and hence return on that investment. The government has worked out how we can avoid this. We are therefore seeking, through this bill, to allow for an immediate deduction for certain prepaid expenditure when investing in a plantation forestry managed agreement. This means that if a company is to invest in certain activities relating to its plantation in a given year, this company can obtain an immediate deduction for these funds in the financial year preceding when the investment takes place. However, the deduction is limited to seasonally dependent agronomic operations in the establishment of a plantation. In layman’s terms, these processes include ripping and mounding, weed and pest control, planting and fertilising et cetera.

Beyond the investors, obviously subcontractors will benefit as well. The potential expansion of this industry that could be realised with this bill will encourage more investment which will then lead to further growth in the number of subcontractors who are involved in this aspect of the industry. This is vitally important to plantation forest regions right around Australia, including those in Eden-Monaro, for those investment companies will now have greater flexibility and certainty in their busi-
ness dealings. Greater flexibility means businesses can focus on getting on with the job and not be concerned with cash flow problems associated with investment taxation.

The bill introduces two measures. Firstly, the rules relating to prepaid expenditure will be relaxed for plantation forestry managed investments, which is largely what I have said so far. This means that investors will have an immediate deduction for expenditure on seasonally dependent agronomic activities. They will be able to claim in one year for those investments for those activities in the next. Companies nominating to come under this scheme will be required to pay tax on the gross income earned in respect of expenditure qualifying for this new rule in the year the expenditure is incurred by the investor, not when the work is done on the investor’s behalf.

Secondly, in relation to non-commercial loss rules, discretion will be provided to the Commissioner of Taxation to deduct but only in the circumstances where a profit is evident for that business in an earlier year. Under the existing regime, an investment company cannot deduct for expenditure which fails certain commerciality tests but this is not intended to deny deductions during the establishment phase. The commissioner has the discretion to allow deductions during the establishment period but this ceases once the company records a profit, however minimal that profit may be. Under this bill, however, the commissioner will be permitted to exercise that discretion up until the time the business is expanded to return a profit on a sustained basis. Under this bill, the commissioner is also permitted to consider any period of time appropriate for each business, as opposed to one year at a time under the current regime.

I have met with a number of forestry companies and they have impressed upon me the urgency of this bill. If this bill is not passed in this sitting week of the parliament, the ability of these companies to market their 2001-02 prospectuses will be severely hampered. This is then the stage at which we can help this industry the most. Assuming now that the opposition and other parties support the passage of the legislation, these companies have to seek product rulings from the ATO before they can market their prospectuses to include this investment assistance.

This is the crucial stage when these companies drum up support from investors. This bill will do a great deal to make these investments more attractive to potential investors, so action cannot be left to the next sittings. We must do our best to support these businesses now when they need it most. One of the businesses said to me:

Failure to have the law in place this financial year will also have serious longer term consequences for regional businesses and communities, and for resource supply and harvested woodflows for domestic and export markets.

Clearly millions of dollars worth of investment are in limbo at the moment. The danger of this money not going to the industry is very clear and is something that parliament has an obligation to ensure does not eventuate. I urge all members to keep in mind that the mere passing of this bill does not equate to these businesses having their prayers answered. On the contrary, the process just begins for them to then lodge the product ruling application with the ATO, and then have the prospectuses amended accordingly.

The federal government has demonstrated a strong commitment to the plantation forestry industry since 1996. Only a year after entering office we set in place Plantations for Australia: the 2020 Vision. I find it a bit surprising that the member for Werriwa was saying that we seem to have some sort of short-term approach to this industry and economic reform, but 2020 back in 1996 was not a bad vision and I would not have called that short term. As the cornerstone of our forestry policy, it is a joint agreement between the Commonwealth, state and territory governments to treble the plantation area around Australia from about one million hectares in 1997 to three million hectares by the year 2020. As part of this program, we aim to develop and encourage an internationally competitive industry with private sector investment as the driving force.

It is not just for the sake of the thousands of timber workers around Australia that we are continuing to display such a commitment to this industry. In the financial year 1999-
2000, Australia had a $2.2 billion trade deficit in wood and paper products. There are also, of course, environmental factors which come into play, which is another reason why an increase in our total forestry plantation area is so appealing. Plantations reduce soil salinity, wind and water erosion and waterlogging on agricultural land. Plantations may also help the nation reduce our overall greenhouse gas emissions. Put simply, plantation forestry is central to our forestry policy because it is appealing in so many ways. Very rarely is an industry so good for local job creation and our export markets, yet also so good for the environment.

We in this great nation are in a perfect position to make the best of this industry. We have the necessary land resources and an investment climate ranking amongst the best in the world. Research has indicated that at least three million hectares of land around Australia, currently used for very marginal sheep and cattle production, is suitable for forestry plantation. In Eden-Monaro there are both hardwood and softwood timber industries. At the moment both industries are in a similar position, waiting for Canberra to indicate its support for their job creating projects. In the hardwood industry we have the Regional Forest Agreements Bill which I hope to be speaking on this week in the House; for both the hardwood and softwood industries we have the Taxation Laws Amendment Bill (No. 1) 2002 before us today.

Forestry impacts upon a great portion of my electorate. This has been recognised in the past by this government. With the closure of the Eden cannery and the winding-up of a large part of the native timber industry on the far south coast, Eden was left in difficult times. Here the federal government stepped in, by providing $3.6 million to restimulate the region. It has worked beautifully, and the proof of this is now on the ground in Eden. We had made a clear decision that by focusing all Commonwealth assistance in one industry we put the community in danger of over-reliance on that industry. Clearly, if anything detrimental occurs, the future of the whole town is put in doubt. So what we did was diversify the businesses in which we placed our support in the region.

Through the Eden region adjustment package advisory committee the federal government has funded over 10 projects in the region. From a grant to a native plant nursery in Bombala to grants to pelagic fishing off Eden and the construction of a bakery, the Eden region adjustment package has been great news for an area that desperately needed that extra spark to establish new industries. I was present at the opening of the new bakery in Eden only a couple of months ago. An extension of the famous Nimmitabel bakery, which is also in Eden-Monaro, the Pieman from Snowy River is investigating the frozen pie market as well as export markets. So a couple of industries closed down or began to wind down their operations, the federal Howard government stepped in to assist them, and a mere three years later there is export potential for at least one of the businesses we assisted. This is not to mention other projects such as the Eden multipurpose wharf and Defence ammunitioning facility that are being built in Eden at the moment. This is yet another example of the government’s commitment to regional areas, and most importantly to the facilitation of growth through infrastructure funding.

How will the Labor Party respond to this bill? My experience in the past with the Labor Party when it comes to the timber industry is that they will appear to support it out there on the ground but, as soon as they pass over the ACT border into Canberra, their opinions will change. I guess it is appropriate that I remind the Labor Party—although it was acknowledged by the member for Werriwa—that when they were questioned during the election campaign as to whether they would support the introduction and passage of the bill, they responded that they would. They have the opportunity now to keep their word, and I am pleased that the member for Werriwa has indicated that they will be supporting it—although they are talking about a sunset clause in the Senate. We need to have a closer look at that. I hope it is not an aspect that they are going to work on to try and prevent this bill going through.
This bill is logical law. This is a great example of those out there working within the bounds of this legislation saying to us, ‘Hold on, look how this is affecting us because of the seasonal nature of the industry. Why can’t we structure the law in a different way for this industry so that investment can be attracted?’ That is what we are doing: encouraging investment in a policy that we hope will treble in size over the next 18 years. Without investment this goal, which all state and territory governments have agreed we should be aiming towards, will not be met. This industry has so many positives. It is job-creating and sustainable—and it achieves all this while being great for our environment.

The worst thing any government can do for any industry is to unduly prevent or inhibit investment. This is something that we should be promoting rather than stalling. In my meetings with these companies one of the common calls they make is for us to re-dress the current legislative regime. In Bombala and Delegate it is imperative, with a number of other industries in doubt, that the government does their best to sustain an industry which is building the region up. They are building towns up which would otherwise be looking elsewhere for investment in other industries. It is vital for this industry, which we are trying to build up right around the nation, that this bill be supported. I call on members from both sides of the chamber to support its expediency through parliament.

**Ms Ley (Farrer) (9.50 a.m.)**—I welcome the opportunity to speak on proposed taxation changes which will boost the forestry industry. By introducing the *Taxation Laws Amendment Bill (No. 1) 2002* the Howard government demonstrates that it has listened to the concerns of the forestry industry and met those concerns—a key election commitment for the third-term forestry agenda. We need a strong and internationally competitive plantation industry. Our current annual trade deficit in wood and paper products is approximately $2.3 billion. That is $2.3 billion more wood and paper products imported than exported. By attracting private investment to this industry we can reduce this deficit, possibly turning it into a surplus. Integrating successfully into the world economy has surely contributed to recent record growth rates for the Australian economy.

The federal government commits strongly to Plantations for Australia: the 2020 Vision and recognises the significant role the private sector plays in expanding Australia’s plantation estate. Large-scale plantation projects are the most effective way to finance plantation development. They now account for 80 per cent of new plantations since 1997-98. The plantations vision aims to treble the plantation area from about one million hectares in 1997 to three million hectares by 2020. In order to achieve this—and I am pleased to say that so far we are on track—we need investment from the private sector. This adds to the diversification we already have in our agricultural production. There is a great deal of country that is marginal for sheep and cattle production which is potentially suitable for plantation forestry. This provides another option and another avenue for farmers in deciding what uses to put their land to.

A stronger plantation sector enhances regional development opportunities. One only has to look as far as Tumut in my electorate of Farrer to see the boost that an expanded forest industry has given to the town and the local area. The population is increasing, house prices are buoyant and there is confidence and optimism. Regional employment opportunities have expanded as forest products industries add to the pool of new and different skilled and non-skilled jobs needed in the area. In fact, the timber industry is critical to the whole of the eastern part of the Farrer electorate, including Tumbarumba and Laurel Hill where there are valuable hardwood and softwood plantations and timber mills. I look forward to these private investment funds finding their way to many regional economies in Australia in need of them.

The encouragement of plantation forestry will, I am sure, lead to more value adding in the timber industry generally. More plantations growing trees in regional areas will lead to the next stages of production taking place. Consider too the benefits of growing trees—benefits that are not so obvious: re-
ductions in greenhouse gas emissions due to the fact that growing trees use up carbon dioxide. Reduced salinity and soil erosion are other positive consequences.

The Taxation Laws Amendment Bill (No. 1) 2002 amends part of the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997, which, as they stand, have unfavourable effects on the plantation forestry industry. The proposed amendments introduce a 12-month rule which allows an immediate deduction for certain types of prepaid expenditure when invested in particular kinds of plantation forestry. This measure is a concession and will apply to the component of the investment that relates to seasonally dependent agronomic activities that occur while the plantation is being established. These include ripping and mounding, weed and pest control, planting and fertilising. Prepaid expenditure will have to be completed within 12 months of the activity commencing and by the end of the following income year.

The matching principle between income declared and deductions claimed is followed so as to minimise the effect on the revenue. Managers of plantation agreements will include amounts paid to them by investors in the same period when the investor can claim a deduction. This may not be when the work is actually done. The effect of these measures is that investors in the plantation forestry activities will be able to claim their up-front start-up expenses as a deduction. Typically, these are amounts associated with the establishment and early years of growth of a plantation forest. It usually takes several years for the trees to become income producing, during which time substantial costs are incurred. Investors in the plantation are less likely to be attracted to the project if they are unable, through the plantation manager, to claim deductions for these early, legitimate set-up costs.

The Taxation Laws Amendment Bill (No. 1) 2002 also amends the non-commercial losses rules so that, in the case of plantation forestry, the Commissioner of Taxation is not obliged to rule the activity as being non-commercial in years where it does not make a profit. The non-commercial losses rules were introduced as part of the new tax system, to prevent people engaged in activities not directed towards commercial gain—activities which do not pass the necessary business tests—from claiming tax deductions in the year that the expenditure is made. Previously, large deductions had been able to be claimed year after year, resulting in substantial losses and substantial refunds. These deductions had been associated with businesses that were quite simply not commercial in nature. There was no intention to make a profit. Exemptions did exist, at the commissioner’s discretion, for businesses going through the establishment phase, but the commissioner was unable to exercise this discretion in income years in which losses arose following a one-off profit.

In the forestry industry, the first income producing activity is often the first commercial thinning which produces some revenue. After this, the operation returns to its establishment phase. So without these amendments, the non-commercial losses rules may rule the activity non-commercial, denying deductions in the relevant year. These amendments will ensure that the commissioner’s discretion can be appropriately exercised for any year that is actually commercially viable. So even if there is a one-off profit from thinning of the trees, the Commissioner of Taxation is able to exercise his discretion to allow the loss in the income year in which it arises. The changes will be administered by the tax office and will, of course, necessitate a review of rulings procedures in the light of the change to the treatment of prepaid amounts. Remember, investment companies will need to obtain favourable product rulings from the tax office in order to protect deductions.

I recommend the Taxation Laws Amendment Bill (No. 1) 2002 and I would like to conclude by asking the House to reflect on some of the consequences of this parliament not supporting and encouraging a sustainable plantation industry. Bear in mind that, as a country, we demand more wood and paper products than we produce. If we do not produce them here, developing countries will meet that demand. These are countries where there is no sustainable ecological plan, where
native wilderness and rainforests are clear-felled, where there is no balance in the environmental debate, because the poverty experienced by the locals means that they do not have the room in their lives for such luxuries.

We all want our children to inherit an environmentally sustainable world. Committed environmentalists, farmers and the ordinary man and woman in the street agree on this. So let us not lose sight of the big picture. If we do not develop a responsible industry, one which stands on its merits and measures up to environmental scrutiny and provides jobs in regional communities, if we do not develop such an industry, others from less environmentally responsible communities will, and the effect on the world environment may be extremely harmful.

In summary, may I say that this is unexceptional legislation. The business tax reforms had unintended consequences on plantation forestry and this bill fixes them. Without these amendments, whatever growers had paid for had to be delivered by the end of the financial year, drastically shortening the time available for site preparation, pest control, planting and fertilising plantations. In many rural areas, this actually resulted in a frenzy of buying and leasing land, leading to tensions in local communities that felt they were being taken over by a sudden increase in uncoordinated forestry activities. Now companies will no longer have to gamble on land, contractor and seedling requirements before actually knowing what will be needed, nor will they have to establish plantations at the wrong season or the wrong time of year just to fit in with the financial year. Twelve months is now allowed to carry out the works with proper planning and when the season suits.

A sunset clause for 2005-06, as foreshadowed by the opposition, is not going to give the industry the stability and confidence it needs. This industry has now had to cope with considerable change and it needs a period of stability to settle and to mature. Certainly, a review period is useful, but let us allow for this in the parliamentary debate rather than bringing the curtain down through legislation of a sunset clause. I urge all concerned to support future legislation relating to regional forest agreements and taxation incentives to the forest plantation industry, and recognise the returns it will bring us, particularly in our regional areas.

Dr WASHER (Moore) (9.59 a.m.)—The introduction of the Taxation Laws Amendment Bill (No. 1) 2002 so early in the new parliament clearly demonstrates the federal government’s strong commitment to its national plantation strategy, as outlined in Plantations for Australia: the 2020 Vision, and recognises the significant role the private sector plays in expanding Australia’s plantation estate. There is certainly, as my friend from Eden-Monaro said, an urgency in the passage of this bill.

The proposed changes highlight the importance this government places on meeting its key election commitments, by promoting certainty and improving investor confidence in Australia’s plantation forestry sector. The key measure to stimulate investment in forestry plantation—the introduction of a 12-month rule for certain prepaid expenditure—meets major industry concerns and was a key election commitment for the government’s third-term forestry agenda.

The federal government has moved swiftly and decisively to help the embattled plantation investment management sector by reinstating a significant tax concession that will allow investors in forestry wood lots to claim deductions up to a year in advance of the funds being spent by managers. This amendment to the taxation laws relating to forestry investment overturns one of the reforms to business taxation which flowed from the Ralph report and had the adverse effect of severely curtailing activity in plantation forestry managed investments. While the Australian Taxation Office was seeking to crack down on abusive tax driven investment schemes, legitimate forestry managed investments were swept up by the same broom, dealing a serious blow to the industry and jeopardising the implementation of the government’s vision for forestry.

This bill reflects the government’s concern about the severe slowdown in growth in the plantation investment sector, particularly in the wake of last year’s collapse of Australian Plantation Timber Ltd. The abolition of the
so-called 13-month rule in November 1999 left plantation managers in a position where they had to own the land and have most of the plantation work completed in the financial year that the investor claimed the deduction. That created cash flow pressures for the plantation managers, who had to use guesswork to estimate the level of sales they would achieve in the run-up to 30 June when buying land and seedlings in the months prior.

The new rule will allow investors to receive tax deductions for investments and projects up to 30 June each fiscal year, before the plantations are established in the ensuing 12 months. This measure will create a favourable environment for the private investor and is necessary to develop a significant plantation resource, which will enhance the growth in Australia’s forest industries and the contribution made by the plantations to the Australian economy and to rural communities and regional development.

The other main measure contained in the bill amends the non-commercial losses rules, specifically the commissioner’s discretion. Previously, the commissioner could not exercise his discretion past a point in time at which a profit was made or one of the tests was passed, even if the profit was made or the test was passed on a one-off basis during that time. The amendments will allow the commissioner’s discretion to be exercised for all relevant years where this is consistent with the nature of the business activity. This is particularly relevant in the plantation forestry sector, where normal practices such as thinning may produce a one-off profit or passing of a test.

Achievement of the 2020 vision will have many benefits. By the year 2020, more than $3 billion will be invested to establish new plantations, and this will be mainly from private capital investment. The current $2 billion trade deficit in wood and wood products will be converted into a surplus. Up to 40,000 jobs will be created in rural areas, revitalising rural communities and regenerating their economies.

The Commonwealth government’s role in the national strategy for plantations is primarily one of leadership and providing clear and consistent policies supporting plantation development. This bill does just that. The new arrangements will promote forestry as a sound investment and will help to provide a strong and internationally competitive plantation industry. With financial assistance from the Farm Forestry Program and Plantations for Australia: the 2020 Vision, together with active involvement of both the Australian Securities and Investment Commission and the ATO, the sector has almost completed preparation of a new code of practice for afforestation investment companies and an accompanying investors guide to afforestation investment, to be issued under the Australian Forest Growers’ banner. I certainly hope this code and guide will address issues raised in the Senate inquiry into mass marketed tax effective schemes and investor protection, which were so obviously neglected, particularly in Western Australia, before the advent of product ruling.

In the past few years, the plantation managed investment sector has brought about the investment of hundreds of millions of dollars in land acquisition, plantation establishment and seasonal and permanent employment in rural Australia. Long-term contracts have been negotiated, and are being negotiated, for the marketing of their harvests. Companies are also exploring prospects for investment in domestic pulp mills and other value-adding industries in the main plantation regions. The member for Werriwa must take this into consideration when applying sunset clauses, because these pulp mills are a massive cost. These companies would like a situation whereby they can purchase or lease land after the sale of wood lots are known, rather than creating financial difficulties by gambling on the amount required beforehand.

Finally, this bill will restore confidence and stability after a shocking year in which the major player, APT, went to the wall and investors shunned the forestry sector in the wake of the ATO crackdown on unrelated schemes. I would like to emphasise that the tax commissioner, Michael Carmody, has since clarified that there is no cloud over the tax position of reputable plantation companies with valid tax office product ruling.
They are quite distinct from the mass marketed tax abusive schemes that the ATO has taken action against. I commend the bill to the House.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.06 a.m.)—in reply—At the outset, I would like to thank honourable members who contributed to this debate, particularly the honourable members for Eden-Monaro, Farrer and Moore, who have indicated their very strong support for their constituents. They have also shown once again what excellent representatives they are for the people who were able to return them as government members when the government was re-elected in the November election last year.

The Taxation Laws Amendment Bill (No. 1) 2002 contains two measures. One is an amendment to the prepayments rule, which requires deductions for prepayments to be apportioned over the period in which the related expenditure occurs. Relaxing the prepayment rule for the forestry industry should particularly stimulate investment in the plantation forestry managed investments industry. I have to say that I was a little perplexed by the remarks made by my friend the honourable member for Werriwa, who claimed that if a tax deduction is required to support this industry it is arguable that the resources might be more efficiently invested in other activities. That was quite an astounding remark for the member for Werriwa to make during the debate. I want to point out to the honourable member, who is not in the chamber at the moment, that the unique seasonal features of this industry require the investment of funds by investors at the end of a financial year for activities that, as a matter of sound management practice, should be conducted in the early months of the following income year.

So the government will introduce a 12-month prepayment rule for plantation forestry, allowing investors in managed plantation forestry investments to have a deduction for payments in one year for seasonally dependent agronomic activities in establishing the plantation conducted in the next year. By doing so, the government supports the 2020 vision target to treble the plantation estate to three million hectares by 2020. Most members in the House should support the government in this. The national forestry policy statement of 1992 aims to expand Australia’s commercial plantations to provide an additional economical, reliable and high-quality wood resource for industry.

The measure arises from direct consultation with representatives from the plantation timber industry. Industry representatives have indicated that they fully support the measure in its current form and have expressed their gratitude for the speed with which the government has moved to introduce the measure. This is an indication that the government is prepared to consult and that we are prepared to react very swiftly when it is in the interests of the Australian community to do so.

The other measure affects the non-commercial losses rules. Although this measure will be particularly valuable for the plantation forestry industry, it will also have a wider application. The concern is that the non-commercial loss rules can have an unintended impact. The rules defer losses from a business activity that fails commerciality tests but are not intended to defer losses during the establishment phase. However, under the present rules the commissioner’s discretion to allow losses during the establishment period is taken away after the business returns a profit for the first time, even if the profit is only incidental—for example, if trees harvested during thinning operations make a profit. Further, the commissioner can only consider one year at a time.

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The bill will address these problems by allowing the commissioner to continue to exercise the discretion for all relevant years where this is consistent with the nature of the business activity. He will be able to consider multiple years at one time. In the words of the then Minister for Forestry and Conservation, these changes should ‘give all plantation forestry managed investment companies greater flexibility and certainty in the way they do business, allowing them to better plan their land, contractor and seedling requirements’, creating a stronger and internationally more competitive plantation indus-
try. I thank honourable members for their support for the bill and commend the measure to the House.

Question agreed to.
Bill read a second time.

Third Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.11 a.m.)—by leave—I move:
That this bill be now read a third time.

Question agreed to.
Bill read a third time.

THERAPEUTIC GOODS AMENDMENT BILL (No. 1) 2002
Cognate bills:
THERAPEUTIC GOODS AMENDMENT (MEDICAL DEVICES) BILL 2002
THERAPEUTIC GOODS (CHARGES) AMENDMENT BILL 2002

Second Reading
Debate resumed from 20 February, on motion by Ms Worth:

Mr STEPHEN SMITH (Perth) (10.12 a.m.)—On the basis of the cognate debate, there are three bills for consideration: the Therapeutic Goods Amendment Bill (No. 1) 2002, the Therapeutic Goods Amendment (Medical Devices) Bill 2002 and the Therapeutic Goods (Charges) Amendment Bill 2002, which is linked to the medical devices legislation. The opposition has no objection to the cognate debate and no objections to the bills themselves, which we will support, although I will make some remarks in respect of two of the bills and give notice that in the Senate we will be formally moving an amendment to one of the bills.

So far as the Therapeutic Goods Amendment Bill (No. 1) 2002 is concerned, if Australia were subject to a chemical, biological or radiological attack or emergency, a response might require rapid access to large amounts of vaccines, antibiotics or chemical antibiotics that may not have been approved through the normal therapeutic goods approval processes. This bill seeks to allow the Minister for Health and Ageing to authorise the importation, manufacture or supply of unapproved therapeutic goods that are essential to public health should Australia be subject to a CBR—chemical, biological or radiological—attack or emergency and to permit the stockpiling of such goods.

The bill proposes that the minister can only grant exemptions in relation to these goods in exceptional circumstances: in the national interest or in the face of a potential or actual threat to public health. Each exemption granted under the act must specify the period, quantity, source, storage, record keeping and conditions of supply of those goods. The minister is required to publish the exemption in the Gazette within five working days and to table the exemption in the parliament within five sitting days. The exemptions gazetted and tabled are not required to contain information such as the location of the stockpile, which might be prejudicial to the national interest.

On that basis, the opposition supports the bill. However, the bill does not make the exemptions to which I have referred disallowable, and I give notice that the opposition proposes to move amendments in the Senate to make the exemptions disallowable. As the powers granted to the minister by the bill are powers to override existing safeguards, it is appropriate that parliament have the opportunity to fully question and, if necessary, overturn those exemptions. Subject to the moving of that amendment, the opposition supports the Therapeutic Goods Amendment Bill (No. 1) 2002.

So far as the Therapeutic Goods Amendment (Medical Devices) Bill 2002 is concerned, medical devices are of course increasingly important in supporting and saving lives and enabling people to live normal lifestyles. The level of regulatory scrutiny has not necessarily been commensurate with the level of technological sophistication involved. This legislation helps address the situation and seeks to bring Australia in line with international best practice, and on that basis the opposition commends the legislation and supports it.

This legislation seeks to modernise the system of regulation of medical devices in Australia to make it consistent with new in-
ternational best practice and best standards. Medical devices range from examination gloves and compression hosiery to heart valves and pacemakers. All such devices are regulated by the Therapeutic Goods Administration, the TGA, to ensure safety. Currently, devices are either listed as low risk or registered as high risk. The new system will create a five-tiered classification system and apply more appropriately graded regulatory requirements to each classification. A device will be classified according to the degree of risk involved in its use based on its invasiveness, the duration of its use, the location and whether or not the device is powered.

The new system adopts a global regulatory model developed by the Global Harmonisation Task Force, which comprises the world’s key device regulators and peak industry bodies such as the United States of America, Canada, Europe, Japan and Australia. As Australia imports 90 per cent of medical devices used in Australia—and our medical device exports make up one per cent of the world market—it is in our national interest to be internationally aligned.

The TGA is a cost-recovery organisation. The Therapeutic Goods (Charges) Amendment Bill 2002—the second of the two bills considered in this context—makes consequential amendments to ensure that the ability to levy fees on applicants is not affected by the restructuring of the register. It is important to acknowledge the increased level of resources that will be necessary to effectively implement this legislation. Resources will be needed to reassess and reclassify devices already on the market in a timely fashion, to assess new devices entering the market, to develop standards and quality control procedures for manufacture, to establish safety and efficacy, to manage the reporting of adverse incidents and to ensure appropriate staff training in skills. The user fee system which applies is intended to support and effect this, but in my view regular assessment will be needed to ensure there are no impediments to the effective functioning of the regulatory system and the ability of this system to protect the Australian people and to vitalise Australia’s medical device industry.

There is one aspect of the legislation which is of concern to the opposition. The legislation includes a provision to allow for the tracking of high-risk implantable devices. Although the government argues that processes are in place to establish a comprehensive tracking system for such devices, action in this area is, in my view, not progressing quickly enough, and that point needs to be underlined so far as the opposition is concerned. Indeed, members may be aware that legislation precisely along these lines was introduced into the previous parliament but lapsed on the calling of the 10 November election. During the progress of that legislation in the previous parliament, the opposition formally moved amendments to seek to establish a register of implantable devices. That was in the context of adverse public commentary on the defective St Jude heart pacemakers, which came to public attention in the year 2000. In August 2001 defects became the subject of public commentary—for example, French made ceramic hip replacements. In the course of that parliament, the government did not take up the opposition’s suggested amendment to formally establish a register of high-risk implantable devices.

At officer level there has been discussion about this proposal again, and it is clear to me that the government is not proposing to take up such an amendment. On that basis, the opposition will not be wasting the time of the House, or the Senate, to so move. I do underline our concern in this area. In the government’s remarks in closing this debate, I look forward to hearing an outline of the processes which the government has embarked upon to deal with this sensitive and contentious area. On the basis of formally giving notice of an amendment, which we propose to move in the Senate, and underlining the opposition’s concern in respect of the high-risk implantable devices, the opposition supports the three pieces of legislation and commends them to the House.

Mr CADMAN (Mitchell) (10.19 a.m.)—This is interesting legislation, part of which has been before the House previously. It is a good opportunity to look at some of the mechanisms of the regulatory process
through which government relates to private industry. I am particularly interested in the Therapeutic Goods Amendment (Medical Devices) Bill 2002. What disturbs me a little about this whole process is that, because the Therapeutic Goods Administration is a fairly new authority, there have been a number of teething problems which I think the House is well aware of, the first of which is the need for the authority to review a whole range of products which have been accepted in Australia over a long period of time and reclassify them. This has not been without expense to the industry.

The Therapeutic Goods Administration has the capacity to set its own fees and budget. There is full cost recovery. That means that it can push up the fees it charges industry to regulate industry and therefore there is an almost bottomless pit in relation to what it can charge. Fortunately, that was reined in the year before last, or last year, and thank goodness for that because industry was complaining about the inordinate increases in costs to it. I think government instrumentalities have to think competitively and realise that, whilst it might be nice to have large elaborate buildings and large offices and a huge work force, they have to be part of a nationalistic approach and think of how the ultimate benefit applies to Australia’s earning capacity. They have to consider safety factors, our competitive role in the area in which we live and our capacity to export. Regulators do not think of those things very frequently. Industry is often forced to carry the pain with some disadvantage to employment and our capacity to export.

Under the act, there are a number of classifications for medical devices depending on whether they are for the diagnosis, prevention, monitoring, treatment or alleviation of disease; for the compensation of an injury or a handicap; for the investigation, replacement or modification of the anatomy or the physiological process; or for the control of conception. There are five medical device classifications: class I, class IIa, class IIb, class III and a class which covers active implantable medical devices—something that goes within the body. The principles that apply to classifications are interesting, because invasiveness of the device into the body, the duration of the use of the medical device and the contact with the central nervous or circulatory system are all factors.

Class I includes low-risk non-invasive devices. Mr Deputy Speaker Causley, you will be very pleased to know that we have a government instrumentality here in Canberra that is looking at things like hospital beds, walking aids, wheelchairs, and simple surgical and dental instruments, such as scalpels, manual drills and gloves. All those sorts of things have to be approved by the TGA under class I. Class II includes slightly more invasive and intermediate risk medical devices: hearing aids, dental filling materials, hospital grade disinfectants and devices for the storage and transport of organs. We can see that at this level there needs to be some careful standard applied. Class IIb includes some invasive or implantable devices: baby incubators, external pacemakers, surgical lasers, blood bags, healing wound dressing and contact lenses. Class III includes high-risk devices, including surgical invasive devices and animal derived products, such as absorbable sutures, heart valves, vascular prosthesis, stents, condoms and other products. The last area is that of active implantable medical devices, including pulse generators, implantable electrodes and implantable drug infusion devices.

There is a good, sensible approach to the way classification takes place. Certainly almost all the medical devices that are currently required to be registered will be classified as either AIMD, class III or class IIb. In addition, a number of devices that currently do not require registration will be included in class IIb and class III. So there is an extension of the classification process. I plead again for care in the way in which regulation is applied. It is very easy to get carried away and impose principles. Essential principles or conformity assessment procedures can be very confusing, very detailed and quite inappropriate in some cases.

According to government information, only about 50 per cent of manufacturers are required at the moment to meet the quality system standards. All registrable and some
listable therapeutic devices must demonstrate compliance with quality or safety standards, which are specified under the regulations or in therapeutic goods orders issued by the minister. When I read things like:

The standards may be but need not be specified by reference to certain British, European, United States or international standards—

and—

Compliance with the medical device standards will not be mandatory but will be a way of demonstrating conformity with the essential principles—

I start to see a looseness that would allow the regulators to apply not an objective approach but a somewhat more subjective approach than I would prefer to see—something that is less predictable than something that is prescribed. I would like to see that covered off. We need absolute certainty in these areas. The cost of business is huge where uncertainty is imposed by regulation or where a British, European or United States code is not accepted. With the endless testing procedures that are used in those countries, I cannot for the life of me understand why we would want to second-guess everything that is done overseas. I think the let-out clause needs to specify very well under what conditions and under what circumstances it would apply, and there should be a reportable factor where variations from those codes are listed, with the reasons for the variations being made.

Having had discussions with industry groups, I would have to say that the Productivity Commission report, which has just been released, is relevant. The Productivity Commission’s cost recovery inquiry is particularly relevant to this industry. I am looking forward to the government’s response in detail, because in fact the government has responded in part in a number of areas. I believe it might be a job that one of the committees of the parliament ought to take up. It is my view that a full investigation by a committee of the parliament of the Productivity Commission’s report and its application of cost recovery, particularly to the TGA and all its activities, might be a timely suggestion. That committee, whether it be the health committee of the House of Represen-

tatives or even the Public Accounts Committee, could investigate the way in which cost recovery has been applied.

This organisation has one factor that is absolutely and completely objectionable: it is the rule setter and the policeman. That is not good public practice. With good public practice, the supervisory and regulatory process is one area, but to have the capacity to fine, impose penalties and set regulations is not the most desirable approach. I strongly oppose the way in which those two factors are combined in the one organisation. The Productivity Commission’s report, as best as I can determine, looks at the prospect of separating those two factors. Our fees are the highest in the world, yet we are supposed to rely on information from other centres and other countries. I understand that $50 million is the cap that the government has applied to the TGA. I hope that, with the expanding activity that this legislation will bring forward, that cap is retained and therefore that unit costs will start to fall. If we cannot gain increased efficiency by that process, there will be the opportunity for the TGA to say, ‘The cap needs to be taken off because we have so much more work to do.’ That will be the argument. In the Senate estimates hearing, the Department of Health and Ageing identified for the first time a surplus of $1.5 million last year—they are living within budget—and a 3.35 per cent increase for this year. That indicates that there are adequate funds and that they are living within budget, and that is more appropriate. With extended work, I would expect efficiencies to be gained. The light touch of class I, I am told, is going to be applied, and I hope that it is right.

I have already touched on the conformity reports and the compliance processes. I am going to shorten my speech, because I have been asked to, but this is an area where a government authority has power and a new approach to making sure that quality standards and safety are applied, but that does not mean that the other factors that I have raised can be ignored. To be the regulator and the person who assesses conformity is not best practice. It is not done elsewhere. Other countries separate the regulatory proc-
ess and the conformity assessment. In the United States there is no doubt that there is a separate process. In Europe both factors are completely separated.

Setting the rules and judging business against those rules should be dealt with by the government in the recommendations of the Productivity Commission’s report No. 15, *Cost recovery by government agencies*. If I may, I will show a table of government recommendations in response to the Productivity Commission and some notes that have been made by one industry organisation. There is no problem in making sure that we have on the record such responses from industry, because they are thoughtful assessments which need to be taken into account in finetuning the government’s response to the Productivity Commission report. There is general agreement. The industry is generally pleased, except for the area of regulation, assessment and the prospect of a further blow-out of costs, which is not properly managed. I conclude my comments and seek leave to incorporate this material in *Hansard*.

**The DEPUTY SPEAKER (Hon. I.R. Causley)—**Leave is granted on the condition that Mr Speaker will look at the documentation and see whether it is suitable to be incorporated in *Hansard*.

Leave granted.

*The table read as follows—*

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**RECOMMENDATIONS OF PRODUCTIVITY COMMISSION REPORT NO. 15**

‘**COST RECOVERY BY GOVERNMENT AGENCIES**’

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<th>Recommendation</th>
<th>Suggested Response</th>
<th>Comment</th>
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<tr>
<td>Chapter 3 Legal and fiscal framework</td>
<td>Agree</td>
<td>The Government agrees that cost recovery arrangements should have clear legal authority. The Government notes that there are no specific problems identified with current cost recovery arrangements.</td>
<td>Agree</td>
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<td>3.1 All cost recovery arrangements should have clear legal authority. Agencies should identify the most appropriate authority for their charges and ensure that fees-for-service are not vulnerable to challenge as amounting to taxation.</td>
<td>Agree</td>
<td>Fees paid to the TGA by companies for evaluation and registration or listing under the Therapeutic Goods Act are improperly levied, as this Act does not authorise the imposition of taxation.</td>
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<td>3.2 Revenue from the Commonwealth’s cost recovery arrangements should be identified separately in budget documentation and in the Consolidated Financial Statements. It should also be identified separately in each agency’s Annual Report and in Portfolio Budget Statements.</td>
<td>Agree</td>
<td>The Government agrees that separate identification of cost recovery receipts will increase transparency of the revenue obtained from cost recovery arrangements.</td>
<td>Agree</td>
</tr>
<tr>
<td>Chapter 4 Current cost recovery arrangements</td>
<td>Agree in principle</td>
<td>The Government agrees that there should be a formal cost recovery policy for government agencies, and that part of that policy shall be a set of guidelines for appropriate cost recovery processes. The Government will finalise the guidelines as part of the Government’s final response to the report, with the preparation involving consultation with all affected agencies.</td>
<td>Agree</td>
</tr>
<tr>
<td>4.1 The Commonwealth Government should adopt a formal cost recovery policy for agencies undertaking regulatory and information activities. This policy should implement the cost recovery Guidelines recommended by this inquiry.</td>
<td></td>
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<td>Recommendation</td>
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| **Chapter 6 Cost recovery under the Trade Practices Act 1974**

6.1 Subject to the completion of a Cost Recovery Impact Statement, the Australian Competition and Consumer Commission should adopt a cost reflective approach to setting charges for those activities for which it is appropriate to charge. Any departure from this general principle should be justified in the Cost Recovery Impact Statement.

To be considered as part of the Government’s final response.

The report also undertakes a review of user charges under the Trade Practices Act, as required under the Commonwealth’s Legislation Review Schedule. The Commission finds that current Trade Practices Act charges appear to have little if any impact on competition and economic efficiency and hence are not inconsistent with the competition tests under the Competition Principles Agreement. Consequently, the Commission proposes no change to the Trade Practices Act.

The Government accepts the Commission’s finding and notes that this completes this legislation review commitment.

The specific recommendations in relation to the user charging regime will be considered as part of the Government’s final response to the report.

To be considered as part of the Government’s final response to the report.

The report also undertakes a review of user charges under the Trade Practices Act, as required under the Commonwealth’s Legislation Review Schedule. The Commission finds that current Trade Practices Act charges appear to have little if any impact on competition and economic efficiency and hence are not inconsistent with the competition tests under the Competition Principles Agreement. Consequently, the Commission proposes no change to the Trade Practices Act.

The Government accepts the Commission’s finding and notes that this completes this legislation review commitment.

The specific recommendations in relation to the user charging regime will be considered as part of the Government’s final response to the report.

**Noted.**

**Chapter 7 Improving the design of cost recovery**

7.1 Cost recovery arrangements that are not justified on grounds of economic efficiency should not be undertaken solely to raise revenue for Government activities.

To be considered as part of the Government’s final response.

Comment will be made in conjunction with the Government’s final response to the report.

Strongly agree.

7.2 Cost recovery arrangements should apply to specific activities or products, and not to the agency as a whole.

Strongly agree. Industry would accept fee for service charges, with bench-marking of costs.

Recommendation 7.10 is supported.

7.3 Cost recovery of activities should exclude those undertaken for the Government (such as policy development, and Ministerial or Parliamentary services), or to comply with certain international obligations.

Strongly agree. This is a vital area for industry with TGA costs of more than $25 million (related to Government, Parliamentary policy, international and public safety) currently passed directly to industry. This requires early attention. The matter must be resolved before considering a Joint Trans Tasman Regulatory Agency.
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<td>7.4 The practice of the Government setting targets that require agencies to recover a specific proportion of total agency costs should be discontinued.</td>
<td></td>
<td>Strongly agree. The excessive costs to industry for the TGA significantly impact product availability and prices, while particularly disadvantaging smaller companies.</td>
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<td>7.5 Agencies and the Government together should define a basic information product set. This should be a dynamic process, with basic information products determined by reference to: ‘public good’ characteristics; significant positive spillovers; and other Government policy reasons.</td>
<td></td>
<td>Agree. Is there a role for industry in this process?</td>
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<td>7.6 The basic information product set of agencies should be funded from general taxation revenue.</td>
<td></td>
<td>Strongly agree.</td>
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<td>7.7 As a general principle, the costs of providing information products that are additional to the basic product set should be recovered. However, cost recovery should not be implemented where: it is not cost effective; it would be inconsistent with policy objectives; or it would unduly stifle competition and industry innovation.</td>
<td></td>
<td>Agree. However, please note that should Government remove product Conformity Assessment from the TGA role (as recommended by Government’s own report – Industry Commission Report No. 56), then industry fees paid to TGA will reduce, while private sector competition will be stimulated.</td>
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<td>7.8 Additional information products should be classified into three broad categories and priced accordingly: dissemination of existing products at marginal cost; incremental products (which may involve additional data collection or compilation) at incremental (avoidable) cost; and commercial (contestable) products according to competitive neutrality principles.</td>
<td></td>
<td>Noted.</td>
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<td>7.9 As a general principle, the administrative costs of regulation should be recovered, so that the price of each regulated product incorporates the cost of efficient regulation. Cost recovery should not be implemented where: it is not cost effective; it would be inconsistent with policy objectives; or it would unduly stifle competition and industry innovation.</td>
<td></td>
<td>Agreed. Note that the current role of the TGA, as both Regulator and Conformity Assessment body, is questionable. It is not consistent with European best practice, it stifles competition in Conformity Assessment, it is unreasonably expensive and it places Government in a difficult position in the event of device failure.</td>
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<td>7.10 Cost recovery charges should be linked as closely as possible to the costs of activities or products. Fees-for-service reflecting efficient costs should be used wherever possible. Where this is not possible, specific taxation measures (such as levies) may be appropriate but only where the basis of collection is closely linked to the costs involved.</td>
<td>To be considered as part of the Government’s final response to the report.</td>
<td>Strongly agree. Fee-for-service charges should be bench-marked or be seen to result from open competition for service delivery.</td>
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<td>Chapter 8 Improving agency efficiency</td>
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<td>8.1 Agencies should not have automatic access to cost recovery revenue from compulsory regulatory activities. Funding for these activities should be subject to the same budgetary and Parliamentary scrutiny as activities funded from general taxation revenue.</td>
<td></td>
<td>Strongly agree. Under present arrangements Parliament has no visibility of the way in which the Therapeutic Goods Act operates as a taxation instrument. Budget allocations to Agencies from Consolidated Revenue will help to return some vigour to a process that has taken Agencies such as TGA to a point where they operate with minimum accountability.</td>
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<td>8.2 Agencies with significant cost recovery arrangements should have adequate mechanisms in place to promote meaningful consultation with stakeholders. Consultative committees should include the following characteristics:  • stakeholder representation;  • a chairperson independent of the agency;  • ability to monitor agency efficiency;  • access to adequate information on agency processes and costs; and  • transparent reporting processes.</td>
<td></td>
<td>Strongly agree – current processes are woeful and contribute to significant industry dissatisfaction. Independent chairing of consultative committees is vital – in the case of TGA, TICC, that Chair could come from either the Department of Trade or Industry, Tourism and Resources. Consultative Committees should be able to recommend and monitor performance targets and cost effectiveness measures.</td>
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<td>8.3 All existing, new and amended cost recovery arrangements of a significant nature should be assessed against the Guidelines recommended by this inquiry. All significant cost recovery arrangements should then be subject to periodic review, at least every ten years.</td>
<td></td>
<td>Strongly agree. TGA should be a priority. Review should possibly occur every 5-10 years, with the time being determined based on feedback on Agency performance.</td>
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<td>8.4 The Regulation Impact Statement process should be clarified to make it explicit that, where a regulation under review includes a significant cost recovery element, the Regulation Impact Statement should apply the Guidelines recommended by this inquiry.</td>
<td></td>
<td>Agree.</td>
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8.5 A Cost Recovery Impact Statement process should be applied to all significant cost recovery arrangements not covered by a Regulation Impact Statement. These include:
• existing cost recovery arrangements;
• new cost recovery proposals for regulations that affect individuals, not businesses;
• new cost recovery proposals of information agencies; and
• periodic reviews.

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<td>8.5</td>
<td>Strongly agree.</td>
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8.6 An independent review body should be appointed to assess whether Cost Recovery Impact Statements adequately address the cost recovery Guidelines.

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<td>8.6</td>
<td>Agree.</td>
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8.7 Agencies that cost recover should publish Cost Recovery Impact Statements and the assessment of the independent review body on their websites and include a summary in their Annual Reports. Cost Recovery Impact Statements should also be made available to Parliament through tabling or publication in Portfolio Budget Statements.

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<td>8.7</td>
<td>Agree.</td>
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Chapter 9 Implementation
9.1 All existing significant cost recovery arrangements should be reviewed against the Guidelines within five years. The Department of Finance and Administration should prepare a review schedule.

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<tr>
<td>9.1</td>
<td>Agree in principle</td>
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Mr MARTYN EVANS (Bonython) (10.35 a.m.)—I rise to speak on the Therapeutic Goods Amendment Bill (No. 1) 2002, the Therapeutic Goods Amendment (Medical Devices) Bill 2002 and the Therapeutic Goods (Charges) Amendment Bill 2002. Generally speaking, Australia has been very well served by its health regulators and by the TGA in particular. I join my friend and colleague the shadow minister for health, the member for Perth, in supporting the broad application of the three bills that are before us today, subject to the specific reservations which he drew to the attention of the House on behalf of the opposition. As the member for Mitchell has said, the House generally supports the work that these organisations undertake on our behalf, subject to the requirement that they remain relevant and retain their very thoughtful approach to the regulatory area of health, because it is a rapidly evolving area of human nature and science. It is with respect to that combination of human nature and science that I would like to make some specific remarks this morning in relation to the work of the TGA as it relates...
to the regulation of alternative medicine and, in particular, to homeopathic cures and homeopathic preparations, as they are now sold in stores such as pharmacies and by specific practitioners who sell them during private consultations.

The size of this kind of industry—the alternative health care industry in general—is enormous. Estimates in the United States for the most recent years for which figures are readily available put the value of the alternative medicine area in the United States alone in 1997 at some US$27 billion, which is of course a massive sum of money. Translated into the Australian context—it would be equally as large; perhaps not, obviously, in dollar value but in terms of the proportionate expenditure in Australia. This was all very well in times gone by when very little scientific evidence was available about the actual efficacy, safety and application of many of the health preparations which were available in the marketplace.

Indeed, when the particular area which I wish to speak about, homeopathy, was first invented in the late 1700s, over 200 years ago now, the practitioners of the day—in fact, the people who were responsible for inventing this whole line of medical treatment—probably had a point. The German physician Samuel Hahnemann, who lived from 1755 to 1843, is generally acknowledged to be the founder and principal developer of homeopathy, but some of the tenets of this treatment regime were well known beforehand. He was responding to the medicine of the day, if I can use the term ‘medicine’, when people were subjected to some very horrific treatments. They were allowed to bleed; they were treated with quite deadly compounds and, generally speaking, I suspect that most of the medical treatment of the day 300 years ago broke the first tenet of medical treatment: do no harm.

In the case of homeopathy, it was developed on the basis that these treatments were far too harsh. The gentleman who was responsible for the development of this process took the view that if he were to substantially dilute certain chemical compounds, he would be able to provide the body’s natural defences with a mechanism which would allow them to rise up and repel the invader or the unfortunate influence under which the individual had come and thereby effect a cure. His philosophy is not one which is spoken about much today by the practitioners of homeopathic medicine, and indeed they would not want it to because the public would readily reject it. I quote from the founder of homeopathic medicine, Samuel Hahnemann:

The causes of our maladies cannot be material, since the least foreign material substance, however mild it may appear to us, if introduced into our blood-vessels is promptly ejected by the vital force, as though it were a poison ... no disease, in a word, is caused by any material substance, but that every one is only and always a peculiar, virtual, dynamic derangement of our health.

In other words, he did not believe that the cause of ill health was—as we know it to be today in many cases—a virus, bacteria or some other deleterious substance which a person may have come into contact with. He believed that it was derangement of what he calls the psora, the vital life force which flows—in his view—through all of us, and the distortion of which is responsible for all maladies. I draw to the House’s attention again his view that ‘the causes of our maladies cannot be material’.

This view was subsequently effectively disposed of by modern science when people like Pasteur and others discovered the biological source of many illnesses and the medical cause of many other illnesses like cancer, heart disease and the like. That knowledge was not known to this good fellow back in the 1780s and one can hardly hold him responsible. He was doing a good job at the time and probably saved a lot of people by sparing them the treatment of the day, because it was certainly true then—and it is true now—that most of these homeopathic remedies can do little if any harm because, as I will go on to discuss, there is nothing in them. Therefore, it is very difficult for them to do any harm. That is not always the case, though, and I would ask the House to note that point in particular.

The very basis of this, I think, has already been tackled by Lewis Carroll in Alice in Wonderland when Alice said to the Queen in
response to the request that she should believe something impossible:
There’s no use trying. One CAN’T believe impossible things.

The Queen replied:
I daresay you haven’t had much practice. When I was your age, I always did it for half an hour a day. Why, sometimes I’ve believed as many as six impossible things before breakfast.

If one is to believe the tenets of homeopathic medicine, one needs to indeed believe as many as six impossible things before breakfast because the basis of them is almost infinite dilution, whereby various compounds which are believed to cause the malady from which the patient is suffering are diluted. In other words, if the patient is suffering from insomnia, you would infinitely dilute caffeine because that might well keep them awake. The treatment by the substance which causes the harm will stimulate the body’s natural defences and permit them to rise up against the ill health—the disturbance in the psora—and thereby effect something equivalent to a cure.

But the dilution factors are quite bizarre and enormous. For example, I would draw the House’s attention to one homeopathic cure which is derived from the liver of a freshly killed duck. This unfortunate duck has its liver removed, the liver is freeze dried and then put into a blender and pureed. One small sample of the substance is then withdrawn and it is diluted again and again. It is repeatedly diluted and at each dilution the bottle is shaken vigorously and thumped against a leather pad. It is believed that each time this is done, it doubles the ‘potency’ of the substance concerned. Indeed, the dilution is repeated to the extent where scientific evaluation indicates that not one molecule of the duck’s liver remains in the substance when it is sold to clients. One need only look at the fact that, for the $US20 million a year that this substance brings in to its manufacturers in the United States, they need only kill one duck a year—but that is probably excessive; in actual fact, you would probably only need to kill one duck in a lifetime to acquire the necessary componentry.

This is what we allow to be sold in pharmacies, in stores and by practitioners to actually effect some kind of treatment or cure of the patient concerned. The dilutions of almost all of these substances are such that there is virtually no active ingredient—no ingredient—left in the alcohol or water in which it is dissolved. The impurities in the alcohol and water are there in far greater proportion than the alleged active substance. That is why, in many cases, it is allowed to be sold. I saw this in any number of pharmacies in my district and throughout the country, so it is not only in the alternative medicine community. This is available in modern-day pharmacies, on the shelves, right next to drugs which are subject to rigorous and expensive testing. Labels contain words like ‘Snore Eze—this product will alleviate and help to alleviate problems of snoring,’ and ‘This product will help to alleviate problems of insomnia,’ and ‘This product will help to alleviate problems of colds and flu,’ et cetera.

These products are not cheap. They are sold at prices equivalent to $A20 for 20 mls of the substance, but what consumers are buying is 20 mls of water and alcohol; it is not 20 mls of the substances which are described on the containers. Homeopathy alone—virtually—in the whole Australian business and commercial community, is permitted to use a system of measurement which is not the metric system. They are almost by law required to do so. The TGA defends rigorously their use of a quite bizarre measurement system which expresses the name of the herb or the name of the compound which can be things that are quite dangerous such as mercury, belladonna or strychnine—but all of them in infinite dilution, I hasten to add.

These compounds are listed with their scientific or herbal names, and against them is listed a concentration which is described as ‘10C’ or ‘3X’ or ‘60C’. These are ancient measuring devices, not the modern metric system, which express ratio of dilution. A 30X dilution, for example, means that the original solution has been diluted almost hundreds and hundreds of trillions of times to the point where there is no molecule, as I have said, of active substance. A 30X dilution, assuming that a cubic centimetre of
water contains 15 drops, means that the number of drops is greater than the number of drops of water that would fill a container more than 50 times the size of planet earth in order to get one drop, one molecule, of active substance in that container.

Many of the dilutions, for example oscillococcinum, a 200C product for the relief of colds and flu like symptoms, involves dilutions that are even more far fetched. This involves dilutions in the concentration of one in 100 raised to the power of 200. For those not of a scientific bent, this is a number greater than the number of atoms in the universe. I know that this relies on a degree of faith, but those who have the faith to believe that a concentration of one in a number greater than the number of atoms in the universe is actually going to produce a healing effect, I think like Alice, are being asked to believe more than six impossible things before breakfast.

How do we treat these substances in regulatory terms? The TGA, I am sure to their embarrassment and shame, are responsible for the regulation of these substances, and they permit them to be sold in the sense that they regulate them and they provide the framework. When I wrote to them last year—as I have written to the national measurement authority and as I have written to the state consumer affairs departments—expressing concerns about these measurement systems, about the inherent fraud contained within the sale of these substances and about the embarrassment of having them in pharmacies next to tested and proven drugs, the TGA responded that this is consistent with law, which it is, and that it would be contrary to the public interest to actually specify the concentrations as they really are, because the public would be confused by this. The public would not understand, in the words of the TGA, these infinitely strong or infinitely weak dilutions, and it is much better to state on the jar ‘homeopathic medicine as is required by law’ and to use the homeopathic scale of concentrations and dilutions.

But while that scale of concentrations and dilutions is well known to the practitioners, I doubt that it is known to any consumer in the country; I doubt that it is known to medical practitioners and the like. Colleagues in the House who are so qualified are probably well qualified in their profession but would not recognise the nature of these dilutions. When one is used to seeing sold in the same stores herbal remedies which actually contain the substances they are alleged to contain—for example, St Johns Wort is a commonly sold herbal medicine; it has some psychoactive effect, often too much, and it is sold next to homeopathic remedies which contain similar substances but at infinite dilutions—how is the customer to know the difference between the two, unless they are well trained in the art of science or homeopathy? They are not, and so the TGA, by this device, is helping to perpetrate that fraud.

I agree with the connivance of the parliament and both sides of the parliament. This is a failure of regulation that is bipartisan and one that is common throughout the world. In the United States, despite complaints, the FDA has not acted on this, the postal authorities have not acted on it—despite the fact that it constitutes virtually mail fraud—and it is common throughout the Western world. Almost through some fear of political correctness, we have not acknowledged the inherent danger these substances represent—and this is something of which we are all guilty. It is not fair to blame the TGA exclusively, since they are simply representing what we have asked them to do in law. But because they are the professional organisation, I feel that they should represent to government the true facts of this matter and not seek to continue to defend it in the way that they do.

I will not name the company I am about to refer to, because it would be unfair as they are all the same, but I recently obtained advertising material from the web site of a company which is a major manufacturer of homeopathic materials. It states that its natural medicines are manufactured:

... in premises that are licensed by the Therapeutic Goods Administration (TGA) for the manufacture of therapeutic goods.

It goes on to say:

The TGA is the government body that oversees and licenses all aspects of the quality, safety and
effectiveness of pharmaceutical products manufactured or sold in Australia.

The company goes on to praise the TGA in its general work, as it might. It then says that, like other licensed pharmaceutical manufacturers, company x produces and has quality assurance procedures that are audited by the TGA. In other words, because we allow the situation to exist, these companies and practitioners use the cover of the TGA almost to create the impression among consumers that they are just like other pharmaceutical companies—they are not. If I were a pharmaceutical company and I wished to produce a new pharmaceutical, I would have to subject it to testing and effectiveness controls that would probably cost something in the order of $US500 million and take 10 to 15 years of work, would involve massive clinical trials and would require the TGA to examine the effectiveness, efficacy and safety of these drugs—something they do not do with homeopathic remedies because, of course, as they know, there is nothing in there. It is frequently used by the industry to say there is no evidence that homeopathic remedies have caused any harm. It is not quite true, but generally speaking it is true.

It can often be untrue because people allow conditions to persist for which they would otherwise require treatment. Indeed, a child died in Australia on 12 July 2001. The Australian reports that at a baby died after a ‘cure’ effected by homeopathic treatment. The baby did not die from the homeopathic treatment but died because the parents put their faith in this treatment. They neglected and rejected traditional medicine in the sense of Western active intervention medicine and the baby died because of that neglect. Those parents were no doubt obviously held the belief that this treatment would effect a cure for the child. I am sure that their intention was not otherwise, but the fact that we allow people to continue to believe this kind of impossible thing before breakfast I think is a problem for the regulatory authorities here because these substances are now widespread. They are no longer the province of fringe and obscure groups; they are now for sale in pharmacies around the country.

We are now seeing an expansion of this industry beyond the original intention of its inventor 300 years ago. My local pharmacies now sell homeopathic melatonin and homeopathic DHEA. These are prohibited substances in general sale because there is no approval for them. But because there is no melatonin in the homeopathic melatonin and because there is no DHEA in the homeopathic DHEA, they are legally allowed to sell them, whereas if those substances were in the jar they would not be allowed to sell them. But the word ‘homeopathic’ is in very small print and the word ‘melatonin’ is in very large print, so of course the consumers, not understanding the dilution factors, believe these things to be true when they take them. They have read about the benefits of melatonin and they assume that that is present in the substance.

I think it is time that the conspiracy of silence was ended. I think it is time that the professional health authorities came out and told the public just what these things mean and what is and is not in these substances. I hope that the parliament as a whole will come to some recognition of the need to move beyond our traditional regulatory effect in these areas. (Time expired)

**Dr SOUTHCOtt (Boothby)** (10.55 a.m.)—I have listened with great interest to the comments of the member for Bonython. In fact, he was the Minister for Health, Family and Community Services when I was working in public hospitals, in particular the Royal Adelaide, so he was my political boss, in a sense, 10 years ago. I find he is always worth listening to in these matters. I am pleased that he applies a scientifically rigorous approach to these issues, which should be welcomed.

In speaking on the Therapeutic Goods Amendment Bill (No. 1) 2002, the Therapeutic Goods Amendment (Medical Devices) Bill 2002 and the Therapeutic Goods (Charges) Amendment Bill 2002 which relate to the Therapeutic Goods Administration, I will first of all discuss one of the bills which relates to giving the TGA power to license medications which are not already available for approval in Australia in the event of biological, chemical or radiological
attack, warfare or whatever. The sinister nature of the anthrax attacks in the United States after September 11 last year and the sarin attacks in the Tokyo subway in 1995 showed just how vulnerable we are to terrorist attacks. The biological attacks in the United States created panic there and around the world. We should not overstate the risk; the risk is a low one but we have to be prepared for it.

For example, what is not commonly known about the Aum Shinrikyo sect, which were involved in the sarin attack in the Tokyo subway, is that they were unsuccessful in producing a biological weapon—they had tried. Generally, this is quite a sophisticated thing. They also made sarin. Normally sarin is many more times more toxic than cyanide gas. Their sarin must have been of a lower grade because, as you will remember, Mr Deputy Speaker Causley, I think 5,000 people were injured in this attack and maybe 20 or 30 were killed. Had the sarin been more effective, the death toll would have been much higher. We must be prepared for unconventional aggression in Australia. The attacks can be in the form of chemical, biological or radiological substances. Aggressors can be any group including state sponsored terrorist organisations or disaffected rogue individuals or groups. Regardless of the group or their motive, we need to be prepared.

There was a national contingency plan in place for the Olympics, and this was stepped up following September 11. It included such things as hospitals developing procedures and knowing their procedures for a biological attack, making sure that lab networks were able to pick up trends in blood tests and also making sure that there was adequate access to pharmaceuticals. The Therapeutic Goods Amendment Bill (No. 1) 2002 is part of this. Potential agents that we have to be wary of are anthrax, botulinum toxin, mustard gas, sarin, brucellosis and ricin. Last year in the United States, the Congress considered a $US1.6 billion proposal to stockpile antibiotics and vaccines for anthrax, plague and smallpox and also to prepare hospitals and health professionals for attacks of this nature. This bill is another step towards improving our medical disaster response systems.

The Therapeutic Goods Administration Bill (No. 1) strengthens the Commonwealth government’s ability to plan for and to respond to actual or potential threats to public safety. The government needs to be able to provide emergency medicinal treatment rapidly. Essentially, the bill enables access to unapproved medicines in exceptional circumstances, such as terrorist threat of chemical, biological or radiological substances. It is a critical component of Australia’s preparedness for terrorist attacks, and it enables immediate action to ensure supply of therapeutic goods that are needed to address threats when they occur.

The character of the threats means that they cannot be foreseen and therefore the recommended drug treatments are not readily available in Australia. If we are to act effectively in an emergency to save lives then we need urgent access to medications, and this streamlines the TGA approval. The medicines are not completely identifiable now and will not be in the future. The medicines will therefore not be listed in the act. Not listing them in the act will also enable rapid changes to be made to the available products. There are no provisions in the Therapeutic Goods Act 1989 to enable emergency personnel to receive urgent approval for the administration of unapproved medicines to a large number of people.

I will just give you an example from my own clinical experience of how we are not prepared for all eventualities. When I first started work as an intern we had a 15-year-old boy who had been actually buying chemicals from chemical companies and playing with them. I think he had been trying to make gunpowder, and he ended up with phosphorus burns. They were very severe, involving his eyes and causing blindness, and so on. Phosphorus burns are things that are commonly seen in a military setting. Military hospitals are set up—essentially, from memory, I think you need a copper sulfate solution to neutralise the phosphorus burns in some way. Our experience of phosphorus burns comes from the Vietnam War, and so on. But at this time, in Ade-
It took calls to pharmacists to come in and make up solutions, because there was nothing there on stand-by—no-one anticipated seeing phosphorus burns in a civilian setting. That is just an example of one thing which can come out of the blue, and which our health systems are not always prepared for.

The Special Access Scheme and authorised prescriber mechanism in the act allows the supply of unapproved medicines for individuals. It does not allow access for mass numbers; it is also time-consuming and administratively burdensome. The required response time for attacks needs to be minutes, not weeks. This bill allows the Minister for Health and Ageing to give rapid approval for the supply of unapproved therapeutic goods in the case of an emergency. It also enables the minister to allow the importation, manufacture or supply of unapproved products for the purpose of stockpiling for a future national emergency. The minister will have the power to exempt such medicines from the requirement that they be placed on the Australian Register of Therapeutic Goods before they can be made available in Australia.

As many countries face similar circumstances, there is a possibility of global shortages of specific medicines, especially antibiotics such as ciprofloxacin, and vaccines such as that for smallpox. One of the great successes in public health in the last century was the eradication of smallpox. Consequently, vaccines for smallpox are not available in large amounts. To address these issues, the government has asked the Department of Health and Ageing to consider stockpiling essential pharmaceutical agents that might be needed in a crisis.

The changes made to the Therapeutic Goods Regulations last year allowed for some incident planning to make certain that we were prepared for possible terrorist threats. The changes were only an interim measure against the immediate perceived threats to public health. These regulations will be revoked when the amendments to the act are passed. The bill also strengthens the offence provisions and the record keeping and reporting requirements of the act to ensure adequate control over the importation, manufacture and use of these unapproved therapeutic goods. The other pieces of legislation, the Therapeutic Goods Amendment (Medical Devices) Bill 2002 and the Therapeutic Goods (Charges) Amendment Bill 2001, were passed by the House of Representatives on 6 August last year. Due to parliament being prorogued, these bills were not debated in the Senate.

Australia’s consumers have access to a wide range of medical devices. Medical devices include everyday medical items like contact lenses, condoms, X-rays, pacemakers and syringes. Most of these devices require assistance and care from health care professionals. Approximately 90 per cent of Australia’s $1.8 million in medical devices is imported, and Australia’s medical devices make up about one per cent of the global market. We need a high degree of confidence in the industry, and consequently we are aligning with world’s best practice to ensure safety, performance, quality and timely access to new devices.

The medical devices bill introduces an internationally harmonised framework for the regulation of medical devices. The framework was developed by the Global Harmonisation Task Force, which included regulators from Europe, the United States, Canada, Japan and Australia. The framework will enable better protection of public health and also access to new technologies. Medical devices will be classified on the degree of risk involved. The framework will identify and manage the risks involved with new and emerging technologies. Medical device safety will be involved under the framework. For the protection of users, all devices will have to meet rigorous requirements for quality, safety and performance.

Recipients of medical devices would not enjoy the same quality of life without them. In particular, when we think of things such as pacemakers and heart valves it is clear that, without these, life expectancy for some people would be severely limited. What these amendments do is benefit consumers through comprehensive risk management. As I said, medical devices will be classified according to the risk involved in the use of the de-
vice—depending on the level of invasiveness in the human body, the duration of use and things like contact with the nervous and circulatory systems.

It is important, with medical devices, to have a system of regulation. This is an improvement on the previous regulation, which came into place in 1999. The TGA is, I suppose, our equivalent of the Food and Drug Administration in the United States. The Therapeutic Goods Administration—as opposed to what the member for Mitchell previously said—is not an authority or some sort of quango. It is actually sitting firmly within the department of health and is operating not as an autonomous body but within the department. When we think of things like the Dalkon shield or the Bjork-Shiley heart valve, what this legislation attempts to ensure is that, if there are any unintended consequences like there were from those items, in the future there will be an improved ability, firstly, to assess the risk and, secondly, to recall those products. I commend the bill to the House.

Ms JULIE BISHOP (Curtin) (11.07 a.m.)—Let me commence this morning with this chilling observation:

You notice that several of your friends at work are generally under the weather and sluggish. You wonder whether there was a big party you were not invited to. It hits you—and others—two days later.

The first thing you feel is a slight fever, and your chest feels tight. You think you have a bout of pneumonia. Over the course of the week many others are complaining of weariness and chest pains. As time goes on you all find you have difficulty breathing and develop high fevers.

Your skin is turning a bluish-purplish colour, your neck has begun to swell and you cannot stop sweating. A day or so later you die.

In other words, you have been infected with anthrax. I am indebted to Nick Hordern for this description of the graphic symptoms of Anthrax, as described by Tim Trevan, the British diplomat and a former senior adviser to the UN Special Commission for Iraq. I think this description gives a humanised insight into the destruction wrought by a pathogen that has already been utilised for the purposes of bioterrorism.

Just six months ago, such a scenario would have seemed the realm of paranoid fantasy or a Hollywood thriller rather than real life. Not that bioterrorism or the use of chemical weapons were unknown prior to September 2001 or the anthrax attacks that followed the September 11 bombings. The members of this chamber would be well aware of the 1995 terrorist attack on the Tokyo subway system. That attack, which involved the release of sarin gas by the Aum Shin-rikyo—the Supreme Truth—cult, killed 12 commuters and injured 5,000 others. Fortunately, the poor quality of the gas used and the inadequacy of the delivery system employed conspired to prevent more deaths and injuries on a public transport system that handles over five million travelers every day. Members were also be aware of the use made of chemical weapons against internal dissidents by Saddam Hussein’s regime in Iraq and experimental use of gases and other weapons during the Gulf War.

Accidents have also revealed the extraordinary dangers of biological and chemical weapons. In 1979, the population of the Soviet city of—and excuse my pronunciation—Sverdlovsk—experienced an outbreak of anthrax so deadly that almost 100 people were infected, 64 fatally. They were inadvertent victims, so it happened, of a leak at a neighbouring Soviet weapons plant. While that accident alerted governments in the free world to the deployment of biological weapons by the Soviets, and in turn encouraged greater international cooperation in working towards the eradication of such weapons of mass destruction, the past 20 years have seen the growing involvement of smaller rogue states with biological and chemical warfare. It is now clear that the consideration of the use of such weapons has devolved even further to the level of individual terrorist organisations and criminally minded individual persons. So this is the scenario we face in 2002—the fear of a ‘dirty bomb’, the fear of the transmission of the invisible but deadly by means as innocuous as the post. The dangers we face are compounded by the possibility of ‘super-bugs’, of more virulent diseases, of unknown infections, of ebola, marburg, botulism and tularemia.
Given the principal responsibility of the federal government to protect the life and property of the citizens of Australia, it is therefore incumbent upon this parliament to do all it can—in concert with the executive government—to ensure that our nation is adequately prepared for a civil defence emergency of the kind that I have sketched. This legislation, the Therapeutic Goods Amendment Bill (No. 1) 2002, goes a long way to the achievement of that end for it will ensure that the Therapeutic Goods Act—the legislation that safeguards the use of medicines and medical devices in Australia—will not, in the case of a national medical emergency, prevent the forthright and speedy use of countermeasures by the government. In the event of a national emergency, such as the use of a biological or chemical weapon against the population, or the outbreak of a highly contagious disease, the government will now be better placed to ensure that the effects of the weapon or disease are immediately countered. This may involve the use of otherwise unregistered medicines that are, by virtue of their non-registration, not readily available in Australia, or it may involve the use of registered drugs for purposes for which they are not presently intended. For example, the use of an antibiotic registered for one person against the conditions associated with a new pathogen. Likewise, preparations may need to include the stockpiling of vaccines and treatments by the Australian government outside of usual operating procedures.

Following the interim measures introduced by way of amendments to the Therapeutic Goods Regulations late last year, the Therapeutic Goods Amendment Bill (No. 1) 2002 will empower the Minister for Health and Ageing to make decisions in relation to the importation, manufacture and supply of otherwise unapproved therapeutic products. Those products will be specified and will only be those considered by the minister to be essential to the protection of public health. Appropriate public scrutiny will be provided through the necessity of tabling the decision before the parliament, its publication in the government Gazette and the improved offence provisions within the Therapeutic Goods Act.

So I support this bill and I note that it appears before the House in cognate debate with the Therapeutic Goods Amendment (Medical Devices) Bill 2002 and the Therapeutic Goods (Charges) Amendment Bill 2002—a pair of bills that were passed originally by the House back in 2001, but which were not debated in the Senate before the proroguing of the parliament. These two bills relate not to national security but to the personal security of Australians who require medical treatment, for they will usher in—to quote the parliamentary secretary:

A world-leading, internationally harmonised framework for the regulation of medical devices in Australia.

Considering the increasing use of medical procedures and the technological advances being made at every moment, this adoption of what is world’s best practice in classification, risk management, assessment and approval is most welcome.

The types of devices which will be covered by this new system include those devices whose purpose is, as defined in section 41BD, the diagnosis, prevention, monitoring or alleviation of disease; diagnosis, monitoring, treatment, alleviation of or compensation for an injury or handicap; investigation, replacement or modification of the anatomy, or of a physiological process; or control of conception—for example, surgical instruments, lasers, heart rate monitors, radiological equipment, syringes, lenses or implants.

Under the new system, which is based upon the recommendations of the Global Harmonisation Task Force, a classification of these goods will be made according to the degree of risk that the goods pose to patients. That degree of risk will, in turn, be judged by criteria such as invasiveness, duration of use and contact with essential bodily systems. Low risk items, the non-invasive or transient, will be classified as class I devices—for example, a hospital bed, a wheelchair, a simple scalpel, a pair of gloves or a dressing. High risk items will receive different classifications. Intermediate risk devices, the class IIa devices, may be invasive but designed for short-term use—for example, hearing aids, disinfectants or dental fillings. The class IIb
devices will be a higher level of risk again—
some implantable or invasive devices, for
example, or contact lenses, condoms or ven-
tilators. The high risk devices will be classi-
fied as class III devices, including IUDs,
heart valves, absorbable sutures and the like.
Finally, there will be a separate class for
AIMDS. That will include implantable elec-
trodes, pulse generators and similarly high
risk, highly complex devices. All devices
will have to meet substantive requirements
for quality, safety and performance, meas-
ured against international standards—a great
improvement on the present system which
necessitates the compliance of only 50 per
cent of manufacturers.

This reminds me that, in respect of safety
issues, it is appropriate to make some com-
ments that relate to one of my constituents,
Mrs Karen Carey-Hazell, and a matter that I
have been dealing with for some time.
Karen’s case demonstrates the need for
strengthening of the present safety standards
applied to medical devices. In June 1996
Karen was implanted with a mechanical
heart valve manufactured by St Jude Medical
Inc. Following the implantation of the me-
chanical heart valve she suffered problems
with her kidneys and spleen. She suffered
two strokes—she is a young woman, much
younger than me—a fully occluded left ver-
tebral artery and a partially occluded right
vertebral artery, all of this as a consequence
of the implantation of the mechanical valve.
A year later the mechanical valve was re-
moved and in its place was implanted a tis-
ssue valve. Since the valve replacement she
has not suffered any further thrombo-
embolic events; nonetheless, the complica-
tions experienced in 1996-97 have seriously
affected her ongoing health.

It has not, however, affected her commit-
tment to campaigning for better safety stan-
dards for medical devices, whether in her
capacity as a consumer’s representative with
the Therapeutic Goods Administration or as
a member of the Health Consumers Council
of Western Australia. I was pleased to have
the opportunity to arrange for Karen to meet
the former Parliamentary Secretary to the
Minister for Health and Aged Care back in
2000. I know the parliamentary secretary
found his conversation with her regarding
her personal experience with a mechanical
heart valve, and her views on medical safety
issues, most useful in formulating policy. 
Karen’s case is a reminder to the House that,
when it comes to the safety of medical de-
vices, we should be diligent in ensuring that
we establish systems that can cope with the
demands of advancing technology and rising
costs. I believe that the measures encap-
slulated in the bills before the House represent
the establishment of a more appropriate sys-
tem of regulation for medical devices, and I
commend them to the House.

Ms WORTH (Adelaide—Parliamentary
Secretary to the Minister for Health and
Ageing) (11.18 a.m.)—in reply—First of all,
I would like to thank the shadow minister for
health and ageing for agreeing to consider
the Therapeutic Goods Amendment Bill (No.
1) 2002, the Therapeutic Goods Amendment
(Medical Devices) Bill 2002 and the Thera-
peutic Goods (Charges) Amendment Bill
2002 together, because it has assisted the
business of the parliament in seeing this leg-
islation on its way to the Senate. I would also
like to thank all those colleagues who have
taken part in this debate and just comment
briefly on some issues that have been raised.
In relation to the remarks by the shadow
minister—and again I thank him for his sup-
port in this chamber and getting the business
on its way—I would like him to perhaps
consider a number of things before putting
into firm action the amendments that he has
suggested the opposition may put forward in
the Senate.

In relation to decisions made by the min-
ister to exempt essential therapeutic goods
not being disallowed, I put the argument that,
in the case of an actual emergency, immedia-
tel action will need to be taken to ensure that
the public has access to emergency pharma-
ceutical treatment, and any decision made to
exempt the necessary therapeutic goods will
need to be made and acted upon as a matter
of urgency. To make such a decision subject
to disallowance is simply not practical. This
is not to say, however, that the parliament
should not be aware of the decisions being
made by the minister in response to national
emergencies. For this reason, this bill re-
quires the minister to table information relating to any exemption in the parliament. In the event of a potential threat, as opposed to an actual national emergency, rapid action will still be required to ensure public health and safety is protected. Once a decision to stockpile essential unapproved medicines is made, it will be important that action is taken quickly to import or manufacture the necessary products. As in the case of an actual event, it is likely that these actions will have been completed before disallowance of the minister’s decision could take effect so, again, making such a decision subject to disallowance is simply not practical.

It should also be recognised that any decision to disallow the stockpiling of essential medicines would have the effect of increasing the risk that the Australian public would be without sufficient supplies of the medicines that would be needed in such an emergency. Further, the granting of an exemption by the minister does not mean that these goods will be stockpiled forever. The minister can impose time limits on exemptions, revoke exemptions and impose additional conditions on exemptions, as circumstances change. It is clear, therefore, that there are good safeguards built into this bill and it is neither necessary nor practical to make the minister’s decision disallowable. Sometimes we can all fall into the trap of wanting to be so in control, and prescribe things so definitively, that we are perhaps not placing trust in those who might follow us in positions in the future.

I would also like to comment on the progress on implant tracking. I appreciate the importance of tracking patients who have surgically implanted medical devices. These devices include heart valves, pacemakers and hip implants. The bill does include a provision to facilitate tracking; however, a comprehensive implant tracking scheme goes beyond the powers of this bill and the Therapeutic Goods Administration. There are issues such as the privacy of patient information that must be considered, but I am pleased to advise that there is considerable work being undertaken in this area.

In the year 2000, the government formed the Council for Safety and Quality in Health Care, supported by the state and federal health ministers, to provide national leadership to improve the safety and quality of care in hospitals and other health settings. A key priority for the council is to examine a system to track implanted medical devices. The government is keenly awaiting the recommendations of this council and again I draw these points to the attention of the shadow minister before this legislation is debated in the Senate.

Turning briefly to the contributions made by other speakers, I commend in particular the contributions from the member for Boothby, who as usual provided quality advice to the parliament. He showed his understanding of these areas, which is not surprising, given his professional background before coming to this place. He pointed out that the member for Mitchell referred to the TGA as the ‘Therapeutic Goods Authority’. It is actually the Therapeutic Goods Administration. There is quite a difference. As an administration, it is part of the department of health and is therefore administered by the department of health. Statutory authorities have powers of their own, which is not the case with the TGA.

The member for Bonython, as usual, was very sound and I found his contribution very interesting. He calls upon his scientific background regularly in his contributions in this place. I certainly commend him for most of what he had to say. I remind him that, sadly, several years ago, when I was parliamentary secretary in the Health portfolio and I tried to strengthen controls over claims made in relation to complementary medicines, my reforms were defeated by Labor and the minor parties in the Senate. As he alluded to, and I think it needs to be said following his contribution, the TGA regulates for safety but not efficacy in relation to complementary medicines. Of course, that is quite different for other prescription medicines and certain other over-the-counter medicines. I thank the member for Curtin also for her contribution.

In conclusion, I remind the House that the Therapeutic Goods Amendment Bill (No. 1) 2002 will enable the Minister for Health and Ageing to allow the importation, manufacture or supply of essential unapproved thera-
apeutic goods for stockpiling to meet a potential national emergency. It will also enable the minister to allow the rapid supply of unapproved products for use in a national emergency. The exemption created by this bill will allow essential unapproved therapeutic goods to be exempted from the usual registration and listing requirements so that they can be imported and supplied in the event of a national emergency.

In recognition of the risks inherent in allowing unapproved products to be stockpiled or supplied, this bill includes provisions to prevent abuse of these arrangements. The bill also aims to achieve a balance between the need for as much disclosure as possible about decisions made to allow these products to be supplied or stockpiled and the potential to compromise national security and public health through full disclosure of Australia’s preparedness in this area. The amendments being considered today are designed to ensure adequate controls of unapproved goods that may be imported, manufactured or supplied in a national emergency; enable the minister to exempt goods only in exceptional circumstances where it is in the national interest and there is a potential or actual threat to public health; and require the minister to include conditions on the supply of exempt products, such as storage and security arrangements and who can supply the goods.

The amendments will also require that particulars of the decision by the minister to exempt products necessary to meet a national emergency are subject to public scrutiny through tabling in both houses of parliament and the gazettal of that decision, and will strengthen the offence provisions of the legislation to ensure that tight control is maintained over the importation, manufacture, supply and use of unapproved products. In summary, this bill strengthens the ability of the Commonwealth to plan for, and to be able to respond quickly to, national emergencies in which there is a potential for large numbers of people to require emergency pharmaceutical treatment.

The Therapeutic Goods Amendment (Medical Devices) Bill 2002 and the Therapeutic Goods (Charges) Amendment Bill 2002 have also been considered by the parliament today. These bills seek to allow the introduction of an internationally harmonised framework for the regulation of medical devices in Australia. This framework will allow better protection of public health while facilitating the availability of the most up-to-date medical technologies.

Australia will be aligning with international best practice by adopting the global regulatory model for medical devices. This will ensure consumers have timely access to new technologies. Consumers and industry will also benefit from the removal of regulatory duplication and associated costs. Medical device safety will be improved by moving from the current prescriptive regulatory system—that recognises only unique Australian standards—to a comprehensive risk based classification system that will allow an appropriate level of regulation to be applied to each class of device. The new system will recognise international standards as a benchmark for safety and performance. There will also be an increased emphasis on post-market activities. Mandatory reporting requirements for adverse events, as well as Australia’s involvement in an international post-market vigilance system, should reduce the likelihood of repeated adverse events and influence the development of safer new medical devices. The inclusion of provisions for tracking of high-risk implantable devices will also improve medical device safety.

In summary, I am pleased to advise that the amendments to the Therapeutic Goods Act currently before the parliament will result in the implementation in Australia of a world’s best practice system for the risk assessment and approval of medical devices. These bills will benefit all Australians by allowing the introduction of a medical device regulatory system that will deliver better protection of public health while facilitating access to new technologies. Again, I thank those who have contributed to this debate and I commend these three bills to the House.

Question agreed to.

Bill read a second time.
Third Reading
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (11.30 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Therapeutic Goods Amendment (Medical Devices) Bill 2002

Second Reading
Debate resumed from 14 February, on motion by Ms Worth:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (11.30 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

THERAPEUTIC GOODS AMENDMENT (CHARGES) AMENDMENT BILL 2002

Second Reading
Debate resumed from 20 February, on motion by Ms Worth:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (11.31 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

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 19 March, on motion by Mrs Vale:
That this bill be now read a second time.

Mr MURPHY (Lowe) (11.32 a.m.)—I rise this morning to support the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 and the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. I will be brief as I strongly support these efforts to maximise the benefits received by our veteran community. The first bill contains important technical amendments to help streamline administration in a similar way that has already occurred under the Social Security Act. It will ensure that Centrelink and the Department of Veterans’ Affairs will operate consistently. The key measure of the legislation will alter the way that third-party compensation payments are counted within the means test for Centrelink benefits. It will ensure the current dollar for dollar reduction to payments of income will firstly be made to payment of the third party payee, not against a couple. That is a good thing. This will remove any unintentional discrimination against veterans. Other important issues will guarantee that, in cases of hardship, unrealisable assets will not be counted for the purposes of deeming where so treated under the assets test. Only real returns will be counted.

The legislation will also bring the Veterans’ Entitlements Act into line with the Social Security Act to allow calculations to be rounded off to the nearest cent, rather than rounding to 10c as is the case now. The second bill amends the Veterans’ Entitlements Act to extend full repatriation health care entitlement to a gold card for Australian veterans who are aged 70 or over and who have qualifying service in respect of any period after World War II. This honours the commitment given by the Labor opposition prior to the last election, and matched by the government, to extend the gold card to all veterans with qualifying service over the age of 70, regardless of their deployment.
The gold card gives all entitled veterans and war widows free health cover for all conditions, including private hospital cover, to a varying extent in each state. It gives qualifying veterans access to specialist treatment, optical care, physiotherapy, podiatry, home nursing care and dental services. Having heard a number of concerns from a cross-section of the veteran community in my electorate of Lowe, who are now at the stage in their lives where they are increasingly worried about the cost and access to health care services, I congratulate the government on extending the gold card to those veterans—as covered by this legislation.

We must also make sure that we maintain this strong commitment to all veterans and service personnel. Historically both sides of this House, since the time of the Great War, have had a bipartisan approach to veterans’ entitlements for the service that they have given to this country. I have no doubt that this will continue, irrespective of what happens at the next federal election or at any other time, because we do owe a great debt to our veteran community.

The member for Cowan—who was sitting at the table shortly before the member for Rankin arrived, quite ably, to replace him—made a very erudite speech yesterday on these bills. Who would know more about war service and the suffering that the veteran community have experienced than the member for Cowan, who must surely rank as one of Australia’s great citizens in terms of defending his country when required.

Mr Ross Cameron—Hear, hear!

Mr MURPHY—I am pleased to see that the member for Parramatta is acknowledging that, although I was disappointed to read in the Financial Review this morning that he was part of the minority rebellion in the party room meeting yesterday in relation to cross-media ownership laws, I understand that he was arguing about what Rupert Murdoch had actually done—and, to his great credit, Rupert Murdoch has done pretty well, both nationally and internationally. I should take this opportunity, Mr Deputy Speaker Lindsay, because you were on the House of Representatives Standing Committee on Communication, Transport and the Arts last year when I wanted to initiate an inquiry into our cross-media ownership laws because I think it is so vital to our democracy—

The DEPUTY SPEAKER (Mr Lindsay)—The member for Lowe should return to the substance of the debate.

Mr MURPHY—I realise that, but—

Mr Ross Cameron—I am enjoying his contribution, as always.

Mr MURPHY—I think it is vital for our democracy. The member for Parramatta is a pretty smart lawyer and he has been pretty successful in surviving in Parramatta, but it really troubles me that someone like him, who no doubt makes a lot of contributions to the party room debate, would be arguing on behalf of Rupert Murdoch. I would like to take this opportunity—because I think it is important in our democracy and in what we do in this House—to have a look at my question No. 11 on notice to the Prime Minister, which spells out quite clearly the stranglehold on the print media that Mr Murdoch has. If you have a look, member for Parramatta, you will see that Mr Murdoch has two-thirds of the capital and national newspapers, three-quarters of the Sunday newspapers, 50 per cent of the suburban newspapers, a quarter of the regional—

The DEPUTY SPEAKER—Order! The member for Lowe will return to the substance of the debate; otherwise, the member for Lowe will sit down.

Mr MURPHY—I understand the point you are making, Mr Deputy Speaker, because you know my interest in that—and I know you have a great interest in it—but it was really at the invitation of the member for Parramatta, who was keen for me to respond. I am very happy if he wants to make a contribution, because I think this is such a serious thing in terms of our democracy. I would ask him, in conclusion—and I will get back to the bill—to have a look at my question No. 11. I draw it to the attention of all members of this House and also to other coalition members in the Senate, because it is terribly important.

The DEPUTY SPEAKER—Thank you for assisting the chair, member for Lowe.
Mr MURPHY—I appreciate that, and I will take the opportunity to acknowledge the contribution you made on communications when you were on that committee with me in the last parliament. I am not sure whether you are going to be on that committee next time—

The DEPUTY SPEAKER—Thank you, member for Lowe, but you are testing the chair’s patience.

Mr MURPHY—I do not expect to be, but I will follow the committee’s deliberations with great interest. Having referred to my pet subject at the moment, I want to get back to the bill, because it is an important—

Dr Emerson—What about Badgery’s Creek?

Mr MURPHY—No, I will not talk about Badgery’s Creek, because that has been put to rest, unfortunately—which is of great concern to my electorate. I will reserve that for another day, and I am sure that the Deputy Speaker and member for Herbert, and the member for Parramatta, will be happy to interject when I speak on that topic at another time.

As I was saying, the member for Cowan made a great speech in here yesterday on the bills we are now debating. I urge everyone to have a look at what Mr Graham Edwards said in the debate on these bills, because his words were very appropriate and he, too, gave acknowledgment to the government for extending the gold card. That is terribly important. Can I say, in talking about the gold card, that I myself have put a question on notice, No. 72, to which I asked—and this is something to consider for the future—when will the government grant a gold card to ex-servicewomen who served in the Australian armed forces within Australia during World War II and who do not have qualifying service? The reason I put that in, and I am aware of the budgetary implications should that be granted at some future stage, is that a number of members of the veteran community who offered themselves during World War II but who did not get away—and therefore did not have qualifying service—failed to get the gold card. The gold card, as I have outlined, is something that is very precious to the elderly who are in need of health care services at a time when the cost of health care is increasing astronomically.

One of the biggest complaints I get from members of the veteran community, and from the families of the veteran community, is about the stresses, strains and suffering that members of the family and the elderly, who are the patients, experience after they have been in hospital for a period of time and then receive multiple accounts from a range of medical providers. I think the government has to do something about the way we bill patients, because elderly people cannot cope. They get bills from specialists, many of whom they have no recollection of ever seeing, saying ‘this is what you have to pay’. Of course, they then have to provide a Medicare cheque and a cheque from their health insurance company, and then they have to provide a cheque for the gap cover because most specialists charge more than the schedule fee. That is very stressful, both for the elderly and for the members of the family who usually have to look after it because the elderly
cannot cope. I suppose that is why this bill is good for those people: it actually takes that worry away from them.

It really has got to the ridiculous stage in Australia where medical specialists are using the patient to do their administrative work, to pay their bills, by making them the point of contact for the receipt of the Medicare cheque, the cheque from the health insurance company, or for the patient to initiate their own cheque to cover the full cost of the bills from the specialist. I think that is ridiculous. The specialists are doing quite well out of the medical system. Why cannot the specialists issue one account and the cheques from the health insurance company and Medicare go directly to the specialist so that the patient only has to pay that part of the fee which would fall into that so-called gap cover area? My understanding is that the specialists are blaming the health insurance companies and the health insurance companies are blaming the doctors’ union, the AMA—because we cannot get commonality of agreement. There is such a duplication in providing three cheques in many cases to specialists. That is just absolutely nonsensical. I think something should be done about that in the interests of trying to help the elderly. I wanted to make those observations because I think it is a very important issue. If people are going to benefit from this legislation today by not having to provide three cheques when they get medical treatment then, if nothing else, that is a very good thing.

So I go back to where I started and I congratulate the government and remind the House that the opposition gave a commitment to extending the gold card to those veterans who qualify today. My question No. 72 to the Minister for Veterans’ Affairs, which is still outstanding, just highlights the need in the future for the gold card eligibility to be extended—and I can see I am getting the wind-up signal. I will be very happy to respond to Madam Lash. I apologise for that; I should not say that. I have a great deal of warmth and affection for the member for Prospect. I support this bill and look forward to its safe passage through the Senate.

Mr JOHN COBB (Parkes) (11.45 a.m.)—It is with great pleasure that I support the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. I might not be able to speak on the range of subjects that the previous speaker, the member for Lowe, did, but I will do my best. When I was elected to the federal government last November, I think one of the issues which I struck most around my electorate—and we are talking a third of New South Wales—was the organisation that represents veterans and war widows and their desire to see the gold card eligibility extended. Since then I have travelled the electorate a heck of a lot more, and the number of people who are ageing and looking towards a less certain future in life are unanimous in their appreciation of the benefits of the scheme but they would like to see others included.

While the gold card already includes all the veterans from World War I and World War II, it does not include those in subsequent campaigns such as Korea, Vietnam or Malaysia. Those veterans are now reaching the age of 70, and they were prepared to sacrifice their youth and, in many cases, to put at risk their very lives, and I think they deserve to be looked after in a way that others perhaps are not. I do not think any of us would deny those veterans of later wars the privileges of the gold card.

I have first-hand knowledge of people in this position. Members of my own family served in a lot of wars. I had a great great-uncle in the Boer War, who served in the New South Wales regiment. I had uncles in the First World War. Both my parents were volunteers in the Second World War and they gave up five years of their lives to do that. Both are veterans. In those days, none of those people did that with any thought that they would benefit from doing so in later life. It is typical of them, and many people like them, that they thought that way, but throughout the last 100 years very many Australians have given up a lot of their time, a lot of their youth and risked their lives so that Australia, and our allies, can enjoy the quality of life that we do.

More recent wars, such as those in Korea, Malaysia and Vietnam, were very different
Wars. They were not so obvious and they were fought against unknown enemies with very different warfare. I think that up to now, many of these veterans have not been given the recognition that, without doubt, they deserve. They served their country in exactly the same way as everybody else did, genuinely believing that at that time they were serving the best interests of their country and their families and defending the freedom and democracy that all of us enjoy—and they were doing exactly that. Many of them are now reaching the age of 70 and, in the same way that people who served in World War II qualify to receive the gold card, it is only right and proper that they also enjoy that benefit.

This bill goes beyond that and it looks to the future, to the increased need for health care that others will need in years to come. Importantly, the initiative does take a very long-term view. What I mean by that is that people in the more recent conflicts—such as those in Gulf War and East Timor, and currently people employed in the coalition war against terrorism—in time to come will also need, and very deservedly need, the benefits of a gold card. I think the fact that we are also extending eligibility to people involved in those conflicts indicates a long-term vision. I think I am right in saying that over the next four years about 5,000 people will be most grateful for the benefits that will come from this. I think that is a very real pledge by the coalition government to all those who have served this country in the past and who are serving it right now and to whom we owe a great deal.

The gold card will enable those veterans and war widow community to access the full range of health care benefits, which are equal, by and large, to top private health cover. I personally know about this. I did not realise that my mother, who recently died, did not have private health care, because she was able to get that type of care simply because she had a gold card. One of the wider benefits of this initiative without doubt, intended or not, will be the easing of pressure on our choked public health system—our public hospitals. That is particularly important in my electorate of Parkes, where I think the Dubbo Base Hospital has something like 170 people who have been waiting for over a year for access to elective surgery. Taking 5,000 people more or less out of the public health system over the next four years is a wonderful benefit for all of us, as well as for the people who actually have the card.

The other enormous benefit for a lot of veterans, certainly those in my electorate who live in remote places and who will now be eligible for the gold card, is that they will receive travel assistance to their nearest care facility. Obviously, it has an enormous benefit for those in remote communities. An enormous benefit for them is the veterans' home care scheme, which provides help with domestic tasks, personal care, home and garden maintenance, meals, transport and respite care. When you live in one of the many communities around the seat of Parkes, where there are fewer people to provide help, it is enormously important that those benefits will be provided through the gold card.

There are over 20 active RSL subbranches in my electorate. Vietnam veteran organisations will all be incredibly appreciative of what this will now offer. There are many veterans in the city of Dubbo, where ‘ageing’ is becoming something of a growth industry because it is such a central area, and Broken Hill, which is an aged community, has very many veterans. As somebody who has the privilege of being granted honorary membership of the Dubbo RSL subbranch, I have come to realise, especially in recent times, that there is reawakened recognition of what Anzac Day means to the community and to everyone else. Thankfully, I think our whole community is once again awakening to what we owe our veterans and, I hope, especially the veterans of later wars.

I believe this legislation in particular points out to our younger people just what the legacy from more recent wars has been. I think it stresses that the veterans who fought in less popular wars—which were not fought with such obvious battles—have been given the same respect as that given to everybody who fought in earlier wars, which were seen to be perhaps fought for a more popular cause.
I have met many veterans in my short time in office and know that all of them will be very pleased with the initiative. However, there are still some who believe that this does not go as far as they would like it to, especially members of the armed forces from World War II who do not qualify for the gold card. However, like most others, I am very pleased that the current review of veterans’ entitlements will examine the history and current interpretation of eligibility criteria for qualifying service, and I certainly encourage those people to make submissions to the review by the cut-off date of 18 April. This review, which is to be carried out by the independent committee, will also consider the level of benefits and support available for veterans receiving the totally and permanently incapacitated rate—T and PI rate—and other rates of disability pension.

I know that we hear from Allied veterans—from Commonwealth and other countries in World War II and post World War II conflicts—that they would like the gold card. However, Australia has proven to be very generous or more generous than most of our Allied counterparts when it comes to looking after our veteran and war widow communities. We are not a big nation, and I do not think we can be expected to provide the pensions and support for people who defended the other countries and their families around the world, as they saw it at that particular time. But Allied veterans who have made Australia their home do receive very generous benefits, if not the gold card. Where they have qualifying service, they are eligible for the service pension. Some also receive treatment for disabilities accepted as being war caused under agreements between our government and the government of the countries in whose forces they served.

From January this year, Australia extended access to the Repatriation Pharmaceutical Benefits Scheme to British, Commonwealth and Allied veterans and mariners with qualifying service in World War I or II. Meanwhile this current Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 continues the coalition’s commitment to advancing the welfare and interests of the veteran community. It carries out our duty of care to those who faced the enemy on behalf of our country in wartime.

There does not exist an Australian of higher stature than one who served his or her country in a theatre of war, be they a conscript or a volunteer. They conquered their natural fear and they did their job in a way that raised them to a different level from other people. They deserve every accolade and every benefit that we can give them. I commend this bill to the House.

Mr WINDSOR (New England) (11.59 a.m.)—I rise to speak in the cognate debate on the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 and the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002. When we examine bills of this sort we reflect on our families’ involvement in the armed services over many years. If I could spend a moment reflecting on my family history, my grandfather served in the Boer War—events in that area have always been of interest to me—my father served in the Second World War; and I was fortunate or unfortunate enough to be conscripted in the late sixties, only to have my conscription deferred until I finished my university degree. The year that I finished my university degree happened to be 1972. Towards the end of 1972 an election was called—I think it was on 11 November—and I learnt that I was not required to participate in a conscripted army. I have had some family involvement in service to our community through military service. Anzac Day brings home to all of us—and most importantly to the younger people of Australia—the importance of those who served in the past and what they created for us as a community, particularly with a relatively small population and a large island mass. From time to time in history, again recently with the celebration of the 60th anniversary of the bombing of Darwin and with the possibility of future threats, we have seen the need to have people who are capable and who want to defend our country. I would like to recognise all those who have served in the defence of Australia over many wars.

In relation to the gold card, there has been something of a misunderstanding within the
electorate of the promise that was made prior to the election as to qualifying eligibility. A number of members have reflected on that already. There was a degree of misunderstanding in the community about what the promise entailed and who would be eligible. I will spend some time later in my address on that issue. I am pleased that there is to be an independent review of the eligibility and qualifying criteria that revolve around the gold card. Justice Clarke’s committee will report by November this year. That will be an important stepping stone in relation to some of the debatable issues that are still out in the community, particularly, as I have said, the degree of misunderstanding during the election period as to who would be eligible. This issue has been alive for some time, as most members would be aware. I would like to read into Hansard a letter to the former member for New England from January 1999. It shows that a few years ago there were concerns about eligibility. The letter allows me to indicate the concern in the broader community, and other speakers may refer to some examples later. The letter to the former member for New England states:

Thank you for your letter of December 1998 including correspondence from the Minister for Veteran Affairs, replying to my request for entitlement of the Gold Card to all servicemen and women who volunteered for service anywhere Australians were ordered to serve.

Many gave 4/5 years of service and whilst the Minister in his letter recognises they made a ‘valuable contribution’ to the war effort they are not worthy of further acknowledgement, unless one happens to have seen overseas service or be in Newcastle, Townsville or elsewhere at a particular time.

I especially like that part of the Minister’s letter where he says, ‘There are many deserving groups who are seeking access to the Gold Card, however any further extension of the Card would need to be considered by the Government in a budget context, having regard to its commitments and priorities in the V.A. portfolio.’

... this sort of Ministerial statement riles me especially when I hear of the ‘handouts’ given to so many less deserving cases, including those associated with ex-politicians, sporting bodies, illegal immigrants, unmarried mothers etc. etc. Yet, these veterans who served and in many instances risked their lives, anywhere they were ordered to serve, did no more than make a ‘valuable contribution’, with the Minister quite happy that they should continue to be unworthy of recognition when responsibility and appreciation is considered. It’s very obvious from the Minister’s letter of reply, 4th December 1998 that the ‘yes Minister’ style of government is still alive and well in our Federal Parliamentary system, especially when he sees fit to refer to my personal inability pension.

That last reference has no relevance to the gold card debate. I read part of that letter because this issue has been alive for quite some time in terms of who is eligible and what is the qualifying eligibility. It is a little disappointing, even though I am very pleased that the government has made such a move, to see that we are now initiating another review of the eligibility criteria. I recognise that there are some other aspects of TPI pensions and things that will be reviewed as well, but we have essentially come from 1998 until now and we are going to have an inquiry into the eligibility criteria. A letter that I received on 13 February this year from the current minister states:

Thank you for your representation of 12 February 2002 on behalf of several of your constituents, concerning the criteria for qualifying service for the provision of a Gold Card.

Qualifying service generally means service while in danger from hostile forces of the enemy. Qualifying service during the period of hostilities in World War II is presently defined in section 7A of the Veterans’ Entitlements Act 1986 as:

‘... service ... at sea, in the field or in the air in naval, military or aerial operations against the enemy in an area, or on an aircraft or ship of war, at a time when the person incurred danger from hostile forces of the enemy in that area or on that aircraft or ship’.

Most World War II veterans and mariners have qualifying service as a result of their service overseas during the period of hostilities from 3 September 1939 to 29 October 1945. However, service in some areas within Australia and around the coastal waters during certain periods may also be regarded as qualifying service because of the known existence of danger from hostile forces at those times. For instance, a veteran may be regarded as having qualifying service during World War II if he or she served in the Northern Territory north of parallel 14.5 degrees south latitude (which runs through Katherine) for three consecutive months between 19 February 1942 and 13 November 1943. These dates correspond to the
first and last known enemy air attacks in that area. Veterans who served in Townsville are generally only regarded as having been in danger from hostile enemy forces if they were present during the enemy air raids which occurred between 26 and 29 July 1942. Those World War II ex-servicewomen who were granted full medical treatment in 1987 were required to have qualifying service during the period 3 September 1939 and 29 October 1945.

You may be interested to know ...

and this is the continuation of the letter from the current minister—

that I have established a high profile and independent review, chaired by the Hon John Clarke QC, a former judge of the NSW Supreme Court and the Court of Appeal, to consider the current eligibility criteria for veterans’ entitlements. I have attached a copy of my media release ...

And on it goes. This indicates that the debate about eligibility and the need for another review has been ongoing for some years. I appreciate what the current minister is doing in relation to the particular extension that this bill allows, but I think this highlights the fact that there are many people out there, as the member for Parkes indicated, who have concerns as to eligibility. I think most people have regard for the budgetary context that obviously the government faces in relation to this matter, but it is something that needs closer examination for a number of reasons.

I will refer briefly to a few cases involving people in my electorate. A veteran of the Second World War served for four years in Australia as a paratrooper. He was quite willing to serve anywhere that he may have been ordered to go. He was injured quite badly—a back injury—during some parachute jumps and he has incurred some medical problems as he has moved into his 70s. His is the sort of case that I think is worthy of reconsideration. There are appeal processes that he is entitled to go through and other aspects that mean he may well be able to gain some assistance, but I think his case highlights the point that here was a man who volunteered to defend his country, who was quite willing to defend his country, and I do not believe that he should be penalised just because the powers that be at that particular time decided that the best form of defence in terms of his involvement was to keep a certain number of people in Australia on standby just in case they were required. He gave up a number of years of his life and was willing—as most of those men were—to give up his life if he was called upon to do so.

I draw attention to another case, involving a 74-year-old resident of Emmaville, which is in the north of my electorate. This man served with the Navy in the waters around New Guinea on a minesweeper for quite some time but, under the current act, he was not deemed to have been involved in active service where there was some prospect of hostility directed towards him. Anybody in their right mind would know that a person floating around on the water off New Guinea during that period would have been wondering whether there was going to be some sort of submerged or aerial attack. A whole range of these stories have been mentioned by various members and I think some of the other speakers will be doing the same.

I will be supporting the bill, but I move an amendment to the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 in the following terms:

That amendment, I believe, will be seconded by the member for Calare. If passed, the amendment will not bind the Treasury, or the government, to having to find instantaneously the money to finance the bill. I am well aware of the procedures in relation to money bills and private members bills. What the amendment does do is give members of this chamber the capacity to send a very clear message from their constituents—among whom this has been raised as an issue—through to the review committee headed up by Justice Clarke. I would urge members to consider the amendment and the spirit of the people who did volunteer, who are now in
their later years and who are asking that the society that they helped create and mould and were quite prepared to fight for should repay them in some form.

This is an excellent opportunity for members of this parliament, not to pass a money bill but to recognise the concerns of the older people in their community who have given up time to serve their community. I do not see returned servicemen, whether they fought overseas or were involved in overseas combat—as my father was—or were sent overseas and did not see any conflict, but possibly could have been involved in conflict, as being significantly different from someone who volunteered and trained in Australia, who did all the training required, but did not actually face a hostile enemy. The fact that we have servicemen who were prepared to volunteer, be trained and stay in Australia was a very significant deterrent to some of the activity that may well have been planned. We, as a parliament, should give recognition to those people who have given that commitment. They gave up a period of their lives for us.

Some people may well argue, ‘Why should we give special treatment to someone who has given up a period of time for the service of others?’ As parliamentarians, I would urge you to look at the special treatment we give ourselves for the service—limited service it may be in some of our cases—that we give for the greater good of our communities. I can think of no other group more deserving than those people—those ex-servicemen, those veterans—who are in their 70s now, who have created a future for the very people we are, who live in freedom and who serve our community now.

It sends another message in terms of the future. If we are serious about defending Australia into the future, we have to encourage people into the armed forces—and I do not see a problem in creating an incentive, such as the gold card, for any of those who are prepared to go into the armed forces. They will see that, when they get to the age of 70, there are some special benefits created for them. I think it is something that we should build into the future for young people going into the armed services, because there is no doubt that we are going to need an Army that is made up of volunteers and people who want to be in there, and I think they deserve special treatment. In conclusion, I hope members in the parliament who are concerned about this issue and the eligibility criteria will support my amendment and send a very clear message not only to the government, but also to the review committee and particularly to Justice Clarke.

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

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

Mrs DRAPER (Makin) (12.19 p.m.)—It is with great pleasure that I support the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 and the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002, because they will benefit the many veterans living not only in my electorate of Makin but also throughout Australia. The bills build on the already strong record of the Howard government in delivering increased benefits and services to Australia’s veterans.

The changes contained in the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 will beneficially affect those persons who receive, under the Veterans’ Entitlements Act 1986, income support payments. This includes those receiving an invalid service pension, an income support supplement or a partner service pension. Currently, if a veteran or his or her partner receives a periodic compensation payment, such as those paid by insurance companies, the amount of the service pension is directly reduced by the amount of the compensation payments for not only the compensation recipient but also his or her partner.

The government has recognised the unfairness of this present practice and will, through the measure contained in this bill, provide that the dollar for dollar reduction will apply only to the pension of the person receiving the compensation. If the compensation is greater than the pension that person receives, then it would be regarded as the partner’s ordinary income and the partner’s
pension would be assessed according to the usual ordinary income test rules. Another of the measures contained in this bill will benefit those Department of Veterans’ Affairs pensioners who have been in receipt of compensation payments which may have caused an overpayment of benefit. Currently, recovery of the debt can be made only through the recipient of the pension, often causing unnecessary inconvenience to the pensioner. Under the proposed changes, the Repatriation Commission will be able to seek repayment of any debts directly from the compensation payer and insurer.

Further amendments contained in this bill provide that, where a financial asset is regarded as unrealisable for the purposes of the assets test hardship provisions, it will also not be regarded as a financial asset for the purposes of the income test deeming provisions. Hardship provisions may mean that pensioners are able to have certain assets disregarded when calculating their pension rate.

The Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 extends eligibility for the gold card to include all Australian Defence Force veterans over the age of 70, regardless of which conflict they served in. Veterans of conflicts in Korea, Malaya, Indonesia and Vietnam who are over the age of 70 will now be entitled to a gold card as a result of this government legislation. This recognises that many of the veterans of these conflicts are now approaching the age of 70 and face an increased need for health care services. The extension of the gold card to these veterans is proposed to take effect from 1 July 2002. I welcome the statement of the minister that the Department of Veterans’ Affairs will automatically send gold cards to those veterans it can identify from its records as eligible to receive them. Veterans who have not received a gold card by 1 July and who believe they are eligible would need to complete a new application form.

I congratulate the Minister for Veterans’ Affairs, the Hon. Danna Vale, for building on the strong framework of improved benefits and service provision to veterans that was begun under the previous Minister for Veterans’ Affairs, the Hon. Bruce Scott. Indeed, the achievements of these two ministers in the Howard coalition government has been of great significance to veterans and their families. The government has worked successfully with the veteran community to revise and refine those services and benefits available to those who served their country so loyally in times of war. Working in cooperation, we have been able to provide the gold card to more than 38,000 Australian veterans aged over 70 with World War II qualifying service and we have provided a $25,000 cash payment to Australian service personnel and civilians held prisoner by Japan during World War II and to their surviving widows. We have also addressed the anomalies in repatriation benefits and medals for Australian Defence Force personnel who served in South-East Asia between 1955-75, including extending full repatriation benefits to more than 2,600 veterans.

We have also extended the eligibility for the Repatriation Pharmaceutical Benefits Scheme for up to 47,000 British, Commonwealth and Allied veterans who are aged 70 or over, who have qualifying service from World War II and who have lived in Australia for 10 years or more. We have also introduced the highly successful Their Service Our Heritage commemorative program. The program has supported a range of initiatives and projects in local communities around the country, leading to growing interest and a better understanding of Australia’s wartime heritage and the service and sacrifice of its veterans. The 2000 federal budget provided $17.2 million to extend Their Service Our Heritage for a further four years.

These are just a few of the many initiatives the government has made, in cooperation with the veteran community, that has helped veterans, their spouses and families. The minister has no intention of resting on her laurels, because she has already announced plans to remove the freeze on the rate of the war widows’ income support supplement. Under the proposal, the income support supplement is to be indexed twice a year by the same percentage as increases in the service pension, thus ending a long-standing inequity in benefits for war widows.
The minister has also recently established an independent review of veterans’ entitlements, in recognition of concerns in sections of the veteran community that some ex-service men and women may be missing out on entitlements because of perceived anomalies the Veterans’ Entitlements Act 1986.

As a former serving member of the Defence Force in the Women’s Royal Australian Navy, I know how important it is for service personnel to know that, if they are called on to fight in the defence of this nation, and all that we hold dear, their government and the people of Australia will remember their service and their sacrifice and adequately provide for them as they grow older. I meet regularly with ex-service men and women through the Tea Tree Gully RSL and Northfield RSL in my electorate of Makin and I have heard of their tragic and heroic experiences in combat. I do not think that anyone listening to those stories and realising the debt that we owe to these people would begrudge them the increased benefits and services that the government is providing. I support this bill because it helps to repay a debt we all owe to our veterans, and I commend the bill the House.

Ms KING (Ballarat) (12.26 p.m.)—The Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 honours the Labor Party’s and the government’s commitment to extend the gold card to all Australian veterans over 70 with qualifying service. It is an unusual display of bipartisanship from this government. In speaking in support of this bill, I want to raise three issues: the first is the often unrecognised welfare work of many of my local RSL subbranches in implementing government policy; the second is the need for the government to be clearer with veterans in its communication of the contents of particularly the VEA gold card bill; and the third is the gaps in the veterans’ support system.

The system of veterans’ entitlements has become increasingly complex and difficult for potential applicants to understand. My electorate office receives substantial numbers of queries regarding access to veterans’ entitlements. Many of these cases are people who are eligible but are unclear as to whether their particular circumstances fit the government’s definitions. The subbranches of the RSL in my electorate receive even more inquiries and do an excellent job in assisting people to gain access to veterans’ affairs pensions and in assisting them through complex Centrelink processes as well. They do this work on a voluntary basis and often are largely unrecognised for this work. The Ballarat Veterans’ Support Group runs just such a service out of the Ballarat RSL subbranch. Many of the volunteers are veterans themselves. They often experience their own health difficulties but they freely give their time to help other veterans.

I think it is vital that information be sent regarding these changes to the RSL subbranches at the earliest possible opportunity, as it is these subbranches that will be answering veterans’ queries regarding these changes. The prisoner of war memorial also operates out of the Ballarat RSL subbranch. I want to briefly raise an issue in regard to this. They have received some government funding and we are most grateful for it, but we continuously meet with the view from government that the building of a national monument to prisoners of war should happen only in Canberra. Prisoners of war came from all over this country, and you only have to look at the long avenues of honour that exist in every regional and rural town to see the significant sacrifices country men and women made for all of us. Where better to build a national monument to mark these sacrifices and to remember their fight to save our democratic way of life than in Ballarat, the site of the Eureka rebellion, the home of democracy?

Whether by accident or design, the Prime Minister’s announcement of this policy in the election campaign led many veterans to believe that the gold card extension was going a bit beyond that which occurs in this bill. Many thought that the gold card was to be extended to all veterans over 70. It is important that the government articulates clearly the limits to accessing the gold card that this bill continues when it is informing people of the expansion to access. They include veterans who are under the age of 70 on 1 July 2002 will not be entitled to the gold card.
until their 70th birthday; veterans who do not meet the service criteria are not eligible; and Allied and Commonwealth veterans who served with a Commonwealth or Allied force are not eligible unless they actively lived in Australia before enlisting in Commonwealth or Allied forces.

The changes contained in the gold card bill have also been confused by many of my constituents with the broad nature of the independent committee review of veterans’ entitlements. There continues to be confusion amongst veterans as to what now constitutes ‘qualifying service’ and what access they have to repatriation benefits. The inquiry has clearly been set up to find a fix to the problems the government has inflicted on itself and is a confession of failed policy for veterans.

In tinkering around the edges of veterans’ affairs policy, the government has been left with a complex system that at times, I think, even its own department has trouble interpreting. The inquiry needs to look at veterans’ affairs policy as a whole, move beyond a system that would appear to have its roots firmly in the society of World War I and move toward a system that reflects the experiences of veterans and potential veterans today.

In relation to the first bill being debated cognately in the House, one of the issues that must be addressed is the weakness in the way in which the means test under the Social Security Act works. Affected severely by this are the TPI group, who have now been lobbying the government unsuccessfully for two years to address the erosion of their pension over the years, and particularly those on Centrelink benefits, whose disability pension is treated as income in the means test. The government said it would seek to fix this problem in 1996. The government’s inquiry has effectively stalled any policy response to the TPI and broader ex-service community for at least two budgets.

The gold card is seen by many veterans as fundamental to their quality of life, particularly as they age and as their health care becomes more critical and expensive. I, like other speakers, wish to pay my humble respects, particularly to the men and women of regional Australia who fought to enable me to stand in this House in a free and open democracy. In supporting these bills I recognise that they are beneficial to veterans, but I flag continued concern about the lack of clarity and coherence in relation to veterans’ policy. For many veterans the government has simply not delivered.

Mr WAKELIN (Grey) (12.32 p.m.)—The Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 and the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 are important extensions to the provision of these entitlements to our veterans. I guess, as has been stated by many other speakers, we all bring our own personal experiences to this place. With the perseverance of the House I will remind myself as much as anyone, but certainly my community, of the service—from Gallipoli and North Africa through to the Burma Railway, Vietnam and Timor—that is relevant to my own electorate and those individuals close to me, many relatives and friends, some now lost in war. These bills remind us of all of that. As previous speakers have said, it is appropriate that we treat this as the highest priority in our management and generosity, giving in the spirit in which those people gave to us.

Regarding the gold card extension bill, I remember very well the Prime Minister announcing the extension of the gold card some 2 ½ years or more ago. I remember the delight that I felt in my own heart and mind because many people had spoken to me of what they saw as the inequity of the previous system. So not so much the generosity but, perhaps more, the recognition of the service that these people had given—and that we should give generously—was very important. The ending of the freeze on the war widows’ income support supplement and the holding of an independent review to consider the anomalies are welcome extensions. Remembering that I have the Maralinga lands in my electorate, looking at the participants in the British atomic test in Australia and the servicemen engaged in the counter-terrorist and special recovery training are important components of the bill.
It is worth reminding ourselves that those who are eligible for the gold card are all veterans and nurses of World War I, all prisoners of war, all female World War II veterans, all male World War II veterans over the age of 70 with eligible war service—and on that one, I suppose many members would know the difficulties that come to our electorate office fairly regularly—all veterans receiving 100 per cent or more disability pension, all veterans receiving 50 per cent plus disability pension in the amount of service pension, veterans who receive a service pension and qualify for treatment under the income and assets test, and war widows, war widowers and dependent children. Those are the people who are entitled to the gold card. There are more than 285,000 gold card holders. Of these, 145,000 are World War II veterans.

In terms of the philosophy and the provision of benefits to our veterans, it is worth while remembering some of the comments of Justice Toose, from the 1975 report of the Independent Inquiry into the Repatriation System, on the obvious indebtedness to those who have given so much and endangered their own lives and their own health. The nation has the duty to ensure that those who have served, together with their dependants, are properly cared for. Those who have served overseas in a proclaimed theatre of war are likely to have encountered greater danger, and it is important that we should recognise that. In compensation, other benefits should be available as a matter of right and not as a matter of welfare handouts. In case of doubt, the doubt should be resolved in favour of those claiming the entitlement. That was a report done 27 years ago, and I am sure those principles are as important today as they were then.

I will come to the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002. This bill aims to modify the rules regarding the treatment of certain veterans’ payments, streamline the deeming exemptions, change the treatment of small superannuation accounts, strengthen the rules regarding income and assets tests and treatment of income streams and to modify the grounding-off rules, which is one of the more technical parts of it. The cost savings are fairly minimal and there are issues around the popularity of lifetime pensions annuities and endeavouring to recognise those changes in our retirement income situations.

We need to remind ourselves that the advantage of these income streams is that they can be designed more appropriately to meet individual needs. Money can be pooled into a diverse range of managed investments and savings can be made to last longer. Account balances can rise and fall with fluctuations in pooled fund earnings. Money is not necessarily locked away and there is the scope to make capital withdrawals and to be taxed under lump sum tax rules. There is a capacity to vary income received. There are tax advantages for income withdrawals that are taken at a steady pace and investment income earned is not taxable. So that is an important part of this measure. The issue of reliability and dependability, which falls under APRA’s responsibility, is another important consideration. In terms of the continual increase in diversity of income stream products—and in terms of people who wish to transfer some of their savings, including their retirement savings, to others—the policy is that this should not be done at the expense of the taxpayer. They are some of the purposes of the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002.

In conclusion, I have come across difficulties where the veterans’ entitlements do not seem to respect the service of those veterans who are on farming properties receiving limited income. It is important—and I think this bill is endeavouring to achieve this; how well it succeeds, only time will tell and, as I say, this is yet to be tested in this new legislation—that this legislation respect those who have served this country, including those people who are getting on in age and who still want to really enjoy their way of life on their property. They should not be disadvantaged and those entitlements should respect the service that they have given.

Mr BEAZLEY (Brand) (12.41 p.m.)—The fact that we are engaged at the moment in a second reading debate does give us an opportunity to range more broadly than the
legislation itself, provided of course that we keep within the general ambit of matters related to veterans. There are one or two things I would like to say that do take advantage of that, as well as dealing with the legislation itself.

The Labor Party is supporting the Veterans' Entitlements Amendment (Gold Card Extension) Bill 2002—that which relates to the extension of the provisions of the gold card was an undertaking that we gave during the course of the election campaign. We were quite clear-cut about what it was that we had to say about our undertakings on the gold card and its extension to veterans over the age of 70 of wars later than that of World War II. Unfortunately, during the course of the campaign—as I have occasion to know from representations that were made to me—many people thought the Liberal Party was talking about something else; particularly those veterans of World War II who did not serve overseas, through no fault of their own, but believed that the promise that was being given them by the government was going to address what they see as an anomalous situation in that regard. The government was promising no more than we were undertaking at that time, and that was to extend the gold card benefit to those over the age of 70 who had served in Korea, Vietnam, Konfrontasi and the Malaysian emergency. It is a long overdue extension to ex-servicemen in that category that sees this Veterans' Entitlements Amendment (Gold Card Extension) Bill 2002 address their particular problem.

I would like to make one or two more general points in the area of veterans’ affairs. One is to join what is now a chorus of those in this country concerned about what is happening in France with the building of the new airport on the Somme. All propositions, so far, which have emerged from the French government entail the removal of at least some Commonwealth graves, and some of the propositions involve the removal of a very large number of Commonwealth graves. It has always been the case that France has deeply respected those who fought for it in the 1914-19 war. There are many Australian children brought up with a surprising correspondence with their counterparts in France. In parts of France that were most deeply affected by World War II, the schools still remember the contribution that Australia made during that conflict and they have kept an active correspondence through generation after generation with their counterparts in this country.

We have a chequered relationship with France in the 200-plus years of European settlement in this nation. Sometimes our relationships have been good; sometimes those relationships have been very bad. I come from a state that was founded—at least, with some motivation—to pre-empt French settlement. Nevertheless, the relationship since World War I has had a very different quality and character to it. Although we have had our disagreements from time to time, particularly in relation to policy in the Pacific and in particular French nuclear testing in the Pacific, there has always been that anchor in our relationship that comes from a shared battlefield—the shared battlefields of World War I and World War II. It would be an absolute tragedy if that relationship were in any way affected by a misguided policy by the French government in terms of putting in place a new airport. So I would join, as I said, a chorus of people in this country, and in other countries, urging the French government to think again about the location of their new airport.

More directly related to this bill, we are discussing a gold card basically because of decisions taken by successive Australian governments to be very generous to our ex-service personnel—more generous, perhaps, than just about any other country, and rightly so, because we have always appreciated the fact that decisions have been taken from time to time amongst our people to serve well away from this nation in support of more general goals than just simply the goal of national survival, although that became an issue for our veterans of World War II. They are the only generation, thank God, which has thus far confronted a national survival issue for this nation. Nevertheless, we have involved ourselves in many conflicts overseas and we have always sought to honour those who have taken the decision to match the conviction of the Australian government.
with the conviction of their own bodies. As a result of that we have been generous.

The gold card’s genesis came about with the Whitlam government in the period from 1972 to 1975. Indeed, in 1973, 55 years after the end of World War I, all Boer War and World War I veterans were granted free universal medical care through the provision of a personal treatment entitlement card which was the forerunner to the gold card. That was extended in 1974. Free medical treatment was given to all Australian ex-prisoners of war and to all ex-service personnel suffering from cancer, whether or not their disease was related to their war service. It is not surprising, I suppose, that it was the Whitlam government which started the gold card process. After all, for the first two weeks of the Whitlam government, which consisted of Gough Whitlam and Lance Barnard, it is still the only—and hopefully will be the only—Australian government which consisted entirely of war veterans. Given Lance Barnard’s background with the 9th Division and Gough Whitlam’s background in service, in the Pacific theatre in particular, as a navigator in Australian aircraft, it is perhaps not surprising that they should have had a very generous attitude towards war veterans and were prepared to start that process of a more general provision of assistance to ex-service personnel.

In my own constituency of Brand, the net pensioner population under the aegis of the Department of Veterans’ Affairs at the end of last year constituted—this is a number which is unfortunately constantly changing—some 2,968 people with an average age of about 68. Of those, 846 veterans are gold card holders, with 318 dependents, and 755 were white card holders, making a total treatment population of 1,919. The net total of beneficiaries—because some of the beneficiaries of the Department of Veterans’ Affairs are not those holding a pension entitlement—in my constituency is some 3,150. It is an important question and important concern in many parts of my electorate of Brand. While I have the fourth youngest constituency in the country, and many areas represent nappy valley—although it is nappy valley by the sea in my case—it has also been a magnet and a Mecca for many who have been through the armed services with the result of becoming partially or totally incapacitated via their service. For those not necessarily finding themselves—even if they have not been incapacitated—in high income brackets, it has always been a wonderful location to find cheap housing and a place to settle. As a result, a very large number of people at the other end of life, as well as those in the nappy valley context, make up my constituency. I have a particularly large number of Vietnam veterans who, although not yet of the age of 70, will ultimately be direct beneficiaries of this decision taken to extend the availability of the gold card to serving personnel from those later wars after World War II.

I would also like to make a plea for the government to give some consideration to allied ex-service personnel, particularly allied ex-service personnel of World War II, as it contemplates what might be done in the future in the provision of the gold card and other benefits. We have always taken the view—we did when we were in government and this government has done so—that each country accepts responsibility for its own ex-service personnel. But perhaps the time has come to at least allow a degree of revision of that when contemplating this issue in relation to allied personnel who served in World War II. I understand that about 40,000 of them may be in this category. I was recently brought up short by a gentleman, not from my own constituency or my own state, who reminded me, yet again, of the many submissions made by people of my constituency of a British background for consideration of this matter. I was brought up short by him for a particular reason. This gentleman, who resides in Redcliffe, Queensland, is named Eddie Franklin. He drew attention to a speech made by my father in the first parliament in which my father served. I shall read an excerpt from my father’s speech:

I had a conversation with an immigration officer. He told me that many British servicemen had expressed a desire to settle in Australia, preferring this country to New Zealand or Canada, which they seemed to regard as the other fields open to them. They had seen Australia and they were attracted by it, and had been impressed by the
hospitality of the people. I suggest that the Department of Immigration should immediately concentrate on supplying information to prospective British migrants who might be interested in entering primary or secondary industries, and that it should, in particular, make such information available now to British service centres in this country. Secondly, I should like to see British ex-servicemen who do immigrate given all the advantages and privileges conferred by this Parliament on Australian ex-servicemen. That would be an act of grace and a gesture of welcome that would attract more British migrants to this country. In the United Kingdom, Australian ex-prisoners of war are given facilities at universities and technical schools. We should reciprocate by extending to British ex-servicemen, who migrate to this country, the facilities of the Commonwealth reconstruction training scheme. Their services have had as much to do with the maintenance of the liberty of this country as have the services of our own forces, and I can see no ground for differentiating against them should they decide to settle here.

Of course, that related to the benefits that were then being provided to, essentially, young men and women after their period of service. We now, of course, talk about benefits being provided to ex-service personnel who have reached the other end of their lives. Their requirements, their concerns and their needs are very different from what they were as youngsters coming out here. Nevertheless, they are very real.

My constituency is a place where many have chosen to settle from the United Kingdom, many with an ex-service background. When organising the 50th anniversary celebrations of the conclusion of World War II, in the constituency of Brand, I remember that we put in place— as I am sure other members of parliament at the time did— little temporary museums, for which we invited folk of an ex-service background to send memorabilia of World War II. I was expecting, when I opened the museum in Brand, a plethora of memorabilia from the Pacific, from the Kokoda Trail, from prisoners of war out of Changi, from all those battlefields on which Australians found themselves. I had absolutely none— absolutely none. The only Australian exhibition was from the Navy, which had run a major submarine base and special service activity out of areas that are now part of my constituency and then were being utilised for that purpose by them. All the rest were memories of the Blitz, memories of Dunkirk, memories of the fight in Europe after 1944. There was a bit related to this area, but it was about British ex-service personnel who had served in Burma or had served with the British Far East fleet. We only sort of intersected at El Alamein, but it was the British side of El Alamein that was being celebrated in the little temporary museum that we put up. It drew very forcibly to my attention the needs and requirements of British ex-service personnel. I hope the government, as it goes through its process of reviewing the legislation—as it has said it will do in relation to treatment of veterans—will bear in mind Allied ex-servicemen as they go through that review process. It was indeed a dramatic demonstration of that joint contribution.

I hope shortly to be associated with the launch of a book, White Butterflies, by the father of Ian McPhedran, a defence correspondent here in our galleries, who is also a British ex-service person with that background experience in Burma. I highly recommend that we all read that book when it ultimately comes out.

There is one other thing that I want to cover before I conclude and that is the question of benefits going to SAS personnel, and the correct treatment of those who sign up for hazardous service. I think it is absolutely essential that the government now addresses the position that is being put forward by our SAS personnel in their submissions to government. I strongly urge the government to break this out of their general consideration of veterans’ entitlements, because there are particular urgent reasons why they should do so.

What the ex-SAS service personnel are seeking is a declaration of hazardous service for service in the SAS. Their submission to the government sets out in detail the rationale for making such a declaration. It is an issue that has gained widespread support in the media and in the ex-service community. Their covering letter to the minister says:

We believe that the Government should move to make the declaration without further delay. If it
persists in saying that there needs to be a Review then commence the process immediately and look to have it completed by the end of December 2001 so that members of the SAS who may be preparing for future deployment in the war against terrorism will be covered by the Veterans' Entitlements Act should they be injured during that preparation.

Of course, that December 2001 date is now well past. The point that they are making here is that what they do in their counterterrorist training is way above and beyond, in hazardous terms, what other serving personnel do—hazardous enough though that is—in their training regime. Many get injured and many experience disabilities as a result of that service, without ever coming anywhere near being able to qualify for the ex-service entitlements that apply to those who served elsewhere.

Directly related to that, of course, is the second point they raise, and that is a discounting of disability pensions by Centrelink. Most ex-SAS personnel who become ex-SAS personnel as a result of injury and therefore attract TPI-type entitlement, in whole or in part, find themselves outside the qualification zone for service pensions because they have not served overseas. But they do receive other benefits that are associated with the fact that they are unable to fully participate in the work force. But their TPI entitlements then become part of the means test, part of the assets test, unlike the situation that applies to those who have a TPI entitlement and also have a service pension. The numbers related are very small indeed but nevertheless finite. They are not a great expense but the concerns are there with their families about the hazardous undertakings that their training involves. It would give great comfort and also great incentive to those who participate in that training to know that, if they are injured in their training activities, they are going to have at least that backup that guarantees their families get some sort of support.

I should say that there is a third thing that they are asking for, and that is a health study. We can see no reason for delaying a Health Study that would identify the long term effects of SAS service and address the health needs and special circumstances of former members of SAS. This study must be undertaken as soon as possible and we ask that you direct your Department to immediately contact the National Executive of the SAS Association and commence the process of formulating the methodologies and protocols for the study.

The way in which we view our armed services has been dramatically changed by the war in which we are now engaged. We are at war. It is an unusual war. It is a war that does not grab our attention on a day-to-day basis, but we have seen in recent times the hazardous character of that particular conflict and we have the knowledge that we have to encourage and back up many young men and women for service in this type of environment for the foreseeable future. In these conditions there is a requirement for us to look again at the background of those who undertake the special training associated with it, and, as we look at it again, to look at it generously, to treat that service as though it were war service, even though that service does not necessarily entail going overseas for that purpose.

There is a substantial build-up of concern now amongst SAS personnel and their families. They are distant from the immediate concerns of Australian politics because they are located in Western Australia, but their views should be considered nevertheless. Their views should be taken on board by a political process inevitably dominated by the eastern states because what they do is for the whole nation, and they will have to do a great deal more of it before this war against terrorism is concluded.

Mr HUNT (Flinders) (1.01 p.m.)—I rise to speak on the Veterans' Entitlements Amendment (Gold Card Extension) Bill 2002 and the Veterans' Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002. In doing so, I want to begin by referring to an issue that was raised by the member for Brand and by other members of this House before focusing on the central elements of the bills. I want to refer to the proposal currently afoot in France to take existing Australian war graves and to perhaps either abolish or move them. May I say that I find this to be a proposal which is repugnant and against the wishes of Austra-
lians. I wish to strongly place the views of both myself and my constituents on the floor of this House by saying that this is not something we should support and that it is something which the French government should reject.

Turning to the gold card bill, the core of it is about extending eligibility to the gold card to all Australian Defence Force veterans over 70 years of age with qualifying service, which means to those who have served overseas in times of hostility. I want to talk about it in three parts: firstly, about the context in terms of its implications for the people in my seat of Flinders; secondly, about what the bill itself does; and, thirdly, why it is important. In putting it into context I want to begin with the day after the federal election, 11 November 2001, Remembrance Day. The first function to which I was invited as a new member-elect was Remembrance Day at the Rosebud RSL. Whilst I was there a gentleman whom I know, Peter Barnett, a Vietnam veteran, who saw combat and duty in the harshest conditions, gave me a gift—his infantry combat badge. It struck me that someone was willing to give me something that had such a profound meaning and implication in his own life, and he gave it to me on the basis that he had served his country and had faced all the things which he had had to face, and that now it was my responsibility to do so. I wish to thank Peter, and I also wish to say that I take up the matters that he asked me to take up.

Within the seat of Flinders we have a significantly older population and a significantly higher proportion of veterans than the average within Australia. Aged 60 and over, 20.9 per cent of the population falls within that category. That compares with the Victorian average of 15.8 per cent, so approximately we have, over the age of 60, one-third higher than the average within Victoria. We also have approximately one-third more over the age of 70 than the average within Victoria and Australia. The Victorian average of people over the age of 70 is 8.3 per cent of the population; the average in Flinders is 11.5 per cent. Additionally, we have approximately 2.8 per cent over the age of 80 within Victoria and 3.6 per cent within Flinders. So this is a measure which has a particular meaning and relevance to those in my community.

Along the way I have had the fortune to deal with a number of people who represent those members of the veterans community who are most affected by the provisions of these bills. At the Rosebud RSL, which I mentioned, Jon White is the president and he leads a group of people there who have given great service to the country. Similarly, Jim Flynn of the Rye RSL also leads a very large group of people, all of whom have given great service to Australia. Similarly, there is Trevor Laurence at the Hastings RSL. There are a number of other sub-branches and branches throughout the community of Flinders—Dromana, Phillip Island, Corinella, Coronet Bay, Crib Point, Flinders and Somerville—all of whom comprise veterans who have given of themselves and who have given their time to serve their country.

Against that background, I now turn to the context of the bill itself: what it does and what it proposes. The bill falls within a package of measures which were announced by the government prior to the last election. During the last election campaign the Prime Minister announced three initiatives to extend entitlements which are currently available to Australian veterans and war widows. The first is that which is contained in the gold card bill. The proposal is to extend the gold card for comprehensive, free care to all Australian veterans over the age of 70 years who have qualifying service. What that means, in effect, is that it extends the gold card beyond just those who served in World War II to all those who have served in subsequent conflicts, those who have served within Australia and those who have served...
in the forces of allied armies in the period between World War II and the current time. It is not known what the result of that review will be, but that review was promised and it came into force in early February, when it was announced by the Minister for Veterans’ Affairs.

Against that background, what does this bill in particular do? Schedule 1 of the bill inserts the following new provision into the Veterans’ Entitlements Act 1986:

... A veteran is eligible to be provided with treatment ... for any injury suffered, or disease contracted, by the veteran, whether before or after the commencement of this Act, if:

(a) the veteran is 70 or over; and
(b) the veteran has rendered qualifying service ...; and
(c) either:
   (i) the Department—
   of Veterans’ Affairs—
   has notified the veteran ...; or
   (ii) the veteran has notified the Depart-
   ment—
   of their qualification. So the essence of the bill is that it extends the range of people who are currently entitled to the gold card. All up, approximately 4,000 veterans are estimated to be eligible for the gold card in the first year after these provisions come into force. It is expected that the provisions will come into force on 1 July 2002 and that in the first year they will cost the government about $16½ million, rising to approximately $30.4 million in the financial year 2005-06. By that time the number of those people who will qualify under the new provisions and who would have previously been denied coverage will be approximately 5,000. These are people who have served Australia overseas in the period since World War II and who would not otherwise have been entitled to receive the gold card. The benefits that they receive are from a comprehensive range of medical, hospital, pharmaceutical, dental and allied health services, so it is a fine package which is worthy of those who come to it.

Who will receive those benefits? Australian service people who have been involved in the conflict in Korea, the Malayan Emergency, the Indonesian confrontation and the Vietnam War. The people who were in all of those theatres are beginning to come of age, having reached the age of 70. In time this also means that those who served Australia in more recent conflicts—in the Gulf War, in Timor and in Afghanistan, as they currently are—will all become entitled to receive recognition for the risk and sacrifice that they have made.

Why do we seek to do this? We seek to do this for a number of reasons. Firstly, Australia is indebted to those who have served it in time of war by enlisting in the armed forces and by placing their lives at risk for the greater benefit of the country as a whole. Secondly, the nation has a duty to ensure that those who have served, together with their dependants, are properly cared for. Thirdly, those who have served overseas in a theatre of war have a demonstrably higher chance of contracting some sort of disease, illness, disability or ailment as a result of the service and the stress under which they have given that service. So for all of those reasons this is a bill which should be commended.

There is an additional point, and it is this. The Minister for Veterans’ Affairs has announced that there will be an additional review of veterans’ entitlements. That will look at two things. It will look at the definition of ‘qualifying service’, so that means that those veterans who served Australia during World War II within Australia and who may have carried out important tasks but who have subsequently been denied the gold card will be considered. No decision has been made yet. It is expected that review will report in late November. It is my firm hope, and I have made this point to constituents within my electorate, that the review will come down in favour of those who gave service to Australia—but not outside of Australia—in World War II.

The review will also consider the case of those who served for other countries. That is a more difficult question because there are over 40,000 in that category. But it is important that we have a full and thorough review and, in particular, that those who served Australia in World War II in any form and in any place are given a full entitlement and given access to the gold card, although I do
not wish to prejudice the outcomes of the review. For all of those reasons I commend this bill to the House. I believe that it justly rewards and recognises those who have served Australia, have given of themselves and have placed their lives at risk, not just during World War II but in times since then.

Mr ANDREN (Calare) (1.13 p.m.)—Mr Deputy Speaker Adams, I welcome you back to your esteemed position in this parliament.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—Thank you.

Mr ANDREN—In speaking on these cognate bills—the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 and the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002—I want to restrict most of my remarks to the gold card extension bill and indicate my strong support by way of seconding the second reading amendment by my colleague the member for New England.

On the further budget 2000 and other measures bill, I have few problems, save that I agree with the member for Cowan that this bill could go further in amending its treatment of the war disability pension as income for those veterans in receipt of age pension and other Centrelink payments. In 1999 I asked a question on notice of the then Minister for Veterans’ Affairs concerning the number of veterans in receipt of disability pension for war related disease or injury but who do not qualify for service pension because of the nature of their service. The then minister put the number at approximately 73,000, being veterans who receive a disability pension from the Department of Veterans’ Affairs but do not receive a service pension. That is potentially 73,000 pensioners whose disability payments reduce the amount of income they receive under the Social Security Act rather than the Veterans’ Entitlements Act.

The spirit of this country’s repatriation measures is to honour and reward—that means to compensate—the sacrifice of veterans in the service of their country. It is a national obligation to assist them to have fulfilling lives for their service. This spirit seems to be lacking where a veteran’s disability pension for war related diseases or injuries reduces income received from the age pension. This spirit is similarly lacking from the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. My colleague the member for New England, like me, has had numerous approaches from veterans without the qualifying service but who feel discriminated against. I probably have had far more concerns through my office than the member for New England by dint of the longer time I have been in this place, but every member of this House has received similar approaches from World War II veterans who feel dudged when it comes to the gold card.

There was an expectation created during the 2001 campaign after a speech by the Prime Minister on 13 October last year at Epping RSL Club. Although the Prime Minister announced that the gold card would be extended to all veterans over 70 with the necessary qualifying service, it has been generally assumed—wrongly, of course—that this means all veterans over 70, irrespective of their service. In fact, that announcement extended the gold card to all veterans over the age of 70 who had rendered the qualifying service in wars other than World War II, such as Korea, the Malaysian Campaign, the Indonesian Confrontation and Vietnam. The current legislation states that a person has rendered qualifying service:

If the person has, as a member of the defence force, rendered service during a period of hostilities ... at sea, in the field or in the air in naval, military or aerial operations against the enemy in an area, or on an aircraft or ship of war, at a time when the person incurred danger from hostile forces of the enemy in that area or on that aircraft or ship.

I want to detail several arguments from correspondence with my constituents which show why the exclusion of all veterans over 70, irrespective of the narrow definition of danger from hostile forces, is short-sighted and mean. The full bench of the Federal Court in the case of Repatriation Commission v. Walter Harold Thompson in 1988 ruled:

The words ‘incurred danger’ provide an objective, not a subjective test. A serviceman incurs a danger when he encounters danger, is in danger or is endangered.
How about this? John Palmer of Lithgow did special clandestine work behind enemy lines with an airborne radar squadron in the islands around New Guinea in World War II. Full records of the nature of these many flights are apparently not now available, nor, does it appear, were they ever. They were referred to only as training or local flights. As Mr Palmer said in a letter to the former veterans’ affairs minister:

... we were on oath to maintain such secrecy, from the CO down. Nothing was to be written, no radar secrets were ever written into 2-squadron history.

Let me read three paragraphs from a letter Mr Palmer sent to the former minister in December 2000. Paragraph 3 states:

No attempt was made to solicit the advice or assistance of radar personnel.

this is during an AAT appeal—

The “allowed” written history only, as recorded by Mr. Piper, seemed paramount. Believe me!

Paragraph 4 states:

As just two (of many) examples of lack of knowledge, the tribunal did not know the name of the airstrip on the Kai Islands nor of the importance of Millingimbi. Furthermore in their decision, operations are continually mentioned. I did not fly on operations only patrols. The difference appeared to elude them. Our aircraft were not all lost on operations. Some crews were killed on patrols and did not return. If these patrols were not important and dangerous why did I go. They were armed and at all times I inserted the detonator into the IFF.

2 Squadron’s compliment of 24 aircraft all equipped with ASV radar, continuously (almost daily) searched for enemy activity over thousands of miles of ocean. These patrols would have been thoroughly useless without using this device. If they weren’t dangerous and important, then why did we go.

Paragraph 10 states:

John Bennett in his book “Highest Traditions” makes no reference at all to ASV Radar Involvement simply because he was writing from recorded history only. This glaring omission must surely substantiate my assertion of Official v Unofficial history.

I have had several long sessions with John Palmer, and a gentleman of greater poise—a man who has an appreciation of what is fair in life and what isn’t—you could not meet. He wrote in particularly clear terms to the minister. I am certainly not criticising the former minister, but I am criticising a process that rules a person of his ilk—and, indeed, many others—ineligible for the sort of benefits that are extended to those who literally look down the barrel of a gun.

Mr Palmer has gone as far as the AAT with his case to no avail. Yet, as he points out, gold cards were authorised for servicemen shipped overseas for training, for air crews engaged in patrols only and to mariners on the basis of ‘what was out there’.

Only two airborne radar mechanics from this so-called Beaufort bomber interlude period were still living as of December 2000. Mr Palmer is one of them.

Another case on my files is George Thompson of Portland. He wrote to me on behalf of the surviving members of the 55th Australian Composite Anti-Aircraft Regiment. This regiment was sent to Darwin 10 days after a Japanese air raid at Long Airport in which about 300 American servicemen died. The members served about 650 days and legitimately claim to have been on active service in the face of impending action at any time, especially as they defended the B24 Liberator bombers that were raiding Papua and Timor.

Another case is that of Denis Mullen of Orange. He was a member of the 341 Radar Unit on Mulgrave Island. He contends that from December 1943 these men were endangered, more so than any other defence installation in Torres Strait. In a letter to the Administrative Appeals Tribunal in yet another fruitless effort to seek a sympathetic outcome, Mr Mullen says that the first six months of their time on Mulgrave Island was a time when they all felt their lives were endangered. He points out that they have received the return from active service badge, yet are not regarded for gold card purposes as having seen active service.

In her second reading speech, the Minister for Veterans’ Affairs said that this legislation ‘carries out Australia’s duty of care to those who serve our country in wartime’. With great respect, I really wonder whether we have fulfilled all that duty of care.
In April 2000, I wrote to the then Minister for Veterans’ Affairs, the member for Maranoa, asking what the cost would be of extending the gold card to those World War II veterans who do not qualify under existing provisions. The minister replied that this would cost approximately $1.05 billion over three years for the 78,000 World War II veterans surviving as at March 2000. I suggest that that 78,000-figure has reduced significantly in the past two years and that the cost has come down and is coming down every day. This is not an insignificant cost, but compare the 78,000 ineligible veterans in March 2000 with the 290,000 current gold card holders.

However, I question the figures supplied by the government. In the budget papers for 1998-99, we are told in chapter 1 of the budget strategy papers, on page 17, that from 1 January 1999 the government would be extending the gold card to an estimated 50,000 Australian World War II veterans at a cost of $500 million over four years. According to my maths, that works out at $2,500 per annum per veteran, or $195 million a year or $780 million over four years. This compares with the $1.05 billion over three years quoted by the then minister’s department two years ago. That is a cost of about $4,300 per veteran per annum. I would like to know just what the cost really is.

By the way, the private health insurance rebate is costing us $2.221 billion this financial year—that is before the recent health fund premiums are factored in. I really wonder whether most Australians, if asked, would give this priority over rewarding fairly our veterans in their twilight years. Maybe some of our modern high income earners might want to take the rebate and run, forgetting that the earning capacity they enjoy was built on the sacrifices of our diggers, but the majority of fair-minded Australians would not begrudge gold card status to all veterans over the age of 70.

The government estimates that the cost of this legislation will be about $93 million over four years—far less, of course, than the cost of extending the gold card to all veterans irrespective of their degree of exposure to absolute face-to-face threat to life. But I ask the House whether those World War II veterans in their declining years are not worthy of recognition for the risk they were prepared to take and whether they are now subject, in many cases, to a very narrow definition of what constitutes qualifying service.

In 1973 all Boer War and World War I veterans were granted free universal health care. In 1974 free medical treatment was extended to all Australian ex-prisoners of war and ex-service personnel suffering from cancer, whether or not related to their service. We still have anomalies in the war widows pension system whereby smoking related illness most often seems to qualify as a war related cause of death but other diseases, especially hypertension and heart disease, do not appear to get up.

I note the minister’s appointment of an independent committee to conduct a review of perceived anomalies in access to veterans entitlements; it is very welcome. There are real concerns about the TPI pension rate and eligibility. There are concerns, as I have outlined, about eligibility for the gold card and the entitlements for veterans of the British Commonwealth Occupation Force in Japan and participants in the British atomic tests in Australia, for example. There are also anomalies in eligibility for war widow pensions, as I have mentioned.

I have also in recent months put to the minister the case of Mrs Cil Van der Velden in Lithgow, who is staging a strong and convincing campaign for the right of wives of veteran pensioners, in this case a Vietnam vet, to earn to their capacity, independent of their husband’s pension. It challenges current thinking about joint partner income levels and eligibility for such payments, but, as Cil points out, why should her earning capacity be capped because her husband went to war on Australia’s behalf and is now suffering a debilitating war related handicap? Cil no doubt can defend herself better than I can. She will be sending a submission to the inquiry, and if she appears personally the sparks will well and truly fly.

I commend the government on establishing this review of veterans entitlements but I also commend the second reading amendment moved by my colleague the member
for New England, an amendment which I have seconded. Extending full gold card eligibility to our remaining World War II veterans—and then, by extension, to those veterans aged 70-plus from other campaigns—is the least we can do for men and women who were prepared to sacrifice their lives. Some suffered injury in training; all suffered emotional stress and trauma, even though they never technically looked down the barrel or ducked the bullets.

While we are talking about gold card eligibility, I also remind the House of the eligibility of former members, particularly ministers and long-serving members, to receive the gold pass. To have the absolute excess of this reward dangling out there in the breeze while we sit and judge the worth of ex-servicemen for access to gold card benefits is a shame to all of us.

I support this bill but urge the government and opposition to take up the principle inherent in the second reading amendment and to put it on the agenda for the review of veterans entitlements.

Mr GEORGIU (Kooyong) (1.29 p.m.)—I wish to support the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 and the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. The Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 is a package intended to improve the delivery of income support benefits through the veterans affairs system. A number of the measures contained in this bill are designed to align the arrangements for income support payments provided under the Veterans’ Entitlements Act 1986 with the arrangements for like payments under the Social Security Act 1991. As such, these amendments will improve the consistency and fairness relating to both the social security and veterans systems.

All of us here have nothing but the utmost admiration and respect for the sacrifices made by our veterans, who were willing to answer Australia’s call in her hour of need, and the government does believe it is imperative to address any areas where the position of veterans may be improved in a system designed to provide support to them. The amendments in this bill do improve the position of the Australian veterans community and are further evidence of the government’s overall commitment to veterans and their families.

There are a number of amendments proposed under this bill. They are quite complex, and in the time available to me I would like to focus on two of them. The first amendment seeks to modify the existing rules relating to periodic compensation payments provided for replacement earnings and their impact on compensation-affected income support payments to partnered veterans. Periodic compensation—such as that which is provided as a series of payments, such as fortnightly or monthly compensation—provided by insurance companies for replacement earnings is often structured in this way.

It has been a longstanding view of this government, and governments preceding it, that the compensation system has the first responsibility to provide income support for those with a compensable ailment. This view reflects a concern that a person may receive compensation for lost earnings at the same time as they receive income support payments from the government. However, the government also recognises that it is important not to penalise unduly the partners of those being compensated.

Under the current provisions of the Veterans’ Entitlements Act, if a couple are in receipt of a compensation-affected payment, periodic compensation will reduce the couple’s combined pension on a dollar by dollar basis. In effect, every dollar of periodic compensation will reduce the couple’s pension by that same amount. Under this amendment, a dollar for dollar reduction will apply only to the pension of the person in receipt of the compensation. In circumstances where the amount of compensation exceeds the amount of the recipient’s pension, then the excess amount will be treated as the ordinary income of their partner, and the income test currently allows the partner to earn $100 per week of ordinary income before there is a reduction in their pension. Coupled with the tapering effects that apply to ordinary income, this amendment will increase the in-
come support available to couples that have low levels of income from compensation payments. This amendment will benefit compensated veterans and their partners.

A second amendment proposed by the bill is to streamline the deeming exemptions for those assets that have been determined to be unrealisable under the assets test hardship provisions. Under the current provisions of the Veterans’ Entitlements Act, the income from an unrealisable asset disregarded under the asset test hardship provisions may be included in an income test under the deeming provisions. The deemed income provisions do not count the actual income earned from an asset; rather, there is a set, market linked, rate of return that the assets are deemed to earn.

I think that most would agree that it would appear unwarranted to apply a set rate of deemed income against the value of an unrealisable asset. By their very nature, many assets classified as unrealisable—such as an unproductive farm, shares that cannot be sold or other market securities that have been suspended from trade—will provide minimal or no income to the holder of the asset. Therefore, under the existing provisions of the Veterans’ Entitlements Act, veterans who hold unrealisable assets, and who unfortunately may be in a position of financial hardship, may find themselves unable to access income support payments due to their inability to pass the income test.

Under the second amendment proposed by this bill, the actual rate of return on the unrealisable asset will be counted as ordinary income, rather than applying a deemed rate of return. For those veterans who may hold assets that produce minimal income yet have significant value that, for whatever reason, cannot be realised it is fairer and will be of financial benefit to them. This amendment is a step forward in terms of both fairness and commonsense. While Australians can reasonably expect that people with substantial income producing assets will provide for their own support, we should not penalise those who are not in a position to rearrange their financial affairs to do so.

In summary, these amendments are important. They seek to address inconsistencies that currently exist between the social security and veterans affairs systems. They will not impose a great impost on the Commonwealth, and a number of Australia’s veterans and their families will benefit from them. They do further underline this government’s unwavering commitment to improving the position of the veterans community. I commend the bill to the House.

I also wish to add my support for the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. This government has since coming to office given a very high priority to providing appropriate recognition for the service and sacrifice of Australians in times of war and conflict. On 1 January 1999, the government extended eligibility for the gold card to include Australian veterans and merchant mariners with qualifying service in World War II. This bill seeks to further extend gold card entitlement to all Australian Defence Force veterans who are over the age of 70 and have qualifying service. This recognises the significant contribution of veterans who served in post-World War II conflicts including the Korean War, the Malayan Emergency, the Indonesian Confrontation and the Vietnam War.

These ex-service men and women were exposed to the unique hardships and deprivation of combat in conflicts after World War II. Under the bill they will be eligible, from 1 July 2002, for comprehensive free health care once they are aged 70. The extension of eligibility for the veterans gold card has long been of interest to me and to the many veterans that I represent as constituents in my electorate of Kooyong. This extension has been a top priority of the ex-service organisations and individual veterans and mariners over a number of years. Many veterans have approached me and their other members on both sides of the House—indeed, even those sitting on the crossbench—and raised with them the issue of the gold card. I believe we have all raised with the Minister for Veterans’ Affairs their concerns. I therefore welcome this extension of eligibility for the gold card, and I do hope and believe that there should be further extensions in the future. I commend the bill to the House.
Mr HARTSUYKER (Cowper) (1.37 p.m.)—During our nation’s history, our nation has been unfortunately involved in a great number of conflicts. Many men from many generations have been called to fight for our country. My generation owes a special debt to those veterans who fought on our nation’s behalf. My generation is one of the few generations in the nation’s history that has been spared from the horrors of war.

It was some 55 years after the end of World War I that veterans of that conflict received full health care repatriation benefits. World War II veterans aged over 70, with qualifying service, also received access to the gold card some 54 years after the end of that war. The notion of qualifying service recognises the special contribution of those who encountered danger from hostile enemy forces. It is a very important concept, because it must have been incredibly stressful for the men involved in those conflicts. I do not think any of us here in this House who have not served in active conflict could begin to imagine the difficulties that one would encounter on active service.

Today, some 280,000 veterans enjoy access to the gold card. On a recent visit to the electorate of Cowper last year with Mr Bruce Scott, the then Minister for Veterans’ Affairs, I was heartened on meeting with a number of veterans. They were quite emotional when they described the services that they had received from the Department of Veterans’ Affairs. They were most thankful to the then Minister Scott for the help that the department had offered them with the medical problems that they had encountered in later years. It was heartening to see a government program working to assist veterans.

It is timely now that we should be looking after the health needs of qualifying veterans from other conflicts that occurred after World War II. This initiative forms a central part of the coalition’s platform from last year’s election, and I am very pleased that the government is delivering on this commitment to the veteran community early in the parliamentary term. I think this commitment demonstrates that the National and Liberal parties are very concerned in looking after those people who served our great country. The commitment to repatriation and health care services is recognised as giving gratitude to those who have fought for the Australian people in times of need, particularly by generations such as mine who have been spared having to be involved in conflicts. This is an extremely important issue to the local community in my electorate of Cowper, where many ex-service men and women live today. I know that the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 will be welcomed by veterans in Cowper and their families.

Local veterans would also have cause to welcome the recent government announcement of an independent review of veterans’ entitlements. This review, together with the bill presently before the House, builds on our commitment to the health care needs and concerns of those ex-service men and women. The findings of the review of veterans’ entitlements are being eagerly awaited by many veterans not currently eligible under the qualifying service requirements to receive a gold card. I am often approached by constituents, ex-servicemen who served where they were asked and when they were asked on behalf of their country, seeking to have gold card eligibility extended to their particular theatre of service. I commend the government for undertaking that review.

Recently in the adjournment debate, the member for Maranoa commented on the improper use of the last post when it was played on the departure of Ansett flight 152 from Perth to Sydney. The member quite rightly called for the last post to be protected from such improper use, in a similar manner to the protection afforded to the term ‘ANZAC’. I believe veterans would concur with this action. Certainly, those veterans who are gold card members and those who are seeking to become gold card members by having the entitlements extended would most definitely concur with the sentiments expressed by the member for Maranoa on the playing of the last post.

The veteran community distinguish themselves in peacetime as well as in war. In my electorate, we have many RSL sub-branches that continue the spirit of mateship and camaraderie that was displayed in times of con-
conflict. Members of these branches look out for each other in peacetime, as in times of conflict. They support each other, particularly those of advancing years. I think that is an excellent trait to display. It is a very Australian trait to be looking after your mates, to be looking after those less well than yourself.

To receive repatriation benefits is a great honour. The entitlements of the gold card allow holders or their eligible dependants access to treatment for any injury suffered or disease contracted, regardless of when the injury or disease was suffered or contracted. Through the white card, assistance is available for specified treatment to otherwise ineligible veterans and to their dependants or former dependants for certain specified conditions. Gold card holders have access to a range of repatriation and pharmaceutical benefits. They have access to private hospital care, which I think no-one would seek to deny them. My father-in-law enjoyed the benefit of such care when he was seriously ill some years ago. They are entitled to general practitioner services, specialist services, optical care—an issue of particular importance to our ageing veterans—physiotherapy, podiatry and home nursing care, which enables veterans to stay longer in their own homes and that is obviously what all of us would seek to do in our later years. They are also entitled to dental services, and the list goes on.

Veterans with qualifying service deserve these services. They have put their lives in danger to protect our country. They have dedicated themselves to our hour of national need. This bill gives appropriate recognition to the service of those very fine service men and women. I commend the bill to the House.

Mrs DE-ANNE KELLY (Dawson) (1.44 p.m.)—I rise to speak on the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002. In speaking on this bill, I want to acknowledge the great debt that we owe our veterans who have sacrificed much in the defence and service of Australia. I am also pleased to be part of a Liberal-National government that is giving a high priority to providing appropriate recognition to that sacrifice and service. The extension of the availability of the gold card to a wider group of veterans is testimony to the responsibility that we carry as a government to our veterans. It is appropriate to mention two outstanding ministers under the Liberal-National government who have served our veterans. The Hon. Bruce Scott worked in his portfolio for some six years to assist veterans to raise the profile of their concerns. The current Minister for Veterans’ Affairs, the Hon. Danna Vale, is a very compassionate lady who I have no doubt will take on board veterans’ concerns and bring them forward to the parliament.

In January 1999, the coalition government extended eligibility for the repatriation gold card. It was extended to all Australian veterans and merchant mariners who were over 70 years of age and who had qualifying service from World War II. As a result of that initiative, 38,000 World War II veterans and mariners became eligible for the top level of health care under the repatriation system. In fact, the total number of veterans then eligible for gold cards was 282,000. Of course now the reality is that Australian servicemen who served in conflicts post-World War II are over or approaching the age of 70. They, like other veterans from earlier wars, are facing an increased need for health care.

I am very pleased to see that this bill will further extend to all veterans who are over the age of 70 and have qualifying service. This will mean that older veterans with qualifying service who served in the Korean War, the Malayan Emergency, the Indonesian Confrontation and the Vietnam War will have the gold card available to them. This takes effect from 1 July 2002. This initiative will allow future gold card access to those veterans with qualifying service who have served in later conflicts such as the Gulf War, East Timor and Afghanistan, some of which of course are ongoing conflicts. It brings the issue home to us when these conflicts are so recent and so much in evidence when we look at our television screens.

The amendments to the Veterans’ Entitlements Act 1986 are a package of measures designed to further improve the delivery of income support benefits through the repatriation system. I would like to give some
examples to the House. As it presently stands, if a veteran receives a periodic additional payment from an insurance company, for instance, a couple's combined pension is reduced dollar for dollar by the amount the recipient receives. Now with this bill being agreed to, the pension of only the recipient will be reduced, not the other party to the relationship. Only in the event of the compensation amount exceeding the other person's pension will their partner's pension be affected.

A small but significant amendment to the act is that future instalments of income support will be paid to the nearest cent rather than being rounded to the nearest 10c. Perhaps the attention to detail of this amendment shows the extreme importance that the Liberal-National government places on the welfare of our veterans. I can certainly assure the House that the veterans in my electorate of Dawson appreciate the attitude of this government toward them. I would like to detail some of the particular benefits that veterans in Dawson—as I am sure veterans in other electorates around Australia—have received under the Liberal-National government. In Bowen, capital grants have been made available for improvements to the veterans' aged care facility known as Cunningham Villas. The most recent was $83,000 to enable them to upgrade their buildings and provide staff training, as a prelude to Cunningham Villas moving to what we trust will be a full three-year aged care accreditation.

My veterans well remember the budget announcement which saw pension rights restored to those widows who had chosen to remarry, to remedy the former Labor government's ungracious attitude to war widows. They also remember the $25,000 compensation payment to ex-prisoners of war of the Japanese during World War II. I just pause to say here that I know many of the ex-POWs in Dawson, and I think an example of the depth of the deprivation that they suffered is the fact that so few of them wish to speak about their experiences. In fact, one dear old POW is moved to tears if he is questioned about it. Those of us who live in a free Australia have little comprehension of the depths of despair, malnutrition, disease and hardship that our POWs experienced under the Japanese. No amount of compensation could ever make up for what they suffered and experienced, but $25,000 is one small acknowledgment and perhaps will buy them some measure of comfort. I know some in my electorate are planning to share it with their grandchildren. Others are planning to make a small extension to the house. They are small things, but are an acknowledgment of a grateful nation.

In my home town of Mackay, the Mackay veterans' support group have recently received $60,500 to refurbish and equip two houses to enable our Vietnam veterans to use them as a drop-in centre. This was a very welcome initiative. The government has also funded a new Mackay and district RSL welfare and pensions office in Mackay, providing veterans with a one-stop shop for assistance. This is womaned by hardworking volunteers led by Jan Jarrott, a well-known Mackay lady and a tremendous support for the veteran community. This office is a focal point for veterans in Mackay and the surrounding district who are in need of advice or assistance, or who sometimes just want to drop in and have a cup of tea and a chat. I was heartened when I was there recently to find a veteran—quite an elderly gentleman—from one of the small outlying towns. It was his first visit to the centre, and he really found it a comfort to be able to get sound advice, a cup of tea and a chat with the volunteers there. So congratulations to Jan Jarrott and her hardworking volunteers. One of the other initiatives in Mackay is a permanent memorial to the Rats of Tobruk.

Mr Forrest—Hear, hear!

Mrs DE-ANNE KELLY—I hear the member for Mallee saying 'Hear, hear!' and I could not agree more. This project has been led by our absolutely tremendous Major Len Hansen retired—a great advocate for the Rats of Tobruk—and Don Rolls, a local councillor from Mackay City Council. Don put a tremendous amount of effort into rallying the support and the contributions in kind from the community and making this a reality. I was pleased that the Liberal-National government started the fundraising effort with a $4,000 contribution. We can see
that this government really cares about our veterans and their families. It provides for them not only in many large ways but through many small measures that mean such a great deal. These bills are a testimony to the work of our veterans, and I commend the bills to the House.

Mr KATTER (Kennedy) (1.53 p.m.)—In rising to speak to the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002 and the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 today, I must pay particular tribute to and single out the people at all of the RSLs throughout the Kennedy electorate who work almost full time. A large number of people work full time looking after not only their own, for want of a better word, but also the widows of ex-servicemen who have passed on. This occupies an awful lot of their time these days. I think every member in this House would have been contacted numerous times by people from the RSL in relation to veterans affairs matters. These people are doing this work for no remuneration at all, out of a commitment to their colleagues and their comrades in arms as well as to those people left behind by the death of their comrades.

Lex Fraser has worked tirelessly over many years at the RSL in Ingham to obtain justice. Many times he has had to stick the spear into the RSL itself—his own organisation—to get them to move in certain areas. He has made a lot of enemies and taken a lot of brickbats through the years as a result of his fight—particularly his fight for the wives of servicemen. He had a distinguished military career, but he was also unfortunate enough to end up in Changi prison during the Second World War. He has tried desperately to get justice and assistance for the wives of those people who served out a lot of the war in the horrific conditions of the Changi prison camp.

I would like to single Lex out. Also, on behalf of Lex and all the other servicemen, I would like to raise the fact that there needs to be more attention given to the wives of ex-servicemen. Many of them have had to put up with men who have returned from war deeply scarred psychologically, and they have had to take the full brunt of that scarring. Many of the returned men had physical defects as a result of the war as well, which their wives have had to cope with. Also, whilst other wives had their men at home during the years of those wars, these women did not have husbands and their children did not have fathers, because these men were overseas fighting for their country.

It is very difficult for us to get people to join the Army. A very large amount of the armed services budget is spent on advertising to get people to join the Army. Of course, in a field of endeavour such as the services—Army, Navy or Air Force—your life will be at risk, you will be called upon to spend large periods of time away from your family and you will have to knuckle down to a regime of discipline which is not present in any other field of endeavour in society today. So great sacrifice has to be made, and there has to be some special remuneration and some special looking after. I pay great tribute to Tony Windsor and Peter Andren in moving this amendment today to extend the privileges provided by this bill to the wives of the servicemen. I seek leave of the House to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES
Membership
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (1.57 p.m.)—by leave—I move:

That members be appointed as members of certain committees in accordance with the schedule which has been circulated to honourable members in the chamber.

As the list is a lengthy one, I do not propose to read it to the House. Details will be recorded in the Votes and Proceedings.

Question agreed to.

LEAVE OF ABSENCE
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (1.58 p.m.)—I move:

That leave of absence for today and 21 March 2002 be given to the honourable Jackie Kelly (Parliamentary Secretary to the Prime Minister).

Question agreed to.
MINISTERIAL ARRANGEMENTS

Mr ANDERSON (Gwydir—Minister for Transport and Regional Services) (2.00 p.m.)—I advise that the Minister for Children and Youth Affairs will be absent from question time today. He is attending the funeral of a relative. The Minister for Immigration and Multicultural and Indigenous Affairs will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Privilege: Senator Heffernan

Mr McCLELLAND (2.00 p.m.)—My question is to the Attorney-General. Attorney, when did you first become aware that it was Wayne Patterson, the Prime Minister’s personal driver, who had provided the Prime Minister’s parliamentary secretary with the documents shown to be bogus and a forgery?

Mr WILLIAMS—I am not sure I know the fact that I am asserted as knowing. I heard about it in the newspaper today.

Opposition members interjecting—

The SPEAKER—Order! A good deal of tolerance has been exercised by the chair in allowing the question to stand. Similarly, tolerance ought to be exercised in allowing the Attorney-General to answer the question.

Mr WILLIAMS—I was advised by one of my staff this morning that the name of a driver had been mentioned in the newspaper. Other than that, I cannot comment.

Zimbabwe: Election

Ms JULIE BISHOP (2.02 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the decision reached by the Commonwealth meeting regarding Zimbabwe? What has been Australia’s role in achieving that outcome?

Mr DOWNER—I thank the honourable member for Curtin for her question. If I may say so, the question could not have come from a more appropriate member of this House, who did such an outstanding job in Zimbabwe as a Commonwealth election observer. Honourable members will know that the Prime Minister, as Commonwealth chairman in office, convened a meeting of his committee on Zimbabwe in London overnight. The committee this morning announced a unanimous decision which strongly supports Commonwealth democratic principles and charts a path for Zimbabwe’s return to adherence to these principles.

The Prime Minister, together with President Mbeki of South Africa and President Obasanjo of Nigeria, was mandated by the Coolum Commonwealth Heads of Government Meeting to take action on the Commonwealth Observers Group report on the Zimbabwe elections in the event that that report was adverse. As members would well know, the group’s report was indeed adverse, finding that the presidential elections in Zimbabwe were not free and they were not fair. The committee has, in effect, agreed to the findings of the observer group. As a result, the three leaders at the meeting chaired by our Prime Minister decided unanimously to suspend Zimbabwe from the councils of the Commonwealth for one year; to engage with Zimbabwe to promote reconciliation; to address current issues of desperate food shortages, economic recovery, the restoration of political stability, the rule of law and the conduct of future elections; and to mandate the Secretary-General to the Commonwealth to engage with Zimbabwe on electoral reform, as recommended by the observer’s report.

Presidents Mbeki and Obasanjo have been specifically mandated to exercise their continuing good offices. The Prime Minister has announced a contribution of $2 million in food aid through the World Food Program for the suffering people of Zimbabwe. All I can say is that this is a very good outcome for the Commonwealth, it is a good outcome for the people of Zimbabwe, and it is a good outcome for Africa. It is a direct result of the principled and consistent leadership that Australia has exercised within the Commonwealth on this issue. I know that all members of this House will want to join me in congratulating the Prime Minister on the outstanding job that he has done in London. He has shown very real leadership on this issue; I think he has shown extraordinary leadership on this issue. I think the Prime Minister has done this country proud and he
has done the people of Zimbabwe proud as well.

Let me say finally that my department has today issued a revised travel advice for Zimbabwe, and that advice is that Australians should defer all holiday and normal business travel to Zimbabwe until further notice. This reflects our concerns about the security situation there following the election.

Privilege: Senator Heffernan

Mr CREAN (2.06 p.m.)—I do congratulate the Prime Minister on his achievement, Mr Speaker. My question is to the Minister for Employment and Workplace Relations, representing the Special Minister of State, responsible for the administration of Comcar. Minister, when did you first become aware that it was Wayne Patterson, the Prime Minister’s personal driver, who had provided the Prime Minister’s parliamentary secretary with the documents shown to be bogus and a forgery?

Mr ABBOTT—The first I knew of the purported 1994 Comcar document—the first anyone in the government knew about it—was when it was on the front page of the Sunday newspaper. Let me say this: Justice Michael Kirby has been gracious enough to accept Senator Heffernan’s apology. If the man who was wronged by Senator Heffernan can accept the apology and move on, what on earth is the Leader of the Opposition doing?

Economy: Performance

Mrs ELSON (2.07 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the results of the Westpac-Melbourne Institute leading index of economic activity released this morning? What does this index indicate about the strength of the Australian economy?

Mr COSTELLO—I thank the honourable member for Forde, and I thank her for her interest in the economy, which many Australians are interested in because it affects their lives, their mortgages, their job opportunities and the future opportunities for their children. I may be wrong about this, but it may be that the Australian Labor Party will not see fit to ask any questions about the economy in question time again. I do not think they have shown any interest in the economy in the last 12 months, ever since Australia became the strongest growing economy in the industrialised world.

The Westpac-Melbourne Institute index today showed that the leading index of economic activity, which is indicative of the pace of economic activity in six to nine months time, was 7.3 per cent in January—well above the long-term trend of 3.4 per cent. The media release which was put out announcing it was headed ‘Leading index on fire’. The Westpac general manager of economics commented that ‘the growth rate had been driven by the strong December quarter national accounts’, and that ‘the large move in the growth rate of the leading index was a measure of profits and productivity’. It is a good thing to see that Australian companies are being profitable at a time when we are in a synchronised world downturn. Good profits for companies mean better job opportunities. We saw job opportunities coming through in January and February, with an increase in the number of jobs. Also, the productivity story of the Australian economy has been a very good one, as Australia’s growth rate has kicked up and our productivity has begun to lead the world. It is one of the reasons why our economy has performed more strongly than any other industrialised economy in the course of 2001.

Although these indexes do come and go—and they are only indexes and we cannot say that they are actual results—this is a very positive indication that Australia’s economy looks as if it has quite a deal of strength behind it for the course of 2002. The Economist poll has Australia leading the forecast for all of the developed world in 2002 and in 2003. I can assure the people of Australia that the coalition government is interested in good economic management. The coalition government is interested in jobs for Australians. The coalition government is interested in low mortgage interest rates and in helping families. We would welcome any interest at all that the Labor Party could show in any of those issues by perhaps deigning to ask a question about them in one of the many question times that will be occurring this week.
Privilege: Senator Heffernan
 Mr CREAN (2.09 p.m.)—My question is to the Treasurer in his capacity as Minister representing the Minister for Finance and Administration.

Honourable members interjecting—
 Mr CREAN—They don’t like it, Mr Speaker, but they are going to get it.

Mr Pyne interjecting—
 The SPEAKER—The member for Sturt! The Leader of the Opposition will commence his question again.

Mr CREAN—My question is to the Treasurer in his capacity as Minister representing the Minister for Finance and Administration, and it refers to his answer to my question yesterday as to the source of the bogus Comcar documents. Treasurer, when did you first become aware that it was Wayne Patterson, the Prime Minister’s personal driver, who provided the Prime Minister’s parliamentary secretary with the documents shown to be bogus and the document that was a forgery?

Mr COSTELLO—Like the Attorney-General, I am not aware of who provided that to Senator Heffernan. I would have thought that, since there is going to be an inquiry by the Australian Federal Police, it might be prudent to actually await the inquiry.

Mr Kelvin Thomson interjecting—
 The SPEAKER—The member for Wills! The Leader of the Opposition has just sought to raise under parliamentary privilege in the hope that that will get that name into the media, I consider—

Mr Kelvin Thomson interjecting—
 The SPEAKER—I warn the member for Wills!

Mr COSTELLO—They are taking great delight in their success at getting it into the media. I would have thought that one of the lessons that may have been learned on both sides of the parliament over the course of the last couple of days is that it is proper to wait for an investigation to be conducted so that people’s rights are respected, whether they be the rights of a High Court judge or whether they be the rights of a Comcar driver. The proper thing might be to actually await the investigation and, as for me and my part, I will await that investigation rather than play the games of the Australian Labor Party which is prepared to use parliamentary privilege to try and blacken people’s names when they deserve a proper investigation.

Employment: Government Policy
 Mr FORREST (2.16 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House what the government has done, and is continuing to do, to help Australian businesses create jobs? Are the political affiliations of registered organisations under the Workplace Relations Act hindering the government’s attempts to create jobs?

Mr ABBOTT—While the opposition peddles its weird conspiracy theories and blackens the name of Comcar drivers in its cheap attempt to make a political point, this government has been getting on with the job of delivering freedom, fairness and prosperity to the workers of Australia. I am very pleased to say that 950,000 new jobs have been created under this government’s policy.
since March 1996. There are more jobs and there is higher pay; there are lower taxes and there are fewer strikes thanks to the policies of this government. We can deliver these good results to the Australian people because no-one owns us. We are not constrained by outside organisations to be a government of the unions, by the unions, for the unions. All this ‘What did you know?’ and ‘When did you know it?’ routine, which the Leader of the Opposition practises, is just a smoke-screen for the civil war that is now raging inside the Australian Labor Party between the reformers who want it to be a real democracy and the reactionaries who want the Labor Party to be nothing but the political wing of the ACTU.

Yesterday in caucus, the member for Throsby said—and I am quoting from the Sydney Morning Herald—that she got the feeling from some in the party room that ‘anyone coming here with a union background was viewed as a liability to the Labor Party’. Let me put the member for Throsby to rights. It is not anyone; it is someone—if you live in Manly and head office foists you on the people of the Illawarra, then you are a liability. If you want to retire and you demand a safe seat in parliament as a reward for services rendered to the ACTU, then you are a liability. What those caucus members who are criticising the member for Throsby are really doing is talking in code for criticising the Leader of the Opposition because, let us face it, the Leader of the Opposition is the ultimate trade union hack.

Last week, the Leader of the Opposition said to the secret Labor meeting at the Campbelltown Catholic Club:

Labor’s factional system was rewarding mediocrity and promoting candidates with few life skills and little understanding of the community they represent.

Certainly the Leader of the Opposition ought to know because every position he has ever held has been delivered to him as a result of some factional deal. He was genetically programmed from birth to be a future leader of the Labor Party. He has never, ever lived in the electorate he purports to represent.

Mr Albanese—Mr Speaker, my point of order is obvious and it goes to relevance. This has nothing to do with the minister’s portfolio and does not relate to the question he was asked.

The SPEAKER—The member for Grayndler will resume his seat. The standing orders that oblige the minister to have questions addressed to him relating to his portfolio are standing orders relating to questions, not to answers. The standing order, as it relates to answers, obliges the minister to be relevant to the question. I am having some difficulty with the relevance, but I concede that the question was asked about registered organisations and in that context it was difficult for me to deem it as irrelevant to the question asked.

Mr Snowdon interjecting—

The SPEAKER—The member for Lingiari is warned!

Mr Abbott—I am simply quoting the Leader of the Opposition who told the secret cabal at the Cambelltown Catholic Club:

Labor’s factional system was rewarding mediocrity and promoting candidates with few life skills and little understanding of the community they represent.

Privilege: Senator Heffernan

Mr Crean—My question is to the Minister for Employment and Workplace Relations representing the Special Minister of State, responsible for the administration of Comcar. Can the minister confirm that a journalist, Mr Paul Whittaker, made a freedom of information request for Justice Kirby’s Comcar records in 2000? Can the minister confirm that then departmental head Dr Peter Boxall requested and received copies of supposed Comcar records in Mr
Whittaker’s possession and that the department advised that these records were bogus? Minister, which years did the records supplied by Mr Whittaker refer to—1992, 1994, or both?

Mr ABBOTT—Unlike the Leader of the Opposition, I have confidence in the integrity of the Australian Public Service and I have confidence in the integrity of the public servant in question to deal properly with freedom of information requests. The Leader of the Opposition is desperately trying to prove some conspiracy. Let me say that wishing and hoping and praying that there is a conspiracy will not turn his fantasies into fact.

Illegal Immigration: Afghanistan

Mr CAMERON THOMPSON (2.25 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. Is the minister aware of concerns being raised about the appropriateness of the return of illegal immigrants to Afghanistan? Would the minister inform the House of action taking place internationally in relation to return programs?

Mr RUDDOCK—I thank the honourable member for Blair for his question. It gives me an opportunity to draw to the attention of members generally the situation at the moment in relation to people who have been found not to have protection obligations and who may be in situations such as the member described and contemplating their future. The fact is that at the moment we are hearing quite frequently from some advocacy groups—and, I might say, critics of the government’s approach to unlawful arrivals—that it is not appropriate at this time to be returning anyone to Afghanistan.

The fact is that the United Nations High Commissioner for Refugees is very much involved in the return of people to Afghanistan at this time. That has occurred in the context of the many developments that have occurred, changing the political and general environment in terms of safety for Afghans. The reports from the United Nations High Commissioner for Refugees indicate that some 3,000 to 6,000 people are returning voluntarily from Iran and Pakistan each day and, since the beginning of this year, more than 180,000 people have returned spontaneously or under programs that the UNHCR itself has implemented.

If honourable members take the opportunity to look at the web site of the UNHCR, they will find regular updates in relation to the return of Afghans at this time. The latest briefing note of 19 March estimates that more than 60,000 Afghans have returned from Pakistan under UNHCR programs since the beginning of March. In addition, the International Organisation for Migration is actively involved in a return program, particularly for people with professional skills who might assist in the redevelopment of infrastructure, education, health, jurisprudence and communications, amongst other matters. Some Australians who have been settled here under earlier refugee programs have indicated a willingness to return. I saw on the registration list that is on the IOM web site that, amongst countries other than Iran, Pakistan or Tajikistan, which are the neighbouring countries, the United States has 214 people registered and Australia 75. Those two countries are amongst those with the greater numbers of professionals who are seeking to engage under this program.

It is a very important package and it reflects, I think, that it is timely for the initiative that the Prime Minister foreshadowed of Australia providing reintegration assistance for people who have been found not to be refugees and to assist them in making an early decision to return and to start rebuilding their lives. There is no doubt that conditions in Afghanistan are difficult—there is no doubt about that at all—but I do not imagine that at this time they would appear any more difficult than they did to East Timorese, Kosovars or the people of Rwanda, all of whom returned home under programs of this sort. It is programs of this sort that are going to lead to the successful resolution of the refugee-like circumstances that many people face in different parts of the world.

I want to confirm to the House that, at the conference recently in Bali, some of the discussions in which my ministerial colleagues and I were involved included meetings with representatives of the interim government of Afghanistan, where returns were discussed.
Certainly, under the arrangements which we envisage there is a good deal of support from the interim administration for that to be facilitated.

Privilege: Senator Heffernan

Mr CREAN (2.30 p.m.)—My question is to the Minister for Employment and Workplace Relations representing the Special Minister of State, responsible for the administration of Comcar, and it refers to his last answer to me. Minister, if you will not tell the House which years Mr Whittaker’s documents refer to, can you tell the House—

Mr Ross Cameron interjecting—

The SPEAKER—The member for Parramatta is warned!

Mr CREAN—He’s not, fool. The question is—

Honourable members interjecting—

The SPEAKER—I am at something of a disadvantage since at the time I was warning the member for Parramatta and did not hear the remark made by the Leader of the Opposition, and I concede that I had not recognised the Treasurer.

Mr Abbott—I raise a point of order, Mr Speaker. The Leader of the Opposition used an offensive word against the member for Parramatta. He called him a fool. He regularly keeps up—

Honourable members interjecting—

The SPEAKER—the Leader of the House will resume his seat. The member for Lilley will resume his seat. The member for Lilley, as Manager of Opposition Business, ought to know better than to offer gratuitous advice to the chair.

Mr CREAN—My question is to the Minister for Employment and Workplace Relations representing the Special Minister of State, responsible for the administration of Comcar, and it refers to his last answer to me. Minister, if you will not tell the House which years Mr Whittaker’s documents refer to, can you tell the House whether this document, widely published in newspapers and shown—

Mr Costello interjecting—

Mr CREAN—Thank you.

The SPEAKER—Treasurer! The Leader of the Opposition will make his point.

Mr CREAN—Can you tell the House whether this document, published widely in newspapers recently, was among them?

Mr Pyne—I raise a point of order, Mr Speaker. The beginning of the Leader of the Opposition’s question contains argument and imputation and it offends standing order 144 (a) and (c). I ask you to require that it be ignored by the minister in his answer, if indeed he is required to answer the question at all.

The SPEAKER—I call the Minister for Employment and Workplace Relations, Leader of the House and Minister representing the Special Minister of State.

Mr ABBOTT—the Leader of the Opposition might lie awake in bed at night fantasising about what Senator Heffernan did and
who he did it with, but let me say that question has been answered.

Mr Griffin—You’re the one with the—

The SPEAKER—The member for Bruce is warned!

Mr ABBOTT—But in case the Leader of the Opposition is under any doubt, let me say, in respect of the Comcar document that he has held up in this parliament, no-one in the government had seen that document, no-one in the department of finance had seen that document, and no-one was in a position to say that it was false, because no-one in the government had seen that document until it was published in the newspaper last Sunday. No-one in the government, apart from Senator Heffernan, had seen that document. Let me say this: the only people in this country who are still utterly obsessed with conspiracies are the extreme Left, the lunar of the right, and this man masquerading as the Leader of the Opposition.

Mrs Crosio interjecting—

The SPEAKER—The member for Prospect is warned!

Environment: State of the Environment Report

Mr BILLSON (2.37 p.m.)—My question is to the Minister for the Environment and Heritage. Would the minister advise the House of the findings of the Australia state of the environment 2001 report and how they compare to the findings of the first SOE report in 1996? Is the minister aware of any alternative strategies to help our natural systems?

Dr KEMP—I thank the member for Dunkley for his question and I congratulate him on his continuing contribution to the nation’s environmental policies. The five-yearly Australia state of the environment 2001 report was released yesterday. This report is an independent assessment designed to help the government set its environmental priorities in the years ahead. It contrasts in a quite dramatic way with the findings of the previous five-yearly report, the 1996 state of the environment report, which recorded 13 years of environmental degradation and a story of monumental inaction by the Labor Party. The 1996 report described as ‘alarm-ing’ the destruction of wildlife habitats and the continuing threats to biodiversity; it identified salinity as a crucial problem which was not being addressed; it identified the damage to urban air quality from the absence of adequate fuel standards; it expressed concern over the management of our fisheries and the lack of action in relation to greenhouse gas emissions.

Now the record that we see in the 2001 report is a dramatic contrast to the report of five years ago. The report I released yesterday says that our urban air is now cleaner because we have fuel emission standards put in place which are challenging and deal with the issue of noxious gases; our houses are more energy efficient; there is increasing use of renewable energy sources; efforts to economise on domestic water usage are succeeding; industries are developing codes of practice on environmental management; our biodiversity is better protected; we are better able to assess the health of our rivers; vegetative cover in much of Australia has improved as a result of the CSIRO’s very successful efforts against the rabbit population; we are managing our marine resources better; and the ozone loss over the Antarctic appears to have stabilised.

This does not mean that we still do not have very substantial environmental issues to address. The degradation of our river and land quality in the Murray Darling Basin is a matter that the government has put at the top of its priority list. With regard to the persistent threats to biodiversity, we now have in place instruments under the government’s Environment Protection and Biodiversity Conservation Act 1999 which can now adddress these issues. The government is addressing the pressure on our coral reefs and our coastal waters through its oceans and coastal policy. We now are putting billions of dollars through the National Action Plan, the Natural Heritage Trust, into addressing those environmental issues which in 13 years the Labor Party failed completely to address.

The shadow minister for the environment could make a great contribution to Australia’s environment if he would stop issuing these ill-considered and foolish press releases which fail to acknowledge the great
progress that has been made and by selective quotation highlights the problems that this government, and not the Labor Party, has decided to address.

Privilege: Senator Heffernan

Mr CREAN (2.41 p.m.)—My question is to the Acting Prime Minister, representing the Prime Minister. It follows the answer just given to my last question. Acting Prime Minister, can you confirm that the 1992 Comcar extracts were bogus? Can you also confirm that the 1992 and 1994 Comcar documents came from the same source?

Mr ANDERSON—The germane point here is that no-one, apart from Senator Heffernan, in the government or in the department of finance had seen the document which is in question here. You held up a copy of it in this place. They were therefore not in a position to know anything about the authenticity of that documentation. As to any other matters beyond that, the reality is that—as has been alluded to here several times today—they are the subject of investigation by the police and that is where the matter can satisfactorily lie. As has also been commented on here, you are attempting to construct a giant conspiracy case that does not stand up and I think it is well and truly time that you return to matters of substance.

Employment: Job Network

Mr TICEHURST (2.43 p.m.)—My question is addressed to the Minister for Employment Services. Would the minister advise the House of the benefits of the government’s jobs programs in the provision of employment services? How does the Job Network compare with previous government services in that area? Is the minister aware of any alternative proposals to provide employment services to the unemployed?

Mr BROUGH—I thank the honourable member for his question. Last night in the Main Committee we saw the first attempt by the opposition to address any issue whatsoever in this term of the parliament to do with employment or employment services. There was no new policy; there was not even a hint of where to go to. In fact, there were not even any new ideas enunciated by the shadow minister. But he did have this to say:

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 ...

Those on this side of the House actually think that delivering targeted employment services cost effectively is what government should be about and we are quite proud of our achievements.

I would like to reiterate what my senior minister, the Minister for Employment and Workplace Relations, said earlier: there have been 950,600 new jobs created in the term of the Howard government over the last six years. Of those, 42 per cent—395,400—have been full-time jobs. That compares to the abysmal results of those opposite in the last six years of the Labor government, when the Leader of the Opposition was the employment minister. In that time, there were 435,000 jobs created and only 12 per cent, or 54,000, of those were full-time jobs. The other 88 per cent were part-time and casual positions.

Let me say something about the respective track records of employment services. What taxpayers got under Labor from 1990 was a doubling of expenditure on employment services and then, under the Leader of the Opposition’s stewardship, a quadrupling of the money that they had spent since 1990—and yet for virtually no outcomes whatsoever. Today, we have targeted programs that are meeting the needs of the unemployed at about half the cost of those in Labor’s last 12 months. The Leader of the Opposition had an answer, because in the dying days of the Labor government it was reported in the Sydney Morning Herald:

The federal government admitted last night that, ‘About half the dramatic fall in long-term unemployment in the past year has been the result of reclassifying people after they have been through job programs, even though they are still out of work,’ a spokesman for Mr Crean said last night.

So he was not satisfied with wasting taxpayers’ money to the tune of $3,000 million and only achieving fewer than 10,000 full-time jobs annually over the last six years, he then had to delude himself and deliberately ma-
There has been a lot of commentary in the last few weeks about part-time employment. The reality is that in 1993 the member for Kingsford-Smith introduced a bill into this place about unfair dismissal and, as a result of that bill and the impact it had on small business, it is no wonder the Labor Party could not create full-time jobs. Here we are 12 years later and they want a bit of deja vu. They want to revisit where they were and inflict upon the Australian work force and the job seekers of this country a system where we will have unfair dismissals inflicted upon these people again.

The Australian Chamber of Commerce and Industry said in a press release of 14 March that a ‘12 month unfair dismissal exemption for casuals is essential for jobs’. The CEO of the Council of Small Business Organisations of Australia, Mike Potter, said, ‘There is evidence small business is employing more casuals because of fear about unfair dismissals.’ Then there is an unlikely ally to support the member for Hunter. We know what the member for Hunter and his wife think about unfair dismissal; she is a small businesswoman who has to deal with this challenge. I have a document here entitled, If not now, when? and it is a submission by one Lindsay Tanner, federal member for Melbourne, to the Hawke-Wran review of the ALP’s structure and organisation. Maybe a few of those opposite would like a copy, because I do not think it is on his web site any more; it seems to have come down. Even in this document, he recognises the importance of this issue when he says:

We should not allow important issues like unfair dismissal laws to become hostage to perceived need for Labor to distance itself from its union base.

You do not need to distance yourself from the union base; they are distancing themselves from you at a rapid rate. In the Courier Mail on Tuesday, Doug Cameron said that working people were looking for a party that would boldly and unashamedly speak for them, ‘I think there is a view amongst union activists that the Labor Party is not that party.’ He is right: the ALP is not that party. They are not interested in looking after the unemployed of this country and they are not after new opportunities; they are after saving their own political skin. It is time you supported the government’s fair dismissal bill and supported the unemployed of this country.

Privilege: Senator Heffernan

Mr CREAN (2.49 p.m.)—My question is to the Acting Prime Minister, and it follows the answer given by the Minister for Employment and Workplace Relations. Can the Acting Prime Minister confirm that the Prime Minister came into this House last Wednesday and stated that Senator Heffernan had raised very significant allegations? Can you also confirm that, when he made that statement, the Prime Minister had not sighted the 1994 Comcar document on which Senator Heffernan relied?

Mr ANDERSON—To the very best of my knowledge, the answers to those questions are simply yes and yes.

Economy: Small Business

Mr BALDWIN (2.50 p.m.)—My question is to the Minister for Small Business and Tourism. Can the minister inform the House of the significance of small business to the Australian economy? Is the minister aware of any proposals that may threaten small business employment opportunities?

Mr HOCKEY—I thank the member for Paterson, and I would like to welcome him back to parliament. The people of Paterson have the right Bob in parliament now. Bob Baldwin is no printer; he is a deliverer. Most importantly, he is a member of parliament with small business experience, and that is very important in the Hunter region, where we have seen massive growth in small businesses over the last few years.

In particular, small business now contributes about 30 per cent of the nation’s gross domestic product—about $200 billion a year. As the ABS report suggests, there are 1.2 million small businesses now in Australia, and half of those businesses—over 600,000—started business whilst the coalition government has been in office. Most significantly, 34 per cent of all Australia’s small businesses are located in regional
Australia. I know that is very important to the Acting Prime Minister, because small business is in many ways the engine room of the regional Australian economy, representing over 400,000 businesses right across Australia.

The member for Paterson asked me about threats to the viability of small business and employment opportunities in small business. I would have to say to the member for Paterson and other members of the House that the most significant threat to employment opportunities and small business is the Labor Party. I say that because, as we have heard from the Minister for Employment and Workplace Relations today, the Labor Party is intransigent in its opposition to our fair dismissal laws. We are trying to reform the unfair dismissal legislation, which is the rat-bag legacy of the Labor Party. We are trying to reform it to create jobs in small business—and small business jobs in Paterson—but the Labor Party opposes it.

In fact, if you judge the Labor Party on their form, and look at what they are doing in substance, have a look at what they are doing in Western Australia. I have talked on a number of occasions in this place about the sort of legislation drafted by the unions, for the unions, passed by the Labor Party in Western Australia. If we want yet another example of what this legislation does, there is a provision in the Western Australian Industrial Relations Commission that a small business can be forced to reinstate a sacked worker whilst the Western Australian Industrial Relations Commission is looking into the allegation of unfair dismissal. So a small business can remove someone from the workplace, and they can claim unfair dismissal. The Western Australian Industrial Relations Commission, under Labor Party policy, is going to be able to order the business to have them back whilst the Industrial Commission deliberates. That is absurd for a small business of one, two or three employees—micro businesses—but it is a classic example of the attitude of the Labor Party in relation to employment law. If you want a summary, Leigh Hubbard, the secretary of the Victorian Trades Hall Council, said on 3AK this week: I think people have started to say, ‘Well, what do they, the Labor Party stand for?’

It would have been a better question had he asked what the Labor Party did not stand for. As the member for Paterson and other members in this House know, the Labor Party does not stand for low interest rates, it does not stand for low inflation, it does not stand for jobs and it does not stand for small business.

Privilege: Senator Heffernan

Mr McCLELLAND (2.54 p.m.)—My question is again to the Attorney-General. Is the Attorney aware of comments today by former New South Wales Governor and Appeals Court Justice, Gordon Samuels, that the conduct of the Attorney-General:

In declining to intervene in defence of the High Court, is, no doubt to be attributed to his reluctance to pursue his supposedly independent role without the permission of his political master, the Prime Minister.

Attorney, aren’t you guilty as charged by Gordon Samuels?

Mr Pyne—Mr Speaker, I rise on a point of order. I thought you were going to rule some of that question out of order on the basis of standing order 144(d)—imputation. The question clearly contained an imputation against the Attorney and I would ask you to rule that part of the question out of order.

The SPEAKER—The member for Sturt makes a point of order that has a good deal of substance. He is also aware of the fact that imputation is a problem for occupants of the chair on almost all questions. In this instance, I did not deem the imputation to be such as would cause offence to the Attorney and so I allowed the question to stand.

Mr WILLIAMS—The member for Barton is flogging a dead horse—

Opposition members interjecting—

The SPEAKER—The chair was perfectly at liberty to rule the question out of order. One would have thought the courtesy of allowing the question to stand would be responded to by the courtesy of listening to an answer—or, it would seem, on some on my right—member for Sturt.

Mr Zahra interjecting—
The SPEAKER—The member for McMillan is warned!

Mr WILLIAMS—Some eight years ago, while in opposition, I prepared a paper setting out my views on the role of the Attorney-General in defending the judiciary from criticism in public debate or in the media. That was in opposition. Since coming to office as Attorney-General in 1996, I have adhered to that view. I have adhered to it without variation and I have espoused it on a number of occasions since. Since I formulated those views in 1994, I have sought to win over the judiciary—

Mr Albanese interjecting—

The SPEAKER—Clearly, any plea for courtesy is lost on the member for Grayndler and I warn him.

Mr WILLIAMS—and I substantially have. There have been a number of suggestions that it is the traditional role of the Attorney-General to defend the judiciary; it simply is not. The judiciary is able to defend itself in most situations and should do so. When you are concerned with personal attacks on a member of the judiciary, an allegation relating to personal conduct, it is not a matter for the Attorney-General to step in, not knowing the facts. The views that I formulated are not without support. In the Courier Mail last Saturday, there is an editorial which refers to the views that I formulated in 1994. In it, the Courier Mail says that:

... while the lawyers who sprang to Justice Kirby’s defence are annoyed at the Attorney-General’s refusal to support the judge, it must be said that Mr Williams has held and expressed a consistent view on this issue of the role of the attorney for many years.

The editorial goes on to say:

... as, eight years ago, when Mr Williams was the shadow Attorney-General, he told the Australian Institute of Judicial Administration that there was a real risk of a conflict between the interests of the judiciary and making a substantive reply on an issue and the political interests of the Attorney-General, the government or the party in government in relation to the issue. He said it was more compatible with the independence of the judiciary from the executive government and more compatible with being so seen, that the judiciary not rely on the Attorney-General to represent or defend it in public debate.

That view is given support in that editorial. I think the editorial is right. I think the member for Barton is wrong—thoroughly wrong. I think that the Hon. Gordon Samuels has got it wrong, too.

National Strategy for an Ageing Australia

Ms LEY (3.00 p.m.)—My question is directed to the Minister for Ageing. Can the minister inform the House of the government’s approach to the next phase of the National Strategy for an Ageing Australia? Is the minister aware of any alternative policies being put forward to address issues surrounding Australia’s ageing population?

Mr ANDREWS—As many members would be aware, Australia is on the threshold of one of the major demographic shifts in our history, in which the baby boomer generation begins to move into retirement and, over the next two decades, will become the older aged generation of Australia. In fact, if one looks at the demographic projections for the Australian population, you can see that the number of people over the age of 65—which is currently about 2½ million Australians—is projected to increase by almost double that, to well over four million by 2021. This will have a major impact on all facets of life in this country.

To take one example in relation to the workforce, currently there are approximately 170,000 new entrants to the workforce each year. For the entire decade from 2020 to 2030 it is projected that there will be only 125,000 new entrants to the workforce—that is, for the entire decade of the 2020s there will be fewer new entrants to the Australian workforce than there is every year at the present time. That, of course, will involve a massive reorientation of employment and will require employers—and, in particular, the human resource managers of major companies—to address these demographic changes.

Of course, demographic changes involve not only challenges but also opportunities for Australia. For example, a recent Access Economics report projected that if the number of people in the workforce aged between 55 and 70 could be increased by 10 per cent, or if we could retain an additional 10 per cent
of people in the work force between the ages of 55 and 70, then that would largely ameliorate the impact of the reduction in new entrants to the work force. We know, in addition to that, that having a focus in life in older age is important for the health and wellbeing of individuals. Therefore, part of our strategy is to encourage all Australians to consider ‘ageing’—both in the national sense and, in particular, for themselves individually—much earlier. It is a fact that if people reach the age of 55, for example, in good or better health then there are better prospects for their health in older age.

This is in the context of having just a few weeks ago released the government’s framework document on a National Strategy for an Ageing Australia. In the coming weeks and months I will be engaged in a series of consultations right around Australia, beginning at the end of this week in the electorate of Murray, bordering onto the electorate of Farrer—where the honourable member is from—in Echuca and Moama, where the first of these consultations will take place; in the following week, in Colac in the member for Corangamite’s electorate; and then in the eastern suburbs of Melbourne.

It is important that we engage the Australian population in relation to these issues—and engage not only the general population but also professional, business, academic and other groups, many of whom have already started to take a keen interest in looking at the precise policies and programs that we need to put into place in order to address these issues. So the strategy looks at a range of issues including retirement incomes, the changing nature of the work force, lifestyles and community support, health ageing and, of course, aged care. This work is being done in conjunction with other work being undertaken, for example, by the Minister for Employment and Workplace Relations in relation to the mature age employment strategy and by my colleague the Attorney-General in relation to age discrimination legislation.

I was asked by the honourable member for Farrer whether there were any alternative policies. The simple answer is that there are none from the opposition. In the election campaign last year there was no mention of a national strategy for an ageing Australia. This is something about which the opposition have absolutely no vision whatsoever. In fact, they are so disconnected from the Australian people that even the Leader of the Opposition recognises that, because in a letter that he recently wrote to people in Adelaide he begins by saying, ‘An important part of rebuilding the Labor Party for the next election is reconnecting with key members of local communities.’ Here we have even the Leader of the Opposition admitting that they are totally out of touch with the Australian people—but, of course, his reconnecting with local communities consists of one consultation of an hour and a half in Adelaide. You need to do better than that.

Privilege: Senator Heffernan

Mr CREAN (3.06 p.m.)—My question is to the Treasurer, representing the Minister for Finance and Administration. Can the Treasurer confirm that the former Secretary of the Department of Finance and Administration—his former staffer, Dr Peter Boxall—knew that the Heffernan Comcar record was a forgery late in the year 2000? Treasurer, what steps did either Dr Boxall or former Minister Fahey take on learning that the documentation being circulated to damage a justice of the High Court of Australia was bogus? What did Dr Boxall and Mr Fahey do?

Mr COSTELLO—I cannot confirm that because, as has already been said in this House, Dr Boxall was not given a copy of the document which Senator Heffernan gave to Commissioner Peter Ryan. Since he had never seen the document, how could he possibly know it was false or bogus? As has already been said by my colleague the Minister for Employment Services, not only had Dr Boxall not been given a copy of that document; no other minister had been given a copy of that document. Senator Heffernan has made it entirely clear that he relied on that document, which he now concedes to be false, and he forwarded it to the New South Wales Commissioner of Police. He did not forward it to Dr Boxall or to the minister for finance or to the Prime Minister or to me.

Mr Crean—Mr Speaker, I rise on a point of order which goes to relevance, and it goes
to the known state of bogus documents that Dr Boxall knew—

The SPEAKER—The Leader of the Opposition will resume his seat. There is no way the Treasurer’s answer was anything other than relevant to the question asked.

Mr COSTELLO—Mr Speaker, the answer is absolutely on point: Dr Boxall was not given a copy of that document. How could he know it was false when he had not seen it, he had not been given it? How could any minister be in that situation? I think there are now 14 questions left until the end of question time this week. I will make a prediction. In all of those 14 questions there won’t be one on interest rates; there won’t be one on jobs, there won’t be one on families. They will be sitting there thinking to themselves, ‘How do we eke out another 14 questions on who knew what and when and what they said to the sister and what the sister said to the mother and what they said over the back fence and what Uncle Tom Cobbley knew about it?’

The facts are that no matter how often it is alleged, as has been said by Minister for Employment Services and as I have said, that document was not given to Dr Boxall, it was not given to the minister for finance, it was not given to the Prime Minister. It was given by Senator Heffernan to one person—the New South Wales Commissioner of Police, Commissioner Ryan. When Senator Heffernan became aware that it was not accurate, he had the decency to go and apologise. The judge had the graciousness to accept the apology. And the only people that want to keep this going are the Labor Party for their tawdry ends.

Honourable members interjecting—

The SPEAKER—If the Minister for Foreign Affairs and the Leader of the Opposition wish to engage in a conference, I am sure Aussie’s will be happy to accommodate them. The House certainly is not. In fact, I would be tempted to offer to host them if it were instant. The member for Pearce has the call.

Energy Market Reform

Mrs MOYLAN (3.10 p.m.)—My question is to the Minister for Industry, Tourism and Resources. Would the minister inform the House what action the Howard government is taking to address the need for reform of Australia’s energy market and how this will benefit Australia’s consumers?

Mr IAN MACFARLANE—I thank the member for Pearce for her question. I know that she is vitally interested in the supply of competitive energy to industries in her electorate and, in fact, to all Australians. Last Friday at the Ministerial Council on Energy, all states—which are all Labor states—and territories agreed with the Commonwealth to put in place an independent review of energy market directions. This review is crucially important not only in terms of the direction of policy but also to ensure that industry in Australia continues to have ready access to competitively priced energy. It is one of our most competitive points not only in terms of attracting foreign investment but also in creating jobs here in Australia by the expansion of industry. That review will provide guidance on energy market directions and priorities and is headed up by the Hon. Warwick Parer, who all members will know has a very sound background in government and management experience in the resource and energy companies.

Opposition members interjecting—

Mr IAN MACFARLANE—You have to have members of parliament with real life experience. I know that is not the view on that side of the House, but it is on this side of the House. Mr Speaker, if I can go on, the panel members also include David Agostini, Paul Breslin and Rod Sims. The panel members, along with the chairman, bring a wide-ranging and practical experience from the energy sector to this review. We saw on Friday, earlier in the day, a very interesting discussion between the states. In fact, if it got any more interesting during the national electricity market discussions you would have been able to sell tickets to it. The Leader of the Opposition’s brother did a sterling job supporting the Victorian minister, Candy Broad. Both of them were working against two other states, New South Wales and Queensland. Minister Broad and Minister Crean were keen to see real competition in the electricity market. So we have
that as a backdrop in the morning. In the after-

noon, there was the release of an issues paper by the chairman of the review com-

mittee. The panel will now travel all around Australia discussing the matter and make a short visit overseas to gain some interna-
tional experience.

Opposition members interjecting—

Mr IAN MACFARLANE—It excites

them so much, Mr Speaker. I am sure mem-

bers of both sides of the House will look forward to the interim reports, as we ensure that Australia’s energy requirements remain competitive.

Fuel: Ethanol Content

Mr KATTER (3.14 p.m.)—My question without notice is addressed to the Minister for the Environment and Heritage. Is the minister aware that the US Senate has reached agreement on an energy bill amend-
ment which ‘will require at least five billion gallons of farm based ethanol to be used by refineries by the year 2012’? In the light of the fact that this figure is equivalent to the total current Australian fuel consumption, and in the light of the fact that Australia—the most urbanised country in the world—is one of the few countries in the world without statutory ethanol content, could the minister participate in initiatives that are coming for-
ward from the canegrowers, canefarmers and grain growers councils to draft a proposal commercially acceptable to the sugar cane and grain industries?

Dr KEMP—I thank the honourable member for Kennedy for his question. The government has been very proactive in the development of fuel quality standards and we have set new petrol and diesel standards, which took effect on 1 January this year, which are contributing to both cleaner air in our cities and to a reduction in greenhouse gas emissions. The new standards promote the adoption of modern vehicle technology and improved emission outcomes.

The member for Kennedy may also be aware that during the election campaign the government committed itself to a $50 million plan, Biofuels for Cleaner Transport, and that program will promote the production, distribution and transport of biofuels, including ethanol. So we are very interested in the pro-
duction of ethanol and its role in cleaner fu-
els and cleaner transport. The government is interested also in the point that the member for Kennedy raised about a statutory regula-
tion. He perhaps implied that what the gov-
ernment was looking at was some mandatory inclusion of ethanol. That is not the case. What the government is, however, looking at is an appropriate ethanol cap for petrol so that we can make sure that ethanol is used up to an appropriate level but not beyond that level.

The government has put out a discussion paper on that matter. We have not expressed a final view in that discussion paper on what that cap should be, but we are very willing to listen to any contributions from industry that will help the government make a sensible and wise decision on that point. So the gov-
ernment is certainly willing to put in place programs that will assist those who are inter-
ested in ethanol production. We see a signifi-
cant role for ethanol in the future and, if there is any assistance that we can give within the government’s programs to help industries move into the production of etha-
nol, we will be very pleased to do so.

Trade: Indonesia

Mrs HULL (3.17 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House what action he is taking to help Australian wheat farmers substantially grow their sales to Indonesia? Is the minister aware of alternative proposals that may assist wheat growers in my elector-
ate of Riverina and in Mallee?

Mr VAILE—I thank the honourable member for Riverina for her question. The issue of our trade with Indonesia is critically important to her constituents and, indeed, constituents right across regional Australia. This goes also to the previous questioner from the electorate of Kennedy, where the live cattle exports from that part of Australia are extremely significant. In 1996—which happened to be the year that our government was elected to office—our two-way trade with Indonesia stood at $3.7 billion. In the time since then, until the last financial year, we have seen that increase dramatically to $8.4 billion. Trade has increased from $3.7
billion to $8.4 billion. So, in the last three years, Australian exports to Indonesia have grown by a staggering 50 per cent. This is a clear indication that our government’s policies and our energies are being focused on getting on with business with the rest of the world but, more importantly, within our region. It is getting on with business but it is also getting on with Indonesia.

We have been lectured by the Labor Party and their fellow travellers for many years about the fact that it is only the Labor Party that can get on with Indonesia, that it is only the Labor Party that can have a decent relationship with Indonesia. These statistics prove the fallacy of that. Since the crisis we have grown the level of business we are doing with Indonesia, and it has grown quite considerably. The latest installment in this very good story is that recently I met with my counterpart, Minister Soewandi, in Indonesia. Following representations by the Prime Minister and me, we convinced the Indonesians that they should not impose a dumping tariff on wheat flour—wheat that would have come from the member for Riverina’s electorate. It was going to range between five and 30-odd per cent. We negotiated that with the Indonesians and that is saving an impact of $28 million worth of trade.

Comparing that with when the Labor Party was last in office and when the Leader of the Opposition was the primary industries minister, between 1991 and 1993, the record shows that not one question was asked of the Leader of the Opposition—the then Minister for Primary Industries—about agricultural trade with Indonesia. Between 1995 and 1996, when the member for Fraser was the Minister for Trade, not one question was asked by the Labor Party of the then Minister for Trade on agricultural trade with Indonesia.

My final point on this issue is that our farmers all know that they were sold out by the Australian Labor Party in the negotiations in the Uruguay Round. They were not represented properly in terms of the international trade negotiations that took place. At least our government is taking action in terms of representing our primary producers in Australia. Our government and our backbenchers are interested in asking questions of substance of government ministers about what is happening with the Australian economy and what we are doing in our engagement with the world and our engagement with the region. The Australian Labor Party in this place is not interested in asking questions of substance about how the economy is going and how we are representing their interests internationally.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Zimbabwe: Election

Mr Downer (Mayo—Minister for Foreign Affairs) (3.21 p.m.)—Mr Speaker, I omitted to do this during question time, but I wish to table the news release from the meeting of the Commonwealth chairman’s committee on Zimbabwe, held in London on 19 March 2002.

QUESTIONS TO THE SPEAKER

Department of the House of Representatives

Mr Leo McLeay (3.21 p.m.)—Mr Speaker, are you aware of criticisms by the Auditor-General of the Department of the House of Representatives financial management practices, which were set out in a recent Auditor-General’s report? Did the Auditor-General report that the department’s monthly reconciliation process for bank accounts, creditors, debtors, assets and appropriation drawdowns was significantly in arrears? Are you concerned that the Auditor-General also reported that there were problems relating to what the Auditor-General described as ‘key accounting figures’? Who was responsible for these serious management failures and will you advise the House of what has been done to rectify them?

The Speaker—I will follow up the matters raised by the member for Watson and report back to the House at an appropriate time.
BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (3.22 p.m.)—On indulgence, could I just let the House know that there is some reasonable prospect of getting up at the usual time tomorrow night, but it is dependent upon various bits of legislation coming back from the Senate. So if there is anything that the members of the House can do to make sure that that happens expeditiously, that would be good. Could I also say, on indulgence, that the Main Committee has completed a very significant amount of business over the last few weeks and I would like particularly to thank the Manager of Opposition Business and the Chief Opposition Whip for cooperation in this matter.

Mr SWAN (Lilley—Manager of Opposition Business) (3.23 p.m.)—On indulgence, it would greatly assist the opposition to assist the government with the passage of its legislation if the Leader of the House would reply speedily to a letter that I sent him a couple of days ago.

QUESTIONS TO THE SPEAKER

Immigration: ‘Children Overboard’ Affair

Mr SWAN (3.23 p.m.)—I have a question to you, Mr Speaker. You will recall my question to you last Thursday relating to a question the Prime Minister took on notice on 18 February, about which members of his staff received the 13 photos from the Department of Defence, and your indication that you would seek an answer from the Prime Minister for the House. Could you advise the House what information has been provided by the Prime Minister and, as the House rises tomorrow for two months, would you be able to seek this information from the Prime Minister’s office and report to the House before it rises tomorrow?

The SPEAKER—I can indicate to the Manager of Opposition Business that, as a check of the Hansard record will confirm, I said—for deliberate reasons—that I would follow up as the standing orders provide. Standing orders do not provide any opportunity for me to treat the question to the Prime Minister as a question on notice. The reference to questions on notice refers to written questions on notice, not to the Prime Minister’s statement of a question as a question that he would need to respond to. I have no facility under the standing orders to respond in any other way to the member for Lilley.

PERSONAL EXPLANATIONS

Ms JULIE BISHOP (Curtin) (3.24 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Ms JULIE BISHOP—Yes.

The SPEAKER—Please proceed.

Ms JULIE BISHOP—In an article published in today’s Bulletin magazine, Mr Laurie Oakes makes comment on the participation of Australian observers in the Commonwealth observer group in Zimbabwe, based on comments by the member for Griffith. As a member of that Observer Group, I claim to have been misrepresented in that it is suggested that, compared to the member for Griffith, I did not play my part in the negotiations that produced the Commonwealth observer report. That is not true. It is claimed that I left Harare before the observer group had drafted the bulk of the final report. That is not true. It is suggested that the member for Griffith had to carry the workload of the other Australian observers because I and the others had failed to do so. To use such an important, independent, international observer mission for shameless self-promotion on the part of the member for Griffith is regrettable.

The SPEAKER—the member for Curtin cannot advance an argument. She can indicate where she has been misrepresented; she cannot advance an argument. The member for Curtin will resume her seat.

QUESTIONS TO THE SPEAKER

Parliament House: Security Cameras

Mr LEO McLEAY (3.25 p.m.)—Mr Speaker, I have a further question to you. In the last six months, have there been more security—

Mr Laurie Ferguson interjecting—

The SPEAKER—Member for Reid, the member for Watson is being interrupted by you.
Mr LEO McLEAY—He is always trying to do that to me too. In the last six months, have there been more security cameras installed in the House of Representatives part of this building and in the common areas? If so, why, and where were they installed?

The SPEAKER—I am not being in any sense evasive about this, but I am assuming that the six-month period includes, of course, all events post-September 11, and for that reason I would expect that there has been a greater installation of security devices, maybe including cameras, in that period of time. It is fair to say that the whole question of security is being upgraded and the provision of additional security cameras—not the installation, but the provision—is something that has been brought to the attention of the Presiding Officers as a means of upgrading the security.

I reassure the member for Watson that there would be no action taken by the Presiding Officers to install security cameras in, for example, members' suites without members being conscious of it, but there is a proposal to ensure that the provision of security cameras in passageways be considered. I am not aware of any installation of cameras in passageways at this stage. There may have been cameras in car parks and entrances. I cannot give any more detail than that in my answer.

Mr Leo McLeay—My point was, Mr Speaker, and you might come back with some material on this—that my impression is that there are security cameras now in what were parts of the House which might have been termed the private areas of the building, which—

The SPEAKER—I am sorry, did you say the 'private' areas of the building?

Mr Leo McLeay—Common areas of the building is probably a better—

Mr Tanner—What have they caught you doing, Leo?

Mr Leo McLeay—Lindsay, they'll catch you, mate. You're the one who's got to worry!

The SPEAKER—Member for Watson!
House committees in this parliament today, that those committees are commencing to meet to elect their chairs and deputy chairs. I am wondering whether an answer will be forthcoming as to whether extra funds have been allocated through you and Madam President to fund the secretariats of the extra House committees. I have not received an answer yet.

The SPEAKER—It is my practice normally to get back to the House on all matters as expeditiously as possible. I will follow up the matter raised by the member for Prospect.

PAPERS

Mr McGauran (Gippsland—Acting Leader of the House) (3.31 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:

That the House take note of the following papers:


Debate (on motion by Mr Swan) adjourned:

MATTERS OF PUBLIC IMPORTANCE

Privilege: Senator Heffernan

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

The failure of the Attorney-General to defend the High Court and one of its justices from the attacks made on them by the Prime Minister and his Parliamentary Secretary.

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 McCLELLAND (Barton) (3.32 p.m.)—Earlier today in question time, I was accused of flogging a dead horse. I was going to allege at least that the Attorney-General had been nobbled by the Prime Minister but that rigor mortis had not as yet set in. But I have to say on reflection that perhaps it is time for the Attorney-General to be sent off to the knacker's yard, because I think it has been ruled out that he will ever achieve green pastures. The green pastures of judicial appointment could no longer be on, because—regrettably for the Attorney-General—I suspect that if he were to be appointed to any bench in the land there would be a mass walk-out of his fellow judges.

The Attorney-General in his speeches would like us to believe that he has put forward a coherent, intellectual vision of the modern role of the Attorney-General in defending attacks on the judiciary. In respect of a range of matters, the government has referred to the Sergeant Schultz defence of 'I know nothing.' The Attorney-General's defence is, 'I don't do anything, because I am a politician.' That is the Attorney-General's defence. In fact, as Attorney-General, he does indeed have a very significant role as this nation's first law officer that is quite separate and distinct from the political process. Indeed, Australian citizens would be horrified to think that politics intruded into a number of these important areas for which the Attorney-General has responsibility. For instance, he has the right to initiate and terminate criminal prosecutions, to advise on the grant of a pardon, to grant immunity from prosecution, to appear as a friend of the court, to institute contempt proceedings, to apply for judicial review and to provide legal advice to the parliament, cabinet and the executive council. It is that final aspect that I will primarily focus upon in my contribution today.

The government would like us to believe that Senator Heffernan was acting on a frolic
of his own—that, if you like, he was playing solo. But that does not stand up to analysis. We are convinced there was a composer, and we are convinced there was a conductor. That composer we believe is the Prime Minister. The conductor, at least of the parliamentary leg of the assault on Justice Kirby, we believe is sheeted home squarely to the Attorney-General.

Last week when these allegations were raised in the Senate—we are getting to the question of motive by looking at this—the government was on the ropes over the ‘children overboard’ issue, the Wooldridge House issue, the foreign exchange gamble and questions regarding strength of leadership in allowing the controversy concerning the current Governor-General to continue. What better distraction to take the heat off the government than to go after a judge of the High Court of Australia—better still, when the allegations involve sexual misconduct against minors. If there was any more perfect diversion, that was it. This is a government that will do anything and will say anything to maintain power, even if it involves damaging our institutions—in this case, the institution of the High Court of Australia. The government quite frankly does not give a damn about the separation of powers. All it is interested in is naked power—the power to maintain office.

The facts speak for themselves. After Senator Heffernan made his speech in the Senate, the Prime Minister took the opportunity to inflame the controversy in the House and the media. On 13 March, he tabled and read from Senator Heffernan’s two letters. Indeed, those letters in turn referred to documents which all the evidence suggests had been given by the Prime Minister’s driver to Senator Heffernan.

So, for the first time, he published fresh allegations in addition to those false allegations made by Senator Heffernan. They, of course, involved an allegation of criminality. He did so without taking the steps that a reasonably prudent person—let alone the Prime Minister of Australia—would take to check the accuracy of that information. It took us about 24 hours. The Prime Minister was prepared to extend the controversy and the attacks on a High Court judge without taking that basic step. One wonders whether the Prime Minister was interested at all in accuracy, or merely in the creation of a controversy. Indeed, it is inconceivable for the Prime Minister not to have discussed his question time approach with the Attorney-General. I note that in the speech to which the Attorney-General referred earlier in question time, on 3 November 1996—I think that was the speech—he said:

Furthermore, attacks 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.

Well, if the Prime Minister did not seek his advice, I would like to know what the Attorney-General has done to front the Prime Minister and say, ‘Listen, what you did there was wrong. I should have been consulted before parliamentary privilege was abused to the extent that it was.’

I believe that the Attorney-General had a direct role in the area of advising the Prime Minister—the executive—as first law officer of the land, and I believe that he permitted this controversy to be inflamed by the Prime Minister. Indeed, if we look at the role of the Attorney-General himself, in the face of overwhelming criticism by the legal profession and by notable Australians, some of which we have heard aired here today in question time, he decided to issue a statement last Thursday morning, as I recall. The statement was about defending himself in terms of his failure to defend, in turn, Justice Kirby and, indirectly, the High Court of Australia. We gave him the opportunity, and we specifically asked him, to declare his confidence in Justice Kirby. What we saw demonstrated was cowardice in the face of the political thuggery that had first been initiated by Senator Heffernan. The Attorney-General’s failure to hit on the head Senator Heffernan’s allegations there and then was disgraceful, quite frankly. Leaving, for one moment, those matters referred to the New South Wales Commissioner of Police, Senator Heffernan in his speech made allegations of bias against Justice Kirby and allegations that he should not be able to sit on cases in-
volved alleged sexual abuse of children, as well as making those allegations of sexual misconduct.

To leave the totality of those allegations unanswered at that time was just unforgivable. To excuse the abuse of parliamentary privilege to air those remaining allegations was, again, completely unforgivable and, indeed, quite inconsistent with the Attorney-General’s previous stance in respect of the consequences of personal attacks on the judiciary. For instance, despite the line he took earlier in question time today, when he spoke on The World Today on 7 December 1998 the Attorney-General said:

I’ve also said that it’s inappropriate—and I maintain the view that it’s inappropriate—to conduct attacks on judges personally.

That is a statement made by the Attorney-General in December 1998. When we saw the attacks made on Justice Kirby we could see that he was completely lacking—indeed, it was a sustained political attack. As we saw, on Tuesday Senator Heffernan made his speech containing the three allegations, on Wednesday the Prime Minister tabled two letters containing additional allegations, on Thursday the Attorney-General himself failed to express his confidence in Justice Kirby and on Friday Senator Heffernan indicated that he had new evidence and forwarded it to the New South Wales Police. On the weekend the Attorney-General himself got stuck into Justice Kirby over his comments about public education in 2001.

There can be no doubt that this was a concerted attack on Justice Kirby, and the Attorney-General was right amongst it. The Attorney-General’s reasoning in this respect is quite illogical. He said that there was no need, indeed that it was inappropriate for him as a politician, to attempt to defend a High Court judge, and he noted in parliament that Justice Kirby had issued a statement in his own defence. What can a High Court judge do in the face of the sustained attack that I have just mentioned? Could he call a press conference to defend himself against the expansion of the allegations that the Prime Minister had made?

Mr McGauran—The Prime Minister? Allegations?

Mr McCLELLAND—The additional allegations that the Prime Minister made in this House on 13 March by tabling two additional letters making further allegations. Could he have defended himself against the vote of no confidence, effectively, that the Attorney-General had given in failing to indicate his confidence in Justice Kirby? For him to have done so would have meant that he would have overstepped that boundary that separates the High Court in its role in deliberating on important constitutional matters involving the parliament, and indeed on important matters involving the government. Had Justice Kirby attempted to defend himself against these personal attacks made by politicians, he would have effectively precluded himself from sitting on cases involving the Commonwealth government because of the fact that, to defend himself, he would have had to take on the Prime Minister of this country and the Attorney-General himself.

It is quite inconceivable to expect that High Court judges can defend themselves against the sort of personal attack, the sort of onslaught, that we have seen in respect of Justice Kirby. Is the Attorney-General saying that High Court judges, like ministers of the Crown, like the secretary to cabinet should have dedicated media officers? Is he saying that all High Court judges should have, effectively, spin doctors to assist in their defence against criticisms in circumstances where we all accept that they are going to be involved in very controversial areas in their decision making processes?

This is an Attorney-General who has refused to give the High Court funding for even a media liaison officer to advise the public of the important role played by the High Court. Is he now saying that High Court judges are on their own or is he, because of the stance he has taken in not defending judges of the High Court, prepared to give them the same spin doctors that the government relies on? Clearly, it is quite absurd to even make that suggestion. Should High Court judges start conducting doorstops to defend themselves against this sort of attack? Should we be seeing the media pack, that meets members on parliamentary sitting
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...days, outside the High Court? It would be a disgrace. But, if the Attorney-General is not prepared to take the traditional role that has been adopted by attorneys-general of all sides of politics in the past, that is, as a matter of logic, the consequence of where we would be inevitably heading.

The Attorney-General, as I have indicated, is the first law officer of the land. He does have an important responsibility under our Constitution and system of government. It will never be wrong for the Attorney-General to defend the presumption of innocence. It will never be wrong for the Attorney-General to defend the independence of the judiciary. It will never be wrong for the Attorney-General to advise and caution in respect of the misuse of parliamentary privilege. Indeed, it will never be wrong for the Attorney-General to stress the importance of testing allegations and evidence through appropriate channels before there is a slur made on very decent and committed Australians.

Let me conclude with the words of Justice Kirby. I think it is appropriate he has the final word. He said in a speech on 15 August 1997:

I have seen countries where the power of the courts has been eroded by unremitting political attack. Let me tell you, when you take the independence of the judges away all that is left is the power of guns or of money or of populist leaders or of other self-interested groups.

Justice Kirby has demonstrated that he is a fine, committed Australian. Unfortunately, it must be said that the Attorney-General has failed in the execution of his important public responsibilities. (Time expired)

Mr Williams (Tangney—Attorney-General) (3.47 p.m.)—It hardly goes without saying that I totally reject the attack on me by the shadow Attorney-General, the member for Barton. Let me start by addressing the premise of the MPI, which is predictably flawed and, I would say, irresponsible. The Labor Party must be suffering paranoia of Spike Milligan proportions to be suggesting that the Prime Minister, or anyone in the government, was engaged in a conspiratorial attack on the High Court or on Justice Kirby. The government took appropriate action after Senator Heffernan had made his allegations in the Senate on Tuesday last week, and Senator Heffernan is now facing the consequences of his actions. As members are aware, Senator Heffernan has completely withdrawn his allegations and delivered an unqualified apology to Justice Kirby. Justice Kirby has accepted this apology and Senator Heffernan is no longer the Parliamentary Secretary to Cabinet.

What the opposition is seeking to do is to drag the matter out to score cheap political points by ludicrous accusations of conspiracy and bad faith on the part of the government. One wonders what advantage it can be to Justice Kirby to extend the publicity which must, for him, have been of quite a distressing nature. The implication is quite plain that the opposition is pursuing these issues purely for political purposes.

The member for Barton joins a large number of other people who ought to know better in suggesting that at the moment the allegations were made by Senator Heffernan in the Senate I should have stood up and repudiated them. I had no personal knowledge of the nature of the allegations at the time they were made by Senator Heffernan. I was not in a position to make a comment. The fact that he made them under parliamentary privilege suggested that he had given the matter very serious thought—it was misguided, as it turned out—but he did not tell me he was going to make those statements. He did not seek advice from me on whether he should, and he did not discuss the matter with anybody in the government. It needs to be made plain that he was not acting as a representative of the government in making those statements. Having made them, what should the government have done?

The proper course was for the government to ensure that the allegations were referred to the proper investigating authority; namely, the New South Wales Police. That was done promptly. Senator Heffernan was also required to step aside as parliamentary secretary while his claims were examined by the authorities. The member for Barton has suggested that my role at that time should have been to hit the allegations on the head. It is true that Justice Kirby is entitled to a presumption of innocence, but nobody was to
know at that point that the allegations by Senator Heffernan were unfounded. Hitting the allegations on the head without a proper investigation would have been irresponsible and it was not a course I recommended. What I did recommend was the proper course that they should be properly investigated by the proper authority, and steps were taken in that regard.

There have also been suggestions made—and it was sort of implied by the member for Barton in his speech—that as Attorney-General I had some responsibility for assessing or investigating the allegations. Whether he makes that allegation or not, others have, and I totally reject it. It is not the role of the Attorney-General to stand in judgment on members of the judiciary or to conduct investigations into alleged improper or criminal conduct. Those who suggest that the Attorney-General should investigate allegations against members of the judiciary and make factual findings about the veracity of those claims fundamentally misunderstand the separation of powers. The assessment of evidence, which purports to support an allegation of criminal conduct, is a matter for the police. There can be no doubt that if, as Attorney-General, I were to have embarked upon an exercise of purporting to investigate the alleged conduct, such action would have been perceived as an impermissible interference with the independence of the judiciary. I am sure that the Labor Party and the member for Barton would have been the first to have criticised me for that.

Quite simply, the proper way for the veracity of such allegations to be tested and the evidence assessed is by the independent investigative authorities—in this case, the New South Wales Police. I had indicated to Senator Heffernan some time in the past that he needed to be careful not to make allegations about the conduct of members of the judiciary or other public figures without tangible and significant proof. I indicated to him on more than one occasion in the past that if he thought that a judge had engaged in criminal activity or improper conduct, he should direct the matter to the police, who could conduct the appropriate inquiries.

There has been quite extensive criticism of me, I accept, from members of the judiciary, members of the legal profession, people in the media, people in the Labor Party and others. The criticism is that as Attorney-General I should have stepped in to support Justice Kirby and defend him against the allegations made by Senator Heffernan. I reject that criticism. I have already given some reasons why it is inappropriate for that to be done, but let me address the general issue of the role of the Attorney-General in defending the judiciary.

My view on that subject has been clear for a number of years; indeed, many members of the judiciary are well aware of my views on the subject. While they may not all agree with it, I think it would be fair to say that we have been able to engage in a respectful debate on that topic. There can be little argument that an independent judiciary is a cornerstone of our democratic system. It provides a balance, a check, for the legislative and executive arms of the government. The concept and practice of judicial independence is well accepted in Australia. It has served us well and it has been promoted heavily by the High Court in its decisions on chapter III of the Constitution.

While I am sympathetic to the view that the judiciary should not become embroiled in political debate, relying on a politician to defend judges has its own problems. This is a point that I have sought to explain repeatedly. Recently, I explained it at a conference run by the Judicial Conference of Australia at its colloquium in Uluru last year. I told the judicial gathering that, if the Attorney-General allows himself or herself to become the de facto representative of the courts, the distinction between the executive and the judiciary—which is vital to judicial independence—would be eroded.

I first formulated this policy when presenting a paper at a conference in Canberra in November 1994. The paper I presented was called ‘Who speaks for the courts?’ One of the points I made in the opening part of the paper was that a succession of leading judicial figures had recently expressed concern at the extent of the ignorance of politicians, journalists and the public as to the
functioning of the courts and the role of the judiciary. What I should have added was that it is entirely consistent with that that leading judicial figures are ignorant of the operation of government. They see the Attorney-General as being someone independent of government and separate and apart from it.

The member for Barton referred to a number of roles of the Attorney-General which are traditional under Australian political systems, which give the Attorney-General something of an independent discretion in certain matters. I could point out that most ministers under statutes or practice have independent discretions, but most of the matters that the member for Barton referred to are matters that are now not dealt with by the Attorney-General personally. For example, he mentioned the power of prosecution—this is a power now exercised by an independent officer under the Director of Public Prosecutions Act 1983. While the Attorney-General has some power to intervene, it is very rarely exercised.

In a separate part of the paper, I set out the arguments in favour of the Attorney-General having a general role. I highlighted that the traditional principle that the Attorney-General should defend the courts came from the United Kingdom in respect of the role of the Attorney-General in England. I pointed out that there are very significant differences. The Attorney-General in England does not administer a department; he is by practice not a member of parliament; and he is invariably a barrister of high standing. Australian attorneys-general are not necessarily lawyers at all; they are not necessarily in cabinet, but they frequently are; and, almost invariably, they do administer departments.

I went on to point out that there are good practical reasons why neither judges nor the public should look to the Attorney-General to take up cudgels for judges in media debate. The demands on a modern Attorney-General are extensive. Monitoring the media on behalf of the judiciary is unlikely to be given priority. There may be a need for the Attorney to be briefed from judicial sources in order to make an effective response. That could be inconvenient; it could prevent a timely response. In any event, the remarks of an Attorney-General would lack impact.

There is also a real risk of a conflict between the interests of the judiciary and making a substantive reply on an issue and the political interest of the Attorney-General, the government or the party in government in relation to the issue. In the absence of a public understanding and expectation that the Attorney-General will usually represent the judiciary in the media, involvement of the Attorney-General might give the appearance to the contrary of what is intended—that the judiciary is involved in political controversy.

I concluded that, in the end, it is more compatible with the independence of the judiciary from the executive government and more compatible with being so seen that the judiciary not rely on the Attorney-General to represent or defend it in public debate in the media. The judiciary, I said, should accept the position that it no longer expects the Attorney-General to defend its reputation and make that position known publicly. I did not leave it there. I went on to make some positive, constructive suggestions as to what the media could do in order to have proper representation in media debate concerning courts and judges.

I would point out, however, in the particular instance that has prompted this debate, that the allegations were relating to the personal conduct of a judge, albeit that they brought in the judge’s role in hearing cases of a particular kind, but that is the limit of the involvement of the High Court in the matter. No doubt the allegations would not have been made in the way they were made if Justice Kirby were not a member of the High Court but, in having them made, it was not the particular role as a judge of the High Court, except in one respect, that prompted Senator Heffernan’s remarks; the same remarks, I suspect, would have been made by him in respect of anybody holding a high-profile public position. The one point where the High Court did become involved—in the sitting of a High Court judge in relation to a matter in which, according to Senator Heffernan’s allegations, the judge is compromised—is a matter for the court, it is a matter for the judge and it is a matter for the parties...
before the court; it is not under any circumstances a matter for the Attorney-General.

I think it is appropriate to note that I have never shied away from articulating my position on the role and function of the Attorney-General. I accept that not all the judiciary and not all the profession are persuaded by my view that to regard the modern Attorney-General as the defender of the judiciary is to ignore the reality of the Attorney-General’s political position and is to do so at the potential peril of the separation of powers. I reiterate that in relation to matters concerning courts, judges and legal matters there is not a government position and, separately and independently, an Attorney-General’s position; in the modern form of government there is only one position, and it may be articulated by any member of the government.

Let us put complaints about judges into perspective. Every day I receive calls or correspondence from members of the public complaining about all manner of issues concerning the courts. They range from perceived problems with court administration to the conduct of particular members of the judiciary. Every effort is made to assist people to understand the judicial system but, if I were to engage in public debate on the appropriateness or otherwise of judicial decisions or judicial conduct, it would be impossible to ensure confidence that the judiciary remained free of political interference. If defence of the judiciary were the Attorney’s role, it would be necessary to inquire into all matters in a detailed way and determine an appropriate response, and this would place the Attorney in the inappropriate position of judging judges and offering scorecards and report cards.

What the opposition is about is pretty obvious: the opposition will take a position whichever way the wind is blowing. Instead of a reasoned, well thought out basis for its response to this difficult situation, the opposition appears to assess its response to difficult issues purely on the basis of whether it likes what is being said at the time; there is no consistency in the approach. The member for Barton has accused me of cowardice. It does not represent cowardice to take a position contrary to that of your own constituency, which I have done. (Time expired)

Mr MELHAM (Banks) (4.03 p.m.)—I rise to support this matter of public importance: the failure of the Attorney-General to defend the High Court and one of its justices from the attacks made on them by the Prime Minister and his parliamentary secretary. What we have heard is again a defence of the indefensible. The Attorney-General is alone in thinking that judges can fight for themselves, and this sorry saga shows it. The legal profession has lined up all this week and last week, when this matter first came to public attention, to disagree with the Attorney. We have had Gordon Samuels, the former Governor; Professor George Williams; Bret Walker SC, the President of the New South Wales Bar Association; Alistair Nicholson, the Chief Justice of the Family Court; and the Chief Federal Magistrate—the legal profession, not their mates or political parties—pleading for the Attorney-General, who is not just another politician but the first law officer of the nation, to do his job, which involves maintaining confidence in the High Court by defending its reputation and its members from attack.

The events of the last couple of days have shown that the Attorney-General, by his inaction, and the Prime Minister, by his continued use of code words, have damaged the institution of the High Court, have damaged the parliament and have sustained damage to the people of this nation. Are they my views? They are the views, I think, of any reasonable, fair-thinking person. But more importantly, the gracious press release by His Honour Justice Kirby yesterday says it all. In the first and last paragraphs, he pings this Attorney, this government and this whole tawdry episode for what it is when he says:

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.

In the final paragraph he says:

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.
This Attorney and this Prime Minister stand guilty of bringing our institutions into disrepute for base political purposes on the part of the Prime Minister and in relation to this Attorney because, quite frankly, he has been suborned by his Prime Minister. In only one instance in the last six years of this Attorney’s time in office has he stood up and exposed the Prime Minister. He did it correctly, because the Prime Minister had misled this parliament in relation to the Senator Woods affair and in relation, you will remember, to when the Prime Minister first knew about the allegations in relation to Senator Woods. This Attorney quite rightly stood up and said, ‘Prime Minister, you’ve known about this since September last year,’ and the Prime Minister was forced to come in here, because that is the role of the Attorney-General.

What has happened now? Does this Attorney-General say, ‘In no instance will I not defend the courts or justices of the High Court’? No. There is one rule for the mates and one rule for the others. That is what this episode shows. More than that: he cites our attacks on Justice Callinan. They were not made under the cover of darkness and under parliamentary privilege. We went outside and issued press releases based on a Federal Court judge’s statements. What did we get from this Attorney-General straightaway? He understood his role back in 1998. The Attorney-General dismissed calls for an inquiry into allegations against Justice Callinan. His news release states:

Any inquiry into the conduct of a judge is a serious matter. It should only occur once there is a clearly demonstrated basis for it. An inquiry held inappropriately can endanger the independence of the judiciary, damage the standing of the courts and do harm to an individual judge.

Let me tell you: this was no ordinary member of parliament who made the attacks last week against Justice Kirby. It was the Parliamentary Secretary to Cabinet, under the cover of darkness, breaching the standing orders and abusing his privilege. He should have been sacked on the spot. What did he do prima facie? His statement, which—I repeat—he made as Parliamentary Secretary to Cabinet, breached the standing orders and abused privilege.

There are provisions under the Constitution to go after the judges of the High Court when there is proved misconduct. But those provisions are laid out and we need to be careful before we use them. What did we get? Coded words. What happened the next day? The tabling of letters, where the Prime Minister compounded the damage and introduced new material. What he should have done, if he wanted to table those letters, was edit that scurrilous material, which was without foundation. What came out of those letters? Our little mate, Senator Heffernan, conceded that these allegations had been investigated. He went into the parliament not to get a fresh investigation but because he had made up his mind as judge, jury and executioner to, in effect, take out Justice Kirby, because in his own warped mind he was convinced of the judge’s guilt.

He had tainted evidence. It did not take long to prove that it was discredited material that he was using. I commend the honourable member for Kingsford-Smith, who blew it away in no short time and he does not have the resources of the Prime Minister and Cabinet and this Attorney-General. But still they dillydallied; still they said no and they brought in new elements to the debate to give it credibility. Why? Because Justice Kirby is not one of their mates; he is perceived to be one of our mates. That is what this was about and why this has been handled in this way. It is the principles that concern me. Heffernan should not have lasted until close of business on the day he made his first attack. And then what did we have? We had Heffernan on the Thursday admitting that he was sending the material not at his own initiative but because the police had asked him to.

Now it is a ‘frolic of his own’. If it was a frolic of his own, why did they stop us censoring him yesterday? Why? Shouldn’t we as members of the parliament on both sides do that? If you want standards, look at Senator Marise Payne. She had the decency last week to walk out because she could not cop it. That was before this fraudulent document was exposed. You have done enormous damage by your conduct. Do not attack us. You are all running away from Senator Heffernan at the moment but your actions gave credi-
bility to this. This is not the way to take out a High Court judge.

This Attorney-General is a good bloke. We know that. This is not about him personally. But he has a job to do as first law officer of the nation. When you have a Prime Minister who will do whatever it takes—who is more interested in looking after his mates than protecting the institutions for which his office is empowered as part of our separation of powers—this Attorney-General should have stepped in. This has been a disgraceful episode—an absolutely disgraceful episode. If they think, ‘Oh, Bill made a big mistake and he has apologised and let’s move on,’ they have got another think coming. This bloke has been a loose cannon for ages. Where were the investigations? I had to find out about it in the paper, as did every other member of parliament. Who put it in there? Do your job or get out of it and step aside for someone else. (Time expired)

Mr McGAURAN (Gippsland—Minister for Science) (4.13 p.m.)—The Labor Party has sunk to a new low with this matter of public importance. The Labor Party is scraping the bottom of the barrel when it has to attack the Attorney-General—a man of great distinction as a lawyer outside this place and by his conduct of unimpeachable integrity in regard to the discharge of his duties in the office of Attorney-General—and more so when it tries to include the Prime Minister in some sort of giant conspiracy. Both the members for Barton and Banks have very slyly, but not very cunningly, sought to bring the Prime Minister into a conspiracy whereby the Prime Minister into a conspiracy whereby the Prime Minister sanctioned and more or less organised Senator Heffernan’s attack on Justice Kirby, which is utterly false. Not a single person knowing anything about the issue, let alone having heard Senator Heffernan’s abject apology, would believe that to be the case. It does the Labor Party no credit whatsoever—at a time such as this when a great wrong has been done to a fine judge—to try to make politics out of it. The member for Banks gave it away in his second-last sentence, when he said, ‘If you think this matter has finished, you’ve got another think coming.’

He believes that this will be an issue that the Labor Party can exploit for its political purposes, even though that is not, it would seem, the express wish of Justice Kirby, who has responded with dignity and graciousness, who has put the matter to an end and who hopes—and rightly I believe—and assumes the lessons have been learnt by the parliament and by many in the community on a number of fronts. The Labor Party will pursue this issue because it has a political agenda not just of trying to wound government members on the front bench, but also to cover up its total inadequacy and the complete absence of any policies.

We have sat some 13 days since the parliament resumed following the last election—the unlosable election for the Labor Party—which means the Labor Party has had somewhere between 125 and 130 questions. How many of those 130 questions have been on the economy, on issues of daily importance and concern to our constituents? I venture to say none. The Treasurer and the Prime Minister wait daily for any question on any economic matter, on anything to do with the conduct of the economy and the principal responsibility that they hold, because it affects the daily life of every Australian. Of course there are none, and that is due almost entirely to the record economic growth and the startlingly low, in a sustained way, interest rates and inflation rates and the reform being undertaken, especially in industrial relations. They do not have the courage to ask questions, because they do not have any alternative policies in any event.

What are their policies? Six years in opposition, and it took frontbencher Lindsay Tanner, member for Melbourne, to confirm that issue in an interview with Meet the Press last Sunday when he was asked questions about cross-media ownership and foreign investment changes. He has some personal opinions, but qualifies them by saying:

We’ll debate the issue both within the party and more broadly and respond accordingly. But we have a policy review process that’s going on, it’s just getting under way...

It is just getting under way! After six years in opposition, things are just getting under way. He repeats that later on in the interview when
he is asked about the growing desertion of traditional allies, supporters and members of the Labor Party to the Greens because they are disaffected with the performance of the leadership of the Leader of the Opposition and the total absence of credible policies by the Labor Party in this House. He says:

I’m particularly disappointed with the news that I’ve heard today, because we at the federal level are just starting the process of a very serious policy review ...

We are just starting the process of a very serious policy review! Six years in opposition and five months since the last election, and they are just starting. He uses that phrase twice—’just starting’. The member for Melbourne is quite candid; he should be given full reign. He is the one who said the Labor Party is a mess, administratively, organisationally—and it is five minutes to midnight.

In the same interview, he says this in response to a question about the disillusionment of so many Labor Party members and their decreasing membership:

And I’d say to party members, don’t give up hope, don’t give up the faith and be a bit patient. We’ve got a lot of things to deal with. Be a bit patient? After 6½ years, how patient do you have to be for anything resembling a policy if you are a paid-up member of the Labor Party and their decreasing membership:

The Attorney-General is a lawyer of repute, he is a minister of great achievement and he is a man of unquestioned, unimpeachable honour and integrity. I do not believe nearly enough members of this place, on both sides, know the track record of this Attorney-General. He was selected as a Western Australian Rhodes scholar in 1965 and he obtained a Bachelor of Law at Oxford University two years later. From 1971 to 1975 he worked in Manila for the Asian Development Bank, and he returned to Perth and joined the bar. He was made a Queen’s Counsel in 1982 and he practised until he was elected to parliament in 1993. He was a commissioner of the Law Reform Commission of Western Australia—

Mr McGAURAN—The member for Banks says, ‘He’s a good bloke.’ He is more than a good bloke. He is a lawyer for whom you are not worthy to carry his books to a court case. You know that tradition that the junior carries the books for the—

Mr Melham—Like Costello did!

Mr McGAURAN—You are not qualified to carry the books. The Attorney-General was a commissioner of the Law Reform Commission of Western Australia, and he chaired the commission for a year. He was an acting judge of the Supreme Court of Western Australia on two occasions in 1990.

The Labor Party tries to preach to this Attorney-General—with all his achievements and successes in government that fill pages and pages with concrete benefits to ordinary Australians through reform of the legal system so it is more efficient, less time is consumed, costs are lowered and it is far more accessible. All those reforms prove him to be an outstanding Attorney-General. I sat opposite all of Labor’s Attorneys-General after they returned to office in 1983—Gareth Evans, Lionel Bowen, Michael Duffy, Michael Lavarch—and there are a couple of good blokes amongst them, although not all of them, I hasten to add. But not one of them, not a single one of them, ever accomplished anything approaching what this Attorney-General has before they entered parliament, and certainly not after.

It is not just the qualifications of the Attorney-General that are important. He has made a very reasoned and convincing statement today—as he has done in the past—on the role of the Attorney-General in defence of the judiciary. It is a considered position that he has had since 1994. It is logical, it is compelling and it is perfectly equitable.

The member for Barton attacks the Attorney-General for not defending the judiciary. Where was he when Justice Ian Callinan of the High Court was viciously and repeatedly attacked by members of the Labor Party in 1998? What hypocrisy! Where were members of the Labor Party when Chief Justice Garfield Barwick had his reputation truncated through months of slurs and accusations of a personal kind by the then Labor
Party Senator Peter Walsh and by many of his colleagues in both chambers? I ask the member for Barton: will he now distance himself and the contemporary Labor Party from the attacks on Garfield Barwick of the early 1980s? Will you repudiate the cruel, unrelenting campaign against Garfield Barwick?

Mr Danby—What do you have to say about Neil Brown?

Mr McGauran—I see; he will not. Will you now condemn your colleagues and apologise for your attacks on Ian Callinan, a High Court judge, two years ago? Of course not. Hypocrisy is your name as the member for Barton. The conspiracy theory just extends and extends. We heard in question time that the Secretary to the Department of Finance and Administration is supposed to have seen a document of Senator Heffernan’s, which has been fully and rightly discredited, but he never saw it. It did not matter how many times the Treasurer and the Minister for Employment and Workplace Relations said that to the Leader of the Opposition; he kept saying it again because he believes if you assert an untruth long enough, mud will stick. The member for Barton and the member for Banks have adopted the same tactic in this matter of public importance: just say it often enough, repeat it, and even if it has no basis in truth or in fact, say it often enough and you will damage the person that you are directing it to—in this case, the Attorney-General. Sadly for you, you do not have a case to make and you are picking the wrong person because he is a man of great integrity. This parliament and this government are honoured to have him amongst its ranks.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—Order! I hope the Minister for Science will now agree with me that the discussion is concluded.

COMMITTEES
National Capital and External Territories Committee
Membership
The DEPUTY SPEAKER (Hon. L.R.S. Price)—I have received a message from the Senate acquainting the House that Senator Watson has been discharged from the Joint Standing Committee on the National Capital and External Territories and that Senator Colbeck has been appointed a member of the committee.

BILLS REFERRED TO MAIN COMMITTEE
Mr Lloyd (Robertson) (4.24 p.m.)—by leave—I move:
That the following bill be referred to the Main Committee for consideration:
Marriage Amendment Bill 2002
Question agreed to.

APPROPRIATION BILL (No. 3) 2001-02
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered forthwith.
Bill agreed to.

Third Reading
Mr Tuckey (O’Connor—Minister for Regional Services, Territories and Local Government) (4.25 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

APPROPRIATION BILL (No. 4) 2001-02
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered forthwith.
Bill agreed to.

Third Reading
Mr Tuckey (O’Connor—Minister for Regional Services, Territories and Local Government) (4.26 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2001-02

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

Mr TUCKEY (O’Connor—Minister for Regional Services, Territories and Local Government) (4.27 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

47TH COMMONWEALTH PARLIAMENTARY CONFERENCE AUSTRALIA, SEPTEMBER 2001

Report

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs) (4.28 p.m.)—by leave—I present the report of the Commonwealth of Australia Branch Delegation to the 47th Commonwealth Parliamentary Conference, held in Australia in September 2001, and seek leave to make a short statement in connection with the report.

Leave granted.

Mr HARDGRAVE—I certainly take a great deal of pleasure in tabling this report of the delegation to the 47th Commonwealth Parliamentary Conference, held in September 2001. Along with Senators Calvert, Allisson and Forshaw and the honourable members for Page, Prospect, McPherson and Canberra, I was part of a very small but effective Australian parliamentary delegation to this conference. It was conducted here in Australia as a tribute to our Centenary of Federation and was more than just an opportunity to recognise and celebrate 100 years of continuous parliamentary democracy. It was both a timely and valuable forum to discuss issues of common interest and concern to parliamentarians from right across the Commonwealth of Nations. It is important, I guess, at this time, when our Prime Minister is so far away but deliberating on important matters on behalf of the Commonwealth, to reflect on how important the Commonwealth of Nations is to so many other countries and how often in Australia we perhaps take for granted our long association with the Commonwealth and the importance of the role that we have to play.

The issues on the agenda included those which have no simple solutions, no quick answers to issues such as people-smuggling, poverty alleviation and the regulation of scientific advances. All of these matters require international cooperation and understanding if they are to be properly addressed, and that cooperation was certainly advanced through the sharing of ideas and opinions at the 47th Commonwealth Parliamentary Conference. As I said, Australia’s federal parliament was represented by a small but effective delegation of three senators and five members of the House of Representatives. I take this opportunity to thank my parliamentary colleagues for their active participation in the conference proceedings, particularly the conference workshops.

I also congratulate the President of the Senate, Senator Margaret Reid, for her work in presiding over the conference. During 2001 she held the high office of President of the Commonwealth Parliamentary Association internationally. Of course, apart from the Senate President, I congratulate the Speaker of the House of Representatives, Neil Andrew, because together they are joint presidents of the Commonwealth of Australia branch of the CPA. In addition, I thank the staff of the federal parliament—especially, if I may, Jim Pender and Brendhan Egan—and our state and territory parliaments for the tremendous effort that they devoted to ensuring a successful conduct of the conference, particularly the Victorian and Northern Territory branches.

The major theme of the conference was ‘reassessing the profession of politics to raise the public perception of parliaments and parliamentarians’—marvellous alliteration, but also a very important subject matter. As Winston Cox, the Deputy Secretary-General of the Commonwealth, in his opening address to the conference said:
We need to make the case for democracy with renewed vigour and to constantly renew our democratic institutions, practices and culture, so that they command public confidence, promote participation and are capable of working for the common good.

I am sure it is a message that all parliamentarians in this place want to heed, and an objective that we should all be working together to achieve.

The report that I have tabled today includes summary reports from the six workshops which were held at the conference. Those summary reports provide an insight into the discussions which took place. They also outline in a broad way how parliamentarians from so many nations, states and territories—117 in all—participated from throughout the Commonwealth—would certainly like to see the problems such as people-smuggling and poverty alleviation addressed by the international community.

The importance of international cooperation was brought home to delegates in a most dramatic way when, in the very middle of the conference, the September 11 attacks on the United States took place. Like all decent people around the world, we shared the horror. There was certainly a great deal of anger, concern and sadness about what took place in America on September 11. Conference delegates were united in condemning the attacks and in reiterating the need to resolve problems through democratic and peaceful means. The Australian way of talking it out, rather than fighting it out, was a matter that was raised, and with a deal of common belief amongst all Commonwealth attendees. For conference delegates the atrocities of September 11 reinforced the importance of the Commonwealth Parliamentary Association’s work in promoting democracy as a guiding principle for governance in our global society and for dealing with issues at the international level.

The Commonwealth Parliamentary Association is a very valuable institution. It involves so many people on a face-to-face basis, all from throughout the Commonwealth. It is, I think, a very fine organisation that gives the same level of authority to a member from the smallest nation and from the smallest state as it does to members from the largest nations and the largest states. It is a very fine organisation with a real role to play—second only to the United Nations as a gathering of nations and probably a far more relevant body on so many of the discussions. I would certainly encourage all parliamentarians in this place and throughout the Commonwealth to take the opportunities offered by this report to consider how we can renew the processes for democracy in our country and how we can improve the public perception of our political institutions. I commend the report to the House, and I encourage all members to play an active role in the Commonwealth Parliamentary Association.

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.

Mr KATTER (Kennedy) (4.34 p.m.)—In addressing the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002—and I hope the bill will be amended, that it will extend to all veterans over the age of 70—it is easy for anybody to get up, if they have not got the responsibility of the Treasury bench, and ask for more money. In this case, I very much doubt whether the sort of money being talked about by the government will in any way resemble that figure.

In small country towns the health care services are provided by a government doctor and the vast bulk of the services that exist are government services. So, in actual fact, the provision of private health services will not be anywhere near as big if one takes into account the people who went away to war who are over 70. In those days more than half, or probably three-quarters, of Australia’s population lived outside of the big cities. Most, or a very large proportion, of the veterans do not live in the big cities. So they will be in a situation where there will not be
the sort of movement over to private health—which is the really big cost involved in the amendment being proposed by the member for New England and our other Independent colleague—anywhere near as great as the government is claiming.

The second area of concern, which I think the member for New England is attempting to address here, is that the gold card extends to the coverage of transportation costs. I think that any federal member representing a non-metropolitan area will have had many, many people on his doorstep raising the problem of the cost of transportation. To get from Charters Towers to Townsville or to get from Innisfail to Cairns—or to get from poor old Mount Isa to Townsville, which is some 800 kilometres—the cost of transportation is absolutely enormous. I dare say, in the case of places like the Gulf Country and Mount Isa, it is prohibitive. That being the case, the gold card extension to cover transportation is of absolutely enormous benefit to the poor old ex-diggers living in these areas. So I think it is vitally important that the government agree to the proposal being put forward by the honourable member for New England, and I would stress the transportation costs.

To give you some indication of what occurs, I had the case of a lady, Mrs Goldstiver, who had been taken to the Richmond hospital critically ill. She had to have an immediate leg amputation because she had gangrene. She had been taken out to the airport three times and had been told that the charter flight operator that was there to urgently fly her out wanted the money before they could take off from the airport because the government refused to pay the money. She had been backwards and forwards in an ambulance to and from the hospital three times when they rang me. I spoke to the charter operator and ordered him to go. I told him that the government would pay—and my name was at stake here. The then health minister, Dr Llew Edwards, rang me and told me that if I tried a stunt like that again I would be paying for it out of my own pocket but that he would pay for it on this occasion.

Quite literally, we had a situation where a lady was about to die from gangrene and where there was no way that she could get out of town. Mr Goldstiver was an ex-railway employee. He was a pensioner, he had no money and there was no way that he could possibly transport Mrs Goldstiver out. While this will not cover all of those cases, it just so happened that Mr Goldstiver was a Second World War veteran, so this was a case that would be covered by the proposal being put forward by the member for New England. I applaud both him and Mr Andren for the initiatives they have taken. Also, we appreciate what the government is doing in the extensions. I suppose it is a cliche to say that it does not go far enough, but I am giving you actual reasons and specific examples from the ground as to why it is essential that the legislation does go a little bit further than it does at the present moment.

Mrs VALE (Hughes—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (4.39 p.m.)—in reply—In summing up the debate on these beneficial pieces of legislation, I thank all those members from both sides of the House who have contributed to this debate. I also thank them for the bipartisan manner in which they have supported the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 and the Veterans’ Entitlements Amendment (Gold Card Extension) Bill 2002.

Since becoming the new Minister for Veterans’ Affairs, I have also been impressed by the hard work and dedication of the representatives of the ex-service organisations. The veteran community is indeed well represented by these worthy advocates, and I look forward to maintaining a good working relationship with them for the duration of my term. For more than 80 years the Australian repatriation system has provided a comprehensive range of benefits to compensate veterans and their dependents for injury, disability or death resulting from wartime service. This government continues its commitment to those who have fought for our country.

Before I sum up in detail these two bills before the House, I would like to address the concerns that many members have raised during this debate concerning proposals from the French government to build a new inter-
national airport in areas that contain Commonwealth war graves. First, all members should note that these proposals are very much in their preliminary stage and construction is not planned for 10 to 20 years. Needless to say, this government—and, indeed, all Australians—are very concerned about any proposal that would impact on the sacred resting places of our World War I fallen. I am pleased to report that all Commonwealth countries are taking a united stance on this matter through the Commonwealth War Graves Commission. Australia’s High Commissioner to Britain, Mr Michael L’Estrange, has made strong representations to the commission, which will, in turn, be sending a strong and united message to the French government.

I must add that the French have been very sensitive and supportive of our concerns in the past whenever infrastructure development has threatened to encroach on our war graves. So I look forward to a positive response from the French government that recognises our bonds of friendship and understanding forged in the mud and the blood of two world wars. As the Minister for Veterans’ Affairs, as an Australian and as a granddaughter of one very young Australian soldier who died on the Western Front, I have a deep personal interest in the positive outcome of this issue. In the meantime, our own Australian War Graves Commission is keeping a close watch on this unfolding circumstance and both I and the Minister for Foreign Affairs, with our Commonwealth friends, will continue to vigorously raise our concerns.

Returning to the bills before the House, these measures will extend eligibility for full repatriation health care benefits to include all Australian Defence Force veterans who are 70 years or over, who have qualifying service from conflicts after World War II and who live in Australia. They will further improve the delivery of income support benefits through the repatriation system and maintain parity with the social security system. We recognise that many Australians who served in post-World War II conflicts are approaching, or are over, 70. These veterans are facing an increased need for health care, and others will in years to come. This further extension of the gold card will make full repatriation health care immediately available to eligible Australian veterans from the Korean War, the Malayan emergency, the Indonesian confrontation, the Vietnam War and those Australian veterans involved in bomb and mine clearance activities. Furthermore, in later years it will provide a gold card for Australian veterans with qualifying service from more recent conflicts such as the Gulf War, East Timor and the coalition against terror.

This measure builds upon the Howard government’s extension of eligibility for the repatriation gold card in 1999 to include Australian veterans and merchant mariners who have qualifying service from World War II, are over the age of 70 and are resident in Australia. This government has also acknowledged the service of Commonwealth and Allied veterans and Allied mariners who served alongside Australians during World War II, and it has provided them with full access to prescription medicines under the Repatriation Pharmaceutical Benefits Scheme with effect from 1 January 2002. There is also an exception for those veterans of Commonwealth or Allied forces who were domiciled in Australia before enlistment, or the basis that these veterans had a connection with Australia before their service. If any British, Commonwealth or Allied veteran feels that they meet this exception, they should certainly apply for the gold card.

The health and wellbeing of our veterans and war widows has been of prime concern to this government. There are now almost 282,000 members of the veteran community with a gold card, and almost 380,000 members receive some form of income support payment. We are committed to ensuring that those members of the veteran community receiving income support receive maximum benefit through the provision of a sound and equitable system.

The amendments contained in the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Bill 2002 will provide fairer treatment for the partner of a person receiving a periodic compensation payment by treating any compensation
payment in excess of the compensation recipient’s pension as ordinary income for the partner, instead of on a dollar-for-dollar reduction; provide for the direct recovery of debts from compensation payers and insurers where there has been an overpayment of income support pension because of the treatment of periodic compensation as ordinary income; provide fairer treatment for income support recipients in relation to unrealisable assets under the hardship provisions of the assets test; clarify the conditions applicable to income streams under the means test; and align the rounding of income support payments with that of the social security system.

These measures are cognate bills, and I understand the opposition parties have indicated that they will move amendments in the other House. I, and the veteran community, would be very disappointed if this delayed this important, beneficial legislation. I understand that the member for New England, supported by the member for Calare, has moved an amendment to the motion that will have the effect of requesting that the government extend the gold card to all World War II veterans, including those without qualifying service. The government opposes this amendment. With regard to this, and other matters relating to the eligibility and appropriateness of veterans’ benefits, many members would know that this government is committed to bringing clarity to these issues.

The Prime Minister’s election commitment to establish an independent committee to review veterans’ entitlements has been implemented, and the review has already commenced under the chairmanship of the Hon. Dr John Clarke QC, assisted by Air Marshal Douglas Riding and Dr David Rosalky. The committee has been tasked to consider perceived anomalies, including the issues of some groups of World War II veterans who do not have qualifying service. While I cannot pre-empt the committee’s report, let me say that in making any decisions the government will be guided by one fundamental principle: our belief in providing fair, consistent and appropriate benefits to Australian veterans, a principle which has been the driving force behind our Australian repatriation system for almost 85 years.

Last year Australia celebrated the Centenary of Federation of the Australian states. We celebrated our first 100 years of nationhood. Australia is the mightiest little democracy in the whole world, but this generation should never contemplate our bright future without remembering those earlier generations of Australians, our veterans, who made it so. Today’s legislation trumpets to the world that Australia remembers, and indeed acknowledges, our debt to those who fought for our freedom and our Australian way of life. Today’s legislation is about a very special kind of respect and regard that is due from this government to a very special group of Australians. I proudly commend these bills to the House.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—I did not expect to have to admonish the member for Calare for bringing a mobile phone into the chamber.

Mr Andren—Mr Deputy Speaker, it was not my phone. I was trying to find out how to turn it off. Its owner had exited the chamber and I apologise on behalf of its owner.

The DEPUTY SPEAKER—I am very pleased. You have a clean slate!

Question put:

That the words proposed to be omitted (Mr Windsor’s amendment) stand part of the question.

Question agreed to, Mr Windsor, Mr Andren and Mr Katter dissenting.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mrs VALE (Hughes—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (4.54 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Wednesday, 20 March 2002

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

Second Reading
Debate resumed, on motion by Mrs Vale:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Third Reading
Mrs Vale (Hughes—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (4.56 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

QUARANTINE AMENDMENT BILL 2002
Second Reading
Debate resumed from 14 March, on motion by Mr Truss:
That this bill be now read a second time.

Mr Fitzgibbon (Hunter) (4.56 p.m.)—The Quarantine Amendment Bill 2002 being discussed in the parliament now represents yet another example of the government’s unacceptable approach to the legislative process. The bill was introduced in this place last Thursday and a short briefing was provided to Senator Kerry O’Brien, the shadow minister responsible—but in the other place—only on Tuesday. So now, just one day after that briefing and only two sitting days after its introduction, the opposition are being asked to lend our support. We will be lending our support in this place today, but the opposition will be reserving our opportunity and our right to give further detailed consideration to its implications when it reaches the Senate, and when we have had, therefore, further time to consider those implications in fine detail. While simple in its form, this is an important piece of legislation that should be given further proper consideration by the parliament. The opposition will not and should not be rushed into any conclusions.

The bill provides for the minister, following the Governor-General’s declaration by proclamation, to provide authority to exercise coordinated response powers to deal with an epidemic, or the danger of an epidemic, which has the potential to affect a primary industry of national significance. It also amends the scope of quarantine to put beyond doubt that quarantine measures extend to the destruction of animals, plants or other goods or things, and the destruction of premises.

The bill also extends to a range of matters for which the Commonwealth may enter into arrangements with the states or territories. It creates a new offence for commercial smuggling that will carry a maximum penalty of 10 years imprisonment and/or 2,000 penalty units for individuals and 10,000 penalty units for corporations. It makes some technical adjustments to the existing illegal importation and removal offences in the Quarantine Act 1908, in accordance with the Criminal Code Act 1995.

The Council of Australian Governments agreed in June 2001 to the need for continued high priority review and revision of national whole-of-government frameworks in relation to a major emergency animal disease outbreak such as foot-and-mouth disease. As part of that process, the Commonwealth, the states, the territories and industry more widely have been reviewing these frameworks and legislation in relation to the necessary powers to ensure rapid, effective and nationally consistent response measures. As animal production and health issues are regarded as the responsibility—

Honourable members interjecting—

The Deputy Speaker (Hon. L.R.S. Price)—I invite the minister and the honourable member for Maranoa to conclude their discussion outside the House.

Mr Fitzgibbon—Very rude, Mr Deputy Speaker, as has been my general experience with those people so named. Very rude! It is predominantly state and territory animal health acts that will be utilised in the event of an emergency; however, any such response
will require consistency of approach by the states, territories and the Commonwealth.

The bill will amend the act to authorise state and territory agencies to take necessary actions under Commonwealth quarantine powers, known as coordinated response powers. The coordinated response powers will allow the minister to authorise persons who are the executive heads of national response agencies to give such directions and take such action as the persons think necessary to control or eradicate or remove the dangers of the epidemic by quarantine measures or measures incidental to quarantine. On the face of it, those are wide-ranging powers that require careful consideration by the parliament. According to the government, these are not powers to be imposed on the states and territories but rather the provision of additional powers to them, if and when they are considered necessary. According to the government, the guidelines are yet to be formulated by the states, territories and the Commonwealth to provide processes by which the powers provided in this bill are to be utilised.

As I said, the way in which this bill has been introduced—rushed into the parliament and therefore again denying the opposition a proper opportunity to carefully consider its implications—is unacceptable to the parliament. When the bill arrives in the Senate, we will be taking every opportunity to have a very close look at those implications. This is just another example of the government abusing the processes. We have seen too many examples of it in recent times. It is about time the government lifted its game if it is to expect bipartisan support from the opposition on serious issues such as this and no less important, is the clean, green image that this country projects overseas and which is crucial for exporters in food products such as beef, lamb, produce, grains and fish.

Image and perceptions are everything. Would you buy beef which had been farm raised in Chernobyl? We have a land where produce, crops and stock are grown and raised in abundance. We pride ourselves on our beef, lamb, poultry and pork. We are proud of our dairy products and we promote our seafood as among the best in the world. In my electorate there is a wide range of businesses who are dependent on primary industry and are winning export sales. A prime example is the Kimberley which includes Broome, Derby, Kununurra and Wyndham.

The Wyndham Port Authority today advised that it had almost 66,000 head of cattle go through its port in the last financial year.
This was to destinations that included Malaysia, Indonesia, the Philippines and Egypt. So far this financial year, the port has had 40,000 head of cattle go through. It has slowed down a little now due to the wet season, and further numbers are not expected to resume until about May. The importance of quarantine and export markets to communities such as Kununurra and Wyndham is self-evident.

The pastoral industry in the Kimberley is based on rangeland production of beef cattle on 98 pastoral leases covering about 23 million hectares. The Broome Port Authority annual report in 2001 described the Kimberley herd as comprising around 500,000 head of cattle, representing 38 per cent of the state’s total, with production currently valued at around $50 million. Carlton Hill Station, near Kununurra, exports around 12,000 head of cattle to the Philippines and Indonesia each year, earning around $5 million in revenue. This station is part of our history. It is 110 years old and holds 45,000 head of cattle on two million acres, one of the largest properties in the Kimberley. This is just one of dozens of stations in the Kimberley.

But cattle are not the only primary export going out of this region. The Kununurra area has a strong export trade in horticultural crops—mangoes, melons, pumpkin, sugar cane, sweet corn and even sunflowers. The gross production from the Ord Irrigation Area was estimated at around $59 million per annum in 1997-98. Margaret Woodland, of the Wyndham port, says that exports shipped out of the Kimberley through Wyndham in the last financial year included 55,520 tonnes of sugar and 14,985 tonnes of molasses.

There are specialist exporters in Kununurra such as RB Desert Seeds, which produces seeds for a wide range of vegetable and cereal crops, including lettuce, sunflower, pumpkin and sorghum. Roughly 15 per cent of the output is sold directly to Europe, Japan and the USA, in addition to produce exported through major seed retailers. Aptly named, the wheat belt of my electorate is a major contributor to the grain industry. The Grain Pool of WA represents the interests of 6,500 grain farmers across the state, including the mid-west and wheat belt regions. The Grain Pool has been instrumental in developing worldwide markets for a range of cereals, coarse grains, pulses and oilseeds. Export income is now in excess of $700 million per year and major markets include Japan, China, Europe, South America, South Africa and the Middle East.

In Esperance, at the bottom of my electorate, we have the Pulse Association South East. It was established in 1997 with 75 members, including 50 local growers. This association exported 5,000 tonnes of pulses, worth $1.6 million, to India early in 2000 and was expected to increase exports substantially in 2001. Esperance and the mid-west are also known for their fisheries. Rock lobsters are becoming an important export for the area north of Geraldton, with major markets in Taiwan. I had the privilege last year of spending some time at Dragon King Abalone in Esperance, which airfreights frozen abalone meat to Hong Kong. This company was exporting about 40,000 kilograms annually, with revenue for 2000-01 expected to be around $6 million.

Pristine, disease-free local waters contribute greatly to this success. But it is not just about the financial necessity of selling our exports that is of importance here; it is also about maintaining a disease-free industry for a healthy Australian population. Primary producers have a range of struggles they have to contend with. They have to contend with the risk of devastation through cyclones and drought—uncontrollable elements which present only financial hurdles. Uncontrolled borders, however, and the introduction of pestilence and disease can lead to total destruction of an industry and destroy export opportunities forever. We owe it to these men and women, these primary producers, the fundamental backbone of Australia since early settlement, to at least control those events over which we do have some control.

It is already recognised that Western Australia has a unique native flora environment which, if strangled and suffocated by introduced plant species, could be lost forever. This is why there are strict rules governing the transportation of foreign produce, seeds,
plant material and the like over state borders. Borders and control of them are the vitally important factors in this debate. Because our international borders are a natural water barrier, they offer protection to our nation against agricultural pests, diseases, foreign seed matter and the like. These borders are not impenetrable, but the introduction of most foreign matter is by human transportation, whether deliberate or accidental. Our task is to secure our borders as a precautionary matter, but when these borders are breached we must have processes in place that allow us to rapidly and effectively act.

Our borders are an integral protection for this country against the outbreak of disease and the introduction of unwanted, potentially dangerous bodies, whether carried by humans, animals, plants or products. Protection of our borders goes a step further when we apply it also to asylum seekers. The idea of detention centres is in a manner a form of quarantine. Instead of releasing these people directly into the community, it is necessary first to ascertain a number of matters, including their medical health, to avoid the introduction of tropical or foreign diseases that may be unwittingly brought into our country. Officials also need to ascertain whether these people are a threat to our nation and to the people who live in our communities. As documentation is usually destroyed, immigration officials need to establish the credentials of the asylum seekers to ascertain that they are who they say they are and not terrorists or people of character that we do not want roaming free in our streets. It is not unlike quarantine. Quarantine needs to establish that there are no unwanted diseases being brought into the country and that what does make its way through our borders is not going to endanger Australians—our industries, our exports or the lifestyle that we take for granted.

The legislation we are addressing today will give the Commonwealth, states and territories the powers to act swiftly in direct response to a threat that could damage primary industry, tourism, our economy and our reputation. It allows the responsible minister to swiftly engage a coordinated response, together with the states, territories and heads of national response agencies, to do whatever is necessary to 'control, eradicate or remove the danger of the epidemic by quarantine measures or measures incidental to quarantine'.

This legislation has been sparked no doubt by the foot-and-mouth epidemic in the United Kingdom. There would be no greater catastrophe for this country than to be faced with an uncontained case of foot-and-mouth and to have our hands tied with bureaucratic red tape. The statistics from the UK fight with foot-and-mouth disease as of February this year are staggering. The UK's Department of the Environment, Food and Rural Affairs has detailed the total number of confirmed infected premises at 2,030 and the total number of affected farms on which animals have been destroyed at 10,060. As at 3 February this year, more than four million animals had been destroyed, including almost 600,000 head of cattle, more than 3.3 million sheep and thousands of pigs, goats, deer and other animals. Figures provided on 31 January 2002 by the UK department suggest that the total direct cost of the 2001 foot-and-mouth disease epidemic to UK taxpayers has been £2.06 billion. It will take a long time for foot-and-mouth to fade to a distant memory in the UK—in fact, I doubt it ever will. The episode of foot-and-mouth is as likely to be noted in the history books as the Black Plague and it is one from which the agricultural industry in that country may never fully recover.

Such a scenario in this country would be devastating. The powers under the Quarantine Act and the changes we are debating today are broad but necessary. We do not want the heart-wrenching experience of having to slaughter and burn millions of head of cattle. In addition to new and confirmation of existing powers, this bill introduces a new commercial smuggling offence. While smuggling may have the connotation of mystery and intrigue, the fact is that smuggling can have a very real and crippling effect on Australia and must not be tolerated. Any person who puts our industries at risk of exposure to devastating pests, weeds and diseases because of pure commercial greed deserves the full wrath of the law. To them it
may seem inconsequential, a game—either an opportunity to avoid the normal import and quarantine costs or an attempt to introduce new plant or animal stock not available to their competitors. It is no game, however. To deliberately tamper with our borders is serious and potentially life-threatening, and there are few people lower than those who would put our industries at risk for mere commercial gain.

At the moment there is no distinguishing between commercial smuggling and smuggling for other purposes. I support the increase in penalties for those who smuggle for commercial gain and will support the introduction of any penalty that will prove to be a firm deterrent. The message to potential offenders has to be strong, and this legislation sends this message. Our borders are important to us, and we will use any powers we have to protect them. I commend the bill to the House.

Mr WAKELIN (Grey) (5.16 p.m.)—It is with pleasure that I rise to support the Quarantine Amendment Bill 2002. The purpose has no doubt been well defined by other speakers, particularly by the member for Kalgoorlie, but nevertheless it is to amend the Quarantine Act 1908 and establish a framework for the activation and use of emergency ‘coordinated response powers’ when an epidemic caused by a quarantinable disease or pest exists which has the potential to affect primary industries of national significance.

The events in Europe of recent times have certainly put this issue very much on the agenda. The response by the government and the $600 million package to strengthen Australia’s border agencies was very much welcomed in all quarters, particularly in regional Australia and in the agriculture sector. This is the biggest boost in Australia’s quarantine service in history. As the Minister for Agriculture, Fisheries and Forestry, Mr Truss, said at the time, keeping out exotic pests and diseases is essential in safeguarding Australia and its primary industries. In South Australia, that will mean 30 additional staff and it will mean greater inspection at air and seaports of air cargo containers and personal effects. The international mail air cargo inspection service will increase from 60 full-time equivalent staff to 91—an increase of more than 50 per cent. There will be dog teams and three X-ray machines, and a number of other administrative measures will be taken which will improve the service. At seaports, 100 per cent of all ships will be inspected. At international mail exchanges, there will be 100 per cent X-ray or detector dog surveillance of posted articles. Australia’s freedom from many of the world’s worst agricultural pests and diseases is vital to almost $24 billion worth of exports. An outbreak of FMD in Australia would threaten export markets for wool, meat, dairy and live animals worth $15 billion a year.

In terms of the background of the constitutional power, section 51(ix) of the Constitution gives the Commonwealth parliament power to make laws about quarantine. This power is exercised concurrently with the states. The principal Commonwealth statute is the Quarantine Act, which covers human, animal and plant quarantine. The two main Commonwealth agencies are the Department of Health and Ageing and the Australian Quarantine Inspection Service—AQIS, which is well known to us all. DHA has primary responsibility for human quarantine and AQIS for animal and plant quarantine. Legislation dealing with human disease outbreaks, animal and plant quarantine is also in place at the state and territory level.

The history of the emergency powers in relation to the influenza pandemic of 1918-19, in response to which both the Commonwealth and the states implemented quarantine measures, is that they were partly overlapping and inconsistent. Section 2A was inserted into the Quarantine Act in response to this situation. Section 2B enables the Governor-General, on the advice of the executive council, to declare that an epidemic caused by a quarantinable disease or pest exists or that there is a danger of such an epidemic. There are processes under that section.

The amendment in the current bill creates a new emergency power in the Quarantine Act. As the member for Kalgoorlie was saying in relation to the commercial smuggling offence, prior to the last general election the
coalition parties announced that, if they were re-elected, they would introduce legislation to create an offence of commercial smuggling under the Quarantine Act, with a penalty of up to $1 million. The amendment introduces such an offence and honours that election promise.

I find it interesting to note the definition of ‘quarantine’. It is important because emergency proclamations made by the Governor-General authorise action to be taken to control epidemics by the use of quarantine measures. There are two limbs to the existing definition, which is described as:

Examining, detaining, isolating, and treating vessels, people, plants and other things, or in order to prevent or control the introduction or spread of diseases or pests that could cause significant damage to people, animals, plants, the environment or economic activities.

That is set out fairly clearly in the bill. Compensation is discussed in section 69A and immunity from civil proceedings forms part of the legislation offences in general under the Criminal Code Act 1995. Offences relating to emergency proclamations also form part of the bill.

I want to conclude by talking briefly about the issue of quarantine in the fishing industry and the potential threat to the pilchard industry. It involves Californian pilchards and mackerels—and pilchards are of particular concern in my state—and the viral haemorrhagic septicemia virus, VHSV, that has been found in Californian pilchards. The brief from Animal Biosecurity was intended to aid discussions at the public meeting in Adelaide which was held on 20 February. They were inviting people to make comments at the public meeting, but they said they would accept comments up until 25 February. The potential for VHSV in Californian pilchards is an important issue. Most people would realise that there is much importation of these pilchards for feed for our farm tuna industry, particularly at Port Lincoln.

The Quarantine Amendment Bill 2002 is simply a necessity. It is important that the government act, as it has, so that the appropriate powers are there and that the Commonwealth and the states work together. We cannot afford to have diseases here like foot-and-mouth disease. Let us remember that we are surrounded by it in Asia and in Europe. We have a duty of care to be totally vigilant. The threat to our industry—the potential of it getting into this country—does not bear thinking about too much. Prevention is better than cure.

Mr JOHN COBB (Parkes) (5.23 p.m.)—I must begin by congratulating the Minister for Agriculture, Fisheries and Forestry on taking action on a bill—the Quarantine Amendment Bill 2002—that probably has some of the greatest long-term consequences for country people of anything that is happening in Australia today. A foot-and-mouth disease outbreak, such as we saw in the UK recently, probably would have greater effects upon regional and country prosperity than anything that I can think of that we face at this time.

We have to remember that, despite the fact that agriculture does not hold the dominant export position it once did, it still accounts for 24 per cent of our exports today; 66 per cent of all beef produced in Australia is exported; 70 per cent of our wheat is exported; 55 per cent of all red meats is exported; horticulture accounts for a large proportion of exports; 67 per cent of oilseeds is exported; 75 per cent of sugar is exported; and the wine industry now exports almost $900 million worth a year. The farmers of this country are among the world’s most efficient, partly because they are not protected by subsidies or any other mechanism, such as tariffs—but they are still the best farmers in the world. They are the most efficient and they provide the best food and the best grain of probably anyone in the world. This is recognised worldwide.

There are two major issues, I think. The first is that we have to try and take every measure possible—and I do not think almost any measure is too much—to stop exotic disease getting to Australia. That is the first thing: we have to stop it, and that is what the Quarantine Amendment Bill 2002 in part is about. We will not continue to have the best food in the world if we do attract any exotic diseases—if they come onshore without a heck of a lot of work. It is quite terrifying to
think what the results would be in Australia if what happened in the UK recently happened here. Despite that, despite the wide publicity of it, despite the fact that travellers coming to Australia from around the world trip over information telling them what are banned goods and what cannot be brought in, despite warnings on ships and on planes, despite signs and despite declaration forms that people have to read and sign, it is quite incredible what can be brought in.

Under this bill, individuals will be subject in the first case to a fine of $220,000; in the case of a corporation the fine will be $1.1 million. I do not think that is too much. When you consider what is at stake here, I think that a lot of the people who currently come in with a suitcase full of food are in actual fact putting at risk this whole country’s prosperity. People have all that information to tell them what is not allowed to be brought into Australia, but it happens all the time. During the UK outbreak of foot-and-mouth disease, people brought in suitcases full of food from whatever country they visited or visitors who were coming here brought food to their relatives. It seems to me that we have to take every possible action to stop that. I think that sometimes those sorts of people should be considered to be involved in a commercial smuggling operation rather than face the individual fine that most of them get.

If there is an outbreak here, the more terrifying aspect of that is what it will cost and how we will deal with it. Part of the Quarantine Amendment Bill 2002 also gives the Commonwealth the power to cede to the states, which would have the job of dealing with the outbreak, the power to do so in the areas that are not covered presently by legislation. The states and territories are at the front line in terms of dealing with it, and they do so very adequately in a local sense, but this bill is about how they would deal with an outbreak of foot-and-mouth disease or an outbreak of BSE or mad cow disease on a large scale. I think we need to stop and think for a minute what the actual cost to Australia would be if that should happen. That is why I think it is so important to stop it, and that is why I applaud the fines that are being introduced for those who seek to circumnavigate our laws in terms of what can be brought into Australia.

It is bad enough to consider the short-term costs, which have been probably conservatively estimated at $10 billion in the first year. In the UK recently, they estimated that the cost was about $A6 billion, and that was simply the direct cost—the value of the animals and the cost of disposing of the livestock; they had to destroy almost 600,000 cattle, well over three million sheep, 145,000 pigs and about 5,000 other animals.

The long-term loss for Australia would be simply incalculable. Just think about it: the animals, their production, the immediate export loss, the cost of having to import their replacements, the jobs, the value adding and the simple social cost. If you add to that the loss in tourism, the transport costs, and what it would do to our country towns, I do not know whether $10 billion a year would come anywhere near it. The stud genetics and the centuries of breeding involved in what we have in Australia today would probably make $10 billion in 12 months look like a paltry sum. But if we have diseases such as BSE, foot-and-mouth and various other exotic diseases, the biggest loss of all to Australia will be none of those that I have mentioned—it will be the loss of our greatest marketing tool. Our greatest marketing tool, without any shadow of doubt, is the fact that we currently have a virtually disease free continent. In terms of the people we trade with and of our reputation worldwide, nobody can boast the marketing tool that Australia has. That marketing tool would be wiped out overnight. To give an idea of how desperate it would be, the fact that Japan recently discovered BSE in some of their cows—I stress that they were theirs, not ours—cut our beef exports to Japan by 50 per cent almost overnight. Just imagine if it had been one of our cattle—there would be absolutely no cattle exports to Japan today.

Quite apart from this bill, I am heartened by the fact that the minister is committed to reviewing the assets which we have in Australia to deal with and keep an eye on disease. That audit of our assets includes, obviously, looking around Australia and it will
require the full cooperation of the states, which I certainly hope is forthcoming. Just what is the shortage of vets in Australia? My word, we have a shortage. It is not easy to get a vet to come out to country areas to deal with large-animal issues. We are willing to look at graduate scholarships and ways in which we can ensure that assets to deal with an outbreak of disease in Australia are paramount. I say it again: the No. 1 issue is to keep exotic diseases out of Australia. The strengthening of measures to deal with people to bring in banned substances is long overdue and certainly needed. The measures in this bill which will help us to deal with the thing that none of us wants to deal with—are absolutely necessary. Once again, I commend the minister on the bill and I certainly commend the bill to the parliament.

Mr KATTER (Kennedy) (5.33 p.m.)—In addressing the Quarantine Amendment Bill 2002 we are addressing one of our most serious problems. I endorse the remarks by the member for Parkes. The fourth or fifth biggest export item in the Australian economy is beef. If we include hides and live cattle, it is probably the third biggest export item, and as such is very important to the Australian economy. If we had an outbreak of foot-and-mouth disease or of any of a number of exotic diseases, the value of that export item would become almost negligible to the Australian economy. Any measures as outlined and the worries that were outlined by the member for Parkes must endorse wholeheartedly. Having said those things, many times in my life I have been disgusted by the performance of a government department but nothing has ever prepared me for the level of disgust that I feel towards the AQIS department. You can change the names of a lot of items, but they still smell the same. Let me be very specific in addressing this issue.

Mr Hockey—You’re a disappointment.

Mr KATTER—The minister can say, ‘You’re a disappointment.’ I will tell you about one group of people I am not disappointed, and that is the people I represent in this place. When the durian farmers came to me and said, ‘Are we going to be overrun by imports from overseas?’ I said, ‘No, you’re not.’ We have been trying to get mangoes into the United States for 16 years, and we have a seed weevil, so the United States says, ‘No, you’re not allowed in because you have a seed weevil.’ Thailand durian has a seed weevil. Apples from New Zealand have fireblight. Grapes from California have Pierce’s disease. Did that stop any of those items being brought into Australia by AQIS? No. I have repeatedly asked AQIS about it. It was thought that papaya fruit fly, which ended up costing the economy of Australia some $40 million or $50 million, came in through the Torres Straits. Virtually everyone agrees that that is where it came from. I said, ‘It is very easy to quarantine the Torres Straits.’ I was minister for the Torres Straits for nearly a decade. I would like to think that I know a tiny bit about movements in and out of the Torres Straits because, as minister, I was responsible for about 60 per cent of them. The airstrip at Horn Island can easily be policed by Customs and quarantine officials who live only a few hundred metres away, if you like, on Thursday Island. It is no difficulty for them to go over and inspect the planes going out, as at the very most only one or two planes go out every day from the Torres Straits.

I am oversimplifying slightly, but I think that most people who know the Torres Straits would agree that you would capture 90 per cent of the material on people leaving by an inspection at the airport of all planes leaving the Torres Straits. The second issue is the ferry at the Jardine. There is only one way of crossing the Jardine, unless you want to get your feet and the roof of your motor car very wet indeed, and that is by the ferry at the Jardine. So all you have to do is pay the ferryman. Are we paying the ferryman? Are we inspecting the aeroplanes, after repeated calls by me? No. We are doing neither of those things. If this horrific outbreak of papaya fruit fly, which cost the Australian economy tens of millions of dollars, occurs and threatens us—as does spiralling white fly and a number of other similar exotic diseases—surely there should be some effort by these people to stop, inspect, and prevent.
But they still do not see any necessity for them to do that.

I attended a meeting here of some 23 members of parliament on the coalition side of the House with the minister and the issue of the grapes was raised. I took along to that meeting the Bulletin magazine which had a two-page article on the destruction of the grape industry in California by Pierce’s disease, which is carried by a little insect called the glassy winged sharpshooter. It has destroyed one-tenth of that industry. In a three-month time frame in which that article was published in an Australian magazine—in that same three-month time frame—this group of people who are paid to protect this country decided to allow the grapes into Australia.

It has been said in this place continuously that if we prevent bananas from a black sigatoka ridden country like the Philippines to come into Australia, then they will prevent our live cattle from going into their state. I represent one of the bigger live cattle export areas in Australia so I am naturally very concerned from the point of view of the cattle industry. One-eighth of our cattle go on to the live cattle trade. The Philippines makes $3 out of those cattle for every $1 Australia makes. If they cut off our supply of live cattle, the biggest losers will be the people of the Philippines. Do not quote me on the figures, but I think you will find that they are roughly correct.

In fact, there is a very great fear amongst processors in Australia that we will be importing processed meat from the Philippines in the not too far distant future because of the very cheap pay scales they have up there in their meat works. Where can they get those cattle from? The only place they can get those cattle from is the Philippines. Do not quote me on the figures, but I think you will find that they are roughly correct.

In fact, there is a very great fear amongst processors in Australia that we will be importing processed meat from the Philippines in the not too far distant future because of the very cheap pay scales they have up there in their meat works. Where can they get those cattle from? The only place they can get those cattle from in the first place is Australia. So there is absolutely no doubt, unless these people are really stupid, that they will not be cutting off the live cattle coming from this country into their country. It is very good for them; much better for them than it is for Australia. As a matter of fact, I am on record—often—as saying we should process the meat in Australia. It is not possible to do that, commercially viable or attractive overall but people like me have been very sensitive to the loss of jobs in the meat processing industry because of the growth of this industry. There is no way it will ever be turned back and most certainly not on the basis of some tit-for-tat arrangement.

The United States uses these threats against us all the time. International trade to some degree is mutual intimidation. But the one country that seems to be intimidated on every occasion is this country; the other countries in the world do not ever seem to be intimidated. But let me quietly go through the cases. In the durian case, the regime that applied in United States was completely different from the regime in Australia. If you have seed weevil, you cannot come into the United States. If you have seed weevil, you can come into Australia. In the case of the grapes, I will not reiterate that case; I have explained it to the House. I am not an expert on apples, but I know that fire blight is endemic in New Zealand and the apples are coming in from over there. If you read the scientific reports submitted by the apple industry, I could not envisage how any responsible public servant could have allowed those apples into this country.

AQIS decided to allow cooked chicken meat into this country. They made the decision public; they gave a brief to the minister—and I felt sorry for the minister because he went public and said that the cooked chicken meat would be coming in. Only by the intervention of cabinet was the decision reviewed. The decision was reviewed because AQIS was asked at a public meeting—there were probably 30 members of parliament at the meeting—‘Upon whose authority are you basing your decision to allow these people to come in?’ I cannot remember the name, but I can provide it to the House in due course, of the world expert—who was in England—upon whom they had based their decision. At the meeting, they were asked, ‘Who was the authority?’ They quoted the authority and they said, ‘We are basing our decision upon the work of this person.’

I had in my possession a letter which was sent to Bill O’Chee, the senator, and he and he had simply asked this person—this leading world authority in England—whether it was safe to allow cooked chicken meat to come into
Australia on the scientific work that had been done to date.

Mr Hockey—Bob Baldwin.

Mr KATTER—Be careful what you say here, Joe, because I might tell you who intervened to stop it. You might get very embarrassed when you hear so I would be very careful about interjecting. Let me continue with what I was saying. As a responsible senator, Mr O’Chee simply wrote to the leading world authority—and AQIS openly admitted to 30 members of parliament that they were basing their decision on him—and asked: ‘Is it safe to allow this cooked chicken meat to come in on the basis of present scientific knowledge?’ He wrote back to Mr O’Chee, ‘No. Definitely, no.’ Here we have the body paid to protect this country—and this was not just the poultry industry, this was all of the bird life in our country; they are all at danger from Newcastle disease and similar related diseases—saying, ‘We relied upon this authority,’ and here is the authority saying, ‘No. No way, Jose. You cannot possibly allow it in.’

As a result of that letter being put into the hands of certain prominent people in Australia, the decision by cabinet was overruled and the minister was forced and AQIS was forced—humiliatingly; God bless the interventionists—to carry out an adequate scientific regime of tests to find out whether or not it was safe. When the adequate scientific regime of tests was completed, it was found that it was extremely unsafe to allow the cooked chicken meat into Australia. So some 5,000 or 10,000 jobs in Australia were blissfully destroyed by AQIS on the basis of what amounts to almost criminal irresponsibility.

If someone intentionally brings into this country a disease then he gets put in jail; if someone negligently brings something into this country then he can be sued on a massive scale; but if AQIS acts in a thoroughly irresponsible manner then what action is available for us, the people who are suffering under this regime?

As I rise to talk about these things, we have an application—right at this very moment—for bananas to come into Australia. The disease black sigatoka is to the banana industry what foot-and-mouth disease is to the cattle industry. It would be absolute destruction for the banana industry if black sigatoka were to come into this country. Let us forget that the Philippine government is quite happy for its employees and its workers to work for Del Monte, the big United States company, and other big companies such as Del Monte, for virtually nothing. I think agricultural wages in the Philippines were around about $450 a year—and I am quoting the World Bank—and $1,400 or $1,500 a year is the minimum wage. One set of figures is from one instrumentality, such as the World Bank, and the other is from a similar instrumentality. For a comparable figure in Australia, we have people working in banana plants where those are their weekly wages. About 50 or 60 per cent of the price you pay for a banana is labour content—as it is a very high labour content product—so we have no hope of surviving.

But we are not asking the government to stop those bananas from coming in on that basis. We are simply saying that they have black sigatoka and we do not. We had an outbreak recently, and there is now not one single leaf in Australia that has black sigatoka on it. We have fully eradicated the disease at immense cost—and God has been good to us, because we have had probably the driest season and the coldest winter on record at Tully. A combination of those two factors with herculean efforts by the federal Department of Agriculture, Fisheries and Forestry and the local DPI—for which we are thankful to both groups—has meant we have managed to eradicate this disease; but we have escaped by the skin of our teeth. Had it spread into the Innisfail area, I do not think there would have been any hope of holding it out.

We have a most serious disease which is endemic in this country—and there are other diseases, but I am not going to go through all of the other diseases that are endemic in the Philippines that we do not have in Australia—and AQIS believes they have to say yes to everything. My experience with the United States and with Europe is that they do not believe they have to say yes to everything. They have a regime such that: ‘We have a right to protect ourselves against the intro-
duction of disease, and we will not be intimidated into allowing your disease ridden product into our country. That is not the regime that is being applied by AQIS in this country.

I defy anyone to go to any scientific forum they wish to and argue the case of the apples against the scientists on our side or argue the case of the durian against the scientists from our side or argue the case of the cooked chicken meat against the scientists on our side. I defy anyone from AQIS to go to a forum where they will be judged in open combat by scientists from our side of the argument, because they would be intellectually torn to pieces. Intellectually, they are a laughing stock; and intellectually and administratively they have failed to protect this country. We have outbreak after outbreak of disease occurring in this country, and the more they lower the boom and the more they allow in product from overseas, the greater will be the regime of outbreaks of disease in this country.

Can any person seriously say that, when the Californian industry in one year loses about one-tenth of its entire production, a country is not justified in keeping their product out? We will hear all sorts of wonderful explanations and exotic arguments from AQIS and Biosecurity Australia—or whatever the hell they call themselves this week; they are so unpopular they will have to change their name next year as well—but you will not hear those arguments being put up in public forums, because they do not stand up to the light of public opinion. The government have changed a lot of the people at the top of AQIS, and for that we thank them, but they have not achieved any of the objectives that should be achieved by this country in protecting ourselves against diseases.

The bigger picture here is: this country is an island that had no commercial crops 200 years ago, so we do not have the diseases that exist in other countries. If we keep agricultural product out, we can maintain the clean, green image that we now have. But we cannot allow every product for which there is an application to come into Australia—and I am assured that there are a number of products that have been rejected. With every single one that I have been involved with, someone has rung me up and said, ‘Hell, we’re going to get wiped out here if you allow this stuff into this country,’ and with every single one of those cases, AQIS had said yes. In conclusion, I loved the big sign at Mareeba, after they allowed the grapes in. It had ‘AQIS’ on it, and there was a big black line drawn through ‘AQIS’ and underneath was written ‘ACQUIESCE’. That person had it dead right: not ‘AQIS’, ‘ACQUIESCE’. These people agreed to everything.

The price of their agreement to everything will be not only the destruction of our commercial crops in Australia by introduced disease but also the destruction of our native flora and possibly fauna. Just as an aside, in addition to the destruction that will occur in the banana industry, pineapples will also come into this country. There will be some 12,000 Australian families that will lose their livelihoods when that decision is made by AQIS. Since they have agreed to everything else, I cannot see why they would not agree in this case, even though this case is probably the most outrageous case of all, where there is just exotic disease after exotic disease, which is endemic. Over the next few weeks, we will be discussing these matters with people from the environment. They seem to spend all of the time hacking into farmers but, in this case, they should be alerted to the very grave dangers to Australia’s native flora and fauna from the actions that are being taken and the continuous acquiescence of this incredible group of people.
its disease-free status. Then we have had the comments from the member for Kennedy—almost every paragraph was wrong. His comments were inaccurate and contained statements that were simply untrue.

There has been a bit of debate about parliamentary privilege over recent times, and I would have thought one of the obligations of parliamentary privilege is for members to make statements which are fundamentally truthful. In this particular instance, the honourable member for Kennedy has made a number of statements which are simply wrong. Indeed, if you follow his own statements, they change day in, day out. On Cairns radio last week, he was saying that 9,000 jobs were going to be lost because of banana imports. He actually said 9,000 jobs had already been lost in relation to bananas and 2,000 for pineapples. Now it is 12,000 for bananas. He said earlier in this House as well that 5,000 jobs have been lost because cooked chicken meat has been allowed into this country.

Mr Katter—Mr Deputy Speaker, I rise on a point of order.

The DEPUTY SPEAKER—Does the member for Kennedy have a point of order?

Mr Katter—Yes, I do. I claim to have been misrepresented. It was 9,500 and 2,500—

The DEPUTY SPEAKER—The member for Kennedy does not have a point of order. I call the minister.

Mr TRUSS—The member for Kennedy has just told us in his speech that 5,000 Australians have lost their jobs because cooked chicken meat has come into this country. Is the member for Kennedy aware of the fact that not a single permit has been issued for imports of cooked chicken meat into this country? No cooked chicken meat has come into this country, so how could imports have cost 5,000 jobs? He also talks often about the destruction of the durian industry because of fresh durian imports. There have been no fresh durian imports, and yet he keeps talking about the destruction of the industry. He talks about New Zealand apples coming into this country; there are no New Zealand apples coming into this country. No consent has been given for that to happen. The statements made by the member for Kennedy are simply wrong.

Let me give an assurance to the House—and to the honourable member for Kennedy, if he will listen, but certainly to others who may have a genuine concern about these issues—that no permission will be given to bring durian into this country that have got weevils in them, apples with fire blight, grapes with Pearce’s disease or bananas with black sigatoka. No consent will be given to diseased products coming into this country. The Australian Quarantine Inspection Service and Biosecurity Australia take their responsibilities in these regards very seriously, and protocols will be put into place that ensure that the disease-free status of our nation is appropriately protected.

The very first statement of the honourable member for Kennedy was also simply wrong. AQIS has not changed its name to Biosecurity Australia; that is simply an inaccurate statement. There is a division that deals with market access issues of the department that is called Biosecurity Australia. The Australian Quarantine Inspection Service still exists. I can assure ladies and gentlemen that it still exists. It has not changed its name and, if you care to go to any airport, seaport or any part of Australia, you will have no trouble finding people wearing AQIS uniforms as a positive demonstration that AQIS does actually exist, in spite of the claims by the member for Kennedy that it has changed its name.

I was also interested in his comments that suggest that we are intimidated on trade. What an extraordinary statement! For a country that exports two-thirds of all of the agricultural produce that we grow—

Mr Katter—One-third.

Mr TRUSS—Two-thirds of all that we produce—and he suggests that we are intimidated on trade. In a year in which we have just had a 10 per cent increase in our gross value of agricultural production, following on a previous 10 per cent increase, at a time when our exports have been boosted substantially around the world, this member has the hide to suggest to the House that in
fact Australia is intimidated on trade. Australian farmers are not intimidated; they are trading with remarkable success and it is a real credit to them. In fact, it is a pity that they do not get more support from the member for Kennedy for the outstanding achievements that they have delivered.

Finally, the member for Kennedy says Biosecurity Australia always says yes. I wonder whether he has actually talked to any countries around the world. Australia has developed a reputation for being the most difficult country to get products into. We are accused of using quarantine as a trade barrier. He does not actually have to go overseas to listen to that. If he allows the American ambassador to talk to him, he will certainly get that message loud and clear.

I believe those countries that criticise us in that regard are wrong. Australia adopts a conservative approach to quarantine, as we ought to, but we do not use quarantine as a barrier; we decide these things on the basis of science. Decisions based on science are not overridden by cabinet, as suggested by the honourable member for Kennedy; he was wrong in that statement as well. We make our decisions on the basis of the quality of the scientific information that is available, and those decisions are made in accordance with the appropriate level of protection that we have put into place to ensure that our Australian disease-free status is always preserved and respected.

The changes that have been made to quarantine access have not been done in secret, as the member for Kennedy suggested. There are public forums. Biosecurity Australia does take the opportunity to discuss the science with interested parties and to make sure that everyone has an opportunity to be involved.

Now that the member for Kennedy has left us, we can perhaps turn to the really important things that are in the bill. It is, in fact, a significant bill and it is important for Australia in its determination to maintain our disease-free status. The honourable member for Hunter, in responding on behalf of the opposition, expressed some concern about the speed of passage of the legislation. I appreciate that it is legislation that has been brought into the House and we are seeking urgent passage of it because of the need to ensure that we have an appropriate legislative base to be able to deal with a disease outbreak, should it occur.

The Council of Australian Governments set up working groups to endeavour to ensure that Australia had a capacity to effectively deal with major disease outbreaks. It is as a result of the examination and the work that is being done with the states and various industry organisations that we have identified defects in our legislative capability to deal with significant outbreaks of disease. We have plans in place to deal with disease outbreaks, but they were never designed with something of the magnitude of the foot-and-mouth disease disaster of the UK in mind. So we have needed to make changes to the legislation to increase the capacity of the government and the people of Australia to be able to deal with major disease outbreaks, should they occur.

We are asking the parliament to give this legislation prompt passage because I do not think any member of parliament could reasonably stand before the Australian people and say, ‘We knew that changes had to be made but we delayed the legislation and, as a result, some kind of catastrophe has occurred.’ I hope there will not be any need for us ever to use this legislation—I hope we never have to use it—but the reality is that there are deficiencies in the current arrangements which would impair our capability to deal with a disease outbreak. I hope that the discussions that we have had with the opposition spokesman are such that issues of concern can be resolved so that the opposition can give this legislation speedy passage. I do not think they would want a situation where they could be accused of having damaged Australia’s capacity to meet a disease outbreak. Certainly, from the government’s perspective, we want to promote all that we possibly can to ensure that our disease preparedness and our eradication preparedness is fully activated.

The purpose of the bill is to amend the Quarantine Act to enhance Australia’s national emergency powers by allowing the Minister for Agriculture, Fisheries and Forestry, upon proclamation by the Governor-
General, to authorise certain Commonwealth, state and territory officials to undertake appropriate measures in response to an emergency animal disease outbreak such as foot-and-mouth disease. It also aims to deter commercial smuggling of quarantine risk material by introducing a new offence, with significantly increased penalties for individuals and corporations when compared with existing penalties for illegal importations.

The outbreak of foot-and-mouth disease in the UK certainly demonstrated the enormous impact that such a disease can have on the national economy and on the lives of individuals. Honourable members, in their contributions to this debate, have generally referred to that quite extraordinary disaster. If that sort of outbreak were to occur in Australia, response measures would need to be rapid, nationally consistent and effective. It is the states and territories who would provide front-line response measures in the event of an outbreak of such a disease. State and territory animal health acts provide adequate response measures in a normal disease event but do not provide the coverage needed to deal with a major national disease problem.

The amendments proposed in this bill, in essence, ensure that the Commonwealth, states and territories have adequate legislative powers to enable them to prevent, or to act rapidly to control and eradicate, a major national animal disease outbreak such as foot-and-mouth disease. Currently, section 2B of the Quarantine Act provides significant powers whereby the minister can, upon the issue of a proclamation by the Governor-General, direct that certain actions be undertaken in the event of an epidemic affecting a part of the Commonwealth. These powers, while important, are inadequate as it is not normally the Commonwealth which, in terms of resources, constitutional responsibility and expertise, would take control of disease response measures—it would normally be the states and territories. Accordingly, the amendments provide for the minister to authorise state and territory agencies, as well as Commonwealth agencies, to take necessary actions under the Commonwealth quarantine powers.

The bill also proposes an amendment to section 11 of the act, which would allow the Commonwealth to assist states and territories in the implementation and monitoring of arrangements so as to enable certification of exported products, and in providing reports to the Commonwealth on such matters. This amendment is not strictly in relation to the control and eradication of emergency animal diseases; however, as international requirements in relation to export certification expand, it is considered timely to provide an added level of support and assistance between the Commonwealth, the states and the territories in relation to such activities.

The creation of the new offence for commercial smuggling implements the election commitment made in Australia’s Rural Industries—Growing Stronger to provide stronger sanctions for quarantine offences. Given the disastrous impact of the foot-and-mouth disease outbreak in the United Kingdom, it is important that a strong message be given to potential offenders about the serious consequences of such behaviour. Offenders can expect to receive penalties of up to 10 years imprisonment and/or 2,000 penalty units—currently $220,000—for individuals, and 10,000 penalty units, or $1.1 million, for corporations.

The measures proposed in this bill highlight the government’s commitment to safeguarding Australia’s valuable agriculture and aquaculture industries and our environment from imported pests and diseases. Australia’s freedom from many of the world’s most serious pests and diseases of plants and animals is a tremendous advantage that we cannot afford to jeopardise. These measures will strengthen our ability to respond effectively to incursions from exotic pests and diseases, and ensure that appropriately severe penalties are in place for those people who would compromise our unique pest and disease status by importing goods of quarantine concern for commercial gain. I thank honourable members for their contribution, and I commend the bill to the House.

Question agreed to.
Bill read a second time.

**Third Reading**

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (6.07 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2002**

**Second Reading**

Debate resumed from 14 March, on motion by Mr Truss:

That this bill be now read a second time.

Mr MELHAM (Banks) (6.08 p.m.)—The opposition does not support the Commonwealth Electoral Amendment Bill (No. 1) 2002. Not only do we not support the bill, we go further. We think that it is a disgrace that this bill is even before the parliament.

Mr Hockey interjecting—

Mr MELHAM—It is interesting that the minister at the table tries to put me off by interjecting, because he knows more about this matter than anyone. The minister at the table is the leader of the moderates in New South Wales and he understands the factions of the Liberal Party. He also understands the role of bagman in the Liberal Party. He also understands that, historically, the Liberal Party has been supposedly a states based party where each of the states has its own independence and autonomy. But what they are voting for here is a nationalisation of the Liberal Party in terms of their state branches because they cannot control, for instance, their Queensland branch. But I will come to that later on.

Mr Hockey interjecting—

Mr MELHAM—He laughs—he knows. What this bill is about is overcoming factional divisions within the Liberal Party. We have put right on the record, from day one, our views in relation to this bill. The stated purpose of the bill is to amend the Commonwealth Electoral Act 1918 so that the agent of the Liberal Party’s federal secretariat determines the distribution of public funding between the federal secretariat and the state and territory divisions of the Liberal Party. However, the real purpose of the bill is far more sinister, far sleazier and much more about internal power struggles within the Liberal Party than the glib words from the government reveal. The bill is really about the Liberal Party federal secretariat’s desperate dash for cash and about the fact that the federal office of the Liberal Party does not trust its state divisions. In particular, it does not trust its Queensland branch.

Mr Hockey interjecting—

Mr MELHAM—Is it any wonder that the minister at the table interjects? He knows, and what he does by his interjections is confirm every word that I am uttering. Let me make this quite clear, again. This bill addresses the Liberal Party specifically and imposes on the Liberal Party a resolution to the internal bickering over the disbursement of public funding within their party. This bill has nothing whatsoever to do with anyone other than the Liberal Party. This bill is very instructive about what the Liberal Party stands for and what its members think parliament is really for. Clearly, the Liberal Party thinks that parliament is there to serve the Liberal Party rather than vice versa. That is what this bill is about.

What will we have next? If a Liberal Party parliamentarian is having a dispute with the tax office, will the Liberal Party try to amend the tax act to sort out the problem? Or, if someone like John Moore or Warwick Parer were involved in a corporate dispute, would the Liberal Party bring in an amendment to the Corporations Law and tell a private company how to run its internal affairs? That is the equivalent of what you are doing here. Of course they would not do that, because to do so would be massively inappropriate, as is this legislation. Quite frankly, this piece of legislation is a disgrace and the minister at the table knows it. It is the Liberal Party using the federal parliament to sort out its internal problems. It is saying to the Labor Party and the Democrats, and to other parties, ‘We want your votes to pull our mob into line, because we cannot control them.’

This bill has a most innocuous title. It is the Commonwealth Electoral Amendment Bill (No. 1) 2002. That sounds straightfor-
ward enough. However, it should probably be retitled something like the ‘Liberal Party Central Office Dash-For-Cash Bill 2002’. If you read the bill, you will see that the Liberal Party is mentioned no fewer than 30 times. Nearly every paragraph mentions the Liberal Party. Clearly, this bill has one purpose only: to fix the Liberal Party’s internal headaches. It has no other purpose. This is not important legislation for the welfare of ordinary Australians. It will not produce one extra dollar in the pocket of any Australian. It will not create any more productivity. It will not generate any exports. This is not a bill that does anything at all to assist Australia at large.

I note that we are in the last sitting week, on the second last day, of the autumn sitting and that the next sitting is the budget sitting. So you would think that this government could organise its agenda to bring in legislation affecting ordinary Australians. But no: we have a Liberal Party internal fix as a priority of this parliament, of this government, and in particular of this Prime Minister, because this is his bill, with his fingerprints all over it, to get his way over the state branches of the Liberal Party.

The bill shows, in some respects, how weak the Prime Minister really is when it comes to the crunch within the Liberal Party. Their Western Australian and Northern Territory branches have simply ignored him over preferencing Pauline Hanson’s One Nation. It now seems that the only way the PM can assert his authority within his party is to change the law to bind the people he is in disagreement with. That is what this bill is about: binding the people he is in disagreement with. Get up and tell us, Minister Hockey, if this has unanimous support from every state branch of the Liberal Party. It does not. You know it does not. You can nod your head like a clown in sideshow alley—but it goes sideways, not up and down.

Without any personal authority within the Liberal Party, and now without the services of his standover man, Senator Heffernan, in the Queensland branch of the Liberal Party, the Prime Minister appears to be only able to resolve internal problems such as the dispute over its internal party finances by attempting to change the Commonwealth Electoral Act.

Sorry, I did not mean to say Senator Heffernan; that was a Freudian slip on my part—because, frankly, what you have is Senator Herron in the Queensland branch of the Liberal Party, who represents the Prime Minister, and he could not organise the Queensland branch; and you have the Prime Minister’s other standover man, who has imploded, and who we are now told was acting alone. Senator Heffernan was a standover man for his Prime Minister, and we now have a standover Prime Minister in relation to this bill. That is what it is: the Prime Minister standing over his own party. So it was a Freudian slip—

Mr Hockey—Are you saying John Herron is a standover man?

Mr MELHAM—No, I am not saying John Herron was a standover man; I am saying that Senator Heffernan was. Senator Heffernan was the Mr Fixit, he was the Parliamentary Secretary to Cabinet, and you should be embarrassed by him. You should disown him, you should hound him out of the Liberal Party and he should be out of this parliament. This is the new standard: the Prime Minister using and abusing his office, this parliament and this whole legislative program. He will do whatever it takes and, if it goes seriously wrong, he says, ‘I know nothing. I have no control over it.’

The Commonwealth Electoral Amendment Bill (No. 1) 2002 is instructive about the government’s legislative priorities in the area of electoral law. We recently had a parliamentary committee hold an inquiry into electoral funding and disclosure laws. The Joint Standing Committee on Electoral Matters inquiry was referred in August 2000 while the government prioritised its discredited inquiry into the integrity of the electoral roll. However, the inquiry into electoral funding and disclosure laws was resuscitated in the dying days of the last parliament. At public hearings all the parties agreed that changes to the laws governing other aspects of funding and disclosure were important. The Australian Electoral Commission is so concerned about the significant problems with the current electoral funding and disclosure laws that it has made two lengthy sub-
missions to that inquiry. Submissions have also been received from all parties.

It may come as a shock to the House to note that the distribution of the Liberal Party’s internal finances has never been raised by coalition members or by their federal secretariat in any submission to the Joint Standing Committee on Electoral Matters—that is, there has been not one mention of this issue at any of its inquiries over the last 10 years. The Liberal Party has appeared many times before the Joint Standing Committee on Electoral Matters and there has never even been a squeak out of them over this matter. Yet we have this as a priority of government—a bill reintroduced because it lapsed in the previous parliament, a bill that has had many hours of debate in this place and the other place combined, and many column inches written about it. One would think that a coalition member might have raised it at the joint standing committee inquiry. One would think that if this was a priority in terms of the coalition or the federal secretariat we would get a submission to the joint standing committee inquiry. But there has been not one mention of it in the last 10 years, and that speaks for itself.

In this context, it is extraordinary that the government should bring forward this bill. There are much more significant electoral funding and disclosure issues before the parliament and, with some political will from the government, a consensus could be reached over those issues. The opposition has argued publicly that a number of funding and disclosure issues require the urgent attention of both the Joint Standing Committee on Electoral Matters and the parliament. All these issues deserve priority over this bill. The government has prioritised this bill over matters such as secret donations or fundraising for political parties by commercial organisations, or even the Liberal Party’s preference that all donations up to $10,000 be tax deductible. What this demonstrates is their real priorities and their desperation. This bill has no public policy benefits. The minister at the table knows it, because he understands Liberal Party machinations. That is what this is about: internal machinations in the Liberal Party. The only beneficiary here is the federal secretariat of the Liberal Party, and they will be benefiting through an improper use of the parliament.

Mr Hockey—that is ridiculous. It is not an improper use.

Mr MELHAM—it is an improper use of this parliament and this bill should not even be before us. As we get an interjection from this minister, I will show him in the remainder of my speech why it is an improper use of the parliament in terms of what the Commonwealth Electoral Act provides. The Commonwealth Electoral Act currently provides that public funding is paid to the agent of the state branch of a party for which the candidate stood. The parliament has already provided a mechanism for the Liberal Party, and for every other party, to sort out how it organises its internal finances. Under section 299(5A), a state branch can lodge a notice with the Australian Electoral Commission requesting that payments be made to the agent of another party. That is the simple mechanism in the Electoral Act for parties to resolve how public funding is organised. It is up to the parties to sort out how they do that. In the case of the ALP, our national secretariat reached agreement with all the state branches that the national secretariat receives public funding from federal elections. We reached agreement.

Mr Hockey—with guns at their heads.

Mr MELHAM—the minister at the table interjects and has just basically described what this bill’s purpose is: it is a gun at the head of the state divisions of the Liberal Party because they cannot reach agreement. This is the Prime Minister’s gun at the head of the Queensland branch of the Liberal Party. It is a gangster’s approach: ‘We are going to do you in this way.’ It is clear that the Liberal Party’s federal secretariat has been unable to reach similar agreements with its state divisions, as we in the Labor Party have reached agreement with our state divisions. The Prime Minister is exposed by this legislation as being totally incapable of putting his own house in order. He cannot even sit down with his divisional directors and Mr Crosby and get them to sign a one-page authorisation allowing the Electoral Commission to channel funds to Menzies House.
I will repeat that for all those dumbos on the other side who might not understand why you do not need this bill. There is an act of parliament that already says, ‘Sit down with your divisional directors, get them to sign a one-page authorisation allowing the Electoral Commission to channel funds to Menzies House, and it is A-okay.’ And they cannot even do that.

I am happy to help them to get to the line on this one. I am happy to help them sort out their internal problems without crunching the state divisions by Commonwealth legislation. I will help them draft what is really a very simple letter and I will pay the 45c for the stamp so Mr Crosby can send that letter to the AEC. I tell you what, Mr Deputy Speaker, the spirit of bipartisanship is not dead. I can hand the money across to the minister at the table. It is only a 45c stamp, but I will also add GST—when you do not even have to have the GST on a stamp—so I will give him 50c. That is the money for the stamp, so the Liberal Party will not even be out of pocket. That is the spirit of bipartisanship that the Labor Party is willing to extend to the other side of the House. We will help you draft a letter so that Crosby can send a letter to the AEC and we will give you 45c for the stamp, with an extra 5c for charity, because the GST is not required on the stamp. But they love the GST so, you know, flog it off at any rate. No-one can say that bipartisanship is dead.

What does it point to? This is a housekeeping matter for the Liberal Party, and the parliament should be making it very clear that it has no role in fixing their internal problems. To resolve this internal problem by way of legislation is a misuse of the parliament, plain and simple. Let me repeat that: to resolve this internal problem by way of legislation is a misuse of the parliament, plain and simple—and this minister knows it.

Given the financial and political problems of the Liberal Party’s divisions in almost every state, the Liberal Party federal secretariat is desperate to create a mechanism so it will receive and determine the distribution of public funding due to the Liberal Party following federal elections. Because of Mr Howard’s failure of leadership, the federal secretariat of the Liberal Party has prevailed on the government to avoid a nasty confrontation with the state divisional directors by means of this legislation. This is quite extraordinary. We will now have a special law to sort out the internal problems of the Liberal Party. That is what this legislation is. It is unprecedented for internal differences within a political party to be resolved by legislation. This is not a government for all of us, or even for a small part of our community, it is a government for one faction of the Liberal Party over another faction of their party.

Mr Hockey—That is rubbish!

Mr MELHAM—This minister who interjects knows it to be correct. He is not in the cabinet; it has nothing to do with ability. He is the leader of the moderates in the New South Wales Liberal Party and he is in the outer ministry. He got the equivalent of a demotion after the last election because he is not one of the mates. He understands what I am talking about in terms of internal divisions within the Liberal Party. He is not one of the mates. He is the leader of the moderate group in the New South Wales branch of the Liberal Party and what does he get?

Government members interjecting—

Mr MELHAM—He understands. That is why we have had his interjections and a whole range of others—because he is squirming. He knows what I am saying to be true. This is not a government that looks at legislation on merit. This is a government for the mates, as we have seen in the last week. It is a government now that is into internal fixes within the Liberal Party, for the Prime Minister to impose his will on his own party—which he cannot do. John Howard has become a centralist, if you look at this bill, because he wants it all under the one umbrella. We get told about states rights, and how state branches of the Liberal Party are independent, discrete organisations and they will make their own decisions. ‘You nasty socialists; we do not want any part of it.’ Menzies would turn in his grave. Not even Menzies would have the hide to bring this one into the parliament. But no, the admirer of Menzies—
Mr Hockey—Greatest Prime Minister!

Mr MELHAM—One is restrained by the standing orders in relation to what language one can use in relation to this, and I would not want to breach the standing orders in any way whatsoever. As you well know, I have a great respect for this House and the traditions of this House and I have a great respect for the conventions, but what we are seeing here with this bill is an abuse of this House for base internal purposes, in terms of the Liberal Party. That is what it is—the ‘dash for cash’ bill.

The only thing that really should be prioritised here is the Prime Minister showing some ticker and fixing the problem. It is an issue for his party, not his parliament. Ming would never have resorted to this. Ming had some standards. What we have here is a Prime Minister with no standards. Whatever it takes—he will use the internal dynamics of anything to get his own way. The Liberal Party should be allowed to structure itself in whatever way it likes. That is an important principle and it is tied very closely to what I thought was an important principle for the Liberal Party, that of freedom of association. However, this is not freedom of association in the Liberal Party; this is the parliament legislating to decide for the Liberal Party where its money will go. This is not freedom of association for the Queensland branch of the Liberal Party; this is legislation for the Liberal Party deciding where the money will go. What hypocrisy! What hypocrisy from the minister at the table.

The DEPUTY SPEAKER (Mr Mossfield)—Order!

Mr MELHAM—He knows, Mr Deputy Speaker—

The DEPUTY SPEAKER—Order! You can’t reflect on the chair.

Mr MELHAM—and he does not like it. The truth hurts. There is no freedom of association; there are no broad rights here for the Liberal Party membership to make the decision. In fact, the Liberal Party membership have made the decision. They made a decision that Lynton Crosby and the Prime Minister do not like. Because the Liberal Party have come to a free decision that the Prime Minister does not like, the parliament is now being asked to step in and pass a law to tell the Liberal Party what they will and will not do with their money. This is a most peculiar set of circumstances.

Clearly, the Prime Minister has absolutely zero political authority within the Liberal Party. The Prime Minister can only resolve internal problems, such as this dispute over their internal party finances, by appealing to parliament to change the Electoral Act. Can we now expect the government to introduce another bill in the near future to instruct the state divisions of the Liberal Party on how to allocate their preferences?

This bill is unnecessary. It is unjustified, it is arrogant and the opposition will not be supporting it. This bill symbolises everything that is decadent about this Prime Minister and this government in terms of their use and abuse of power. It is a use and abuse of power for this parliament to be considering this dash-for-cash bill. This is an internal problem of the Liberal Party’s that they should sort out. Their standover man, Senator Heffernan, has hit the fence and he should keep on going. Poor old Senator Heffernan! ‘I got it wrong,’ said Senator Heffernan, and he was on a frolic on his own. He was on no frolic of his own, and they are tainted with him, as they are tainted with this bill.

This bill is an abuse of process because it is not necessary. It is not necessary because the law of the land at the moment allows this to be done with the consent of the state branches and a 45c stamp. This shows there is no consent. The Prime Minister cannot get consent from his own party so he comes in here sponsoring what I regard as sleazy, grubby legislation, because that is what it is—an internal Liberal Party fix. The minister knows it, as does anyone who has got any understanding of electoral law. I know my colleague the member for Rankin is going to move an amendment—

Honourable members interjecting—

The DEPUTY SPEAKER—Order! The House will come to order.

Mr MELHAM—and when that amendment is moved we will support it, and I sup-
port the sentiments of that motion. What is happening here is typical of what is happening with this government: the arrogance of power. The buck stops with the Prime Minister, and what we have is him in relation to this bill using and abusing his authority as Prime Minister to prevail over the Liberal Party, to prevail over his rank and file. He cannot convince them of the merits of his argument so he comes in here to try and impose his will on his own rank and file—throws out the window his philosophy of the integrity of the state branches and states’ rights and turns into a centralist. Why? His dash for cash.

Mr Hockey—Dash for cash!

Mr Truss—That’s the ALP’s system.

Mr MELHAM—That is what it is. If the cap fits, wear it. The Prime Minister is good at using code words and at dog whistling, but he is using a sledgehammer to crack a walnut—totally unnecessary legislation. They assert that their state branches will agree with this. If the state branches all agree with the purpose of this bill then the bill is unnecessary. The Labor Party is prepared to give you a 45c stamp, so it does not put you out of pocket; 5c extra GST.

Mr Hockey—There is no GST.

Mr MELHAM—We know there is no GST; so give it to charity—or go and buy a lollipop, because that is what I expect from this. This is lollipop legislation. Give it to Bill, Senator Bill, because he is into fantasies, and this bill is a disgrace. It is important that this is actually a very symbolic bill because, frankly, that is all there is left in this government’s third-term agenda. It is about getting square internally within the Liberal Party; it is about the Prime Minister finishing off before he goes into retirement.

I say to the moderates: get out there and start organising a few numbers because you are actually demeaning yourselves by this sort of act. You are actually demeaning yourselves by allowing the Prime Minister to, in effect, bring this legislation in with your support and endorsement. Look at the speakers list—an urgent bill, one that was discussed in the last parliament and fell off the agenda, antiterrorism wars that we are told about, but what do we get? One speaker from the other side. If it is so urgent, if it is so important, if it has been reintroduced, if there are great matters of principle, where are the principled speakers on the other side? No, it is not about that. It is not a long list.

Other pieces of legislation—like the terrorism bills last week—get guillotined in the parliament, and what we have got here is debate on an internal division within the Liberal Party. I will tell you, Mr Deputy Speaker, out there the dogs are barking. They have twigged. They understand what this government is all about. The dogs are barking, and the electorate has a right to be uncomfortable with the direction that this government is taking. This bill, this dash for cash bill, is an arrogant bill from an arrogant Prime Minister from an arrogant Liberal Party that cannot even get their state branches to sign off a simple letter, issue a 45c stamp, send it off to the Electoral Commission and—bingo!—you have got what you want. What did the Labor Party do? We complied. But not the Liberal Party.

It has been interesting to have this minister at the table because, frankly, he knows that everything I have said is true. He has not sought to stand in this debate, which he is entitled to do as a minister, and say to the Labor Party, ‘The objects of this bill are to give the federal secretariat of the Liberal Party control over the funds.’ He cannot stand in this parliament and utter the words that bring into conflict what I have said. In other words, unless we have this bill we cannot do it. They need this bill because they cannot resolve their internal differences in the Liberal Party.

Mr Hockey—that’s not right.

Mr MELHAM—if that is not right, Minister, you should be able to get up and produce the signatures and your own 45c stamp. You should be able to get up and say, ‘Mr Deputy Speaker, he’s wrong because we actually can’t do this under the existing legislation.’ You can do it and you know it. You can get one cheque paid to you, but what you cannot do is get the agreement of all your state branches to put it on the dotted line. So we are opposing it, and I recommend the amendment that will be moved by my col-
league in the House; it should be supported and I think you should hang your heads in shame. (Time expired)

Mr WAKELIN (Grey) (6.38 p.m.)—This is the second reading debate on the Commonwealth Electoral Amendment Bill (No. 1) 2002, a significant piece of legislation that brings greater accountability to the expenditure of public money for election purposes. It is important to note that it really respects the principle that this is a federal government that is responsible for taxpayers’ funds. It strikes a stronger link between the federal branch of the particular party—that is, the Liberal Party—and it brings a stronger focus onto the accountability linking the federal and the state branches of the Liberal Party.

I could not really go any further without saying a few words about the member for Banks and his very entertaining and very enjoyable presentation. The member for Banks goes on too long about freedom of association—there is a strong tradition in the Labor Party in this country about the absolute trampling on that principle of freedom of association within the union movement. We know there has been a long tradition, from generation to generation, of ‘no ticket, no start’. It is some of the industrial changes that this government has been able to bring in that have changed those fundamentals. This Liberal Party and this coalition have been the champions of the principle of freedom of association since the days of Federation. We have seen internationally the collapse of collectivism and the challenge to communism in a whole lot of ways, and this country in the 1950s and 1960s really was part of that phenomena as much as anywhere else in the world. The Labor Party has had various dalliances with this issue of challenging the freedom of association, so let us not have too much nonsense about the freedom of association. In terms of the 45c—and I really appreciate the member for Banks offering—

Mr Danby—I’ve got it here.

Mr WAKELIN—Oh, you’ve got it there; thanks very much—what comes to mind, of course, is Centenary House and the issue of the head office of the Australian National Audit Office, which I understand is one of the chief tenants. The whole issue around the investments of the Labor Party and its general financial interests is well documented. These people from the Labor Party do not dabble in 45c; they dabble in multimillion dollar issues that have been well scrutinised over these last few years.

As I say, the simple reality of this bill is that it is a credit to this government that it has been able to bring in such legislation. In a democracy it is important that we have this accountability, and that we have the federal government bring greater accountability between the federal divisions and the state divisions in a more accountable way. In fact, it is a much more accountable and open process for its own and I, for one, welcome that very much.

On the issue of the Australian Electoral Commission and its role, I might digress slightly. I would like the AEC to consider issues that are outside the gamut of this bill. With the recent state election, I have just recently been in parts of my electorate where I was reminded of the previous federal election in terms of issues around the Pitjantjatjara lands, where over 90 per cent of the people are assisted in their votes. I say to the House tonight and to the AEC that we really need to do a lot better in that area.

But I digress. The general funding of the election funding payment for Senate groups is quite clearly laid out here in items (3), (4) and (5). It brings a very clear reference to those agents in subparagraph 299(4)(f)(ii), including where they have ‘extended into a sharing arrangement where the Electoral Commission has made a determination’. It goes on:

The agency came to an agreement as to the share of the election funding. If the agent is a state division of the Liberal Party the applicable shares shall be paid to the agent of the Liberal Party as stated, commonly known as the Federal Secretariat.

So the AEC has quite clear directions there from the legislation. Can I also go back to the member for Banks’s comment about the standing committee in Queensland. The member for Banks, who I think is not in the chamber now, clearly knows—and the Premier of Queensland clearly acknowledged
and dealt with it. I think most people admired the way in which Premier Beattie dealt with the problems within the Queensland ALP in such a candid way. That committee was looking at that and, hopefully, Queensland democracy is the stronger for the work that was done at that time.

I want to conclude on the note that John Howard has shown magnificent leadership in this country as Prime Minister over the last six years. His contribution to Australian politics over the last 25 years is unsurpassed. His work is statesmanlike in terms of endeavouring to resolve the Zimbabwean difficulty. This man is an institution in his own right. He has given Australia leadership—

Dr Emerson—Well, he tried to destroy the other institutions.

Mr WAKELIN—He has given Australia leadership second to none. I am proud to support him and to support the coalition in the work of the last six years. I am not sure about the suggestion that John Howard is a centralist; John Howard is quite capable of defending himself on these issues. However, the Labor Party know all about the issue of centralism. They are the people who quite openly would abolish the states; there is no question about that. We would not want to go down that track too far. It is quite ironic: we now have six states and two territories, all Labor, so I think we need to ask the federal Labor Party whether they would abolish the lot. If we were to talk to the various premiers and chief ministers over the next few years, that would be a pretty interesting debate. It is with great pleasure that I speak to this bill and support it here tonight.

Dr Emerson (Rankin) (6.47 p.m.)—This bill is the infamous ‘dash for cash’ bill and it is back again. It was introduced into the parliament before the last election, but they ran out of time and the Senate did not deal with it. We now have it back here and it is a disgrace that the parliament is being called upon by the government, and the Prime Minister, to sort out an internal party dispute. It is our assertion that the Prime Minister is seeking to use the parliament to settle a dispute between the Queensland division of the Liberal Party, in particular, and the federal secretariat.

There was a fascinating exchange during the speech by the member for Banks when he asserted—as I have just done—that the rationale for this legislation certainly appears to be to settle that internal party dispute over who gets election funding. The Minister for Small Business and Tourism vehemently denied that that was the motivation. If the minister is genuine in his denial that that is the motivation, then there is only one other possible motivation and that other possible motivation relates to GST activities—the GST activities of the Queensland division of the Liberal Party and of other state divisions of the Liberal Party. In commenting on this legislation last year, the state director of the Western Australian Liberal Party said:

Why mess around with the GST if you don’t have to?

So that is the second possible explanation for this legislation, to sort out the GST activities of the Queensland division of the Liberal Party and other divisions. It is for that reason, and based on that motivation, that I foreshadow that I will move a second reading amendment which states:

“the House is of the opinion that the bill should not be proceeded with, and:

(1) calls on the Prime Minister to honour his promise to release the Tax Office audit report into the GST activities of the Queensland Division of the Liberal Party;

(2) notes that the audit confirmed that the GST scam perpetrated in the Groom FEC was conducted more generally by the Liberal Party throughout other areas of Queensland;

(3) notes that the Tax Office imposed a 50% penalty tax on the Queensland Division of the Liberal Party, indicating the falsehood of Government claims that the GST scam was an “error” or a “mistake”;

(4) calls on the Treasurer to explain the details of the $143,000 worth of sponsorships and internal Liberal Party transfers upon which GST was not paid when it should have been; and

(5) calls on the Minister for Industry, Tourism and Resources to explain whether or not his FEC used the proceeds of the GST scam, which were in the FEC bank account as at August 2001, for his re-election campaign.

Mr Truss—Mr Deputy Speaker, I raise a point of order: I would ask you to rule that
that amendment is out of order as it has little relevance to the bill. This is a bill about electoral reform and the opposition are proposing an amendment that deals with GST and all sorts of activities that occurred ages ago. This chamber would seem to me to be a totally inappropriate forum in which to raise these allegations.

**The DEPUTY SPEAKER (Mr Mossfield)**—There is no point of order.

**Dr EMERSON**—For the information of the House, it is a highly relevant second reading amendment indicating our complete opposition to this legislation and it is out of the mouths of babes, and this time the babe was the director of the Western Australian division of the Liberal Party who said that this legislation was about the GST. He said: Why mess around with the GST if you don’t have to?

It is pretty clear that the Queensland division of the Liberal Party was up to its ears messing around with the GST—in fact, it was seeking to avoid the GST. The whole issue calls into question yet again the credibility of the Prime Minister because on 27 August last year, when the present Minister for Industry, Tourism and Resources was in all sorts of trouble over the Groom FEC GST scam, the Prime Minister sought to dampen down that issue by announcing that he had ordered a Taxation Office audit of the activities of the Queensland division of the Liberal Party. He went on to say that that audit report should be made public. In an interview on 27 August with Fran Kelly on the 7.30 Report the Prime Minister said:

But, look what I’ve done with the Queensland Division is I’ve asked the Tax Commissioner to carry out a full audit of its compliance with the goods and services tax legislation since 1 July last year. You can’t be more transparent than that. And what’s more, I’ve said that when that audit is completed, it should be made public. So, you know, how much more transparent can you possibly be?

**FRAN KELLY:** I think transparency is the issue, Prime Minister.

**PRIME MINISTER:** We are very transparent. The fact is that that audit report has never been released, breaking yet another promise of the Prime Minister, destroying once and for all his credibility because he makes promises before the election and fails to keep them after the election. He will say anything and do anything to ensure that the coalition stays in power. He promised that that audit report would be made public and to this day it has not been made public. On the same day, on 27 August, on a doorstop interview, the Prime Minister referred to it as:

a full, open inquiry ...

He said:

I have no interest in anything being concealed ...

Again he is saying, ‘This audit report of the tax office into the Queensland division of the Liberal Party is going to be a public document.’ Again, on 27 August in a media release, the Prime Minister says:

... the Liberal Party has nothing to hide ...

What happened? On 23 November—and that was a very significant date—the federal secretary of the Liberal Party, Lynton Crosby, snuck out a press release. The reason that 23 November was a significant date was that it was the day that the Prime Minister announced the new ministry. So this press release was meant to sink without trace. It is a fact that, when you search for this media release on the web site or anywhere else, it is very hard to find. We had to do a lot of investigation to find a media release, and here it is. What does it reveal? It reveals a number of fascinating things. It reveals that there were in fact widespread GST rorting activities on the part of the Queensland division of the Liberal Party. We know that because a very unusual thing happened: the tax office actually applied a 50 per cent penalty tax. It applied a 50 per cent penalty tax to the GST avoidance activities of the Queensland Liberal Party. If it was a mistake or an error, as the Prime Minister has said, the tax office would not have applied a penalty tax. The Treasurer said before the last election that for genuine mistakes, genuine errors, there would be no penalty tax. It cannot be a mistake or an error if the tax office decides to apply a 50 per cent penalty tax. Recall what happened—the government said that there was only $76 in—
volved. The $76 was just the extent of the botch up of the cover-up. Once it became clear—courtesy of the Treasurer of the Groom FEC and her husband, when she blew the whistle on this—the Queensland division of the Liberal Party started scurrying around trying to cover up the GST fraud that they had perpetrated, and they even botched that up. So the government said, ‘Look, it was just $76’—that was just the extent of the botching up of the cover-up. The activities were much wider than that.

The other major development that was revealed in this very difficult to find press release was that there was $143,000 worth of transactions upon which GST should have been paid. I will say that figure again: $143,000 worth of Queensland division Liberal Party activities on which GST should have been paid and was not. The tax office has raised a bill of $13,000 against the Queensland division of the Liberal Party on what? Sponsorships and transfers. So is this Commonwealth Electoral Amendment Bill (No. 1) 2002 relevant? Of course it is relevant, because this bill deals with transfers between the state division of the Liberal Party and the federal secretariat. There was $143,000 worth of such transfers and sponsorships on which $13,000 worth of GST should have been paid and was not paid.

So when the Prime Minister said before the election that there was only $76 involved, he was wrong. It was not $76 of GST avoided; it was $13,312. But of course most people would not know that because you cannot find the press release, and the press release went out on the day of the Prime Minister announcing the new frontbench. On that same day, the federal secretary of the Liberal Party, Lynton Crosby, told AAP that the report would be released in the next week. He said, ‘I’d be reluctant to release something that’s got lots of volunteer party members’ names in it. There’s a three-page letter which, if you like, is really the report.’ He said:

My expectation is that the basic report would be released, but I would discuss that with the division, because it is the property of the division, and arrange for that next week.

That was on 23 November. By 30 November the report was supposed to be released. It never has been released, breaking the Prime Minister’s promise. So where does all this take us? It takes us to this point: the government said it was going to conduct a full, open inquiry; we have the Prime Minister on 28 August talking about complete openness, complete transparency, and he says:

I think this is complete openness, I think it is complete transparency, they are going to release the report.

They never did. The Treasurer is in on it too, because on 24 August, in a doorstop interview at Launceston, he referred three times to an error and once to a mistake. So he is saying that there was an error and a mistake. If it was an error or a mistake, how come the tax office applied a 50 per cent penalty tax to it? We would be very interested in hearing the Treasurer’s explanation and whether he still considers this to be an error or a mistake—whether he considers $13,132 worth of GST avoided to be an error or a mistake. On 24 August, the Prime Minister described it as a misunderstanding. So we have a misunderstanding, an error or a mistake. But let us hear from the Minister for Industry, Tourism and Resources. When he was simply the member for Groom—and I am referring to the question of whether it was an error or a mistake—he said:

In those minutes it was noted that the chairperson notified the treasurer, Mrs Watts, that C. Galtos and G. Jaeschke, state president and state director, requested that tax invoices for the dinner be forwarded to them. This is the dinner that the Treasurer himself attended. So there is no error or mistake—they actually requested that the invoices be sent to them. The member for Groom went on to say:

These documents show that the Groom FEC received verbal advice from the Queensland division that bills over $2,000 were to be forwarded to head office for payment.

So there is no error or mistake in this at all—it is a deliberate scam. Further, we have the member for Groom on 26 August saying:

Look the Liberal Party in Groom has at all times acted on the instruction of the State Head Office.
There was no error, no mistake—it was a complete scam. It was not only the Prime Minister in on this, and it was not only the Treasurer in on this, defending it as some sort of error or mistake; the Manager of Government Business, the minister for workplace relations, was in on it in a stunning speech—a startling speech—on a censure motion. He said that the audit should be made public; that nothing untoward had happened at the Groom FEC, that it was all a misunderstanding, that the minister was not responsible and that only $75 was involved. Let us go through those once again. The audit should be made public—the audit has never been made public. He said that there was nothing untoward—I will be having plenty to say about that in the time remaining. He said that it was a misunderstanding—there was no misunderstanding. He said that the now minister was not responsible—he was very much responsible. He said that there was only $75 involved, when in fact there was $13,312 involved.

The husband of the treasurer of the Groom FEC said on 24 August that the money was still sitting in the account. That is interesting. The sum of $826 of ill-gotten gains—GST avoided—was sitting in the Groom FEC account as at the end of August last year. A fascinating question that I would like to hear answered by the minister is whether the Auditor-General, or the Auditor-General’s successor, was aware that there was $826 in the account. A fascinating question that I would like to hear answered by the minister is whether that $826 was still in the account when the election was called, whether those ill-gotten gains, that avoided tax, were used for the minister’s re-election, or whether he did the right thing and returned it to the head office of the Queensland division of the Liberal Party so that the whole matter could be put in order. The minister, when he was unaware that we had all the supporting documentation—he was asked about this in the parliament on 23 August—in that famous statement, said:

I am not aware of anything untoward that has been done in the FEC.

On 23 August he went on to say:

This is a wild-goose chase being launched by the Labor Party.

He said again that there was nothing untoward. He thought that we had no documents. On 24 August the now minister said, ‘What they have are off-the-record comments supposedly made by members of that FEC.’ He thought that he was going to get away with the argument—his claim—that nothing untoward had happened. He cannot get away with that, because I can cite, for the benefit of the parliament, nine occurrences which would have made the minister completely aware that something ‘very foul in the state of Denmark’ was going on—in this case, in the state of Queensland. The new minister was well aware. As the husband of the treasurer of the FEC has made clear publicly, the minister was well aware that there was a scam. I will cite those incidences: on 17 December 2000 there was a discussion of the scheme between the now minister and Mr Neville Steward of the Groom FEC. Then on 18 December there was a discussion with the FEC Treasurer, Margaret Watts, who warned the minister of the scheme, and the minister’s response was that it had nothing to do with him and he would not be voting on it at the FEC meeting the next day. Remember this is a man who said he was not aware of anything untoward. He was warned, and he said he would not be voting on it. He was obviously aware that there were untoward activities going on in the Groom FEC.

On the next day, 19 December, there was a lengthy debate at the Groom FEC meeting, at least part of which the minister attended. Then on 23 January the Groom FEC sought and obtained legal advice on the scheme. On that same day there was an amendment of the minutes of the 19 December FEC meeting to reflect the treasurer’s opinion that the scheme was ‘cheating on the government’. The minutes were amended. Remember we have the minister saying he was not aware of anything untoward. On 23 January there was the resignation of the treasurer—and, apparently, of the auditor as well—in protest against the scheme. The minister told the parliament that the auditor had made no adverse comment on the scheme—just resigned in protest. Of course there was adverse comment on the scheme!

On 20 March the minister attended a Groom FEC meeting, where he admitted that someone said, ‘If this gets out, it will bring down the government.’ The minister, saying,
‘I’m not aware of anything untoward in the Groom FEC,’ goes to a meeting, and someone says, ‘If this gets out, it’s going to bring down the government.’ He is trying to convince the parliament—he said it in the parliament—that he was not aware of anything untoward. In March there was a discussion between the minister and the treasurer’s office, which interestingly he subsequently denied and which he detailed on the 7.30 Report on 23 August, when he said, ‘Well, I had that discussion—no, I didn’t—well, I think I didn’t—maybe I did; I’m not sure.’ Then on 17 April the minister attended a Groom FEC meeting, where there was a minuted discussion of Margaret Watts’s letter to the Federal Director of the Liberal Party, Mr Lynton Crosby. So it is absolutely clear that the minister was pulling our legs because, without a substantive motion, I cannot claim that he deliberately misled the parliament. Is that correct, Mr Deputy Speaker?

The DEPUTY SPEAKER (Mr Jenkins)—That is correct.

Dr Emerson—In those circumstances, I will not claim that he deliberately misled the parliament. He pulled the collective leg of the parliament by claiming that nothing untoward had happened in relation to the Groom FEC. It is very interesting that the minister’s career was saved by a vessel that floated into Australian waters at that time. It was called the Tampa. The Prime Minister used that as yet another reason to get the minister off the hook. But he is still on the hook. I move:

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

“the House is of the opinion that the bill should not be proceeded with, and:

(1) calls on the Prime Minister to honour his promise to release the Tax Office audit report into the GST activities of the Queensland Division of the Liberal Party;

(2) notes that the audit confirmed that the GST scam perpetrated in the Groom FEC was conducted more generally by the Liberal Party throughout other areas of Queensland;

(3) notes that the Tax Office imposed a 50% penalty tax on the Queensland Division of the Liberal Party, indicating the falsehood of Government claims that the GST scam was an “error” or a “mistake”;

(4) calls on the Treasurer to explain the details of the $143,000 worth of sponsorships and internal Liberal Party transfers upon which GST was not paid when it should have been; and

(5) calls on the Minister for Industry, Tourism and Resources to explain whether or not his FEC used the proceeds of the GST scam, which were in the FEC bank account as at August 2001, for his re-election campaign”.

(Time expired)

The DEPUTY SPEAKER (Mr Jenkins)—Is the amendment seconded?

Ms Livermore—I second the amendment.

Mr Wilkie (Swan) (7.07 p.m.)—I intend keeping my remarks about this disgraceful piece of legislation as brief as possible, but I wish to place on record my strongest possible objections to the Commonwealth Electoral Amendment Bill (No. 1) 2002 and express my support for the amendment currently before the House. The parliament has better things to do than waste its time sorting out the internal bickering of the Liberal Party. And let’s face it: that is what we are doing here. We are trying to sort out the internal quarrels and arguments of the Liberal Party.

Yesterday, the Minister for Employment and Workplace Relations had the audacity to claim that the opposition’s attempts to reveal the truth about the various scandals presently enveloping the government was in some way a waste of the parliament’s time. Minister, this bill is a waste of the parliament’s time. When the opposition exposes the government’s deceptions, questions the government about its activities and seeks to hold it accountable, it is not wasting the parliament’s time; it is doing its job. Unfortunately, recent months have shown us the frequency with which this government is prepared to debase national institutions for its own advantage. So in many ways it comes as no surprise that the government should further abuse parliament by persisting with this legislation. The presentation of this legislation is without precedent in the history of the parliament. I am aware of no previous instance since the first sittings of the federal parliament in 1901...
where a government has sought to use legislation to resolve internal party disputes.

What compounds this abuse is the importance this legislation is being afforded. Today is only the thirteenth day of parliamentary sittings since the federal election on 10 November 2001. Tomorrow will be the fourteenth and the last sitting day before the parliament is in recess for seven weeks until the budget sitting on 14 May. By 14 May 2002, 162 days will have elapsed since the 10 November 2001 federal election, yet the government sees fit to schedule only 14 sitting days. Of those 14 sitting days, the first was taken up with the official opening of parliament. Members’ and senators’ address-in-reply and appropriations speeches have also taken up significant amounts of the other 13 days. In addition, with the growing number of scandals that are consuming this government, the opposition has taken up time on these sitting days to do its job and try to hold the government accountable for its actions.

We make no apologies for these actions. As I said earlier, this is not the opposition wasting the parliament’s time; this is the opposition doing its job.

My point is simply this: of the limited amounts of time the government has made available to debate legislation, it beggars belief that a bill such as this should be afforded such a priority. A bill such as this should not even make it into the government’s legislative program, let alone be debated with such urgency. If the government and, in particular, the member for Warringah as Leader of the Government in the House were competent in managing the parliament’s legislative program, they would not be acting in such a way. Minister Abbott, the member for Warringah, should concentrate on managing the government’s legislative program a little more efficiently rather than appearing on the Sunday program and trying to shift the blame on to Labor.

Remember that this government delayed the first sitting days of parliament for more than three months after its election. On sitting days nine and 10 of the 14 sitting days in the first 162 days of this government, it introduced five important and complex terrorism bills and three migration bills and expected the parliament to pass them virtually on the spot, with no chance for adequate scrutiny, let alone debate. Laurie Oakes described this as contempt of parliament, and I could not agree more. This is government in disarray.

While I could say more about the contempt with which the government treats the parliament and, through it, the people of Australia, I will return specifically to the bill. As I have stated, using the federal parliament to resolve internal party disputes through legislation is without precedent. This bill should not be passed so that this precedent is avoided. This legislation will have no application to the resolution of internal disputes within any political party other than the Liberal Party because the Liberal Party is incapable of managing its own affairs. The reference to the Australian Democrats in the text of the bill is not relevant in this respect. The Australian Democrats are referred to only because of the organisational structure of its federal and state branches, not because of any internal party warfare.

This legislation emerged in August 2001. With an election looming, the Liberal Party was aware of the parlous state of affairs within its state branches. Rather than show leadership like that of Premier Beattie in Queensland, the government thought it could slip this bill through and solve its problems. The government ran out of time and the bill never made it on to the legislative program but, regardless, the government is now going to have another crack at slipping it through. I would predict that this bill is going to hang around like a bad smell for the next three years should it fail to pass through the Senate. As it is not retrospective, its passage would not change the funding arrangements for the 2001 election. But I am sure we will see this bill pop up from time to time as the government tries to get its house in order before the 2004 election.

That is this bill’s sole purpose—to settle internal disputes within the Liberal Party. It is categorically not about addressing any deficiencies within the existing Electoral Act. There are existing provisions in the Commonwealth Electoral Act 1918 for state branches of political parties to register ar-
rangements between their federal and state organisations so that they can request where the federal election funding they receive is paid. Under the act, in its present form, if no agreement is registered the funding goes in full to the state branch of the particular party where the relevant candidate stood for election.

In the case of the Australian Labor Party, our national secretariat and each state and territory branch has an agreement under the existing provisions of the act so that all electoral funding goes to the national secretariat. It would seem other political parties are also capable of managing their internal affairs and reaching similar agreements because they have not tried to abuse the parliament by solving their internal disputes with legislation. Instead of attacking the Australian Labor Party over its internal organisational structure, the Liberal Party should get its own house in order. It is the parlous political and financial situation of the Liberal Party’s state branches that has brought about this situation.

The activities of the Liberal Party in Western Australia are a classic example. Reading a recent letter to WA Liberal members shows the level of factional warfare that continues to rage and that shows no sign of ending. It is common knowledge that the Opposition Leader Colin Barnett’s days are numbered. True to form, the Western Australian Liberal Party will probably concoct some harebrained scheme to replace him, just as they did last year when they dreamt up the plan to parachute the member for Curtin in as Richard Court’s replacement.

We all know about that fiasco and what happened as a result.

Let us look at the last election. In Swan, I am proud to say that I ran a clean campaign. I campaigned on the issues and never once did I resort to attacking my opponent, despite opportunities to do so. The same cannot be said for the Liberal Party. In the last week of the campaign, they resorted to attacking me personally; information contained in leaflets I distributed within the electorate was distorted and used to generate fear and hysteria about border security. Western Australian Liberal Senators Lightfoot and Ellison put their names to direct mail election leaflets on behalf of the Liberal candidate that were profoundly misleading about the policies of the Labor Party and me, in particular.

Deception seems to be a prerequisite for a career in the Liberal Party, but its gutter tactics did not work on the voters in Swan. I thank them for the wisdom they demonstrated in recognising the fraud that the Liberal Party was attempting to play on them, and I thank them for trusting me as a representative for the next three years.

I would be letting them down if I did not take a strong position against this bill. This is a bill that is true to form for the Liberal Party. It adds to the coalition’s woeful record on electoral reform in recent years. Last year, with the Joint Standing Committee on Electoral Matters we saw what ultimately became a thoroughly discredited inquiry into the integrity of the electoral roll. Try as government members might, they just could not prove that there were any widespread and substantive questions over the integrity of the roll. The member for Sturt showed utter contempt for acceptable standards of the conduct of the committee inquiry—an unsuccessful witch-hunt that he thought would further his political career. It must not be forgotten that, in August 2000, the committee abandoned its inquiry into electoral funding and disclosure so that it could start its witch-hunt into the electoral roll.

I am further disappointed by the fact that the government seems committed to implementing some of the recommendations that came out of this inquiry. It should be noted that these recommendations were strongly opposed by the Labor members of the committee. The government has on the legislative agenda for later in the year further amendments to the Commonwealth Electoral Act 1918 which would disenfranchise sev-
eral hundred thousand Australians immediately prior to a federal election. These amendments were proposed prior to last year’s election and were universally condemned as unnecessary and draconian, but regardless the government is intent on persisting with them. They would result in pandemonium for the Australian Electoral Commission as it tried to administer the revised electoral system.

Under the government’s proposed amendments, the electoral rolls would close for new enrollees at the issue of the writs and, for existing enrollees wanting to update their enrolment, three working days after the issue of the writs. At present, electors have seven days after the issue of the writs to enrol or update their enrolment details. Come polling day, AEC staff would have to deal with thousands of voters who had been struck off the roll, and thus denied the opportunity to vote, without ever having known that they had been removed from the roll.

The committee has not examined this bill, despite it being the appropriate parliamentary committee to do so. The first attempt at passing this bill last year resulted in further abuse of the parliamentary committee system when it was referred to the Senate Finance and Public Administration Committee. Despite the ridiculous recommendation of the committee that it be passed expeditiously, I am pleased that Labor senators submitted a minority report dissenting in the strongest possible terms.

The Labor Party supports meaningful electoral reform, including reforms of the laws governing donations to political parties, but the Liberal Party has steadfastly refused to come to the party. Meaningful reform of electoral funding laws would also mean that the scam it continues to run with the Greenfields Foundation might come to an end. This bill clearly demonstrates where the Liberal Party stands on electoral reform. It places the use of the parliament, through legislation, to resolve its internal disputes ahead of a range of other proposals, and it abuses parliamentary committees to conduct political witch-hunts.

I conclude with a simple message to the government: use the parliament to pass legislation that is of benefit to the nation and do it in an organised fashion. Sort out your party’s internal disputes yourself and not by abusing parliament through legislation such as this. This bill is a disgrace and should be withdrawn immediately. I support the amendment currently before the House.

**Mr ANDREN (Calare) (7.19 p.m.)**—We revisit the Commonwealth Electoral Amendment Bill (No. 1) 2002 that was introduced into the parliament last year, and I wish to revisit some of the comments I made in the debate on that bill at the time. I said then that of all the reforms needed to the Commonwealth Electoral Act 1918 this bill is by far the least worthy of the sorts of reforms we need. We have a parliament here again debating what percentage of public funding should go to state or federal secretariats of one party, the Liberal Party.

The history of public funding goes back to 1983 where, under amendments to the act that the government is again trying to amend here, public funding was not designed to subsidise ongoing administration costs or provide a financial base from which future election campaigns could be fought. I contend last year and I contend again that with subsequent amendments, notably in 1995 and now with these proposed changes, that is exactly what is occurring.

The public can rightly ask why we are standing here debating what is basically a procedure to settle a family dispute between the Queensland branch and the head office of the Liberal Party. The Prime Minister said he was concerned that the Queensland division of his party had reneged on handing over its share of funding after the 1996 election. So, amid the continuing brawling over the pre-selection for the seat of Ryan and the decline of the Liberal Party vote in Queensland, we have to entertain legislation that is designed to help the federal division sort out its family squabble.

The cost to the public purse of election funding is substantial and rising. In 1984, about $7 million was paid out at 60c a primary vote to parties and individuals securing more than four per cent of the primary vote. By 1998, it had risen to $33.9 million at $1.62 a vote. Last election, the rate was
$1.79 a vote, which was indexed steeply as a result of the inflation spike caused by the GST. How pensioners and small businesses, as I said last year, wish they received full compensation for the impact of the GST!

The legal opinion on the bill which came out with the failed attempt last time round, stated:

A law which permits the agent of the federal secretariat of the Liberal Party to determine the funding entitlements of a state division would seem to be a law which gives a private body—that is, the secretariat—the power to make an important public funding decision.

It goes on:

The apparent outsourcing of this decision from the AEC to the federal secretariat raises some difficult public accountability questions. It certainly does, and the Bills Digest pointed out that there is no guidance in the changes as to the role of the agent of the federal secretariat in determining federal and state percentages. Again, I would go further: there are no guidelines as to what purposes such public funding, ostensibly for campaign expenses, is put. Similarly, the ALP and the Australian Democrats have a centralised control of public funding and, again, no clear accountability as far as I can see as to whether those funds are used to directly subsidise election expenses of candidates or for other reasons.

Last year, the Financial Review detailed results of an investigation that showed how leading companies were channelling millions of dollars to political parties in ways that ensured that they did not have to disclose them as donations to the Australian Electoral Commission. The April 2001 report said that Australia’s system for disclosing political donations was in disarray—deliberate disarray, as I said last time round—with glaring discrepancies between the level of donations declared by political parties, the amounts that big corporations say they are donating and the level of donations reported by the AEC. The Financial Review went on to say that, while the AMP lists a payment of $65,000 to the Liberal Party as a donation, the Liberal Party lists it as a receipt, which is defined as any money including in-kind services. One wonders if anyone pays the GST.

While we are talking about GST on funding, in the last election campaign I formed an association as an arm’s-length administrative vehicle of the campaign and to claim GST input for the costs thereof. I now find it highly likely, according to the tax office, that my receipt of a service from that association could well attract—and probably will attract—the GST. I would be quite happy, I suppose, to pay that over, except all the funds over and above the expenses I incurred in that campaign are intended for donation to electorate needs such as the Sailability program for disabled people in my electorate. All of the money over and above any expenditure, which was $58,000 on my campaign, I always intended to pay out to worthy causes because, after all, it is public money. I rely on public funding to run a campaign and I will start with an empty slate next time round and punt on what I believe I might get—and probably halve it—as a budget for my campaign.

The Special Minister of State, Senator Eric Abetz, took great delight after I received some publicity criticising the gold card arrangements for ex- MPs and the gross largesse that that involves, by saying that he had shamed me into distributing my surplus funding to causes within the electorate because he drew to the public’s attention the fact that this money was indeed paid to me. I do not have a party; of course it was paid to me. But I had put it on the public record for some time—and indeed I was talking to organisations the moment the campaign began—that if I indeed did receive surplus funds, were there causes to which I could put that excess money? Cumnock Public School is one example; the Sailability program is another. Of course, Senator Abetz, in his eagerness to try to cover up just where the $31 million of money to the major parties was going, said that, somehow, he thought he had shamed me into giving this money away. I put it on the record here that I had offered that money, whatever it was, long prior to the end of the campaign—and indeed months before that.
My campaign and public funding receipts are fully recorded and accounted. The same cannot be said for the $31 million received by the three major parties in public funding at the last election. Public funding should be sufficient in any election campaign. The alternative is to head down the US path and have the second-best democracy that money can buy. In 1996, a US congressman had to raise $US600,000 in each campaign in order to be re-elected. By 2002, that figure is now over $US1 million, with full-time fundraisers on each congressman’s staff. The influence over votes has been well-documented and I spoke last time of the US IT industry giving massive campaign donations to both parties, which—surprise, surprise—resulted in sympathetic legislative outcomes for the importation of workers for the IT industry. Republican John McCain and others have led the charge to reform the US donation regime and the electoral laws, but no-one is holding their breath in the States that those reforms will be wide-ranging or enduring enough while those laws are legislated under the sorts of inducements that are out there for parties to be sympathetic once in office.

That is the risk that we face in this process if we do not restrict our campaign funding to the public donation only, because it is shown time and time again that the grassroots now are becoming even further disillusioned with the party processes and this bill does nothing but re-emphasise and exaggerate that trend towards a head office, distant control over the resources of local branches and the input that those local branch members might have to the workings of the party. It is interesting that, last week in Calare, the National Party electorate council, with the Minister for Children and Youth Affairs as the star attraction, drew 40 people. I suggest that that is some indication that the National Party has problems attracting the sort of grassroots support that is required to mount a credible campaign to regain the seat of Calare. There is a general feeling out there that the parties are not about the grassroots, but I do not have to stand here and say that.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

**Holt Electorate: Accident Repair Industry**

MacGregor, Mr Murray

Mr BYRNE (Holt) (7.30 p.m.)—I would like to address a couple of issues, time permitting. One, in particular, is the accident repair industry. I have a long-running interest in the accident repair industry, due largely to the many difficulties independent panel shops have in dealing with insurance companies. Many of these shops struggle to survive unless they abide by all conditions placed on them by the insurance company, even if this is not in the best interests of the client.

The industry is characterised by 70 per cent of all work for accident repair shops coming from insurance companies. Clearly, this places enormous pressures on the relationship between the repairer and the various insurance companies in the industry. A bad relationship with an insurance company can virtually ensure the death of a shop. As well, there are only a few major players in the industry, so if your relationship is tainted with one then there exist few others to do business with. These relationships may break down for many reasons—not just poor workmanship, as many in the insurance industry would make you believe. In the instances that I have worked on, the opposite is true: good workmanship costs, and frequently an insurance company simply does not want to pay for it.

Currently, the accident repair division of the Victorian Automobile Chamber of Commerce is attempting to put together a code of practice with the insurance industry. Though it is intended that this will cover many facets of behaviour, there is one on which I wish to concentrate tonight, this being payment for insurance companies for accident repairs. We have all been told by the Prime Minister in this House many times that no-one would be worse off under the GST. When I talk to accident repair industry representatives they tell me that the introduction of the GST has severely affected their cash flow, and many have simply gone out of business. I can point
to at least 20 different shops locally which have gone to the wall, their problem being the GST in combination with the enormous delays in payments from the insurance industry.

I have been provided with numerous examples of accident repair shops waiting between 90 and 120 days for a payment for insurance jobs. When you consider that the GST must be paid quarterly at least, if not monthly, it is simply unsustainable. Whilst the government places interest charges on late payment of the GST, small panel shops do not have the market power to do the same for insurers. This is where the government forgot to listen to its small business constituency.

A further problem for the industry is the special treatment accorded to the select repairer. These repairers tie their flag to the mast of a large insurance company and, in return, receive payment within 30 days. This is clearly discriminatory, and I believe that the ACCC is currently looking into it. I believe that what this highlights is that insurance companies have the ability to pay within 30 days but are instead holding onto the moneys of independent repairers. Sadly, this behaviour by the insurance industry has an adverse effect on suppliers to the industry as well. Having represented Holt for some time, this clearly impacts on many businesses in my electorate. Everyone in the industry is waiting for the insurance companies to fix up their act.

I would also like to talk about another little person who has been affected within my electorate—a person called Murray MacGregor, who has made a substantial contribution to his community. I have raised the issue of Murray MacGregor on a number of occasions and he has been rejected. But let me briefly summarise the qualities which I believe make Mr MacGregor a worthy recipient of the Order of Australia. They are that he spent the best part of 50 years volunteering in society, showing a long-term commitment to others. He has been recognised by local and state governments previously. He has a medal commendation from Telecom for outstanding service to the community and a priority vote of thanks awarded by the Queen for services to the St John’s Ambulance; he was the City of Casey Citizen of the Year in 1998; he received the Commonwealth recognition award for senior Australians in 2000 and the City of Greater Dandenong Citizen of the Year award for a non-resident in 2000; he was a Council for the Ageing senior achiever in 2001; and he received a senior achiever Victorian state government Senior Citizen of the Year award. He has been made a life governor of the Royal Freemasons Homes and Vice President of the Royal Freemasons Homes. Furthermore, he has never said for a day that he is unable to do voluntary work.

He is renowned in the local police station as the person you can rely upon when no-one else is available. He has worked with the CFA, St John’s Ambulance, the Scouts and the Masonic task force, and in cleaning up after the Ash Wednesday bushfires. In the court system he is a bail justice, an independent third person and a justice of the peace and, in the City of Casey, a community visitor. The problem with this individual is that he is obviously not high profile enough. He is not a leading sportsperson. But he is a person who is part of the glue in the fabric of our community. I think it is ridiculous that the Order of Australia has not been awarded to this particular individual and I think it sends a very poor signal to the community.

(End of Time)

Kalgoorlie Electorate: Derby Tidal Energy

Mr HAASE (Kalgoorlie) (7.35 p.m.)—Upon re-election to the Kalgoorlie seat in the federal election last year, one of my first tasks was to set myself a number of priorities for the ensuing three-year term. At the top of
that list is to secure the Derby tidal power project for the West Kimberley region in Western Australia. I am grateful for, and impressed by, the commitment of the federal government to the project and also its preparedness to work with the Western Australian government and the proponents to progress it.

That commitment has included $1 million in support funding under the renewable energy commercialisation program and $1 million announced during the election campaign for a study in the Kimberley region of the potential for the production of hydrogen using electricity derived from tidal energy. Just last month I called a meeting in Canberra to update coalition government MPs and senators on this project. I thank those who attended and listened to the presentation on tidal energy by proponents, Peter Wood and Robin Sanders. Over the past few weeks I have also been involved in talks with the Prime Minister’s office; the Minister for Industry, Tourism and Resources, Ian Macfarlane; and the Minister for the Environment and Heritage, Dr David Kemp.

The news last week that the state Treasurer had delivered an ultimatum to the federal government to commit funds to this project in one month surprised me. I do note, however, that there is a state cabinet meeting about to take place in Broome. I am pleased that the Western Australian government shares my commitment to this project. That said, I am confused that Mr Ripper, despite his government’s obvious support for tidal energy, says that the success of the project hinges on the availability of financial commitment from the federal government.

I had a call over the weekend from Elsia Archer of Derby, West Kimberley Shire President, who had heard a radio interview with Minister Ian Macfarlane. She, like some others in the community, was under the mistaken impression that the federal government was wiping its hands of the project. That is far from the truth. However, what Minister Macfarlane said is true. Unfortunately, and in no way contributing to good communication, what the ABC did not broadcast from the interview with the minister was also true. The state government has sufficient funds under its share of the Renewable Remote Power Generation Program, or RRPGP, to fully fund the Derby tidal power project on its own. This RRPGP is a Commonwealth fund administered by the Australian Greenhouse Office and allocated on approval by the minister as a result of the state government’s prioritisation. If the Western Australian government considers this project to be the renewable energy project it wants to fully support, then it can earmark those funds for that purpose. Approximately $85 million will be available under this fund for renewable energy projects in Western Australia over four years. However, the federal government is still considering the tidal power project as one deserving of funding additional to the RRPGP. I look forward to a positive decision.

This project has my unwavering support, and I will continue to promote its merits here in Canberra. It is a visionary project with long-term advantages for all Australians. The RRPGP was established specifically to assist states to fund renewable energy projects. I urge the Western Australian government to engage with Commonwealth officers to clearly indicate the state’s preference for a tidal energy solution for the supply of power to the West Kimberley. I urge them to take full advantage of funds from the RRPGP to remove noisy and polluting diesel generators, to greatly reduce greenhouse gas emissions and to make reliable, low cost power available to the people of the West Kimberley, including communities adjacent to the transmission grid. And I urge them, as a proactive state government, to reap the benefits of the bonus employment and tourism opportunities that are guaranteed to result.

Middle East: Conflict

Mr LEO McLEAY (Watson) (7.40 p.m.)—This evening the television brought more bad news from the Middle East. We have seen in recent weeks a steady worsening of the conflict between the Israelis and the Palestinians. The prospect for any settlement has been lessening. Both sides have been violent and both have claimed provocation by the other side as justification for their actions. But it seems to me that the Palestinians are often pushed more by the Israelis.
than the other way around. The conflict is appalling, the desperation of the suicide bombers is awful to contemplate and the terror is unimaginable—but so, sometimes, are the overreactions.

The conflict has always been uneven and unequal. It has been a case of tanks versus rifles, or of bulldozers versus buses. The Israelis have a policy of overwhelming retaliation. Fairly obviously, that has not worked. It has not worked, and it will never work as long as there are Palestinian people living in the area. They will not be subdued. Their homes, their livelihoods and members of their families may be destroyed, but they will not be silenced. The devastation of the Palestinian area does not get much publicity in Australia. It gets a little, but what attracts the most publicity is the suicide bombers and what happens to the Israelis. Members may be interested to learn that a huge area of Palestinian cultivated land has been destroyed—over three million square metres. Over 100,000 olive trees have been uprooted from Palestinian land. Buildings and infrastructure have been destroyed in recent weeks. Regular closures of the border between the Palestinian territories and Israel do serious damage to the Palestinian economy, thus making the lives of ordinary people more precarious. Any death occurring as a result of this conflict is a tragedy, of course, but I would like tonight to highlight the deaths of the humanitarian relief workers and the health workers. Between September 2000 and March this year, four ambulance drivers and three doctors were killed by Israelis, 122 ambulance drivers and doctors were injured, and in more than 350 cases ambulances were denied access to rescue people. These are horrific statistics. Even in the bloodiest and most bitter of wars, there is usually respect for those who aid the wounded and deal with the dead—but not in this conflict. Those who are not killed are frustrated in their attempts to reach people. The relief workers are often impeded in their work, which prevents them from going to the assistance of the wounded and the dying.

The overall statistics for both sides are horrific, but they demonstrate the imbalance in the conflict. In the last 18 months, 1,240 Palestinians have been killed by Israeli security forces and settlers. Of these deaths, 234 have been of children aged 18 or below. Over 18,000 Palestinians have been injured by live ammunition, rubber bullets, tear gas and other methods. What about the Israeli side? In the same period, according to the Israeli humanitarian rights group B'Tselem, the number of Israelis killed was 241. I do not have the figures on Israeli wounded, but the ratio of five to one of those killed demonstrates the serious imbalance in this conflict. It is a most uneven conflict, and it is one that will never end by one side subduing the other. Some sort of compromise that allows both sides to exist will have to be reached. Both sides are determined to exist—that is about the only thing they seem to agree on between themselves.

The USA has very recently, if belatedly, taken on the role of trying to help by way of a peace mission. There is no doubt that the US has influence with the Israelis, and one can only hope that it is put to good use. It is worth noting that the Secretary-General of the UN, Kofi Annan, has written to the Israeli Prime Minister expressing his concern about the state of the conflict. An ‘all-out conventional war’ is how he has described the conflict, and he has reminded Mr Sharon that Israel cannot disregard international law, even though its right to defend itself is recognised.

The situation cannot continue to go on the way it is. The means employed in this conventional war—F-16 fighter bombers, helicopters, naval gunships, missiles and bombs—are all weapons that kill, and kill in large numbers. It is crucial that the violence be abhorred and that the parties be encouraged to resume negotiations as soon as possible. There needs to be a circuit-breaker, and I hope and pray that the visit by US Vice-President Cheney to the region achieves progress towards peace.

Telstra: Services

Ms PANOUPOULOS (Indi) (7.45 p.m.)—I rise this evening to support a mother in my electorate who has lost her child in the most tragically unnecessary and cruel circumstances. I speak of Rose Boulding and her family, who live in Kergunyah. This family
has lived with a faulty telephone connection for over two years. Cruelly, when young Sam Boulding died of a severe asthma attack, the family telephone had not been working for some days. The family was denied any opportunity to obtain medical help to save their son. The Australian Communications Authority was asked to investigate the matter, and Telstra also conducted its own inquiry. Incredibly, both reports found that Telstra had ‘technically’ not breached its customer service guarantee obligations.

It is true that Mr Switkowski has apologised to the Boulding family on several occasions, but in the middle of all his crocodile tears he latches onto the claim that Telstra technically did nothing wrong and that no Telstra staff contributed to Sam Boulding’s death. If Telstra really believed that they had done no wrong, why did they offer to pay for Sam Boulding’s funeral? How disgusting and inappropriate for Telstra to deny the Boulding family a telephone that worked and, in its place, even dare to think that an expenses paid funeral would somehow exonerate them.

Why have Telstra accepted the additional licence obligations imposed on them by the government if they are technically not at fault? Telstra knew that Mrs Boulding was blind. They knew she had two children with severe asthma. They could also have used their corporate knowledge to obtain the information on their records that an ambulance had visited the Boulding home four times over the last 12 months before Sam died. But not only did Telstra fail to inform the Boulding family that they could have applied for priority status, the Telstra report concludes that, as it presently stands:

Even if Mrs Boulding had been treated as a priority service customer, Telstra’s lack of prioritisation coding and established service repair time frames for priority customers would not have ensured a prompt restoration of Mrs Boulding’s service.

I mentioned in my maiden speech that I would be guided by the values of the people of Indi. I will now put aside the jargon that Telstra have hidden behind and apply some good old-fashioned commonsense—commonsense that is so abundant in my electorate of Indi. Members in this House can judge for themselves whether Telstra are at fault or not. In about May last year, the Boulding family wanted a second phone line in case of any health emergencies. They were not provided with a second phone line but with two telephone numbers on a split line, which in effect means that if one phone line is not working then neither is the other one. After Sam died, Telstra did find an available second line that had not been used and promptly installed the second line in the Boulding family home. This separate second line has subsequently worked when the primary line has been out of service. They were shamed into providing a second line that was just sitting there and available for use. The events leading up to Sam’s death illustrate not only Telstra’s incompetence but also their blatant arrogance and indifference when dealing with their smaller customers.

Putting aside the details of inadequate telephone service over three years, let me briefly relate the events leading up to Sam Boulding’s tragic death. Immediately prior to 22 January this year the Bouldings telephone had not been working. For a short time it worked for a couple of days and then the phone was out of service. Both Rose Boulding’s daughter and her husband contacted Telstra, informing them that the phone would not work. At some time prior to 1 February a male operator, Gary, from Telstra, informed the Bouldings that both split lines would be disconnected in order for repairs to be carried out, and that such repairs would be completed that day. Gary advised the family to keep on Telstra’s back about fixing the telephone because the equipment to fix it was in Wodonga—which is a short 37 kilometres from Kergunyah, and the trip is made daily by many working people, including Mrs Boulding’s husband, Barry Nugent.

On the Australia Day weekend, Mrs Boulding encouraged her husband to take their three children to visit their grandfather. She believed that Telstra would fix the phone, so he left her alone. In fact the phones were not fixed. Telstra, however, not content with substandard service, dared to abuse one of Mrs Boulding’s daughters and nonchalantly told her, ‘We are sick and tired of these
phone calls.’ Perhaps if they had fixed the Boulding family telephone once and for all they would not have been receiving all those additional faults registered on their system.

Whilst at work on the evening of 3 February, Mr Nugent received a telephone call informing him that one of Mrs Boulding’s daughters had been operated on at the Wagga hospital. Of course, the family could not have been contacted because the phone was not working. (Time expired)

Telstra: Services

Ms GEORGE (Throsby) (7.50 p.m.)—I regret that the member for Indi was not able to finish her comments about the very poor performance of Telstra. It is an issue that I too want to raise tonight, although the concerns that I raise are not of the serious magnitude of the issues that the member for Indi has raised in her contribution. I have always been a great defender of Telstra but, since the part privatisation of its operations, it seems to me that service reductions have occurred in the almighty drive for the profit. The profit motive seems to be the major compelling force, rather than what Telstra should be doing, as it has historically, and that is meeting its service obligations to all Australian citizens.

In the case that I want to raise, some 400 constituents in Albion Park Rail were without telephone services for nine days between 24 January and 1 February this year. Originally the residents were told that vandalism was the cause of the cable failure, but once work began it was clear that the situation was far more worrying and had resulted from a lack of maintenance on the cable. We were advised after our inquiries that it was wear and tear. Wear and tear means that inadequate maintenance services had been provided for the upkeep of that cable. As far as the 400 constituents are concerned, they were really annoyed that no advice or reasons were given for the length of the disruption. Nine days is a very long time to be without access to a phone. The safety issues were paramount in the minds of many of the residents, with the sick and elderly having no access to 000 calls in the event of an emergency. I think my constituents were very lucky not to have been faced with a tragedy of the proportions that faced the Boulding family.

Today I read a summary of the PricewaterhouseCoopers report, which clearly identified the inadequacy of procedures by Telstra in identifying and looking after the needs of priority customers. As if it was not bad enough for 400 residents to be without access to a telephone line for nine days, less than a week later, after the phones were finally reconnected, a number of commercial businesses along the northern strip of the Princes Highway in Albion Park had their phones out of order for over a week, beginning on 7 February.

The business people, like businesses everywhere, are concerned about the loss of income and the additional costs that were incurred—the use of mobile phones for EFTPOS transactions, the customers who were unable to contact them, the fact that networked computers were unavailable and that protection of property was at risk with the inability to phone back-to-base alarm systems, which were totally dysfunctional in that period.

The residents and businesses in my electorate are, I believe, entitled to total and just compensation. Some, but not all, residents appear to have received a small but totally inadequate rebate on their rental charges—somewhere in the vicinity of $30 to $36; clearly, totally inadequate. Of all the businesses that were affected, not one has received advice from Telstra with regard to the possibility of compensation payments.

Staffing reductions throughout the maintenance operations of Telstra are a cause for great concern. Cuts to ongoing maintenance are imposing unnecessary burdens on Telstra customers. As I said in the earlier comments I made, the service obligation now runs a long way behind the drive for profits. I think all citizens in my electorate believe that this is a totally unacceptable situation. I wrote to Minister Alston, outlining the details of my complaints on behalf of residential customers and businesses affected in my electorate. To date, I have had no response to my submissions, so I am taking this opportunity to raise serious concerns on behalf of those constituents and to seek redress by way of total and
fair compensation for the appalling lack of services and for the time delays on the part of Telstra insofar as residential customers and businesses in the electorate of Throsby are concerned.

Zimbabwe: Election

Mr KING ( Wentworth ) ( 7.54 p.m. ) — I rise on a matter of national and international importance, and to applaud the statesmanship of our Prime Minister in respect of the outcomes published in the early hours of this morning, Australian time, of the CHOOGM committee which he chairs on the recent Zimbabwe election. Members will be aware that the postponed CHOOGM meeting, held in March at Coolum, was held in the context of the war on terrorism following the September 11 tragedy, and the conflicts surrounding the Zimbabwe election. It involved special challenges and required leadership of the utmost sensitivity and care. I am sure members will agree that our Prime Minister, as chair, was equal to those challenges.

Nonetheless, there were some who said that the conference had failed and that the Commonwealth was over or even—just as bad—had become futile, in the absence of taking a big stick to Zimbabwe. Furthermore, the reports regarding the Zimbabwe election were bad, and the Commonwealth observers’ report, on hearsay was, at least, extremely poor. I have seen individual reports such as those contained in the Zimbabwe Human Rights NGO Forum, and know of an incident involving a personal friend, Michael Darby, who spent three days just before the election in prison in Harare because he had passed the Prime Minister’s house with a camera—which had not been used. He was thrown into a cell with 22 others, in a space for six. He was only released because of the good efforts of the Australian High Commission. Others were not.

There were reports also that Mr Mbeki of South Africa and Mr Obasanjo of Nigeria were unimpressed with the criticisms that others had made of the Zimbabwe election. Nonetheless, undeterred by adverse criticism and considerations, the Prime Minister took on the understandable but deep-seated reluctance of his Commonwealth counterparts to act against Zimbabwe, the first black African power in Africa, and leaders who, as presidents, do not have the same responsibilities to a lower house or a broader electorate as our Prime Minister does. We are therefore fortunate to have the Prime Minister in the leadership role he has taken. What was thought to be unachievable, the suspension of Zimbabwe from the Commonwealth, has in fact occurred. This and related measures, including continued international pressure, should provide new hope for the democracy loving people of Zimbabwe, some of whom I have worked with and met in recent years in my work for UNESCO as President of the World Heritage Committee and other forums.

I put it to the House that the Commonwealth is therefore fortunate that the Prime Minister and the coalition led by him have been in the position that they have been, because few, if any, others could have achieved those outcomes. As for the Labor Party, it has had a very poor leadership record on foreign policy—witness the outcomes in East Timor. It has been unable to take the hard decisions. The art of foreign policy is understood by few, and achievement in international politics—often simple but tortured out of the moment of truth—is won by even fewer. It is tested by what is acceptable, not by perfection. It has a stunning aura.

In my judgment—and as the foreign minister said this morning, as he has stood side by side with the Prime Minister on these matters in recent days—what our country has achieved under the leadership of our Prime Minister is an outstanding outcome for democracy, for the ordinary people of Zimbabwe, for our Commonwealth and for Australia. And for those who predicted the doom of the Commonwealth at Coolum and afterwards, let me hear you come forward now and say—as you must, by those standards on which you previously judged—that our Prime Minister is indeed the saviour of the Commonwealth.

Question agreed to.

House adjourned at 7.59 p.m.

NOTICES

The following notices were given:

Mr Abbott to present a bill for an act to provide for the registration of associations of
employers and of employees, to regulate those associations after registration, and for related purposes.

Mr Abbott to present a bill for an act to deal with matters consequential on the enactment of the Workplace Relations (Registration and Accountability of Organisations) Act 2002, and for other purposes.

Mr Abbott to present a bill for an act to amend the Workplace Relations Act 1996, and for related purposes.

Mr Abbott to present a bill for an act to amend the Workplace Relations Act 1996, and for related purposes.

Mr Williams to present a bill for an act to amend the Bankruptcy Act 1966, and for related purposes.

Ms Worth to present a bill for an act to amend the law relating to therapeutic goods and industrial chemicals, and for related purposes.

Mr Tuckey to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 20 March 2002, namely: Temporary works associated with the National Capital Canberra 400 V8 supercar race carnival.

Mr Slipper to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed Christmas Island common-use infrastructure—Christmas Island Airport.

Mr Slipper to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, and by reason of the urgent nature of the works, it is expedient that the following work be carried out without having been referred to the Parliamentary Standing Committee on Public Works: Construction of a purpose built immigration reception and processing centre on Christmas Island.

Mr Slipper to present a bill for an act to amend certain laws relating to the financial sector, and for related purposes.
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Social and Community Service Award

Mr WINDSOR (New England) (9.40 a.m.)—I rise to address the House in relation to a very important issue not only for the electorate of New England but for Australia generally, particularly New South Wales. It is in relation to the social and community service award, commonly known as the SACS award. As members would know, a New South Wales Industrial Relations Commission finding recently increased the SACS award by 6.5 per cent. Normally the funding for these particular bodies is funded fifty-fifty by state and federal governments.

There are hundreds of organisations at risk at the moment because the Commonwealth government has not seen fit at this particular time to embrace the increases particularly in the salaries but also in other operating costs that have occurred because of the New South Wales Industrial Relations Commission finding. That 6.5 per cent increase has meant that many institutions, non-government organisations and non-profit organisations in New South Wales are at risk and their duty of care to the people that they are looking after is itself at risk.

Many organisations within my electorate are at risk in relation to the delivery of duty of care and the cost structure they are operating under. I will just name a few: Tamworth Youth Care, Tamworth Meals on Wheels, the North-West Legal Service and Armidale Youth Care. The Commonwealth argues that wage increases have been indexed over a period of time and are built into the grant funding that is allocated to these particular organisations, but when you look at the Armidale Youth Refuge, for instance, you will see that over the last three years and with the projections for the coming year there has been a four per cent increase in the funding package and a 17 per cent increase in costs. Obviously that is not all salary costs; there are other costs, particularly insurance and other on-costs. But it does demonstrate that there is a need for the Commonwealth government to revisit this issue.

I urge the minister and the Assistant Treasurer—I have had a response from the Assistant Treasurer in relation to this matter—to work through some examples of the impact that this increase in cost is having not only on salaries but on the overall operating costs of these particular agencies. I urge the government to revisit this particular dilemma.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Hon. I.R. Causley)—I inform the Main Committee that we have present in the gallery this morning Mr Joseph Warau, Mrs Yape Moses and Mr Kala Aufa from the Papua New Guinea national parliament. On behalf of the Committee, I extend a very warm welcome to you and apologise for my pronunciation if it was not correct.

STATEMENTS BY MEMBERS

Community Job Project: Beaudesert Rail

Mrs ELSON (Forde) (9.43 a.m.)—I was delighted when the Howard government provided $5 million last year to make a local project a reality. The dedicated Beaudesert Rail committee was successful in securing a $5 million grant for a heritage steam train tourist project. Beaudesert suffered after massive job losses with the closing of the AMH abattoirs and a severe fire in the business district, but like many rural towns they looked at ways to bring people back to Beaudesert. The steam train project is a community project that will be a great tourist attraction to the region.

Last Friday I was invited by the Beaudesert Rail committee to visit and inspect the progress that they were making. I was greeted by two community job project work participants,
Mathew Minor and Michelle Ryder, who explained the progress of the project and guided me through the work that they were responsible for. I was totally impressed by their pride, dedication and attitude in relation to the project. Mathew and Michelle worked with eight other CJP participants in the outdoors and suffered above average heat or heat of about 35 degrees. They cleared vegetation, removed rubbish and restored tracks. They oozed with enthusiasm for what they were helping to achieve, and they told me that they appreciated the opportunity to be working on the CJP. I congratulate the Queensland government for the CJP—like Work for the Dole it gives our unemployed the opportunity to prove themselves while supporting their local community.

I would also like to mention a list of CJP workers. There are 24 altogether that are working on this project—they are going to restore the carriages. I inspected some of the carriages and I was totally impressed with them. They are restoring local railway cottages and doing a beautiful job and clearing, as I said before, the rail tracks. I would like to mention those people's names because they would be worthy employees in anybody's business. They are Ross Mitchell, Shane Hurley, Trevor Hall, Jason Wright, Philip Davies, Tyrone Bony, Kevin Holdsworth, Trent Ockers, John Daley, John Hunt, Nicholas Lam, Michael Duggan, Kingsley Creasley, Dezera Hughes, Reece Carlile, Kerry Mason, Lance Westwood, Matthew Minor, Martin Porter, Michelle Ryder, Belinda Sizmur, Lyle Tschumy, David Williams and Jason Stevenson.

I would also like to thank the Beaudesert Rail committee—Jim Daynes and his very capable project managers. I look forward, over the next few months, to seeing Beaudesert Rail becoming a reality and operating, providing a boost for our local community industry and helping to create more jobs.

Media: Ownership Laws

Mr MURPHY (Lowe) (9.46 a.m.)—I would like to once again speak about cross-media ownership laws. As you know, the government is proposing to introduce an amendment to our legislation to allow further concentration of media ownership in Australia. This is a very, very serious issue threatening our democracy. I want to pay tribute to Aaron Patrick, who this morning on page 1 of today's Australian Financial Review writes under the title 'MPs rebel over media shake-up':

The Howard government suffered an embarrassing setback to its plans to liberalise media ownership laws yesterday when Coalition backbenchers refused to endorse its legislation, putting the future of the proposed changes in doubt.

A special meeting of Liberal and National Party MPs will be held today or tomorrow to reconsider the issue after a Coalition party room meeting complained about potential loss of media diversity and the limited consultation process of the Minister for Communications, Richard Alston.

I recommend that all members of the coalition read this article. This is a very, very serious issue. The role of the media is crucial in a democracy, and I have been speaking out on this since the parliament resumed. Senator Alston has been seducing all the members of the coalition with all these arguments about whizzbang technology, broadbanding, datacasting and convergence. Whilst this is a very attractive way to promote changes to our cross-media ownership laws, what he is not explaining are the implications it has for our democracy. That is why I put question No. 11 on the Notice Paper and sent that around to every member of the House and the Senate.

Unlike journalists who are employed by Mr Murdoch and Mr Packer, Mr Aaron Patrick—whose employer also has an interest in this matter—has been very honest and has displayed journalism of the highest professionalism in reporting both sides of the argument. He has been highlighting the seriousness of further concentrating media ownership in Australia, because if the coalition are going to give Mr Packer and Mr Murdoch newspapers, television stations and radio stations in the one market then we might as well tear up the parliament. When peo-
ple vote during an election they vote for a party, they vote for a leader and, in a small number of cases, they vote for a local member of parliament—they do not vote for Mr Murdoch; they do not vote for Mr Packer.

So I exhort the members of the House here today to get behind those 10 members of the coalition party who revolted at yesterday’s party meeting, because they are the true friends of the public interest—truly they are. I commend Aaron Patrick for reporting this because it is, as I said, a very serious matter, and you should all examine your consciences with regard to the gravity of what the government is trying to do. Senator Alston is not telling you the truth and not focusing on the implications for media ownership—have a look at my question No. 11 on the Notice Paper. (Time expired)

Murray Electorate: War Memorial Upkeep

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.49 a.m.)—Between 1914 and 1918, hundreds of thousands of young Australians marched off to war and many of them died. Certainly, they fought and were, if they died, buried in places that often their families could only ever imagine. It was not very often the case that the families could visit the war graves in France and Belgium and throughout theatres of war on the Western Front.

Following the war, small and larger communities took up public subscriptions to honour the dead and those who did return. Right throughout Australia you will see, in small country towns and in suburbia, the memorials of trees, honour boards, cairns and cenotaphs. They were placed in schools, in halls, at crossroads in towns and in gardens. These have become sacred places over the years, because of course they are often the centre of the ceremonies for the Anzac Day that we honour in April each year. And I am very pleased and proud to say that each year more and more younger Australians go and honour those who made a supreme sacrifice, or those who served in the first or second world wars or the Vietnam or other wars. So often, we have those names still in a good condition on those memorials. But the Howard government has had the very good sense and the nationalistic spirit to make sure that there has been a grant to upgrade those memorials, where perhaps their lettering has faded or where there has been a need to put on additional names because the community no longer had the funds to put the Vietnam veterans’ or later veterans’ names upon them.

Unfortunately though, especially in country areas, a lot of the places where these memorials were placed have fallen into disrepair. Country schools have closed, halls have closed, even small towns have disappeared, stranding these sacred places, often in a neglected and degraded state. In my electorate of Murray we have done something about that, and something very serious: we have formed veteran community boards of trustees. They consist of veteran community members, but also other members of the community and members of the local governments of the City of Greater Shepparton, with Moira and Campaspe just now forming up. What they are doing is taking over, where there are no longer veteran communities in place, the guardianship and trusteeship of these various honour boards, cenotaphs, avenues of trees or memorabilia—they might be medals and other artefacts of war that family members do not know what to do with any more.

The board of trustees has been formed with the full support and commendation of the national RSL and the state. I am very proud to say that, in one of his last public acts, Mr Bruce Ruxton launched, very recently, the City of Greater Shepparton Board of Trustees. I recommend it to other members of the House who might be thinking about this problem and say that in rural Australia it is one of those things that we need to do.

Privilege: Senator Heffernan

Mr GRIFFIN (Bruce) (9.52 a.m.)—I rise today to refer the House to an article in today’s Age by Mr Neil Brown. Mr Neil Brown is a former deputy leader of the Liberal Party. In fact,
he was elected Deputy Leader of the Liberal Party at the same time that John Howard was
elected leader in 1985, and was his deputy up until the 1987 election.

Mr Brown’s article, I think, reflects a range of issues around the current imbroglio facing
the parliament regarding Senator Heffernan, and I would like to quote extensively from that
article now. The subheading of the article reads:
From the Prime Minister down, senior Liberals have brought themselves and their party, and the par-
liament, into disrepute, writes Neil Brown.
The article states:
The daily struggles to defend John Howard and his government are becoming increasingly hard. This is
a monumental shift for someone like me who has long supported Howard for promoting what I assumed
was the conservative cause. Now I am not so sure.

Mr Brown goes through a range of issues around parliamentary privilege—matters that I think
ought to be considered when this matter is being considered by privileges committees in times
to come in relation to how in fact that system should operate. He also makes a number of
points around some of the individuals involved in this affair. For example, he says:
The luke-warm endorsement that the Attorney-General, Daryl Williams, gave the judge was very disap-
pointing and extremely disturbing ... For some eccentric reason, he seems to think his role is to go with
the politics, in this case the sleazy politics, rather than with the public interest of maintaining confidence
in judges and the courts. I also grow increasingly concerned at the government’s growing lack of touch
and competence.

In the first place, following the intricacies of the “kids overboard” issue and the lantana-like weavings
and manoeuvrings of the government was like trying to make sense of Balkan politics ... Now, after a
few side excursions past the Governor-General, Dr Wooldridge and the Treasurer’s roulette wheel, we
have to try to explain the latest scandal. It is impossible to defend.

He goes on:
My last disappointment is a particularly sad one. The Treasurer, Peter Costello, no doubt thought it
was clever politics to keep away from the Kirby issue. But in reality he must now be seen by some peo-
ple in the Liberal Party as having stood silent while the issue was running, while a decent man was
denigrated, while the Liberal Party was muckraking and the parliament slipped further into disrepute.
This can scarcely enhance his leadership chances in the party.

I joined the Liberal Party when I was 15, but let my subscription lapse last year. It is a matter of great
regret that I am struggling to find a reason to rejoin.

Mr Brown, as I said earlier, was in fact elected Deputy Leader of the Liberal Party at the time
the current Prime Minister first ascended to the leadership of the Liberal Party. He is a man
who was first elected to the House of Representatives in 1969, and he left the service of the
Liberal Party in the early nineties. He is a person who has been central to a large period of Liberal
Party rule in this country, and he is disgusted with the actions of this government. I urge
members to read this article and to understand the feelings of a true liberal. (Time expired)

Magnetic Island

Mr LINDSAY (Herbert) (9.55 a.m.)—More than 200 years ago, a Royal Navy officer,
Captain James Cook, sailed up the east coast of Queensland. When he arrived at about lati-
tude 19 degrees south—and that is opposite the current city of Townsville, which I represent
in the parliament—his compass went awry. He thought that it was due to one of the islands
that he was passing at that stage, and he called it Magnetic Island. Magnetic Island has blos-
somed since the Royal Navy first discovered it all those years ago. But in recent times there
have been some rather interesting community issues on the island. There has been a debate
about this: does the island community move forward or does it stay the way it is while trying
to protect its current lifestyle?

In 1985 there was a proposal to build what is called Nelly Bay Harbour. That went on and
on and saw a very large Victorian company ultimately fail because of the frustration that it
faced—the court actions and the environmental approvals and so on that went on and on. The project stopped halfway through. Magnetic Island was left with an eyesore. Fortunately, the project has been picked up again and is nearing completion. I think all of those people over so many years who fought so hard to stop the project are now coming to the realisation that the project is just magnificent; it is first class for the island. It will be opening in April-May of this year. The new ferry terminal will be opening, providing a safe harbour and a safe way of getting people across to the mainland, instead of using the dangerous Picnic Bay jetty in foul weather. When I was on the island the other day, I was very pleased to see that the project is looking so magnificent. It will be a big boon to the island. I think all of those traders in Picnic Bay who thought that the end of the world was coming are going to be surprised and delighted that, in fact, it will become a destination bay, like Horseshoe Bay is, and they will do very well out of it.

But something that worries me is a new project that is proposed, which is the development of Radical Bay, a five-star development. The same people who were looking at trying to frustrate the development of Nelly Bay are going to try to frustrate the development of Radical Bay. I ask them to please have a look: developments can be done in sympathy with the environment, they can be done in a very environmentally sensitive way, and I think that Radical Bay is the next big project on the island that should be developed. I am pleased to see that the federal government is now spending $150,000, along with the city council, on new signage. That will make a big difference to the island, and I think that islanders will be pleased with all of the new developments that they are going to get.

The DEPUTY SPEAKER (Hon. I.R. Causley)—In accordance with standing order 275A, the time for members’ statements has concluded.

Cognate bill:

APPROPRIATION BILL (No. 4) 2001-02

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2001-02

Second Reading

Debate resumed from 19 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”.

REPRESENTATIVES MAIN COMMITTEE
Ms PLIBERSEK (Sydney) (9.59 a.m.)—I would like to start today with a quote:

... a focus on ... organised paedophilia may send the wrong signal to the general community. There has been a widespread reluctance in Australia to accept the reality that most child abuse is committed by a close relative or person well known to the victim. The tendency has been either to deny that much abuse occurs or to blame strangers and attach disproportionate importance and credence to claims, often sensationalised by the media, about shadowy paedophile organisations and networks.

This quote is from the report of 19 November 1995 of the Parliamentary Joint Committee on the National Crime Authority into organised criminal paedophile activity. The report goes on to support statements made by the Association of Children’s Welfare Agencies, including:

We would be concerned—in an environment where it is tempting to deny the prevalence of child abuse and child sexual assault—when claims are made which are lacking in any concrete evidence and which, in a tabloid environment might seem quite outlandish. When they are not able to be proved and when the allegations fall into some disrepute because, perhaps, they were outlandish and not based on anything which could be proved, our concern is that that goes further towards the denial process of child sexual assault.

What a shame Senator Heffernan did not read this report any time in the last seven years. If Senator Heffernan had bothered to speak to the individuals and organisations that deal with child abuse, including child sexual abuse, he would have realised that the sort of unfounded claims he has made against Justice Michael Kirby set the cause of child protection back immeasurably. Not only has he made himself look a fool, not only has he brought the parliament into disrepute, not only has he undermined the integrity of the High Court; he has contributed to the notion that ‘dedicated child abuse campaigner’ has become a media euphemism for ‘crazy person’.

Last week I called upon Senator Heffernan to put up or shut up in regard to the serious allegations raised in the Senate. With his so-called evidence so discredited, the only honourable thing for him to do is to resign. If he will not resign, the Prime Minister must do what the Premier of New South Wales was forced to do when Franca Arena made similar unsubstantiated allegations: the Prime Minister must expel Senator Heffernan from the Liberal Party.

Senator Heffernan has not been swayed by facts in this case. He seems to believe that in an issue as serious as child sexual abuse the usual requirements of evidence are suspended. He has set up his star chamber and will not let a lack of evidence get in the way of his crusade. He has implied he has evidence that it is now plain either he did not have or was already examined and discredited by the New South Wales Police, in the case of the statutory declaration, or, in the case of the Comcar dockets, has been known to the government since the year 2000 to be forged.

The Special Minister for State and the Minister for Finance and Administration, at least, knew two years ago that the documents were forged. It is not credible that they did not tell Senator Heffernan that the documents he had made a request for under FOI were forgeries. Any basic checking on Senator Heffernan’s part would have confirmed this. It took Labor less than 24 hours from first seeing the documents in the Sun-Herald to discredit the Comcar records. Incidentally, they were not tabled in the Senate or sent immediately to the police. The first time we saw them was in the Sun-Herald and the first time the police saw them was in the Sun-Herald.

Senator Heffernan referred in his speech to ‘Comcar driver records which document and record this same judge using this taxpayer funded service on a regular basis to pick up ... a young male and accompany him to the judge’s home address’. We have seen only one receipt, although the senator implies that there are a number. He also refers to ‘statutory declarations’—plural—‘from former rentboys’—plural. We have seen only one. The statutory decla-
ration relied on by Senator Heffernan and eventually sent to the New South Wales Police comes from a discredited witness in the Marsden case.

In describing Channel 7's evidence in the Marsden case, Justice Levine said that it was inherently and incurably flawed. He described one of its key witnesses, Edward Victor Stals, as ‘a witness in whom I simply can have no confidence at all’. He said that Tony Homes’s evidence was ‘flippant, irresponsible and totally unreliable’. He said that witness W2 was ‘the most sinister and duplicitous witness called in the trial’. He said that Steven Elomari ‘was and is a liar ... totally without honesty and reliability’. He said that witness D20 was a confessed ‘poofter basher’ and a person of ‘astonishing criminal antecedents ... a liar and a fabricator’.

All of these statements made by Justice Levine were quoted in the *Age* on 28 June 2001—again, something Senator Heffernan could have very easily checked.

Senator Heffernan refers to ‘drivers’—plural—who have put ‘their jobs at risk’, yet the forged job sheet covers the work of only one anonymous driver. Senator Heffernan stated that Justice Kirby ‘regularly trawled for rough trade at the Darlinghurst Wall, and, according to police statements and interviews, regularly played out his fantasies’. We have seen none of those statements or interviews. Senator Heffernan has presented no further evidence, none whatsoever. The New South Wales Police have confirmed that these accusations have been investigated in the past and dismissed. New South Wales Police Minister Michael Costa said:

I am advised these investigations did not warrant the laying of charges in connection with any matters recently raised by the Senator.

The New South Wales Police department did disclose the fact that in 1997 secret cameras recorded a car alleged to be the judge’s at the wall in Darlinghurst. It was later revealed that the judge was in Canberra that night. The New South Wales Child Protection Agency investigated claims against Justice Kirby by Franca Arena and Senator Heffernan in 1997 and found nothing. If Senator Heffernan had checked his accusations with the New South Wales Police he would have found these allegations to have been investigated and dismissed. The Wood Royal Commission also investigated allegations against the judge and dismissed them. These allegations were made by Senator Heffernan and Kate Wentworth, who identified herself in the *Sydney Morning Herald* recently. Senator Heffernan thinks his haphazard ‘investigation’,
as he calls it, motivated by goodness knows what, is more effective than the full resources and professional conduct of both the New South Wales Police Service and the Wood Royal Commission.

The New South Wales Bar Association has refused to let Kate Wentworth practice because it was her habit to make ‘grave allegations’ against people without proper foundation. In the *Sydney Morning Herald* it is reported that the Supreme Court in 1992 ruled that Kate Wentworth was not a person ‘suitable for admission as a barrister’, nor was she of good fame and character, and it was likely that she would continue making defamatory allegations. There was also doubt that the court could have confidence in the truth of what she said. Both of these things have been quite widely canvassed in various newspapers. The *Canberra Times* on 15 March stated:

Ms Wentworth told the paper she had been putting together information for 16 years which now constituted part of the information Liberal Senator Heffernan was drawing on.

If I were Senator Heffernan, I would be looking a bit further afield for my information.

On Friday last week John Marsden accused Senator Heffernan of contacting a witness in relation to his case. He also said that Heffernan had given a car to one of Marsden’s accusers. Senator Heffernan has certainly not denied this and it was reported in the *Australian* on 14 March that Senator Heffernan had told journalists and members of parliament that he helped buy a car for one of the witnesses in the Marsden case. This same person was subsequently employed by the member for Gilmore, who is in the chamber now, at her property managed by her in the federal electorate of Gilmore. While it is very important for victims support
groups which support victims of child sexual abuse through the trauma of court cases to continue to do the important and valuable work that they do, it seems possible that in this case Senator Heffernan’s eagerness to pursue people he had already decided were paedophiles may have meant that he was too prepared to help accusers, to the extent of providing financial or other incentives for evidence that fitted his scenarios. This is certainly no way to get untainted evidence.

His assumption is that Justice Kirby is guilty even after being proved innocent—not once but several times. Coming on top of the ‘children overboard’ photographs, which we now know were deliberately misrepresented by the Minister for Defence, the Australian public must be asking themselves whether they can believe anything this government show them. Next time the government are in trouble they will release blurry photos of crop circles or stories of aliens abducting people from lonely highways for painful probing—anything to get the bad news off the front page. The Prime Minister, knowing Senator Heffernan’s obsession, should have kept him on a shorter leash. If the Prime Minister had any reason at all to believe that Senator Heffernan’s claims about a High Court judge had any basis in fact, he should have immediately ordered further police investigation based on the new evidence the senator claimed to have. These accusations were extremely serious and yet, as far as we know, the Prime Minister did nothing.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Before I leave the chair, I urge the member for Sydney to read standing order 81 which requires members to speak to the bill before the House. I ask you to refer your remarks back to the appropriation bill.

Ms PLIBERSEK—Mr Deputy Speaker, I will be referring to money spent by both the federal government and state governments, incidentally, on child protection. I will be getting to that part of my speech shortly, but thank you for your instructions.

The Prime Minister apparently did not even talk to the Attorney-General about these serious allegations. This would have been because the Prime Minister, like Senator Heffernan’s other colleagues and the media, has long known about this obsession and discounted the senator’s ramblings as baseless. In that case the Prime Minister should have forbidden the senator from abusing parliamentary privilege as he did. The Prime Minister said on the John Laws program that he had told Senator Heffernan to use parliamentary privilege only as a last resort, yet Senator Heffernan seems to have used it as his first strike. The Prime Minister is too close to Senator Heffernan not to have anticipated this.

The Minister for Employment and Workplace Relations yesterday called this disgraceful incident a ‘frolic’ of Senator Heffernan’s alone. Yet the Prime Minister compounded Senator Heffernan’s abuse last week by reading into Hansard the senator’s letter to him, which contained further unproved allegations that the police did not act on one complaint because the age of the young man in question was 17 years and six months. We have no-one’s word for this but Senator Heffernan’s, and his word has proved to be completely unreliable.

Further, the Prime Minister has speculated that ‘proved misbehaviour’ only, not criminal behaviour, could be sufficient grounds for the judge’s dismissal. What exactly does the Prime Minister mean by this? Did he mean that if the judge did pick up prostitutes he would be subject to dismissal? I think that this is a very dangerous precedent indeed. On last night’s news the Attorney-General said that the judge’s reputation as a lawyer was not diminished, and the Prime Minister said on Thursday that he has ‘a very good and fine legal reputation’. These half-hearted weasel words do not change the fact that Justice Kirby’s good name has had a cloud put permanently over it. The fact that the Prime Minister and other ministers have back-pedalled as fast as they can does not change the fact that the Prime Minister was completely equivocal in his initial response.

Many journalists have been expecting this sort of outburst for some time. Kate Legge and Richard Yallop in the Weekend Australian on 2 March said that much of Senator Heffernan’s
off-the-record allegations are unprintable. A friend of mine, a journalist, picked up the phone one evening. Senator Heffernan was calling for his flatmate but, on finding that my friend was a journalist, proceeded to name people who are allegedly paedophiles. He provided no evidence, just a string of homophobic defamatory comments. Senator Heffernan seems to continually and deliberately confuse homosexuality with paedophilia. Murray Mottram in the Age on 15 March said:

Senator Heffernan is said to have played a part in having Senator Payne dropped down the Liberal Senate ticket because of her “wet” stance on issues, including gay rights.

My friends in the Liberal Party tell me that his campaigning was extreme and vitriolic. One Liberal member of parliament from New South Wales said to the Weekend Australian, also on 2 March:

Heffernan will deny he’s homophobic but I have been bailed up by him for the spray about gay men being unsound human beings.

A further quote:

He is becoming more manic and more vehement. He tends to blur the line between paedophilia and homosexuality.

Homosexuality between consenting adults is legal in every state in Australia, although of course age of consent varies. Paedophilia is a crime and must be prosecuted to the full extent of the law. This seems to be a difference lost on Senator Heffernan.

Do networks of paedophiles exist? The evidence in cases such as that of Dolly Dunn shows that paedophiles do swap pornography, have discussions about their crimes and even abuse children together. This abhorrent criminal behaviour must be stopped, but it is by no means the major part of sexual abuse of children. Focusing on dark fantasies about judges in gowns slaughtering goats in national parks draws attention away from the real tragedy of child sexual assault in this country. The real tragedy—what Senator Heffernan and his ilk continually ignore—is that the vast majority of child sexual abuse is at the hands of family members, friends and neighbours. Ninety-three per cent of cases in New South Wales involve family members, friends or neighbours, and in 57 per cent of cases a natural parent is the perpetrator of the abuse. Three times as many girls are abused as boys, although you would certainly not know it from the carrying on of Senator Heffernan and his friends. These figures are from Child Protection Australia 1999-2000, a report published by the Australian Institute for Health and Welfare.

It has been so hard over the years to focus attention on this hidden problem. Victims have been ignored and have suffered further trauma when reporting the incident and going to court. When Senator Heffernan puts up claims that are so easily discredited, he does every one of these victims a disservice. He makes it easier to disbelieve people who tell these disturbing truths. That is why when Franca Arena made similar unsubstantiated allegations we kicked her out of the ALP. There is enough evidence of real child sexual abuse in the community not to have to fabricate evidence. The report that I mentioned earlier by the Parliamentary Joint Committee on the National Crime Authority into organised criminal paedophile activity stated:

... most sexual offences against children are committed by their relatives and neighbours who are not paedophiles in the strict sense of the term and do not operate in any organised or networked way.

In chapter 4 of the report the committee states:

... it is essential that any focus by law enforcement agencies on organised paedophilia is not at the expense of resources devoted to the majority of cases of child sexual abuse.

It is also important to remember that sexual abuse is not the only issue facing Australian children. Periodically we hear of children tortured to death, bashed until their little bones break or burnt with cigarette butts. These children deserve to be safe in their homes. If this parliament
spent half the resources it has spent on debating Senator Heffernan’s allegations on coming up with real solutions for these children, we would be doing a much more noble thing.

A couple of months ago I was told that one of the children who was throwing rocks at buses on Elizabeth Street in Waterloo in my electorate received a very special birthday present from his father for his 11th birthday—his first shot of heroin. Why aren’t we focusing our urgent attention as a parliament on this sort of parenting, this sort of neglect, this sort of abuse? The reality of child sexual assault in the Australian community is disturbing. Any right thinking person finds any sort of child abuse or neglect abhorrent and for that reason victims for many years have been ignored or disbelieved and, as the Governor-General showed, often blamed for their own abuse.

Instead of helping victims of child abuse, Senator Heffernan’s blundering, hysterical approach will make it harder for victims. This House must deal with the harsh truth, perhaps a more frightening truth than the fantasy Senator Heffernan has portrayed—many Australian children are not safe in their own homes, schools or church groups. We have a duty to protect these children, to resource the police and state departments of community services, to teach children protective behaviours in schools and to support victims who come forward.

Mr SWAN (Lilley) (10.18 a.m.)—It is important that we highlight these bills today—Appropriation Bill (No. 3) 2001-02, Appropriation Bill (No. 4) 2001-02 and Appropriation (Parliamentary Departments) Bill (No. 2) 2001-02—because the government is seeking to make provision for additional expenditure in a number of areas which go to the heart of recent debates in this parliament. The key contributors to the $3.7 billion appropriated in these bills are defence, immigration and transport, including expenses in relation to Ansett. It is now coming to light that the backbone of the Howard government’s re-election strategy—the Pacific solution—has cost taxpayers hundreds of millions of dollars more than the government was prepared to admit prior to 10 November.

We saw all this unravel in this House last week when the migration bills came into the House and the government was forced to admit that those who had gone to the Pacific solution were, in the future, going to be accommodated on Australian soil—something the government was never prepared to admit during the election campaign. In fact the government asserted that it would not happen and that any amount of money was worth spending to ensure that did not occur. That has cost Australian taxpayers hundreds of millions of dollars—money that could have been spent on needed support for asylum seekers in this country, assisting refugees at source or in transit or on Australian soil, or in important areas such as child protection. It could have been spent in any one of these areas but the government was prepared to waste large amounts of money on a political fix for the purposes of the election.

I think all Australians would be concerned that such large amounts of money have been spent in that way. Like the ‘children overboard’ deception, the Pacific solution was simply another short-term fix to get the government over the line. Of course, what we have seen since the government got over the line is a series of scandals—scandal after scandal—that have exposed the deceptions that the government put in place to get through the election. Those deceptions have proved that the government has been prepared to do anything and say anything for political gain.

Of course, one item that is not included in these bills but which has received plenty of attention in recent times is the $4.8 billion of taxpayers’ money that the Treasurer gambled on foreign currency swaps. I would like to put this into context: $250 from every man, woman and child has been lost through Peter Costello’s gambling. At this stage the government is not asking for an additional appropriation to cover these losses, but it has gradually seeped out over the last fortnight or so just how the government intends to deal with some of these budgetary problems. Indeed, a couple of weeks ago there was a revealing article in the Australian
Financial Review that indicated that the government again intended to target disability support pensioners.

Members of the last parliament well recall that Senator Newman had in her bottom drawer a whole series of proposals for cuts to the social safety net. When we blew the whistle on those cuts, the most pre-eminent of which were cuts to disability support pensions, she put in place the so-called welfare reform process which culminated in the McLure report and the government’s response to the McLure report prior to the election, in which none of these proposals to attack disability support pensioners were included. But there was enough wriggle room left in the government’s response and in the report for the government to act. So, in line with the so-called Pacific solution and in line with ‘children overboard’, in relation to disability support pensioners we are finding the same deception practised: the government saying one thing before the election and then moving to do another thing after the election—but putting in the political fix prior to the election.

The Financial Review indicated that the government were certain to move on disability support pensioners and that they had a whole series of plans in place which would move on the eligibility criteria, which would in turn affect the level of the pension—in this article the government floated that they may move away from the current indexation arrangements, which are linked to 25 per cent of average weekly earnings. This would effectively mean, over time, cuts to the rate of disability support pension as well as cuts to those who might in the future be eligible. It was left up in the air as to whether these proposals would affect current recipients of disability support pension, but I think, if you go on the government’s past form, that is the area they are moving on. Once again, as with the Pacific solution and ‘children overboard’, we are seeing cold-hearted conservatism in action, just as we have seen it in the very ruthless tactics that have been employed in recent days by Senator Heffernan and the Prime Minister in their attack on the High Court justice.

I think anyone who is substantially dependent for their lifestyle on the social safety net in this country ought to be concerned about where the government is going in relation to the expenditure of public money, because moving on disability support pensioners is not the only thing that the government has in mind. I think the government is looking to remove aspects of the GST compensation package that it put in place temporarily prior to the election to get itself through the election, and I think the indexation arrangements, not just for disability support pensioners and age pensioners but also for a whole host of other social security arrangements, could well be in the gun.

The government will be coming and clawing back, as it did with the pension increases prior to the election, the GST compensation that has been rolled into income support. It will be rolled back, now, after the election, as part and parcel of this continued attack on the social security safety net. I think Australians should be concerned about that. I certainly know that, in my electorate, age pensioners and disability support pensioners are extremely concerned.

When this comes from Senator Vanstone, people view it in the context of her attacking the most vulnerable in our community, particularly the long-term unemployed. The government’s shoot-first-ask-questions-later fining or breaching policy, which has been in place, has had a particularly marked effect on many vulnerable people in our community. The impact of that policy has been highlighted substantially by the major charities in this country and, most recently, through their independent review. After publishing their independent review and having the temerity to raise the impact of this policy, the charities were then slapped down by Senator Vanstone.

This whole approach is consistent with what the government has done in family payments: it has attacked the living standards of hundreds of thousands of lower- and middle-income Australian families through its family debt trap. It has designed a family payments system that is out of touch with the needs and lifestyles of Australian families in the 21st century. It is a
system which delivers debts to families that have difficulty in estimating their income a year in advance, which is most Australian families but particularly those Australian families where there is a partner who withdraws from the work force temporarily, usually to have or to care for a child, and returns sometime later. The most vicious aspect of the family debt trap is where a family incurs a debt retrospectively. They were legally entitled to that money when it was paid to them but, because of the way in which the payment system operates, it becomes a debt retrospectively. It is then deducted from their payments over time, making it extremely difficult for those families to get by.

Senator Vanstone’s solution to this is to say, ‘Families should simply overestimate their income, get less support from the government in the interim and then claim back the difference at the end of the year,’ forgetting that the government argued its whole case for family payments on the basis that it would compensate, and more than compensate, families for the GST and that, in the first place, families would be receiving payments on a fortnightly basis. So the family debt trap remains in place, and the government has no intention of changing it. It remains in place for the same reason that the government is going to attack disability support pensioners: it is simply a savings measure. That is why the government is not going to change this system—a system that has delivered debts to 600,000 Australian families in the last financial year. It is not going to change it, because it is a savings measure. These problems impact on families all over the country, including families in the area that I represent. Literally hundreds of families have been through my door, telling me and talking to me about the problems caused by the government’s refusal to change this unfair and unworkable family payments system.

There are many other important local issues, and I would like to spend some time talking about those. In my local area we have had the issue of Golden Circle, which is a very large local employer and a very important Australian cooperative company. During the last 18 months, we have run a strong local campaign to save jobs at the Golden Circle cannery. It is an industry that recently spent more than $70 million upgrading its processing equipment and infrastructure. In the past couple of years, Golden Circle has been the victim of dumped, cheap, imported pineapple from Thailand. This has posed a direct threat not only to workers at the cannery but also to growers in surrounding districts.

Golden Circle launched an antidumping case with the Australian Customs department in 2000, outlining how Thai processors were selling pineapple, including canned pineapple, in Australia for substantially less than it cost to produce in their own country. In conjunction with this case, I launched a campaign in Lilley to save jobs at the Golden Circle cannery, which saw something like 2,500 local people sign a petition supporting Golden Circle’s antidumping case. I know that Golden Circle certainly appreciated the support they received from our local community. Late last year Golden Circle had a win, with the federal government finally accepting recommendations to impose tariffs on three types of pineapple products from Thailand. I recently met with Barry Kelly, Managing Director of Golden Circle, and I am pleased to say that they have new and exciting developments happening at the cannery over the next few months. They include the operation of tours, with the opening of the cannery to the public so that people can go there and see this very important Australian processing industry in operation.

But it is not just that; it is also the fact that Golden Circle are going to become a very important import replacement industry and are dramatically expanding the range of products that they make. Golden Circle are shortly expanding into the baby food market, which is very important because we have essentially had in this country only one processor of baby foods. It is just great to see a cooperative of the size of Golden Circle expanding their range into baby foods. I certainly wish them well with that endeavour. I know our whole local community is behind them.
We have also locally had the Lilley Australia Day Awards, which is our local approach to celebrating the efforts of volunteers in our communities. The awards have been running now for something like eight years, and each year they get bigger and better. This year we had over 500 people celebrating the achievements of 60 individual award winners and five business winners at the Kedron Wavell Services Club. Each of the winners are locals who have given their time volunteering in our community, many having community service well in excess of 20 and 30 years. When you have volunteers receiving awards for 50 or 60 years continuous work with an organisation, you appreciate how people like this make our world go around. Of course, many of these people will say to you that they do not want an award. In fact, if you tell them that they are coming there to get an award they will not come. I say to them on the day, after they have come along not knowing they are getting an award, that the award is not for them and they should receive it not just for themselves but simply in recognition of the work of all those other people who have put in the effort in that organisation. It recognises the organisation rather than the individual.

Also recently we have celebrated the opening of Anne Beasley’s Lookout. Anne Beasley was a prominent environmental activist in our area and came from a family who have been resident in the Nudgee Beach district for very many years. If not for the efforts of Anne Beasley over time, the Boondall wetlands would simply not be in existence as they are today. Anne Beasley’s activism over the last 10 or 15 years forced councils to be mindful of the importance of wetlands. If not for Anne Beasley’s activism, I am sure that most of what is currently the Boondall wetlands would now be canal developments. She led a strong community commitment to the preservation of those wetlands, to the recognition of their importance to the health of Moreton Bay and its fishery. This lookout recognised that contribution because, sadly, around two years ago Anne suffered cancer to the brain and, while she battled it bravely, she succumbed. This lookout was one way to recognise the importance of that local contribution. If you go at dawn to Anne Beasley’s Lookout in the middle of the Boondall wetlands, you will see one of the most magnificent vistas that you could imagine in the Moreton Bay and Brisbane area.

The other issue that has been important locally, as it has been all over the country, is public liability insurance. It is simply sending many of these voluntary organisations that I have been talking about to the wall in the sense that they cannot afford to operate if they cannot afford to have public liability insurance. Recently we had a public meeting at the Anglican Church hall in Banyo. There we had over 30 local clubs, sporting groups and community organisations. I will not go into the litany of horror stories that those organisations told, because many of us in this parliament are now familiar with them. I congratulate the state government on the approach that it is taking. It has been very proactive and has already put forward a draft report with some suggested reforms. But this cannot happen, this issue cannot be solved, without concerted national, state and local effort. I hope that the federal government can show a greater sense of urgency than they have shown so far. It is a matter of extreme regret that the conference that Senator Coonan has been talking about has not taken place before now. The sooner it gets going, the better.

The other issue I would like to talk about is the redevelopment of the Army land at Banyo. This is also very important to our local community. This 38-hectare site, along with the adjacent Queensland Railway Workshops site, presents a unique opportunity for a planned development that meets the needs of our local community. You just do not get parcels of land like this very often in places like Banyo, barely 10 or 12 kilometres from the city, so there is a real historic opportunity for the three tiers of government to work together to plan the use of the land for the community. Part of the land will go to the Golden Circle cannery for its future needs, but there is a very good opportunity here for the rest of the land to be developed in harmony with the local community.
I certainly want to ensure, along with my state and local colleagues, that there is a minimal impact on the residential community of the surrounding area. Golden Circle will need to be accommodated in terms of the additional land that it needs, but I think with a planned development in conjunction with the railway land we can see a substantial portion of residential land, which could include provision for affordable housing, as part of an overall plan for that district. This is particularly the case as many young families are moving into the area. We have the establishment of the Australian Catholic University on the old seminary site. We have many young families moving to the area because of its proximity to the city. This is a very good opportunity for us to provide affordable housing. I certainly intend to work very closely with state and local colleagues to ensure that we establish a community that will accommodate the needs of this expanding community in the years to come.

I would also like to briefly mention the activities of my Lilley price watch team who, as always, are out there very actively keeping an eye on what is going on in our local supermarkets. Sadly, I have to report that in recent times there has been a surge in price increases across a range of very key and basic supermarket items. Recently also we conducted a survey about what shoppers dislike most about their local supermarket, which produced some interesting results. I do not think anyone will be surprised to hear that waiting lines at the checkout annoyed 71 per cent of the respondents. Basic things, which are very important to the elderly, very important to the disabled and very important to parents with young children, came up as well, such as boxes in the aisles making it difficult to negotiate their way through. Narrow aisles came up time and time again. I guess it depends on where you shop, but not everybody has a choice as to where they shop. Not everybody can get around. The results of this survey have gone back to the local supermarkets so that they can take some action. I know from talking to them that it is in their interests to fix these problems.

Coming up we also have our annual ‘welcoming the babies’ ceremony, which is about recognising and supporting the contribution of parents and their nurturing role. It is about saying to them, ‘Thank you for nurturing the next generation of young Australians. We understand you have the most difficult job that there is in the country. It is very important that we as a community put you in touch with the full range of services that you need. It is very important that we identify the services that are not in the community so that we can establish them. Most importantly, we just want to recognise your contribution to our society.’

Mr HATTON (Blaxland) (10.38 a.m.)—Today we are dealing with Appropriation Bill (No. 3) 2001-02, Appropriation Bill (No. 4) 2001-02 and Appropriation Bill (No. 2) 2001-02. My comments will go primarily to measures in Appropriation Bill (No. 3) 2001-02, with some slight reflection on the immigration expenditure of $45 million in Appropriation Bill (No. 2) 2001-02.

The key elements that I wish to speak about today in relation to these appropriations primarily go to the immigration program and the Australian Taxation Office. Both of those in fact have a bearing on what has been happening in my electorate of Blaxland because, over the past few years, we have seen a ripping away of services. In the immigration portfolio, there have been costs saved to the government by it totally closing down the Bankstown Immigration Office. There have been costs imposed on the government because, in taking away the services directed towards my constituents in Blaxland and surrounding electorates, the removal of the Bankstown Immigration Office means a forced march to Parramatta, Hurstville, Rockdale and the city for my constituents. This has actually increased the personal costs of my constituents, as well as increased the drama, the trauma, the grief and the difficulty of attempting to process applications they have to assist their relatives, to simply get a visitor’s visa for relatives to come from overseas or in order to help people that they are sponsoring.

An immigration office has been taken out of an electorate that is an immigration impact zone, an electorate that is part of the city of Sydney, which has about 72 per cent—almost three-quarters—of all people of Arabic background coming from overseas. One-quarter of the
The population of the electorate of Blaxland is now either Vietnamese or Arabic in background, so the nature of the electorate has changed over time. I know from all the immigration work that I have done since 1996—and prior to that going back to the start of 1985—that the people most in need of immigration assistance are the Arabic and Vietnamese communities. In large part that was because they were dealing with the refugee situation in Vietnam and the situation arising out of the war in Lebanon, but there has been an ongoing need for appropriate access to a local facility.

This government in its hard-heartedness and its stupidity has made it enormously difficult for those people to access services, and I think that is by design. When it came to power in 1996, the Adult Migrant English Service located in Bankstown had more than 40 per cent of its funding ripped away in an attempt to entirely privatise it. The government ripped all of that away from those people who were most vulnerable, those people who were in most difficulty and those people who were in most need of English language assistance in order to establish themselves in the community and to become as productive as possible. It has taken the immigration service out of Bankstown.

They finally achieved in Bankstown in November last year the great goal of the Treasurer since he came to office, which was to entirely close down the Bankstown taxation office. The Bankstown taxation office originally had seven employees. That had been increased to 150 and then to 640 employees. When this government came to office, they were determined to close it down—if possible, in 1996. It has taken them until the end of 2001 to do it, but they have done it. But, in trying to clear all 640 out, a few years ago they managed to reduce the number of employees to 200—just the superannuation group. There were direct costs to the Taxation Office associated with paying the full lease but not having the building populated by employees of the Taxation Office: 440 people were redirected to Hurstville into extremely crowded accommodation or to Parramatta. That may have served the government's purposes, to wreak vengeance on the electorate of Blaxland, to wreak vengeance for the fact that the former government dared to take a regional approach to providing services. The Labor government took the cigarette pack that was the Sydney South taxation office in the middle of Sydney, with 5,000 people in it, and dispersed those people right across New South Wales and into Bankstown. They also opened up new facilities in Hurstville and down in Wollongong.

This government on coming to power incurred direct costs to the Australian people because they were paying leases for buildings which were entirely underused. Why? Because the government wanted to move into the electorate of Blaxland.

So we now have a situation where we are minus the 640 Commonwealth employees that were formerly in the Taxation Office—it has now been completely gutted. Millions upon millions of dollars have been poured down the drain in order to achieve what is essentially an ideological purpose: to recentralise most of these functions, to take away services from people. All those people who worked in the GST policing group, who were moved into Bankstown for a couple of years after the Taxation Office found that there was no place that they could put them—that Hurstville and Parramatta and the other offices were stacked to the gills—partly reduced the leasing costs, but there was an enormous amount of dead money. And now there is an enormous amount of dead services for the people in my electorate. Because the department of immigration and the Taxation Office branch have been closed down, there is also not the employment ballast in the city of Bankstown that we had with those people working for the Commonwealth. That has had a direct impact on the economy of the main centre of my electorate.

We note here that, in terms of the Treasury, $122 million in Appropriation Bill (No. 3) 2001-02 is being sought for the Australian Taxation Office. Given the history of what I have just run through in Bankstown, this is highly ironic. They say the reason this is appropriated is:
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system.

So there is $122 million for resourcing the Taxation Office. A good part of that money—more than $5 million, $6 million or $7 million of that money—has gone in dead rent over the years because they would not put people where they were needed, because they wanted to break apart the regionalised approach to services that the Labor government had.

I now want to turn to the question of immigration. In Appropriation Bill (No. 3) 2001-02 we have a sum of some $145 million that has been appropriated to fund the government strategy to deal with unauthorised arrivals. We also have, if we go to Appropriation Bill (No. 4) 2001-02, a further sum of $45 million. What is the purpose of that? It is an additional $45 million equity injection for the Department of Immigration, Multicultural and Indigenous Affairs to provide for ‘detention contingency for unauthorised arrivals in Australia’. So this is detention contingency. Here is a government that, given what they did last year and given the situation now—they are arguing that boats are no longer coming—basically think they have solved their problem as a government. And yet these estimates, which cannot lie, say $45 million is being set aside as a contingency.

Is part of that contingency the creation of a 1,200 person detention centre on Christmas Island? Is part of it a 1,200 person detention centre where there was no negotiation with the local community and no consideration of whether or not they wanted the detention centre? The member for Lingiari indicated that in talks with people on Christmas Island he found what really upset them in terms of the temporary detention centre was not the establishment of a permanent detention centre on Christmas Island—they do not have a significant problem with that; they just want to be part of the process. They do not want the minister rocking up there and saying, ‘All hands up those who agree because we are going to do this,’ without any fundamental negotiation or consideration whatsoever. So part of that money in this contingency, no doubt, is set aside for that.

We also have $120 million in the Attorney-General’s portfolio. A good part of that goes to the Australian Customs Service and the argument is that it is for:

Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics.

We have $120 million in Attorney-General’s and a fair proportion of that—about one sixth or so—is $22 million to the Australian Customs Service for these purposes. So we have got $22 million in that, and we have $45 million in the contingency planning in Appropriation Bill (No. 4) 2001-02—so far we are up to $67 million—plus $147,956,000 in Appropriation Bill (No. 3) 2001-02 under the Department of Immigration, Multicultural and Indigenous affairs for ‘Contributing to Australia’s society and its economic advancement through the lawful and orderly entry and stay of people.’

If you are up to $147 million to start off with—so you are just on $150 million—and you add $67 million to that you are up to $210 million plus. This is a government that said last year, before the election, that the costs in relation to their so-called Pacific solution would not be great. This opposition said that the cost would be in the order initially of $150 million to, more likely, $200 million plus.

We can see in these appropriations, where the government have to front up to the parliament to get the extra money they need to run their scapegoating program, that over $210 million is directed towards their total, utter and complete failure to deal with refugee intake by boat through Indonesia and other places. The shambles of this government’s economic management is opened up in these appropriations. It is a shambles directly related to the manner in which they have deprived people in my electorate of Blaxland of their services by ripping away the department of immigration and the department of taxation. But it is a total, utter and complete shambles when we come to the government’s handling of detention and asylum
seekers and when we come to the panicked way in which they have attempted to deal with it and the way in which they have attempted to cover up the actual cost of it.

The $210 million is a first instalment. We also have a first instalment of the government’s backtracking. Recently, we had a debate on the first major bill that the government brought forward, where the concession is that, basically, they got it wrong. They are not saying that; we have said that, but we know it is true. The Migration Legislation Amendment (Transitional Movement) Bill 2002 supposedly provides for a certain set of exceptional circumstances where those people on Manus Island and Nauru—those asylum seekers from the *Tampa*, the *Aceng* and a couple of the other boats not covered by the excision legislation—can be brought into Australia for medical and other purposes.

It was a very interesting situation when we got to that debate. The Minister for Immigration and Multicultural and Indigenous Affairs, who actually took the time to be present for most of the debate, went out of the chamber when I started my speech but returned towards the end of my speech. I was dealing with section 46B of that bill and the fact that the minister argued that the provisions of privacy and secrecy in regard to the names and identities of those persons who might come into Australia and then apply for a different visa needed to be protected and that that was in line with the normal arrangements within the Migration Act. The minister quite nicely interjected and told me that everything was okay, that there was no problem and that that was fairly normal. He said that, if I looked at the statements, I would see that the identity thing was important.

The minister has a non-compellable power to actually look at those people coming in under this transitory movement, a non-compellable power that allows him to reconsider their situation. I was concerned as to whether this was a mechanism, at a cost to the Australian people, for converting those people from the *Tampa* and the *Aceng* and the other boats into people who had valid visas in Australia. The general thrust was that that was not the case, but it was very interesting. The situation was partly answered by the minister’s interjection, but I went on:

My query in relation to that went to this: the minister assures us that none of those people on Nauru or Manus Island who might come to Australia on a transit visa could be converted into someone who could apply for a void visa and therefore stay in Australia and save the government some embarrassment by their not being so named. I trust that that is the case, based on what the minister said. The answer is telling. The minister interjects:

If someone had serious asylum claims—

Well, watch this space. The Migration Legislation Amendment (Transitional Movement) Bill 2002 provides the minister, in a non-compellable way, to reconsider people coming from Manus Island and Nauru who were asylum seekers on the *Tampa* and to convert them into people who have valid visas by his own determination. Yet, if that is done, supposedly to protect their privacy and the secrecy of their identity, when he lays the information before the parliament we will not know who those people are. Of course, they may get on the 7.30 Report or on 60 Minutes not long afterwards and tell their story and indicate what their circumstances were and the fact that they came into Australia and, thank you very much, they are grateful to the minister, speaking on behalf of the government and on behalf of the Prime Minister, who said that not one of those people would ever set foot in Australia. But we know that some already have, because of medical conditions.

We know the department has actually had to subvert the normal legal ways in which this is done and why this bill has been important, but here we have an interesting indication from the minister. I just wish we had gone into consideration in detail at that stage; I would have been willing to give over the rest of my speech to pursue this point. It is a point we will need to pursue with the minister in part, because he has been very strong in arguing there is no real problem with this. He says ‘If someone had serious asylum claims—’. Well, what are they
doing on Manus Island and on Nauru, where they are putting their cases? Those cases are to be determined offshore. Is it the case that some of those people, the government have determined, have got serious asylum claims but there is no mechanism for them to actually come into Australia? They are trying to push them off elsewhere all over the world. That will be a case of watch this space and of this opposition pursuing the minister and the Prime Minister in regard to every one of those individuals coming in on transitory visas and every non-compellable decision made by the minister in regard to this. I refer to the amendment put forward by the shadow minister. Part of that amendment, in fact, condemned the government ‘for wasting hundreds of millions of dollars of Australian taxpayers money on its so-called Pacific solution and for failing to ever publicly disclose the amount so wasted.’

It is true: the government have failed; they have wasted hundreds of millions of dollars. We have made that argument time after time; the government have pooh-poohed that, but we have made that strongly and effectively. They have failed to ‘ever publicly disclose the amount so wasted’. The amendment goes on to ask the minister specifically to answer these questions and to disclose to Australians the cost of the so-called Pacific solution, how many asylum seekers have been brought to Australia from Manus Island and from Nauru already and how many of the asylum seekers the government plans to bring to Australia under the mechanism of this transitory movement bill. The government have not at any point in time coughed up publicly what those costs are or answered any of those questions.

The minister, in his answer, refused to answer any of those questions, but thankfully we still have a parliamentary process in this country. Thankfully, appropriation bills Nos 3 and 4 are before us today, and we can see in three different sections the sums of $45 million in appropriation afforded the department of immigration, the sum of $22 million under the Attorney-General’s in appropriation No. 3 to the Customs Service and $147 million to the department of immigration. We have a job lot of more than $210 million as the down payment on the so-called Pacific solution. This was never a solution. This was a ragbag, ad hoc approach to covering the government’s backside and to provide them with the means to try to whip the Australian population up. The underlying situation is very simple: 12,600 refugees a year come to Australia under this government—about 65,000 in 5½ years—and it is committed to doing the same. It was a con job on the Australian people but at enormous cost to the Australian people, in the order of $210 million. These appropriations have utterly disclosed what the government has been trying to hide.

Ms MACKLIN (Jagajaga) (10.58 a.m.)—The Appropriation Bill (No. 3) 2001-02 provides an additional $69 million for the education, science and training portfolio, which provides support for post-school education and training and for research and innovation in education and science. It also includes allocations for the Australian Nuclear Science and Technology Organisation and the Australian Research Council. Any additional funding going into this area from this government is, of course, welcome, but I want to touch today on two issues in the education and training area which the government is failing to address properly. First of all, we need a much more honest assessment of what is happening in apprenticeships and traineeships. We have recently had figures released by the National Centre for Vocational Educational Research that indicate that there were around 333,000 apprentices as at 31 December 2001.

This outcome was recently the subject of a media release by the new Minister for Education, Science and Training. If you put the apprenticeship and traineeship numbers together, as the minister did, you will see that it is an increase, as he said, of over 12.5 per cent over the previous year. But we need to look further to get a more honest assessment of what is going on in this sector and break the figures down so that we do not end up drawing the superficial conclusions which the minister has. In my remarks today I will look into the data, which I think will provide a much more realistic picture of what is happening in apprenticeship and traineeship trends than the figures quoted by the minister.
For example, of the increase of 36,700 apprentices and trainees, around 29,500 or 80 per cent of those people are training in the low wage, insecure occupational categories of intermediate and elementary clerical, sales and service workers, intermediate production and transport workers and labourers and related workers, none of which most people would think of as being anything to do with apprenticeships. The weighted average weekly earnings of workers in these categories are about 70 per cent of the average weekly earnings of all workers. Many of these trainees are preparing for occupations that have high levels of part-time work so it is not surprising to see this reflected also in the government’s employment record where we are seeing continuing increases in part-time jobs and a reduction in full-time employment.

There has been a decline in the trades and related workers area of about two per cent in 2001 and this is particularly worrying. It follows a decline in the proportion of apprentices in trades and related occupations from around 88 per cent of all apprentices and trainees in 1995 to only 50 per cent in the year 2000. If these trends result in a reduction in the quality of trade support for other industries, particularly the building industry, we could be headed for serious trouble in the future.

Other aspects of the latest statistical bulletin not quoted by the minister in his media release include the fact that 93 per cent of apprentices and trainees are working towards Australian Qualifications Framework level III or below. AQF levels I and II, just so people know what this means, prepare apprentices and trainees for basic vocational skills, qualifying people for employment as council workers, factory hands, cleaners, attendants, sales assistants and shearers. AQF level III provides the equivalent of a trades certificate and qualifies graduates for employment as a baker, an electrician, a milliner, a motor mechanic, a painter, a decorator or a cook. Only seven per cent of the apprentices or trainees were working towards AQF level IV or above, which would qualify them for employment as an accounts clerk, a builder, a computer operator, an interior decorator or a systems analyst.

As I have described already, the employment outcomes of those who complete their apprenticeships or traineeships are of course heavily influenced by their occupational category. Their AQF level is also very important for their employment prospects, particularly over the longer term. The report from the National Centre for Vocational Education Research that I am quoting from shows that people with skilled vocational qualifications have a much higher probability of employment than others. People holding a basic vocational qualification at AQF levels I and II have a less than 75 per cent chance of having a job in the longer term. I think these are very serious concerns that the government should be confronting rather than trying to gloss over these numbers.

Another serious concern that has not been remarked upon by the government is that it remains the fact that fewer than half of all commencements in the apprenticeship and traineeship area complete their training. Fewer than half the people who start an apprenticeship or a traineeship actually finish. The data show that the number of cancellations and withdrawals for the 12 months ending December 2001 was almost 95,000 people, an increase of over 15 per cent on the previous year. So the situation is bad and getting worse. Unfortunately, when we look at the true story of what is happening in this training area, what we are seeing is significant growth happening only in the low wage and uncertain employment outcomes of apprenticeships and traineeships, and a very significant problem with students withdrawing or cancelling their education. It is hardly the sort of education or training outcome we need if our young people are to be given a chance to get a decent job with a decent wage.

That is the first issue that I wanted to put on the table today. I think it is high time that we had a bit more honesty about the serious nature of the problems confronting people beginning apprenticeships and traineeships, both in terms of the very low levels of training being undertaken by a significant number of students and in terms of a very significant number of those students not completing their education.
The second area that I wanted to mention here today is the government’s attitude—some might even say indifference—to its responsibilities for public schools in this country. This lack of commitment is not only evident in the coalition’s unequal funding programs for government and non-government schools; unfortunately, we have seen the new minister repeat the position expressed by both the Prime Minister and the former Minister for Education, Training and Youth Affairs, Dr Kemp, that the Commonwealth has no responsibility for public schools as this is the domain of the states and territories. According to this view—the coalition view—the Commonwealth has a particular responsibility for non-government schools. The current minister—the new minister—has even run the specious argument that the fact that government schools are called ‘state schools’ in some states demonstrates that the states and territories are entirely responsible for the further funding of public schools.

The minister appears either to have no knowledge or understanding of the history of public schooling in this country or to be putting a lot of effort into ignoring it. Public schools have been the means by which governments, Commonwealth and state, have ensured universal provision of primary and then secondary education for all of our citizens in the public interest. They are schools that are funded and provided by the public sector—Commonwealth and state. The Commonwealth does play an important national role in funding government and non-government schools, and also in providing leadership for the development of national priorities and in fostering research and innovation in schooling.

When the Commonwealth first entered into significant funding of schools, at the time of the Whitlam government in the 1970s, over 70 per cent of the Commonwealth’s total funding was provided to government schools, reflecting enrolment in the two sectors. Successive Commonwealth policies, but particularly the policies and budgets of the Fraser and Howard governments, have led to these proportions reversing. Of the funding allocated through the States Grants (Primary and Secondary Education Assistance) Act 2000, now only 35 per cent of Commonwealth funding is provided for public government schools, which educate over two-thirds of the nation’s children. When the Howard government came to office in 1996 it decided not to increase real per capita grants to public schools but to hold them at the same level for each of the four years from 1997 to 2000 inclusive.

The effect of these policies is clear from the table on Commonwealth funding of government schools, produced by the Department of Education, Science and Training for inclusion in the national report on schooling. The report for the year 2000 shows clearly that the Commonwealth per capita grant—these are the government’s own figures—for government primary schools, in estimated final year 2000 prices, was $450 per student in both 1993 and 2000—that is, they are the same, in constant prices. For government secondary schools, it was $660 both in 1993 and in 2000. These amounts of course take no account of the effect of the government’s infamous enrolment benchmark adjustment, which in 2001 alone resulted in a cut of over $31 million nationally from Commonwealth funding of our government schools.

The states grants act 2000 continues this policy for Commonwealth funding of public schools. Once again, it is very clear in schedule 2 of that act that the act provides per capita grants of $450 for primary students and $664 for secondary students—the same, in constant prices, as we had in 1993. According to the government’s own departmental table, and leaving aside the cuts resulting from the enrolment benchmark adjustment, Commonwealth per capita grants have been legislated for at the same amount in real terms for over eight years. Yet despite the truth exposed by this table, this new minister insists on repeating the propaganda and misleading information perpetrated by his predecessor. The minister for education’s most recent statement came in the House on Monday, 11 March. He said:

In fact, since coming to office in 1996, the Howard government has increased funding to government schools by 46 per cent in a period when enrolments in government schools increased by 1.4 per cent.

He goes on:
The interesting thing here is that state governments, which are responsible primarily for state government schools, increased their funding to their schools last year by 2.7 per cent, on average; whereas, the Commonwealth increased its funding by 5.6 per cent.

I think we need to bear in mind the actual figures that I have quoted today from the minister’s own department. The minister claims that Commonwealth funding for government schools is increasing at a faster rate than state funding, but the only adjustments to the constant per capita rates provided in successive legislation have been through the automatic application of the average government school recurrent cost, otherwise known in the trade as AGSRC figures. The AGSRC is, by definition, the measure of expenditure by state and territory governments on each student in a public primary or secondary school—that is, the only increases in Commonwealth per capita amounts are driven automatically by state and territory expenditure on teacher numbers and salaries and other recurrent costs.

Although there can be variation in any particular year due to the application of lagged data, the table makes it clear that there has been no increase over the longer term in Commonwealth per capita general recurrent funding of government schools that does not result from state and territory increases. The tables in the legislation and the tables in the national report on schooling tell the real story, or at least the story before the cuts resulting from the enrolment benchmark adjustment. They certainly show that the claims from both Minister Kemp and Minister Nelson are not correct. We need to get the truth out about what the Commonwealth contribution is to our public schools. More fundamentally, I say to the government that it is high time that they asserted a strong and constructive role for the Commonwealth in supporting public schools of the highest quality.

It is certainly the case that Labor are very clear about our commitment to public schools at the Commonwealth level, as well as to supporting primary and secondary education in non-government schools on an equitable and responsible basis. We urge the government to accept its responsibilities as a Commonwealth government to public schooling in this country, and to express this through programs for our government schools.

Ms KING (Ballarat) (11.15 a.m.)—I am pleased to contribute to the debate on Appropriation Bill (No. 3) 2001-02, Appropriation Bill (No. 4) 2001-02 and Appropriation Bill (No. 2) 2001-02. The appropriations being sought by the government confirm its standing as the highest taxing and highest spending government since Federation. The government’s only real policy boast is the introduction of a regressive goods and services tax that has hurt ordinary Australian families. The GST, now a permanent millstone around the neck of consumers, is the centrepiece of the government’s economic record. In six years, the government has ramped up Commonwealth revenues as a percentage of GDP to earn the mantle of the highest taxing government in our history. Despite the government’s attempt at deception, the Auditor-General has quite properly said that ordinary accounting standards mean the GST must be considered as a Commonwealth tax. The attempt to smudge the boundaries of budget honesty is disgraceful enough. Of greater concern is that this pattern of behaviour is repeated right across the activities of government.

I draw particular attention to the Treasurer’s bungling of the government’s foreign currency swaps program. The Treasurer’s ineptitude has exposed Australian taxpayers to losses of $4.8 billion—losses that will need to be funded from budgets in coming years. As the Treasurer has so shrilly stated, the currency swaps program was initiated by the Hawke Labor government. The difference between the programs managed by Labor and the coalition is that Labor ran it at a profit. You do not need to be an economist to know that a program of foreign currency borrowing requires careful scrutiny. It needs a Treasurer with the capacity to manage his or her portfolio. All we have got from the Treasurer on this issue is the glib defence that Labor started the program. He is right; but the Treasurer forgets that we all know he has been in office for the past six years.
What we do not yet know is the extent of his involvement in the mismanagement of the program between 1997 and 2002. In 1997 the basis of the program, the benefit that could be derived from the gap in US and Australian interest rates, disappeared. If the Treasurer was informed of the program’s growing losses and failed to act, he was incompetent. If he isolated himself from the management of this program and allowed losses to accumulate with no real action to stem the flow, he was incompetent. The people of my electorate deserve from this government an explanation of how the program got out of control. It is not just the editorial team from the *Australian Financial Review* that cares about this issue. Schools, hospitals, child-care centres and aged care facilities in Ballarat are entitled to ask why the government was prepared to blow $4.8 billion on a foreign currency gamble but will not invest in services and infrastructure essential to my electorate’s future. My constituents are entitled to ask why their elderly relatives are forced to wait two years for dentures while the Treasurer gambles public money on foreign exchange markets.

I now want to turn to some other examples of economic mismanagement. The first is the government’s squandering of the budget surplus. We have seen the projected budget surplus for the current financial year slashed from $14.6 billion in 1998-99 to $0.5 billion last October. That is $14 billion lost from the projected surplus in just one term in office. It is an extraordinary example of poor economic management, made even more so by the failure of the government to invest in this nation’s long-term future. One of the hallmarks of this government is a political gaze that does not extend much beyond the next opinion poll. That is the concise explanation for the disappearing surplus, and a shocking indictment on the coalition’s capacity to govern responsibly.

A glaring example of economic irresponsibility is the so-called Pacific solution. In its attempt to win an election, the government did what no government since Menzies has done: play the race card. In my electorate, like most others, the Liberal Party ran their disgusting campaign with the slogan, ‘We will decide who comes to this country and in what circumstances.’ What the Liberals did not tell us is what their campaign would cost this nation. The Pacific solution has resulted in millions of dollars being spent in a futile attempt to abrogate Australia’s international responsibilities. The full dollar cost is yet to be revealed. Also yet to be revealed is the damage the government’s campaign has done to the fabric of this nation and the extent to which our international reputation has been tarnished.

The ‘children overboard’ scandal—a scandal in which the Prime Minister and the Minister for Immigration and Multicultural and Indigenous Affairs are deeply implicated—has been one of the most tawdry episodes in our political history. Not only were the asylum seekers on the boat in question horribly defamed, but the episode encouraged racists to exercise their prejudice and join the government in attacking vulnerable people who lacked the opportunity to defend themselves. Never again do I want to hear our radio airwaves filled with the outpourings of bile and hatred towards fellow humans. That this hatred was so unconscionably promoted by the government during the election campaign almost beggars belief. Concomitant with this campaign was a desperate politicisation of the bureaucracy and some elements of the Defence Force leadership.

Regrettably, but not surprisingly, there is a link between the ‘children overboard’ scandal and the government’s ill-fated attack on his honour Justice Kirby. One of the members of the Senate inquiry into the ‘children overboard’ scandal—but obviously not now—was Bill Heffernan. In recent days we have all been witness to the shameful attack on Justice Kirby, perpetrated by Senator Heffernan under the protection of privilege. Senator Heffernan is a man who continues to retain the Prime Minister’s friendship and affection, but he is not worthy of his place in this parliament. This episode is a further example of the contempt that this government has so regularly displayed for our key national institutions. It is not the first time the coalition has launched an attack on individual justices of the High Court, nor the first time this Attorney-General has failed to uphold his duty to protect the court from attempted politi-
Senator Heffernan’s attack on the independence of the judiciary was permitted by the Prime Minister, despite the terrible cost of undermining the court and the reputation of one of Australia’s finest jurists.

For a government that styles itself on responsible economic management and considers itself some sort of defender of the nation’s institutions, it is a terrible failure. My constituents need a government that takes economic management seriously and governs for all Australians, a government that does not waste a surplus on short-term election promises but invests in services and infrastructure vital to our future, a government that sees no advantage in dividing the community but rather seeks to bring Australians together, and a government that understands that we are part of the community of nations and have a responsibility to treat fellow human beings with compassion. Finally, we need a government that extends its gaze beyond the Sydney CBD and recognises that regional Australia is the unrealised powerhouse of the Australian economy.

Ms HOARE (Charlton) (11.22 a.m.)—I rise today to speak on the Appropriation Bill (No. 3) 2001-02, the Appropriation Bill (No. 4) 2001-02 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2001-02. I think it is appropriate, and I am pleased, that the government has brought on these bills, because it gives Labor a chance to expose the government’s deceit and lack of a third-term agenda and to look at the whole area of public accountability that we have seen shrouded in recent days and over recent months. The shadow Treasurer, the member for Fraser, has moved an amendment to the appropriation bills, which reads:

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 underfunding of research and innovation; and
10. failure to address the significant investment needs in the areas of education and the provision of social services”.

I will not address all of those points today but I will address some of them. First is the pre-election spending spree that we witnessed throughout 2001 in the lead-up to the November 2001 election. This was not a first for this government. We saw that prior to the 1998 federal election the Prime Minister, John Howard, spent $15 million in three weeks on taxpayer funded advertising to sell his GST plan to the electorate. And we saw the results that that wreaked. In relation to the GST advertising spree in 1998, the Auditor-General criticised the timing of the campaign in a report that he issued in October 1998. In that report the Auditor-General said:

In contrast to some other jurisdictions, there are no Commonwealth guidelines or protocols on information and advertising campaigns which would inform members of the Parliament and the Government on
the framework to be applied, covering matters such as … [the] conduct of campaigns in the lead up to an election.

He went on to say:

Perhaps, more importantly, the issue of guidelines or protocols in such situations has not been the subject of detailed Government or Parliamentary debate or inquiry… There would seem to be benefit in the Government and/or Parliament pursuing such a course, particularly as history shows it is not uncommon for Government advertising to increase in the period immediately preceding an election.

We need to keep that in context. That was a criticism by the Commonwealth Auditor-General in relation to the $15 million that the coalition spent prior to the 1998 election to try and sell the GST. In 1995 the Prime Minister made what must have been a non-core promise to:

... run all of our advertisements past the Auditor-General and they'll need to satisfy those guidelines.

As I said, that was obviously a non-core promise. In relation to advertising in 2001, prior to the 2001 election the government ran at least three major campaigns in advertising. They ran a new and sustained burst of Natural Heritage Trust advertising, a work for the dole advertising campaign and a $6.9 million ‘Connecting the Nation’ campaign which in particular targeted regional marginal seats. Senator Faulkner, who was the shadow minister for public administration at the time, said in a media statement on 3 October:

The Connecting the Nation advertisements are the most politically targeted ads the Howard Government has produced because they are tailored to specific marginal seats in the regions, and are shown in regional areas only.

Senator Faulkner went on to give some examples in the statement he made on 3 October last year:

• In the seat of Wide Bay in central Queensland, these taxpayer-funded ads target projects in Harvey Bay, Gin Gin, Biloela and Monto.
• In southern NSW, the ad targets Yass in the seat of Hume, and Cooma and Dalgety, in the seat of Eden-Monaro.

And, in another marginal seat held by the government:

• In Kalgoorlie the ad particularly made a big play of a woman at the Yellowdine roadhouse, between Coolgardie and South Cross (ie about 150 km west of Kalgoorlie) who can ring her friend in Menzies (130 km north of Kalgoorlie) for the cost of a local call.

Senator Faulkner at that time ended by saying:

John Howard is using taxpayers money to get electoral advantage just days before an election is called …

As I said, that has been the campaign history of the Howard coalition government. Also during the 2001 calendar year we saw the government go on a huge spending spree, trying to win back votes it may have lost because of the botched implementation of the GST. From the government, we saw backflips with the business activity statement and the program of deceit, denial and the GST backflips. The deceit on the business activity statement occurred in question time on 19 February 1999, when the Treasurer, Peter Costello, said:

... we can dramatically reduce the compliance burden on business as a result of their taxation obligations.

Then on 6 February last year we had denial from the Treasurer, when he said:

You can’t move to a system of annual payments and you can’t move to any other than quarterly reporting if you have no prior claims guidance to go on.

Then the backflip occurred on 22 February last year, when the PM acknowledged some mistakes had been made in relation to the form for the annual business activity statement reports for small business, and the form was then changed. With the petrol backflips, we all remember the Prime Minister’s address to the nation prior to the 1998 election when he said:

The GST will not increase the price of petrol for the ordinary motorist.
Then he denied having said that by saying:

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

Then, on 1 March in the election year of 2001, we saw the Prime Minister announcing the decision to cut fuel excise. The other occurrence that hit Labor’s supporters particularly was the deceit, the denial and the backflip on beer. Again, in 1998, in relation to the GST, the Prime Minister said:

There’ll be no more than a 1.9% rise in ordinary beer.

Then he denied that by saying:

The idea that you should pull out the draught beer and make sure it gets a special treatment, as against wine, or as against a milkshake, just can’t be done.

However, on 3 April again in the election year of 2001, the Prime Minister announced that the draught beer excise was to fall. As I have said: deceit, denials and backflips in relation to the pre-election spending spree by this government. Other pre-election spending sprees have occurred as well, including the occasion when the then Minister for Industry, Science and Resources, in May last year, reinstated $80 million in budget funding for research and development, which had been clawed away already from that particular area of government funding. We also saw the extension of the $14,000 first home owners grant beyond the 31 December deadline, which had already been put in place.

We also remember the promise that every pensioner in the country would receive a bonus of $1,000. Then the truth became obvious. Many constituents in my electorate received a dollar or less. Sometimes they received less than it would have cost for the postage stamp to send the advice to them. The final point in Labor’s second reading amendment says that we condemn the government for its:

failure to address the significant investment needs in the areas of education and the provision of social services.

Mr Deputy Speaker Hawker, you will be aware that I was removed from the House of Representatives chamber last week over the issue of public education. The Minister for Education, Science and Training at the table was talking about the government’s legislation regarding government funding for schools. He mentioned that he had been in the western suburbs of Sydney talking to a family who obviously did not have a lot of money. I interjected at that stage to point out to the minister that the family that he was talking about probably would not have been sending their children to a category 1 school, which is where the total inequality of the government’s education funding policy is emphasised. It is indicative of the government’s priorities in this area. The government is happy to provide millions of dollars to category 1 schools, which have—and we have seen lists previously—shooting galleries, football fields and swimming pools.

The minister for education had the hide to say that these particular poorer families would be missing out under Labor’s education policy, which is not correct at all. Labor’s education policy provides equity and an opportunity for all Australian families to have a choice. If all those Australian families decided to send their children to public schools then they would be able to do so in the full knowledge that those public schools would be well and adequately funded.

This is a government which has no third-term agenda. There have been no policies released regarding the position of social services or government expenditure in the areas where the most disadvantaged people in our society expect government to provide some kinds of services. We saw nothing of that in the lead-up to the federal election in 2001. What we saw in the lead-up to the federal election 2001 was a web of deceit which was woven around issues
which exploited the fear and insecurity of Australians. Since then we have seen that web of deceit untangled.

The government has the responsibility to provide services. We are looking forward to the May budget in which we would like to see— we would not expect it from the government— some of those areas of social responsibility further enhanced. We would also like to see some accountability brought in whereby, hopefully, the government might take up some of Labor’s suggestions, particularly regarding the fact that former ministers are now financially benefiting by exploiting the positions that they formerly held.

We have a responsibility to ensure that these people, who have left the parliament on very high salaries, do not immediately go into consultative arrangements, which their previous position has enabled them to do; there has to be a cooling-off period. The Leader of the Opposition has suggested that there be a 12-month cooling-off period. We all support that, and we call on the Prime Minister and the government to adopt that position. As I said, I support the amendment that was moved by the shadow Treasurer, and I look forward to seeing in the May budget more expenditure in the area of social services.

Mr Griffin (Bruce) (11.40 a.m.)—Today I would like to raise a number of issues regarding finance in this country, particularly consumer credit and therefore debt levels. I will start with an article from the Sydney Morning Herald by Matt Wade, their consumer writer, headlined ‘Click clack, must have that: buying spree pushes plastic debt to $20bn’:

Shoppers hit the plastic as never before in December, spending an unprecedented $8.2 billion on credit cards in the month and pushing total card debt above $20 billion for the first time.

In a record-breaking month for card issuers, the average spending limit surged above $6000 and the total number of cards on issue reached a new peak, just under 9.7 million.

Card holders made 77.7 million transactions in December, outstripping the previous monthly high, registered in December 2000, by more than 10 million. There is now an average debt of $2073, up $230 or 12 per cent in a year, figures released by the Reserve Bank revealed yesterday.

Shoppers increased the nation’s total credit card bill by $730 million in December to $20.1 billion. Card use traditionally surges in December because of Christmas purchases and the annual clearance sales, but the latest end-of-year debt splurge set a new standard. “These figures are staggering,” said Lisa Montgomery, a spokeswoman for the consumer information service Bankchoice.com.au.

The major banks, which run the electronic card payments system, reported record transaction volumes in the week before Christmas—processing more than 2000 purchases a minute at peak. The rise in the average card limit to $6062 is up $845 in a year and suggested bank strategies to encourage consumers to increase limits have paid off.

Ms Montgomery said some banks have recently invested heavily in special software programs to help them collect and analyse information on their card holders. This allows issuers to carefully monitor those near limit balances and offer more credit. “It’s so tempting to the average Australian to sign up to a higher credit limit because they think it will get them out of trouble,” Ms Montgomery said.

The amount of credit being made available to card holders rose to $58.7 billion in December, up about $10 billion in a year and almost double the amount on offer three years ago. Consumer groups warned that card users are being put at risk by the increased limits.

Ms Montgomery said many customers had multiple cards and it was likely the number of defaulters would grow as limits carried on rising. “Personal debt is getting out of control in this country and the situation has worsened considerably in the past 12 to 24 months,” she said.

The issue of increased consumer credit and credit card debt has interesting implications for our society. There is no doubt that these days credit cards, and the available credit thereof, do give consumers and punters a greatly increased level of flexibility with how and when they purchase. When I was a younger man, we got a personal loan or purchased white goods or other goods from major department stores, particularly through hire purchase agreements. They were the principal options available.
Now, in circumstances where credit card limits can be as high as $10,000 or $20,000 for individuals, there is a greater capacity for credit to be built. That in itself is not inherently a bad thing. The question really is how people manage that capacity not only to spend but also to potentially go into debt. There are lots of stories around anecdotally and some statistics pointing to the fact that as that debt increases there are more people who are having problems managing that credit and debt. It is certainly something that people have to be very careful about.

Certainly from the Labor Party point of view we have raised concerns about this. We do not wish to say consumers should not have access to credit cards and credit in those circumstances—obviously they should—but it should be in a situation where their rights are maintained and their responsibilities to try and manage that debt are understood clearly. There are a number of things which we talked about at the last election which should be looked at in this area. For example, this area is principally regulated by the uniform credit code. The uniform credit code is a template law adopted by each state and territory regarding a code contained in the Consumer Credit (Queensland) Act. It has been operational in all states and territories except Tasmania since 1996 and Tasmania adopted the code in 1997. It regulates things like personal loans, credit cards, overdrafts, housing loans, mortgages, hire of goods, continuing credit accounts and guarantees. We certainly believed at that time that those matters ought to be looked at and I have made some statements recently about some adjustments that should be made.

As I mentioned, it is a state and territory based law, but obviously the Commonwealth has a role in influencing and taking a lead on matters such as this, which I believe have a national focus. So there are a number of things that we believe ought to be looked at with respect to that particular code. An example is the capacity of card issuers, banks and so on—and I am sure many members have received these in the mail—to send a letter saying: ‘If you would like to increase the limit on your card by X-thousand dollars then feel free to do so. We have approved that. Just sign the form and go from there.’ I know when I have received those sorts of offers in the mail my initial reaction is always to sign up just in case I might need it down the track. I guess I also take the view when I receive a letter from a financial institution suggesting that more credit is on offer that they obviously think from my pattern of usage that I could manage such an increased capacity and therefore it is something that is probably within my bounds to handle. I am sure that is what many people feel in the circumstances. Sometimes particular special offers come in the mail saying, ‘Would you like to do this with your card or get this card and in that way increase your credit capacity?’ We think aspects of the operation of banks and card providers of that nature ought to be more strictly regulated. Voluntarily offering people increases in limits ought to be looked at very seriously because we think it increases available credit in a way which will lead more people to go into debt that they cannot handle.

We also think there needs to be more transparency with the system. We need to have a situation where people have a clearer understanding about the nature of what it is to manage their credit card debt. For example, there needs to be more information provided to credit card users about what it will take to manage their debt. As members would know, when you get a statement from one of your credit card providers with the outstanding balance on there it tells you the minimum payment you need to make. We think information like how many payments at the minimum payment it will take to completely pay off a currently held debt would be a useful thing to have on the statement so that people would have a bit of an idea that it is not only a matter of $50 now and probably $50 next month, it is actually $50 for a lot of months, and therefore they would understand the actual implications of the debt that they are seeking to manage. We think that through changes like that we can actually try and assist, to a greater extent than currently occurs, those who will get into trouble with their credit cards and get to a situation where we do not have that spiralling occurring.
I have some points to make overall about the level of debt we are talking about in these circumstances. I am not blaming this government in particular on this issue; it is a growing problem over time. What I can say is that, since this government took office, credit card debt has increased by just under 200 per cent, the debt per credit card account is up over 115 per cent and debt is up nearly 45 per cent since January 2000. So we have seen a real spiral occurring in this area, and that has implications. What you can show is that, as the level of credit available has increased, both by number of accounts and the actual level of allowable debt to be accrued per account, we have also seen levels of indebtedness grow by very similar percentages; so it is actually growing in that fashion.

That is an issue that I think many people need to be aware of. You often see stories in the paper about young people gaining access to credit cards and very quickly being unable to handle that responsibility and getting themselves into real problems. From talking to consumer groups about these issues, you will find they feel this is something that, to an extent, is getting out of control. You would not want to remove the capacity for people to gain credit, because it is an important part of the way they operate their lives. But the circumstances of managing that credit in a way that does not have a severe impact on their lifestyles over time is something that needs to be looked at very carefully. It is certainly something that I think this government should look at as to the future of managing the nature and operations of the financial system in this country.

Mr GIBBONS (Bendigo) (11.51 a.m.)—I would like to talk about some of the issues that will affect my electorate over the next three years, with particular focus on how the forthcoming budget might assist that. One of the major issues in the previous election campaign—and it has been an issue in Bendigo for some years—is the completion of the Calder Highway, which is the major carriageway from Melbourne to Bendigo. We have a dual carriageway from Melbourne out to Ballarat—we have had that for some years, as you would know, Mr Deputy Speaker—and we have a dual carriageway from Melbourne to Geelong. We are well on the way to having a dual carriageway to Shepparton from Melbourne, but we do not have a dual carriageway to Bendigo.

Bendigo is one of the major regional centres in Victoria—the equal second biggest in the region. The dual carriageway will shortly stop at Kyneton. It is an issue that I have raised in this parliament on many occasions. It was a major issue in the election campaign. The highway is vital for the economic future of central Victoria and the convenience of central Victorian people. I have continued to push this issue since first being elected to parliament, and I will continue to do so until I get the commitments from the federal government that my electorate demands. The principal commitment I demand is that the federal government will back the Bracks government’s commitment to fund and complete the Calder Highway by 2006. I applaud the Bracks government for its care for country Victoria and in embarking on its election policy commitment to complete this highway by 2006. Unfortunately, there is no similar pledge of funding by the federal government to pay half the costs required to meet that completion date of 2006.

I raised this question last year in the parliament, and the transport minister made it quite clear that he does not accept 2006 as a completion date, nor does he have any other completion date in mind. Canberra was being dragged by the neck last year into paying up its share, some $25 million, to fund the new roadworks taking place at the Carlsruhe section. It did that only after a major publicity campaign against it from me, other Labor MPs, the state government and the regional community, and only after it held up the project for another 12 months. It has no commitment to fund any section of the Calder after the completion of the Carlsruhe section.

What is worse is that we have seen the state Liberals in Victoria gang up with Canberra against the Calder and central Victoria. Last year, the state Liberal transport spokesperson stated publicly that the federal government was under no responsibility to fund improvements
to the Calder Highway. The Calder Highway was a key issue in the federal election campaign in Bendigo. It helped the Liberals lose that election in the electorate. The Treasurer came to Bendigo, refused to give any cash commitment or mention a dollar commitment at all, and refused to nominate a finishing date for the project. Like the defence minister at the time when he was in Bendigo, they both hung the Liberals out to dry. The local newspaper reported that Mr Costello had given Bendigo the ‘Calder shoulder’, as indeed he had.

The Liberals have been crying foul in Bendigo ever since. Privately they are all cursing the Treasurer; publicly they are claiming that they were robbed of the seat because the media would not tell the public the alleged truth about the coalition and the Calder. But the media told the public the truth. The truth is that the Howard government is as contemptuous towards the Calder Highway as it is towards ADI in Bendigo.

If Mr Costello had wanted to write a corrective letter or send a news release to the Bendigo media after his disastrous visit, he could have done so. He did not. Central Victorians are acutely aware of the favouritism and opportunism the Howard government has shown in regard to the Scoresby Freeway while it turns its back on the Calder Highway. The Howard government will not commit itself to pay the $200 million needed to match the Bracks government’s commitment to complete the project by 2006. Yet just before and during the federal election, the same government rushed out a commitment of $450 million to finish the Scoresby Freeway by the year 2008. The Prime Minister said in the media on 10 October that the Commonwealth government was absolutely and unconditionally committed to finishing this $990 million road by June 2008. He even used four adjectives to assure Scoresby motorists that this was ‘an ironclad, unconditional, straightforward, black-and-white commitment’. There has been no such commitment in Bendigo, and there has not been one for some three years.

The Prime Minister laid it on thick for Melbourne. He was desperate to hold and win seats in Melbourne. The cast-iron guarantees he gave to the Scoresby Freeway are just rusty ruins for the Calder. The promises the Prime Minister gave in 1996 to pay half the completion costs of the Calder—to be completed by 2006—have all crumbled into a bucket of grimy fillings.

By contrast, the federal opposition committed itself to spend $200 million on finishing the Calder and to do so within the Bracks government’s time line of 2006. I want to make it clear that Simon Crean gave that commitment, which was beyond the forward estimates process at the time but certainly within the 2006 completion date set out by the Bracks government. This pledge was spelled out in no uncertain terms by the then shadow Treasurer, now Labor leader, Simon Crean.

The government have been dishonest over the Calder. They are addicted to being devious. They would like us to think that, because they declared the Calder a road of national importance in 1996, that means they will fund it on a fifty-fifty basis. This is false. They have now admitted that they will not necessarily pay up 50 per cent of the cost of the Calder. I refer to the Royal Automobile Club of Victoria’s magazine, Royal Auto, of November last year. It published an official statement by the Howard government, as follows:

The government commitment to each RONI project is negotiated on a case-by-case basis with appropriate state and territory governments. While many projects are funded on a fifty-fifty basis, this is not a requirement of RONI funding.

It adds:

Our commitment of $120 million towards Geelong Road was agreed with the Victorian government on the basis of fifty-fifty funding. To date, on the Calder Highway we have provided some $100 million on an equal basis with the Victorian government.

In other words, while there is a firm commitment to the Geelong road and there is now a firm commitment to the Scoresby, and while they have allocated a definite sum of money for the Geelong road and accepted a fifty-fifty basis for funding it all the way, all they could say is
that, in the past, they have spent a certain figure—$100 million—on the Calder. There is no extra money so far and there is no commitment for the future or even a guarantee of fifty-fifty funding for the future.

Bendigo remains stuck in the second-class category of being as it was when Mr Howard declared the Calder a RONI: the only major provincial centre in Victoria to lack a modern, duplicated highway to Melbourne. Bendigo region is also a second-class citizen category because the motorists from my region are the only regional motorists in the state who have to pay an entry toll to the CityLink to get into Melbourne. You do not pay tolls if you drive from Geelong to Melbourne, from Ballarat to Melbourne or from Shepparton to Melbourne. If you drive from Bendigo to Melbourne on the Calder Highway, you get slugged with a CityLink toll and you cop the GST on top of that. This is another wretched legacy of the Liberal and National parties inflicted on central Victorians by the Prime Minister’s privatisation mate—and I use the term ‘mate’ quite loosely—Jeff Kennett. Being the only regional motorists to pay CityLink entry tolls into Melbourne, of course they are the only regional motorists to pay GST on those tolls, as I have just said. No wonder central Victorians feel aggrieved when they pay out four lots of taxes to drive into Melbourne on an unfinished road.

The Bendigo region has been bleeding public sector job losses since the Howard government came to office in 1996. We have been losing from the privatisation of Telstra, and there are another 550 jobs in the region at risk from the government’s determination to hammer the last nail into the coffin of major enterprises still majority owned by the Australian people. Labor in the Bendigo electorate entered the 2001 election with the odds stacked against it because of the government’s manipulation of the asylum seekers and the refugee issue—an issue created by the Prime Minister himself, and an issue which has his fingerprints all over it. Labor not only held the seat of Bendigo but actually increased its vote. This is one of the few times in the history of the Bendigo district that Labor has held both the state assembly seats based in Bendigo, and the federal seat. It is a remarkable achievement.

I believe it was because ultimately people saw beyond the manipulation and the frenzy whipped up by the Prime Minister. They saw the price they were paying for the hardline dry economics of the federal coalition. They saw that ultimately the government had little to offer them but more privatisation; more job losses; more winding down of education, health, community and aged care services and facilities; and more neglect for the region which people live in and love so dearly. The voters saw that Labor had practical, well-planned policies that offered a way ahead and hope for the future. We assured them that we would save Telstra from privatisation, we stood up for ADI, we pledged ourselves to complete the Calder Highway and we offered relief from the GST. We put forward a $500 million regional development program to put Canberra to work for the region, and offered a quality education program for all, not just the elite. These were the issues that the last election campaign was fought on.

I want to now turn to the ADI issue in Bendigo. I am actually quite pleased to be able to report to the House that tomorrow at 11 a.m. we have a meeting with the defence minister, Senator Hill. There will be a delegation from Bendigo consisting of the newly elected Mayor of Bendigo, Councillor Willi Carney; the CEO of the City of Greater Bendigo, Mr Andrew Paul; together with a couple of representatives from the Union Shop Committee. We will be trying to get a commitment from Senator Hill to honour the original contract to complete the Bushmaster Project at ADI in Bendigo. That is a contract worth around $280 million that the company won some years ago to build 270 armed personnel carriers. The Howard government has stalled the contract for the past three years. We have seen 95 job losses at ADI in Bendigo two weeks ago because of the stalling of that contract. I have a fear that, if the contract does not go ahead at ADI in Bendigo, we may well see that plant close completely with the result of another couple of hundred jobs lost.

Bendigo does not need to lose any more jobs. On the front page of the Bendigo Advertiser today, we have news that Stafford Ellinson, the textile factory, plans to close next Friday with
the loss of around 70 jobs. We saw last week in Bendigo that NDC, one of the subsidiaries of Telstra, have decided to wind up their operations with a loss of 27 jobs. Jobs are being bled from Bendigo for a whole range of reasons, not the least of which has been privatisation.

I do a bit of work with the Centre for Sustainable Regional Communities in Bendigo. I am indebted to Mr Ian Pinge, one of the senior research fellows at La Trobe University, who has undertaken a study to ascertain the impact of the job losses at ADI, in particular the last 95 that have just been made redundant. That translates into quite startling figures. The 95 jobs lost translate to almost $6 million in lost wages into Bendigo directly—that is including the 95 jobs plus a spin-off from the other industries which are affected. This has a domino effect which translates into some $30 million of lost output for the whole region. So you can see just how important this plant is for Bendigo. It is very important for Bendigo’s economic future. It is vital for the families who are still employed there that the defence minister and the Prime Minister get on with the job of honouring their commitment and their contract to Bendigo people to see that ADI get to start producing this vehicle as soon as possible. I am confident that we can impress on Senator Hill tomorrow at the meeting how important it is for Bendigo, and I am sure we will get the result that we need so desperately.

Ms GILLARD (Lalor) (12.04 p.m.)—It is a pleasure to be speaking today to Appropriation Bill (No. 3) 2001-02, Appropriation Bill (No. 4) 2001-02 and Appropriation (Parliamentary Departments) Bill (No. 2) 2001-02. I intend to focus some of my comments on the additional appropriation for the Department of Immigration and Multicultural and Indigenous Affairs, an appropriation we believe has been sought to assist the department in meeting the additional costs that are being exposed as a result of the government’s so-called Pacific solution.

We know a fair bit about the government’s so-called Pacific solution, but we do not know one very important thing, and the one very important thing we do not know is what the total bill is going to be over time. I note that in the run-up to the additional appropriations that we are dealing with now, there was some press speculation about what could be the total costs of the so-called Pacific solution, and one would have to say that the figures being bandied around in the media are truly concerning. In the Financial Review on 31 January this year there was an article headed ‘Budget wish lists face tough time’, which stated:

... Mr Costello rejected as “wildly inaccurate” a report that the Defence and Immigration departments were seeking a total of more than $1.8 billion in additional funding.

Then Treasurer Costello made the sort of statement that treasurers always make:

“I can assure the taxpayers of this, that if Canberra departments are positioning for more money, they will be properly funded to do their duty, but we will be running a very tough line over their expenditures, and make sure that they account for all of the money that they wish to expend ...

That sounds like a very standard statement made by a treasurer, but one is left to wonder what it actually means in this area of expenditure, in the area of the so-called Pacific solution, which has clearly imposed a need on the department of immigration to seek additional money and has also appeared to impose a need on the Department of Defence to seek additional money.

We still do not know, as I have said, what the complete ambit of the additional money sought is, but the press speculation has led us to believe that the figure is at least in the order of $1.285 billion over five years—that is, we understand that the costs of the so-called Pacific solution would be in the order of $285 million for this financial year and that the further budget for it would be in the order of $200 million each year for the next five years, giving a total of the best part of $1.3 billion.

Obviously, that report puts a slightly different and lower figure than the report I just referred to in the Australian Financial Review, which had a total of $1.8 billion. Whether the total is $1.3 billion or $1.8 billion, clearly what stands out here is that remarkably large amounts of government money are being spent through additional aid packages to PNG and
Nauru to secure their diplomatic consent to hosting the facilities there for detaining asylum seekers and that considerable amounts of money are being spent in actually managing those facilities, constructing the facilities, making food, clothing and medical services available, with all of the additional costs that are necessarily incurred by trying to do that in remote locations. Clearly, additional costs are being incurred through the maintenance of the so-called naval blockade.

If the government is spending these amounts of money—$1.3 billion or $1.8 billion; huge amounts of money—on a policy program, in this case the so-called Pacific solution, really the onus lies on the government to detail fully to the taxpayers of Australia exactly what has been spent and exactly what will be spent. That is in no way an unusual request. The ordinary stock in trade of this place, particularly in the budget session, is that individual items, individual programs that a government seeks to implement, appear and are costed, and we can then have a debate on the merits of whether or not the policy is a good policy as a matter of principle and then a second debate as to whether the policy is a cost-effective policy. We have not been able to have that debate in any real way in relation to the so-called Pacific solution because there has never been a disclosure of the price tag.

My challenge to the government is simply this: if they believe that the so-called Pacific solution is an effective solution to the issues that Australia faces in dealing with refugees and asylum seekers, then why not disclose the price tag? If the government think that it is value for money, that it is an effective policy, then why not disclose the price tag and why not let us all have a real public debate as to whether or not this program is worth the amount of money that Australian taxpayers have invested in it? When we know the real figure, perhaps we will then be in a situation to say to Australian taxpayers that the amount of money being spent on this program equals so many new school places, so many new university places, so many new hospital beds or so many new aged care beds. Australian taxpayers, with that kind of information before them, can make a real decision about whether they would prefer to have the so-called Pacific solution or some of those social policy measures around health, around education, around infrastructure or what have you. Until we get to that level of disclosure, we simply are not in a position to deal with the so-called Pacific solution in any real way.

Of course we know from legislation that has been dealt with in the House that the government is struggling to bandaid over the wounds in the so-called Pacific solution. We in the opposition believe that the so-called Pacific solution is in fact in its death throes and that, whatever the government initially envisaged for the so-called Pacific solution, our assessment that it was always unsustainable and was always going to fall over is the right assessment. We are witnessing the so-called Pacific solution in its death throes, starting to fall over.

Even if that is right—and the Labor opposition maintain that it is right and that this House and the Senate would not be dealing with the legislation that they are dealing with this week unless the Pacific solution was in its death throes—even if it means that the government is not budgeting for the so-called Pacific solution in the out years anymore, even if it recognises that it will be brought to an end during the next financial year, for example, the government still has an obligation to disclose to Australian taxpayers what has been spent so far and what will be spent on it in the next financial year. We are saying to the government: if you are maintaining the case that this is a lasting solution, disclose all elements of expenditure—the past, the present and into the next two, three or four years, however long you have planned for this solution to last. If you concede, as you now really should, that the so-called Pacific solution is in its death throes, then disclose to us what has been spent to date and what is likely to be spent prior to this solution being brought to an end. An appropriations debate like this is a very good vehicle for the government to make that kind of disclosure. If it does not, then obviously the Senate select committee which is dealing with the 'children overboard' fiasco, with the lies that asylum seekers threw children overboard, will ultimately also deal with forensically examining the costs and impacts of the so-called Pacific solution. So the choice for
the government is clear: it can make a voluntary declaration about the costs, or we can drag it out of the government as it kicks and screams. If we go down the latter path, the government had better explain to Australian taxpayers why it thinks that Australian taxpayers have absolutely no right to know how their tax dollars are being expended.

I will move now from talking about the so-called Pacific solution, where money seems to be no object—if you want to come along and spend $1.3 billion or $1.8 billion or if you want to come into this chamber and seek additional appropriation, money is no object; the cheque book is 100 per cent open, anything you like—

Mr Pyne—That was your attitude when you were in government.

Ms GILLARD—The very silly interjection is that that was our attitude when we were in government. We did not operate the so-called Pacific solution and we are still waiting. If this is such a fiscally responsible government then it will have no problems in disclosing what the so-called Pacific solution is costing.

Mr Pyne—you have no credibility.

Ms GILLARD—A government that maintained through an election campaign the lie that asylum seekers threw children overboard should not be making claims about credibility. I would not be doing that if I were you, not as a member of the Howard government this week, with the ‘children overboard’ affair and the lies that asylum seekers threw children overboard, and with the Bill Heffernan affair. The last thing I would be saying this week as a member of the coalition government is that I was a member of a government with credibility. If you ever give up your day job, you will shortly get employment as a comedian—that claim is just so laughable. If it were not for the tragic circumstances around what has been done to Michael Kirby in this place it would almost be funny, but the circumstances are too tragic for it to be funny.

A government with no credibility, a government that lied during the election campaign, a government that is refusing to disclose the truth now in relation to the so-called Pacific solution and a government that has the chequebook open for the so-called Pacific solution where billions of dollars can just be expended at will anytime, anywhere is the same government that in relation to an issue in my electorate cannot find an outlay of $69,000. It is all right to spend $1.3 billion for the so-called Pacific solution, but in relation to my electorate it cannot find an outlay of $69,000. This outlay is sought to support the continued funding of a pilot program which this government introduced, so this government must have thought it was a meritorious program—that is why it was the subject of a pilot.

The program is called the Men and Family Relationships pilot program. I would like to explain very briefly what this program is about. It is run by an agency called Lifeworks in Werribee, which is one of the suburbs in my electorate. As I have had cause to explain to this House before, the city of Wyndham end of my electorate, which is the end of the electorate that is furthest from the metropolitan central business district, is a designated urban growth corridor—that is, it is anticipated that the population in the city of Wyndham within my electorate will double over the next 20 years. That means that the community is very young. It is predominantly young couples who are buying their first homes and are in the process of planning for their families or actually having and bringing up their families. We see young couples who are preparing to have children or young couples with children in the local primary schools or in the local high schools.

Obviously with that kind of community population, it is a community that struggles with the consequences of family breakdown. As we all know, tragically for many people who marry and seek to bring up children or who enter long-term de facto relationships and seek to bring up children, the stresses and strains of doing so take their toll and the relationships do not survive over the longer term. Then there are all sorts of issues about separation, parenting, child support, dealing with second and subsequent families and the like. All of these are just
ordinary human circumstances which impinge on the lives of many in our community and certainly many in our electorate.

What the Men and Family Relationships pilot program has been doing very successfully is offering courses for men who need assistance with parenting, dealing with separation or dealing with anger. It has been trying to assist men who are finding that, in dealing with their children, their relationships with their spouses or their relationships with their former spouses, or in taking sole custody of their children after a relationship breakdown, they are feeling some stresses and strains and would like a bit of assistance on the issues. This program offers courses to help men deal with those circumstances. They are very widely patronised courses, are very well received by the men who attend and are obviously meeting a critical need for the men involved.

The Lifeworks program—the Men and Family Relationships pilot program about which I am speaking—also facilitates individual counselling for men who are in particularly difficult circumstances with family issues and think that the assistance of a counsellor would help them through those critical moments. Obviously, that counselling might assist them in maintaining their relationships when they are under stress or strain, or it might assist them when dealing with the breakdown of their relationship in a better way than they would have had they not had access to counselling.

As I have indicated, this is a pilot program which has been subject to an interim evaluation report. That report has said that the Werribee pilot project—and there are a number of pilots—has been a success. Apparently, in excess of 15,000 clients—of course predominantly men because of the nature of the program—have accessed the pilot program and been supported. Obviously this initiative is, if you like, a companion initiative to the initiative that the government took in relation to the creation of Men’s Line. Men’s Line is a dial-up telephone support service. There is not much point having a dial-up telephone support service if there is no localised service to refer those seeking assistance. A telephone call might be of some assistance, but really a telephone call is only going to be a great deal of assistance if it is the first access point that refers you to another service—counselling, a course, some sort of support service—that could help you through your difficulties.

The local pilot program in Werribee in my electorate has been a success and has cost the very modest amount of $69,000 this financial year. Obviously for individuals $69,000 is a lot of money, but from the point of view of the Commonwealth government, particularly a government that is willing to expend billions of dollars on the so-called Pacific solution, $69,000 is not a lot of money. In view of the fact that the pilot program has been a success, that it is meeting a real need in a young and growing community and that this result has been achieved for a very modest outlay, we have asked the Minister for Family and Community Services whether she would see fit to extend funding to the program for a further period.

I wrote a letter to the minister on 27 February. Unfortunately, I am yet to receive a response. In those circumstances I urge the minister to really focus on this issue which is dealing with a particular problem that my community faces—and it is not alone in Australia—and which has been very successful in meeting those needs. If the minister could see her way clear to answering my correspondence and most importantly see her way clear to continue the funding of these programs—and eventually expanding these programs Australia-wide because they are meeting a need—then that ought to be done and ought to be done expeditiously.

Mr Quick (Franklin) (12.23 p.m.)—Speaking on the appropriation bills gives me an opportunity to speak on some issues that are of concern not only to me but to many in my electorate. After six years of this government I am afraid there is a drayload of issues that I could raise, but I have only 20 minutes so I will pick two or three that are of importance to me and of more importance to constituents in my electorate. They include veterans’ affairs, public liability and aged care.
I want to speak on a veteran related issue for a couple of reasons: firstly, as I have personally experienced just how stupid the Department of Veterans’ Affairs and the system can be and how totally inflexible it can be when it wants to show who has the whip hand over the interpretation of the Veterans’ Entitlements Act; secondly, as I read with interest the remarks of the new Minister for Veterans’ Affairs, Danna Vale, in the February-March edition of *Stand To*, where she stated:

There are still outstanding concerns in sections of the veterans’ community about eligibility criteria for repatriation benefits.

It amazes me but does not really surprise me that, when we have situations such as the actions in East Timor and Afghanistan, entitlements and benefits are spoken of freely and there is a real rush by politicians of all persuasions to reassure those going overseas and their families that they will be looked after in the event of something happening. Unfortunately, we saw the tragedy of the young SAS soldier who was killed in the recent fight against the Taliban.

When it comes to those who have served in the various branches of the services decades ago—often in circumstances beyond their control—many of them, now in their eighties, still fail to qualify for a particular medal or veteran increment because the Veterans’ Entitlements Act excludes them on a technicality. Anyone who has even the faintest idea of what veterans of any war went through in terms of suffering would be untiring in their endeavours to ensure that these warriors are given their entitlements. To have someone working in DVA not even half their age quote parts of the act to exclude them is shameful and a blight on our Australian society. Ministers from both parties are always the first to be present overseas at the many battle sites when there are celebrations at hand, ready to lay wreaths and comfort the few survivors and their spouses. What about those who fought and are in pursuit of campaign honours, yet are denied them because the act’s strict criteria fail to cover the exception?

There are two situations that I would like to bring to the attention of the House; two situations that can and must be remedied by this minister and her government if they are fair dinkum about looking after all veterans and not just 99 per cent of them. This minister is an honourable person. She is a very close friend of mine. I know she is determined to follow in the wonderful footsteps of her predecessors; however, her predecessors failed a very small portion of the veteran community, and I want her to rectify these anomalies.

The first can be rectified by issuing the same ex gratia payment to the POWs of the Germans as they did to the POWs of the Japanese. Anyone who has spoken to the former group will quickly appreciate that there was little distinction between one group and the other. Last year, the former minister, Bruce Scott, unashamedly went over to Crete and did all the right things to commemorate the 60th anniversary, and yet had the hide to say to those poor bastards, most of them in their early eighties, who were captured and imprisoned by the German captors that their imprisonment, deprivation and long separation from their loved ones back home in Australia was not horrendous enough to warrant the same ex gratia payment. You have got to be joking! Minister, please go and talk to these guys and their spouses, and then make the appropriate payment.

The second group are those Australian service men and women who were unfortunately in the wrong place at the wrong time. As Australian citizens, they found themselves out of the country at the outbreak of the Second World War and proudly enlisted in other armed forces, principally the British services. They are still seeking to have this parliament change the regulation in a small way to enable them to be awarded the Australian Service Medal. One such person is a constituent of mine—Mr Donald Buchanan of Loatta Road, Lindisfarne. What advice comes down to this minister and all previous ministers, one asks? The government believes that to extend the qualifications for the award of the ASM 1939-1945 to include those Australians who served in other armed forces is contrary to the intent of the award,
which is to recognise those personnel who served under Australian colours. What a load of BS!

When one looks at the theatres of war in the Indochina area, these forces were solely tasked with defeating the Japanese. In Mr Buchanan’s case, he was part of a British special forces team sent behind Japanese lines in Burma. One would assume that they were in some small way assisting the Allied forces, which included the Australians operating in the same theatre of war. A fifth generation Australian, Mr Buchanan is someone who found himself being educated in the United Kingdom, who was about to enter Duntroon upon the completion of his overseas study, who then put his life on the line countless times harassing the Japanese behind enemy lines and who is an Australian DVA gold card holder. Why in the name of creation can’t anyone in the minister’s office and the veterans’ affairs department see the sense in changing the stupid guidelines to accommodate people like Mr Buchanan?

As I said before—and it is worth repeating—on 25 April all members and senators will unashamedly be there at the dawn service and the march to honour those brave men and women. I wonder how we can look some of them in the eye and honestly say to them, ‘I am sorry; as a federal member or minister I don’t have the authority to assist you.’

Moving to another area of concern that relates to my electorate and my state of Tasmania, the domestic building industry has experienced a roller-coaster ride since the introduction of the GST was first announced. Like everywhere else in Australia there was an initial rush to complete homes prior to 1 July 2000 so that the impost of the GST could be avoided. As we all now know, 1 July 2000 saw the domestic building industry slump to unparalleled lows principally because the GST compensation—the first home owners grant—was inadequate. Potential home owners stayed in rental accommodation or modified original dwellings. Some respite was experienced with the additional $7,000 grant for the building of new homes, but that of course is now being phased out. The domestic building industry looks as though it is in for another tough year.

An immediate consequence of a slow domestic building industry is the retention of a tight private rental market. I do not know what it is like in other states, but it is almost impossible to obtain private rental accommodation in Hobart at the moment and the prospects of improvement are really bleak. A tight rental market places even greater pressure on the public housing system, which is also suffering from a lack of stock and very long waiting lists. Low income people are living in cramped accommodation or, in some cases, as I have discovered recently, in cars close to my electorate office. These people have no prospects of being housed for months and, with winter approaching in Tasmania, this is an untenable proposition in Australia in the 21st century. The pressure at the bottom end of the market is only being seen by the people who care—welfare agencies such as Anglicare and the Smith Family. There does not appear to be any extra money for public housing. There is now no extra incentive for people to build more houses. In fact, the opposite is the case.

Builders have of course been subject to the public liability insurance premium increases that are now visiting community and volunteer groups. This brings me to my next area of concern. If I may digress to make the observation that these problems have occurred after the sale of the government owned insurance companies. ‘Governments should not be in the business of insurance; it should be left to the private sector.’ Supposedly, they do it best. The problems in the insurance industry come direct from the private sector insurers. HIH undercut premiums solely to gain cashflow for the company. FAI wrote reinsurance contracts that were basically loans in an effort to conceal losses. The HIH-FAI collapse on its own affected the viability of the Australian public liability insurance business. It is no longer a secret that in simple terms there is more money being paid out in claims than is coming in from premiums. With the collapse of HIH-FAI there are few companies willing to write public liability and those that will write it have increased premiums by gross amounts.
I would like to quote one example of the impact of this increase in premiums. The Tasmanian Royal Volunteer Coastal Patrol had to let its cover lapse—unbelievably—when premiums increased from $7,000 to $20,000. This vital coastal patrol can now only respond to an emergency if it has permission from the police and it is then covered by the police public liability insurance. This Tuesday’s Mercury said:

The patrol’s senior officer, Bob Moore, said: “The police are also running a skint budget and the marine police have to justify the resources they already have.”

“...”

“Our motto is safety of life at sea and I fear that from Tasmania’s perspective we could compromise the safety of life at sea by us not being on 24-hour-a-day standby or being able to respond to emergencies as soon as we see them,” he said.

Mr Moore said the group had investigated whether its own members could foot the insurance bill after an appeal to the State Government for help did not even generate a response.

That appals me, seeing as it is a state Labor government—but as governments of all persuasions at the state level probably say: ‘This is too big for us. We need some involvement in the federal sphere.’ I just wish everybody would get their act together. This volunteer coastal patrol was formed in the 1980s and has quite a few bases around Tasmania. The Dodges Ferry unit alone has rescued 395 people in the nine years since it was formed. It is now having to wait for police to give it permission in the hope that it can go out and rescue someone. What a farcical situation.

I have already mentioned in this place the demise of the Dover Seafest and the problems faced by a disability recreation group based in Bellerive in my electorate of Franklin. As I said, these are the tip of the iceberg. The Daily Telegraph on Friday, 8 March called it the ‘Death of Fun’. Under the subheading ‘As politicians plan another talkfest, community spirit is dying before our eyes’ it listed 50 community events that have been cancelled, are under threat or have been modified. The Sunday Age last weekend published a similar list for Victoria. Obviously this is a national problem and a very severe problem that strikes at the heart of every community. How can we get together and have a street party if the insurers insist it is held inside?

We do not need to sue each other’s socks off each time we are subject to an accident. American litigation influences on our system mean people are looking to find any tenuous link to make someone else responsible for their problems. That is not to say that negligence never occurs or that the duty of care does not exist. These tenets do exist in law but they do not need to be stretched to the limit to find someone else to pay the bill. Just because we have a lawyer who can weave the web of fine linkages and a community seduced by the ease with which we can blame someone else, this is not the way. There are proposals to fix the problem, from cutting payouts to exempting groups or events from liability. One thing is certain: we must maintain the right of individuals to sue when they have a valid case and not allow their rights to be compromised. We should not have to legislate to define community spirit, but we should not allow the spectre of insurance to snuff out our vital community spirit.

Finally, I would like to raise the issues of aged care and seniors. As someone who has reached the marvellous age of 60 I am seen by society as someone who is now an Australian senior. Whilst not able to access any of the seniors’ entitlements, nevertheless I am considered to belong to this wonderful category. I often contemplate this fact and, to place it in some perspective, I think back to when my late father was the age I am now and I try to remember what he was doing and the contribution he made not only to his family but to society at large.

As all members would know, we have an ageing population in Australia. Tasmania, where my seat is situated, has a far larger proportion of aged persons than any other state in this great nation. Governments of all persuasions are now finally realising that by 2020, which is not all that far away, the needs of a far larger aged cohort will provide governments of all per-
suasions with real challenges—in housing options, public transport, hostel and nursing home accommodation, and work force options. Australia for far too long has undervalued the contributions made by its older citizens and, far from seeing them as dependants in decline, we should readily realise they still have the capacity and the desire to contribute to the development of Australian society in the 21st century.

Last week we had two prominent Australians—the former federal opposition leader and now Positive Ageing Foundation Chairman, John Hewson, and former long-time Labor MHR Barry Jones—in Hobart for a forum. That forum raised the issue of the ageing population in Australia. These two prominent people agreed that older people were a growing demographic which should not be wasted—which is obvious, as I mentioned. Dr Hewson is quoted as saying:

At the moment volunteer programs are more about keeping them busy than accomplishing meaningful work ...

But older people are interested in more than just keeping busy. They want a purpose.

Dr Hewson described older Australians as platinum—powerful and valuable—and living longer. He said:

- We need to provide more opportunities for older people to make contributions ...
- We are at a new stage of life where they are not going to be on the sidelines.

We tend to treat older people as if they are disadvantaged but we will be disadvantaged as a nation if we don’t utilise them as a resource ...

- It’s time to retire the word ‘retired’. It’s about being ‘un-retired’.

Barry Jones, in his own inimitable way, said older and retired people were often just associated with ‘d’ words—dependant, decrepit, decline, disability and death. He said that, while some older people did fit into these categories, a growing number were forming a new group identity. Dr Jones said a decrease in birth and death rates meant a new demographic of older people was on the rise. As I said before, one in six Tasmanians—that is, 75,000—are more than 60 years old.

I urge governments of all persuasions to look seriously at this issue. As I said at the start of my speech, there are dozens and dozens—a drayload—of issues confronting this great nation. It does worry me that in this place of cut and thrust we tend to sensationalise. Our media are unbelievably guilty of trivialising so many of the issues. One only has to look back to the Melbourne Sun Herald the other week when, I think, the first 12 pages were about Wayne Carey and his misdemeanours when other, really important issues—some of which I mentioned today—were relegated to pages 10, 11 and 12 in the daily newspapers. I would like to hope, knowing many of the people in this place are honourable people, people on both sides of this House do start confronting many of these issues—the veterans who are missing out because of technicalities, public liability and the challenges that are facing our older Australians.

Mr Rudd (Griffith) (12.42 p.m.)—The foreign policy of a country embraces three fundamental objectives. One is to enhance the nation’s security; the second is to enhance the nation’s economic wellbeing; and the third is to improve the international order of which we are part. If we look at the history of Australian foreign policy over the last quarter century, a lot of that history has been in fact of a bipartisan nature. The period from 1975 to 1995 saw both sides of politics in this country line up, not just in terms of the core objectives which this nation had in its foreign policy but also in the execution of those objectives through the policies of the day.

I find it regrettable that this bipartisanship has in the last five years begun to dissipate to the point that it has become almost shredded. This is a sad development because a country of our
size requires our modest resources to be harnessed towards the objectives of the nation. We do not have the resources to fritter away in idle debate and partisan rancour when our future as a nation is in a region and in a world which owes us no living, in a region and in a world which owes us no security and in a region and in a world in which the order which characterised them is not naturally self-sustaining. We as a nation must unite our resources in a common purpose of securing our long-term future.

We look for the reasons that the fabric of bipartisanship underpinning Australian foreign policy has come apart. I think the core reason is this: the government, on many occasions now, when it has identified domestic partisan advantage, has gone for that advantage irrespective of the damage which that causes the nation’s long-term international interests. The temptation has been placed before the Prime Minister of this nation a number of times in recent years and, when push has come to shove, the historical record demonstrates that he has chosen to take the partisan advantage route rather than the long-term national interest route.

There are examples that stand out over the last decade or so which show where the Prime Minister comes from. If we look back to 1988 some of us in this chamber remember the Prime Minister’s infamous remarks about the need to reduce Asian immigration. These are remarks which, in polite society today, are often not raised. They are seen as part of an earlier excess on the part of the Prime Minister as he sought to cater to a particular constituency in this country. A long time after that he felt some need to issue a partial apology to the Australian people for having made those remarks.

The Prime Minister’s problem then, as Leader of the Opposition, is very much his problem now. He failed then, as he fails now, to appreciate that a message delivered domestically, within this country, resonates abroad. You cannot quarantine your message. You cannot say that this message is for the Australian domestic body politic and assume that the message will not be translated abroad through the world’s media, let alone read abroad. Those statements by the Prime Minister in 1988, when he was Leader of the Opposition, resonated throughout the region and caused in the region certain conclusions to be drawn about where John Howard was coming from.

The second incident was the Prime Minister’s response to Hansonism when Hansonism first emerged as a political force in this country—most particularly at the time when Mrs Hanson was a member of the lower house. What we remember most from that period of 1996-97 is the Prime Minister’s Voltairean defence of Mrs Hanson: his defence of her right to free speech, his defence of her right to be heard, his defence of her right to express a view—while he did not necessarily concur in all her views—to paraphrase his remarks at the time.

The problem with all that was that, in that initial critical period, he left uncontested the principal proposition she was advancing. He was eloquent in his silence. That strategy and those tactics were the same strategy and tactics we saw alive in 1988 when he made his remarks on the need to reduce Asian immigration to Australia. What we saw in his early response to Hansonism was the same approach to politics—the same view which said, ‘There is a short-term partisan domestic advantage to be had here. I, John Howard, intend to pitch my message to this constituency in Australian politics. I intend to pitch my message to these darker forces which are alive in our body politic, and damn the foreign policy consequences.’

The foreign policy consequences were of course damned. What happened as a result of Hansonism being left uncontested in that period of 1996-97 was that a message went out to the region—the region in which our security and future economic wellbeing lies, the region in which we have a stake in a viable security and economic order—that this Prime Minister provided tacit support for the forces of nascent racism in this country. We know that subsequently the Prime Minister sought to correct that when things got out of control but during that period of time the flood of diplomatic cable traffic from around the world and around the region back...
to Canberra about the shredding of the nation’s international standing was of such a volume that he had no alternative but to act—so act he did, but too late.

The third illustration of this principle at work in Prime Minister Howard’s approach to foreign policy was his handling of the *Tampa* last year. The simple interdiction of a large red boat on the horizon was too difficult to resist, in terms of the media politics, for a government which was on the ropes on most aspects of domestic policy, as demonstrated through successive opinion polls. Enter the big, bright red boat on the horizon; the *Tampa*, a God-sent media opportunity, as his pollster Mark Textor would have told him—reinforced by that other Northern Territorian of subtle mind and bend, Shane Stone. The consequence was that the *Tampa* was seen in the same light as Hansonism and in the same light as the Prime Minister’s earlier remarks on the need to reduce Asian immigration—that is, whatever the foreign policy consequences, here again was an opportunity presenting itself to appeal to the darker forces alive in the Australian body politic, and he did so.

The consequential trashing of this nation’s standing, not just in Asia—as had occurred with the two previous incidents to which I have referred—but more broadly across the world, was huge. The trashing of Australia’s international standing and reputation in the media and political and public opinion of Western Europe has been significant; the same has occurred in North America. Any analysis of the volume and content of media commentary on this country in the period following *Tampa*, in Western Europe and North America, cannot do other than lead to the conclusion that it has caused a fundamental shift in world opinion towards this country; and that shift has been negative.

What we see in all these three examples is a Prime Minister whose pathology, when it comes to foreign policy, is one which sees simple, local, partisan, domestic political advantage as being to the forefront in the nation’s long-term enduring national interests; as something to be ‘cashed in’ on the side. That is the Prime Minister’s response to all this.

My even deeper criticism goes to the foreign minister during this period. Of course the foreign minister was not the foreign minister back in 1988, but he was when Hansonism erupted and he certainly was when *Tampa* erupted. What we had from the foreign minister during the period when the Prime Minister was issuing his Voltairean defence of Pauline Hanson was a sustained silence. Until of course the political circumstances had changed and the Prime Minister himself began to tack again to port when he discovered that, even within this country, the reaction against Hansonism was becoming too acute; similarly, with Mr Downer’s response to the Prime Minister’s handling of *Tampa*.

I have heard nothing of a critical nature from foreign minister Downer on the Prime Minister’s handling of *Tampa*. He alone, as foreign minister, should be acutely conscious, through his reading of the diplomatic cable traffic each day, of what is happening to our standing around the world. He would have known in the period post August and September last year what was happening in terms of the reaction to Australia’s handling of *Tampa*, not just within the UN community, Western Europe or North America, but much more broadly across informed political opinion in the world. Yet what we had from foreign minister Downer, once again, was a most eloquent silence. Whatever the foreign minister may have been doing internally is for him to answer ultimately, I would suggest, in his memoirs. But what we know externally is that no corrective was administered to the Prime Minister by the foreign minister as this damage was being done.

Foreign ministers, like treasurers, have a particular responsibility in this country. The responsibility of treasurers is to husband the nation’s financial capital. It is to ensure that the public finances of a country are in order irrespective of the calls on those public finances by domestic-spending ministers. Their job is a long-term national interest job: to sustain the public financial wellbeing of the Commonwealth. Foreign ministers I see in a similar light. For-
Foreign ministers have a unique responsibility to interpret to their domestic policy colleagues the international policy consequences of their actions, predispositions or political impulses.

Through this period, from August last year right through until the present, as this nation’s standing has incrementally—slowly but inexorably—gone down the gurgler, we have heard nothing from foreign minister Downer by way of a corrective. In fact, all I have heard from foreign minister Downer is a muffled and occasionally vocal action of a cheer squad from the side. This action is inimical to Australia’s long-term national interests. What we have needed through this period is a foreign minister prepared to engage in defending the national interest against the incursions of domestic ministers, even the Prime Minister, when they have chosen to go down the partisan road rather than the national interest road.

Of course, one of the great examples of the principles I have just referred to is the handling not just of the Tampa but, more broadly, of refugee policy. The government’s approach to the future of refugees’ policy in this country has essentially been poll driven. It has been driven by a combination of Mark Textor and Shane Stone. They saw the political advantage, and they went for it, as they continue to go for it.

When it comes to the opposition, our position throughout this whole debate has been one which does not simply recognise the political gain which is to be had through taking a particular position on the immigration debate but which is mindful of the totality of the policy complexity of this set of issues. We the opposition have marshalled consistent argument along the lines that, if we are to have a reasonable national approach to the problem of refugees, first and foremost we must address the problem at source countries. Second, we must address the question with transit countries. Third, we must address the problem as it relates to destination countries, including Australia, and onshore handling arrangements for arrivals in destination countries. And, fourth, we have said that all of the above must be mindful of and consistent with our obligations under relevant international conventions, most particularly the 1951 refugees convention and the 1967 protocol to which this nation is a signatory. Any reasoned response to the question of refugees must be mindful of all these factors, not simply mindful of the immediate six o’clock news imperative, of being seen to be able to do something dramatic about a big red boat on the horizon.

In doing this, as far as the Tampa is concerned, and as far as refugees policy is concerned, the government was not just in the business of junking our international reputation and standing; it was also in the business of junking the independence of some of our national institutions. These have been well documented in the parliament in recent times—the damage to the independence of the Navy, the damage to the independence more broadly of the Australian armed forces and the damage to the independence of the Australian Public Service. I think of the unspeakable obscenity of asking an assistant secretary in the Department of the Prime Minister and Cabinet to produce a report that would have, as its consequence, the exoneration of the Prime Minister in terms of his culpability on the question of children overboard. To do that represents a fundamental assault on the independence and integrity of the Australian Public Service and those responsible for that particular decision, including those senior officers of the Australian Public Service who were engaged in that decision—and that is reprehensible.

What these things collectively represent is the emergence of the overriding moral maxim of this government—a government which increasingly is prepared to do anything or say anything in order to obtain its political objectives, irrespective of the damage which may be done to the nation, the nation’s institutions, our long-term national and international interests or basic propositions of truth in public life.

One of the other elements of foreign policy that relate to our desire as a nation to improve the international order of which we are part relates to Zimbabwe. Zimbabwe has deteriorated in the last decade in terms of its political and economic circumstances. Most recently, as some
Representatives would be aware, I have been in that country as part of the Commonwealth Observer Group. What we observed on the ground in Zimbabwe was truly ugly—the systematic use of political violence against a people, against an opposition party, of a type that historically we have only ever associated with the old Soviet bloc of nations. Yet this nation has pretended to be part of the Commonwealth of Nations: a Commonwealth family in which Commonwealth principles of Westminster democracy are supposed to be alive. In Zimbabwe in the last two weeks I have seen nothing other than the prostitution of every one of those principles.

Zimbabwe has no place in the Commonwealth because of what has occurred, and it is for that reason that I welcome the Prime Minister’s achievement in London today, in consultation with the President of South Africa and the President of Nigeria, as it relates to the suspension of Zimbabwe from the Commonwealth. I welcome that; I do not welcome the fact that the Prime Minister appears to have achieved no outcome in relation to the imposition of targeted sanctions on Zimbabwe. I have seen no evidence of a statement from the Prime Minister in relation to Australia nationally imposing targeted sanctions on Zimbabwe, notwithstanding the fact that the European Union has acted to impose targeted sanctions, notwithstanding the fact that the United States has done so and notwithstanding the fact that now the Swiss Confederation has done so today. Australia, it seems, stands against the tide on this question, for reasons I cannot comprehend. If the Prime Minister has somehow done a deal in London whereby the suspension of Zimbabwe from the Commonwealth has been achieved at a price and if that price is a non-advance on the question of the imposition of targeted sanctions against Zimbabwe, then that price is a price too high to pay.

Targeted sanctions are an important part of the international diplomatic arsenal. Why do I say that? Because targeted sanctions go to the heart of the personal, financial and travel interests of individual members of a regime and to those of their families. They are sanctions which hurt. If we look at the Commonwealth’s history on these questions and on questions of Africa in general, it has been, until of late, a proud history. When it came to Zimbabwe’s independence in the late seventies and early eighties, the Commonwealth, including Australia under Prime Minister Malcolm Fraser, made solid achievements as far as Zimbabwean independence was concerned. Australia and the Commonwealth played an active role in the early nineties when it came to the end of white minority rule in South Africa and the freedom elections of 1994. Yet when it has come to the question of Zimbabwe and the prostitution of Commonwealth principles of parliamentary democracy in the early part of this century, we have by and large seen Commonwealth and Australian inaction.

The two courses of action available to nation-states are: suspension from the Commonwealth, in the case of Commonwealth members; and targeted sanctions, when it comes to the international community more generally. When I spoke this morning by telephone with the Zimbabwean shadow minister for foreign affairs, Mr Tendai Biti, he reiterated to me that his fundamental position and that of his party had not changed: both suspension and sanctions were necessary—not one as a substitute for the other. This is an important issue for Australia and an important issue for the Commonwealth.

Foreign policy is important for Australia. Foreign policy was once characterised in this country by a true spirit and reality of bipartisanship, one which has now eroded after five-plus years of this Prime Minister’s rule, where partisan advantage, rather than our long-term national interest, has been seen on so many occasions as constituting a first principle. (Time expired)

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.03 p.m.)—I received a message indicating that, under some arrangement between the whips, we would speak for 10 minutes; perhaps that message did not get through to the honourable member for Griffith, who has just spoken. I will therefore have to restrain my comments, and maybe the member for Griffith will not have the benefit of some of the rebut-
tal that I was going to use in respect of the winding speech that we have just been privileged to listen to.

The parliament has been debating the additional estimates appropriation bills: the Appropriation Bill (No. 3) 2001-02, the Appropriation Bill (No. 4) 2001-02 and the Appropriation (Parliamentary Departments) Bill (No. 2) 2001-02, which are currently before the chamber. These bills embody the continuing commitment of the Howard government to sound financial management of the Commonwealth. The additional estimates bills request a total of $2.632 billion: $1.458 billion in expenses; $227 million for payments to the states, primarily under the first home owners scheme; and $947 million in capital injections, of which $744 million is required by the Department of Defence for purposes including indexation, exchange rate movements and the contribution to the international coalition fighting terrorism.

These bills request funding for important activities such as two royal commissions, the Stronger Regions program, the Mainline Interstate Rail Track program and measures in response to the financial crisis experienced by Ansett. These bills are important to the government’s ongoing activities, to the war against terrorism and for the government’s strategy for responding to unauthorised boat arrivals.

It is regrettable that I do not have sufficient time to deal with all of the matters raised by honourable members on both sides of the House, but I do in the time available to me wish to make just a few passing comments about a number of the speeches made. The honourable member for McMillan claimed that the government had shown contempt for the region he represents. He ought to be aware that, since 1996, the coalition has invested $28.5 billion in over 300 regional programs, and his electorate certainly would have been a major beneficiary of that.

The former Chief Government Whip, the honourable member for Watson, said—and I think I am quoting him accurately:

... for the first time I have decided to look at the outcomes supposedly covered by the these bills—

Clearly that is an enlightening experience for the honourable member for Watson. It ought to be noted, however, that he has been here since 1979 and it was an amazing admission that, for the first time in all of those years, he has decided to look at the outcomes covered by these bills.

The member also claimed that the Howard government ‘have multiculturalism as long as they are people like us’. We find that absolutely offensive. The government have a policy of supporting a multicultural Australia; we have a non-discriminatory, bipartisan immigration policy and it is appropriate to note that this week the Minister for Immigration and Multicultural and Indigenous Affairs welcomed the six-millionth post-World War II migrant to Australia—and I think that all of us should rejoice in that. The member also claimed that the government say one thing and do something else and accused us of misnaming bills and outcomes. All of us would be aware and you, Mr Deputy Speaker Jenkins, would also be aware, that this government were left to pick up the pieces left by the Keating and Hawke Labor governments. We inherited a huge debt; we did not create the problem, but we do have a responsibility for fixing it.

The member for Murray referred to protecting the Antarctic—and she is certainly right. She outlined a number of those elements of protection. We also ought to recognise the Australian Antarctic Southern Ocean profiling project, which is an important investment for protecting our environment.

The member for Swan accused the government of being deceitful in the way that we won the election. Who was deceitful? You only have to look at the remarks made by the honourable member for Fremantle, the so-called fulsome support provided by the former Leader of the Opposition for the government’s policy of protecting Australia’s borders—no sooner was the election out of the way than the Labor Party sought to junk their policy—and the remarks
of the member for Griffith who spoke a moment ago, to see how far the Australian Labor Party has moved away from the commitments it gave to the Australian people prior to the November election. The member for Swan also claimed that there was a further erosion of standards as the Treasurer tried to blame the previous government—he was referring to Labor’s currency swap policy that we inherited. Labor left this government a $96,000 million debt and we have had to clean up Labor’s mess yet again.

The member for Werriwa claimed that this government was guilty of waste and mismanagement. That is an absolutely bizarre statement. Everyone knows that under Labor more money was spent annually repaying debt than the government at that time spent on health and education. He also claimed that our record of Australian economic reform was being squandered. That is absolute nonsense, as the member for Werriwa, if he had an honest moment, would surely have to concede.

The member for Oxley also is a person who, since the election, has added his voice in opposition to the government’s policy of protecting our borders. He has forgotten that the former Leader of the Opposition very quickly supported the position taken by the government prior to the election. Yet, having told the electorate one thing, the Labor Party come into the chamber after the election and go to the media outlets of Australia seeking to renege on what they said.

In response to the statements made by the honourable members for Hasluck, Lilley and Blaxland concerning the costs of unauthorised boat arrivals, the government has decided that it will act decisively against the organised activities of people smugglers and the increasing numbers of unauthorised arrivals. The agencies involved are actively monitoring and managing these costs. Again, if it were parliamentary to say so, one could accuse members opposite of being hypocritical. But, as you would be aware, Mr Deputy Speaker, it would not be appropriate for me to level that accusation in the direction of those opposite.

The government, despite all the pressures of the last nine months, has not resorted to increased taxes. The income tax cuts of two years ago have been maintained and the company tax rate remains at 30 per cent. In fact, since July 2000, we have seen the completion of one of Australia’s greatest tax reform programs. In the last year the government has implemented changes that have included a drop in the company tax rate from 34 per cent to 30 per cent from 1 July 2001, which puts it amongst the lowest rates in the world. We have seen the abolition of financial institutions duty applied by state and territory governments, saving about $1.2 billion for individuals and companies. We have also seen the abolition of state stamp duties on quoted marketable securities, saving approximately $700 million for investors and removing an impediment to investment and equity market developments in Australia.

The economic record of this government is one of our proudest achievements. Since 1996, the Australian economy has embarked on a long period of strong growth. GDP growth has averaged almost four per cent in annual terms since the Howard government was entrusted with the keys to office. During this long expansion inflation has been kept low, the unemployment rate has been reduced, and interest rates have fallen to historical lows. The unemployment rate has fallen from around 8½ per cent in 1996 to 6.6 per cent today. Around 950,000 jobs have been created since March 1996. Official interest rates have fallen from 7.5 per cent in 1996 to 4.25 per cent today—a far cry from the peak of over 18 per cent under the previous Labor government. Growth did pause in late 2000, but the performance of the economy since then has made it clear that this pause was the result of transitory factors, and the outlook for the Australian economy remains strong. The recently released December quarter national accounts show that the Australian economy grew 1.3 per cent in the quarter and 4.1 per cent through the year. Growth is expected to continue its quick recovery in 2001-02, and to improve on this strong performance in 2002-03.
While the world economy is weak, the Australian economy is well placed to continue its strong performance. This owes much to the economic reforms that this government has put in place. There can be no doubt that the strength of our budget position over the last few years has contributed to the strength of the economy, which has, in turn, contributed to the budget bottom line, creating a virtuous cycle.

In his contribution to the debate, the member for Fraser moved a second reading amendment to this bill. I do not wish to refer to the particular components of the amendment, but I do want to state that this bill, together with Appropriation Bill (No. 4) 2001-02, continues the government’s fiscally responsible management. Honourable members will not be surprised to hear that the opposition amendment is not supported by the government. Appropriation Bill (No. 5) 2001-02 supports the government’s prudent response to difficult times in the world economy and to security. Together with Appropriation Bill (No. 4) 2001-02, it provides funds that are urgently needed in order to maintain government activities and to respond to recent crises. There is much more that I could say both to criticise the opposition and to trumpet our successes, but, given time constraints, I will restrict myself and commend the bills to the chamber.

The DEPUTY SPEAKER (Mr H.A. Jenkins)—Order! The original question was that this bill be now read a second time. To this the honourable member for Fraser 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.
Original question agreed to.
Bill read a second time.

Ordered that the bill be reported to the House without amendment.

APPROPRIATION BILL (No. 4) 2001-02
Second Reading
Debate resumed from 19 March, on motion by Mr Slipper:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2001-02
Second Reading
Debate resumed from 19 March, on motion by Mr Slipper:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

GOVERNOR-GENERAL’S SPEECH
Address-in-Reply
Debate resumed from 13 March, on motion by Ms Ley:
That the address be agreed to.

Mr SNOWDON (Lingiari) (1.17 p.m.)—In the address-in-reply debate, uncharacteristically I will speak about my electorate rather than, as I have been doing over the last couple of appearances in this chamber and in the House, attack the government for its poor performance
and its abuse of Australian institutions of government—particularly, as has been related earlier today, the defence forces, the judiciary and the Australian Public Service. It is my intention today to talk about the electorate of Lingiari. You will know, Mr Deputy Speaker, that since the last election my electorate has changed. Prior to the last election I was the member for the Northern Territory, which included all of the Northern Territory and the islands off the Northern Territory, including Christmas and Cocos Islands. As a result of a redistribution, I am now the member for Lingiari. Lingiari is of 1.34 million square kilometres and encompasses all of the Northern Territory, with the exclusion of Palmerston and Darwin, which together total 330 square kilometres. The electorate is the second largest in Australia by area, but it is the largest geographically, as it is bounded in the east by Borroloola and the Queensland border and in the west by Christmas and Cocos Islands, in the Indian Ocean. It has a wide range of communities, but 40 per cent or thereabouts of the electorate are indigenous Australians. That is the highest proportion of indigenous Australians of any electorate.

What I want to talk about in particular is the man Vincent Lingiari. Vincent Lingiari will not be known to many Australians, unfortunately. However, I believe he should be. Under any objective view there is no doubt that he is one of Australia’s great leaders since settlement or, as indigenous Australians would argue, invasion by the British in the 18th century. Vincent Lingiari was truly a great man. You may recall the words of a very important and popular song, *From little things big things grow*, by Kevin Carmody and Paul Kelly. It explains the life of Vincent Lingiari and the struggle that he went through to achieve the recognition of rights for his people.

Perhaps one of the most significant events as a marker in the life of Vincent Lingiari was on 23 August 1966 when he led his Gurindji people and other people off the Wave Hill station owned by the Vesteys, situated 600 kilometres south-west of Katherine in the Northern Territory, to a riverbed nearby. Most Australians, certainly indigenous Australians, would not have known of the event at the time and, if they did, would have paid little notice to it. Yet the fact remains that the ripples from the Wave Hill walk-off and strike were to keep travelling across Australian society, gathering the force of a wave which would eventually reshape the agenda of relationships between indigenous Australians and the wider community.

The immediate catalyst of the strike was the refusal of the Vesteys’ manager at Wave Hill to meet Vincent Lingiari’s request that Aboriginal stockmen be paid $25 a week. But what was apparently an industrial dispute over appalling working and living conditions soon revealed itself to be something strikingly different: it was a demand from the Gurindji people for the return of their traditional lands. Months after the original strike began Vincent Lingiari led his people to establish a settlement at Wattie Creek, known to them as Daguragu, within the Wave Hill lease. When Lord Vestey attempted to get the Gurindji people to leave Wattie Creek and return to work on the station with inducements including money and wages, Vincent Lingiari told him: ‘You can keep your gold. We just want our land back.’

That strike lasted seven years. I am from a community where membership of a trade union is regarded as important—at least for me it is important, and it has been all my working life. I have been involved in industrial disputes and I have been involved in strikes for a day or two days. But this strike lasted seven years. I do not know of any other strike that started as an industrial dispute which has lasted for seven years in Australian history. It was a very significant event. But what happened over that time was a build-up of support and a significant movement linking in with the early beginnings of a renewed Aboriginal rights movement of the late sixties and early seventies. The end result of all this was an enormously important event in 1975—and you will recall, I am sure, when I tell you what it was—the graphic illustration and imagery of Gough Whitlam pouring the sand into Vincent Lingiari’s hands when he handed the land back.

That is important not just because of the struggle that the Gurindji people went through but because of what it meant to Australian society, the support which it garnered against the es-
establishment from a wide cross-section of the community and how it got to the heart of great Australians such as Frank Hardy, an author and poet of great note. With their support and the support of unionists such as those from the North Australian Workers Union and the then Waterside Workers Federation, typified by Brian Manning, they were able to sustain this community over the length of this struggle. This struggle came to epitomise the need for the wider Australian community to recognise the importance of land rights. There were subsequent events such as the bark petition which came from north-east Arnhem Land from the people who now own the Nabalco site—the traditional owners of the Nabalco site. This in itself was a very important event in Australian history.

We know that Vincent Lingiari was an extraordinary man. He was illiterate in the sense that he could not read or write European scripts. English was not his first language—as it is not the first language of a very large number of Australians who live on this continent now. They are not immigrants; they are the traditional owners of this country. English is a foreign language to them. It needs to be understood that even today for very large numbers of people English is not only a foreign language but a language that is very difficult for them to learn, because they do not have the wherewithal in terms of infrastructure to do so.

Vincent Lingiari’s vocabulary was very limited. He described himself as a Kadijeri man, a man in charge of the secret and chief male ceremony of the Gurindji people. He retold the Dreamtime story of the beginnings of his people at Seal Gorge near Wattie Creek on the Gurindji tribal lands which were incorporated into the Wave Hill Station. The story is recounted in the corroboree dances of his people. These lands were a vital part of the identity of Vincent Lingiari and the Gurindji, by reason of their Dreamtime attachment, their traditional ownership of that country and more recent happenings.

There was a petition sent to a former Governor-General, Lord Casey. Vincent Lingiari was its first signatory. It records:

Our people have lived here from time immemorial and our culture, myths, dreaming and sacred places have evolved in this land.

As far as more recent happenings are concerned, the land at Seal Gorge near Wattie Creek was sacred to the Gurindji as a shrine to their many forefathers who were killed in the early days while trying to retain it. We need to understand that the acts of violence which were perpetrated against indigenous Australians in remote locations did not stop in the 19th century; they did not stop until late into the 20th century. There are many places around northern Australia where you can locate sites where there were massacres. Many of those are in the electorate of Lingiari. Vincent Lingiari was a very powerful communicator, despite the fact that he had difficulty with English. But he let his peoples’ demands be known when he said:

We want them Vestey mob—the station owners—all go away from here. Wave Hill Aboriginal people bin called Gurindji. We bin here long time before them Vestey mob. This is our country, all this bin Gurindji country. Wave Hill bin our country. We want this land; we strike for that.

That reinforces the strength of the petition to Lord Casey.

Sitting suspended from 1.30 p.m. to 4.02 p.m.

Mr SNOWDON—Before being interrupted for question time, I was discussing the role of Vincent Lingiari as the leader of Gurindji people and his role in ensuring that the nation addressed, after a seven-year strike, the needs of his community for land and the way in which they combated the then mighty forces of Lord Vestey to ensure they got access to country. I am using as a reference a very important and very good document, which is the speech from the inaugural Lingiari lecture by the then Governor-General, Sir William Deane, in Darwin in August 1996.
It is important to understand that eventually Vincent Lingiari’s battle was successful, because in December of 1972, when the Whitlam government came to power, it did so on a platform which included a promise to legislate for Aboriginal land rights. The new government appointed Justice Edward Woodward as the royal commissioner to advise it in relation to the grant of such rights. Contemporaneously with the Woodward royal commission there was a period of genuine negotiation between the government, Vestey and the Gurindji in relation to the Gurindji claims and an offer by Lord Vestey to relinquish part of the Wave Hill lease. Finally, there was a consensus that the original Wave Hill lease would be surrendered by Vestey and that two new leases would be issued, one to Vestey and the other to the Maramulla Gurindji company—to the Gurindji people. The Gurindji lease would comprise an area of more than 300,000 square kilometres and it would include the most important parts of the ancestral lands.

On 16 August 1975 the then Prime Minister, Gough Whitlam, who is acknowledged by the community as a very important person—‘that big man’—came to Daguragu accompanied by other prominent Australians. It is worth repeating what he said on that day and you will recall that earlier in this speech I discussed that illustration, that great bit of imagery—the photograph of Gough Whitlam pouring sand through the hands of Vincent Lingiari. I quote from the then Prime Minister, Gough Whitlam:

On this great day, I, Prime Minister of Australia, speak to you on behalf of the Australian people—all those who honour and love this land we live in.

For them I want to say to you:

I want to acknowledge that we Australians have still much to do to redress the injustice and oppression that has for so long been the lot of Black Australians.

Vincent Lingiari I solemnly hand to you these deeds as proof, in Australian law, that these lands belong to the Gurindji people and I put into your hands part of the earth itself as a sign that this land will be the possession of you and your children forever.

As he concluded his remarks, the then Prime Minister poured a handful of Daguragu soil through Vincent Lingiari’s hands. Vincent Lingiari, having received the crown lease of his ancestral land with the symbolic handover of the land itself, simply replied, ‘We are mates now.’

This is a great story in Australian history. It is one that all Australians should learn in order to understand the privations suffered by the Gurindji people during this struggle, this confrontation, with the might of Lord Vestey. Through a seven-year strike, the Gurindji people finally won not only recognition of the injustice that they had suffered but also ultimately the prize: the establishment of the 300,000 square kilometres.

It should be noted that it is not just me or, indeed, the former Governor-General who has acknowledged the heroic deeds of Vincent Lingiari. It is acknowledged by the most notable of Australian commentators on indigenous affairs—perhaps the one for whom I have the greatest respect, someone with whom I worked for a number of years and co-authored a book—Dr H.C. ‘Nugget’ Coombs. Nugget was a truly great Australian, and I have spoken to this House previously about him. As I said, I was fortunate enough to work with him. He described Vincent Lingiari as ‘a man who, among Aboriginal associates, appears to be recognised more fully than any other I know of as such a leader’.

Be that as it may, Vincent Lingiari was a leader of his people in every sense of the word. Vincent Lingiari was doubtless a great man, and it is with great pride that I represent the community of Lingiari—that is, the people of the seat of Lingiari, but particularly those descendants of Vincent Lingiari at Daguragu and Kalkarindji in the Northern Territory. Proudly each year they record a celebration to commemorate the handover and the win, the great victory, that was theirs, which was led by Vincent Lingiari.
Earlier in this contribution I spoke about a great piece of poetry, a great song, by Kev Carmody and Paul Kelly entitled *From little things big things grow*. I want to conclude my remarks by repeating the last verse of that song. It reads:

That was the story of Vincent Lingairri
But this is the story of something much more
How power and privilege can not move a people
Who know where they stand and stand in the law

Mr Cadman (Mitchell) (4.08 p.m.)—I rise today in the address-in-reply debate to raise issues that are of concern around Australia. These issues must be of concern to members, such as me, who represent the outer fringes of the great cities of Australia—and they are the changing demands of state and local government, and the tax and power sharing relationships that exist under current regimes in Australia.

To give some background, I saw a change in local government planning provisions in New South Wales in 1993 when the various powers of local government were vested more strongly in the local government manager. The manager became a very significant person within local government. So the powers of local government became vested in the general manager, rather than in the council itself. Regrettably, I have to say that it was a Liberal government that made those changes and, whilst they appeared to be beneficial in the way they worked out, they are not satisfactory. The decision making body—the elected officers, the councillors themselves in local government in New South Wales—has lost much of its representational capacity. Whilst it is claimed that it can set policies, really the general manager of local government bodies in New South Wales—and the same applies to many states of Australia—has become nothing more than a cipher for the state government and its policies of planning and environmental controls.

Sadly, I see in my own area greatly increased density in housing. Demands have required our local authorities, in particular the Baulkham Hills council, to gather funds for both local planning provisions and local environmental plans. They have to pay the planners; they have to do the investigations. They are provided with no resources from the state government to do that. Those plans—the density and the style of accommodation—have to be in compliance with that laid down by the state planning authorities. If local authorities fail to comply with the provisions of the wishes of the state government, the threat of loss of planning powers is held over their heads. I know that the Kuringai council and the Baulkham Hills council have received that threat: ‘You will lose your planning powers unless you comply with the provisions we give you.’

The current average requirement across Baulkham Hill is 15 dwellings per hectare. That has resulted in the destruction of many fine homes and many beautiful gardens, as the density increases to meet the demands of the state government. What has this amounted to? Not only has it amounted to social engineering in many instances, but it has also created a huge loss of amenities, as existing roads and community facilities are forced to take a doubling of the population. For instance, there have been cries about the inadequacies of Windsor Road, which more and more people have been forced to use. This has resulted in protests, stoppages and, at last, a commitment from the New South Wales government that they may do something about the inadequacies of Windsor Road. All of this is created by an increased density of dwellings.

Across Sydney at the last local government elections there was a great outcry by local people saying, ‘Our councils are not doing what we want them to. They are not living up to the local content of what we require. The councillors seem hamstrung in effecting our wishes.’ There was a huge rejection of councillors on most councils across Sydney—and it is not necessarily a party political process—particularly in those growth areas where councils are trying
to manage with inadequate resources the requirements that planning departments of the state
government dump on them.

We have had the ludicrous situation in our area where, if cars are parked on either side of a
narrow street with roll gutters, it is impossible for ambulances and fire trucks to get down the
streets. These are brand new suburbs with homes valued, as they are across Sydney, at some-
where between $380,000 and $700,000. These are beautifully appointed homes with carefully
tended gardens, yet the streets are too narrow for emergency services to get down them. That
has had to change, but the proposal was pressed on local government by state planners.

I believe the only process that will relieve residents of the impositions of state government
is a process of constitutional recognition of local government. I have tended to have an open
mind on this up until this point, but, until local authority is given some sort of appropriate
status, authorities will not be able to fulfil the wishes of the people of their local area. We
have to decide whether we are going to dispense with local government altogether or make it
a properly recognised sphere of government. If it is a continuing creature of the states that is
jumped on and regarded as an out-station of the local government planning department then
we might as well just have it as that and put state planners in each local government area and
close the representational process down. Under the current system, local government is abso-
lutely reduced in power and cannot operate as an effective body.

I have looked back over the history of what our Australian political parties have considered
in regard to local government. I went back as far as 1983 to Tom Uren, the then Minister for
Territories and Local Government. He really gave a lot of attention not so much to the powers
of local government but to the revenue sharing arrangements. The Labor Party at that time
was not prepared to look at the proposition we have before us now that has been accepted by
all political parties, I believe—that is, a local government share in personal income tax with
CPI factors built into it, distributed on a formula and thought through and worked out by the
grants commissions. In that way, the grants commissions around Australia could really look at
an appropriate share of taxation for local government district by district. Tom Uren made a
statement on 14 September 1983 that his government was moving towards constitutional rec-
ognition of local government. He said:

... a sub-committee of the Australian Constitutional Convention has been set up to review the role
of local government within the Constitution. So this Government has a broad commitment to local gov-
ernment, and has increased substantially the finance available to it.

Subsequent speakers disagreed with him on that issue, but Tom Uren went on to say:
We believe that the only way in which social problems in city and rural areas can be solved is by a real
spirit of co-operation between Federal, State and local governments.

I notice one of my former colleagues the Hon. Ray Braithwaite, who was the member for
Dawson at that time, on 9 May 1984—nine months later—mentioned also the prospect of
sharing personal income tax with a CPI factor built into it with local government. Ray
Braithwaite made some interesting statements regarding the report of the Advisory Council
for Intergovernmental Relations, which had published the results of many inquiries into local
government, particularly dealing with constitutionality, finance, boundaries and other aspects.

Mr Braithwaite said:

The research staff of the Advisory Council are efficient, effective and impartial. In view of the stan-
dard of its reports, I believe it is the appropriate authority to conduct the inquiry of the Minister for Ter-
ritories and Local Government ... into PIT—
that is, personal income tax—
sharing arrangements, an inquiry not limited by the present restrictions but encompassing the whole
ambit of how proper constitutionality might be best effected through this Act ...
recently published paper from the Parliamentary Library, called *Federal and State Taxation: A Comparison of the Australian, German and Canadian Systems*. Its subtitles include: ‘Public Finance Principles and Tax Assignment’, ‘Tax Assignment in Australia’, ‘Tax Assignment in the Federal Republic of Germany’ and ‘Tax Assignment in Canada’. It is a comparative study of the basic ways in which funds are distributed to local authorities in the three countries, the library assessment of that situation and the total way in which taxation is shared.

I believe that we do need to provide a better plan for local government. I would like to see a committee of this parliament seriously look at the proposal that we give constitutional recognition to local government around Australia. It may not be as a full level of government, but it should be able to give recognition. We need as a nation to make a recognition that you are either going to have a properly elected representational process through councillors in local government or you are just going to make them ciphers and let the general manager do the lot. It is one thing or the other, and to prevent the situation that has arisen in New South Wales—and I believe in other states—this matter ought to receive serious attention.

It is my intention to raise this issue with a wide range of local authorities and to get their opinions on constitutional recognition. I know they will be in favour of it, but I generally feel that they are more interested in the money than the power. I believe the two must go hand in hand, so that they have the financial recognition and the satisfactory tax sharing arrangement. I believe both major parties have a common agreement that the share of personal income tax or share of taxation in whatever way it is thought through is the best way to support, from a federal level, local authorities. I believe that there should be power sharing arrangements, too, where state governments of Australia come to recognise effectively the democratic processes built into or assumed to be part of the structure of local government, or they say, ‘We don’t want to do that any longer; we want to scrap local government.’

It would be very easy to run a constitutional referendum on that issue—with other issues maybe—to say whether or not there should be a recognition of local government in some form, although maybe not as a full form of government. It is my view that the role of local government needs to be properly acknowledged and properly assessed within the Australian Constitution, so that the democratic process and the states’ role are acknowledged and so the partnership, as Tom Uren expressed it, between federal, state and local authorities can be recognised.

I do not think there is any wish to go back to that major political re-engineering of local government that Tom Uren took on with trying to consolidate local government and build it into regional government—giving a fourth tier of government in many ways. I do not think there is any view that that should be pursued in Australia. It is up to the people living within an area to petition their states or go through the processes to change boundaries or to have consolidation take place as required by the state constitutions or by referendum at a local level. Bringing in consolidation without proper reference, as I believe was done in Victoria, is not the appropriate way. But the consolidation and changes to local government boundaries is a matter that I do not think this parliament would want to deal with. Tom Uren tried to deal with it; I do not think we can or should. It should be a matter for the local people under the appropriate local government acts of the states. That does not mean to say that a recognition of the power, a recognition of the finances and the share of income tax resources available to the federal government, can be demonstrated in any way other than through proper recognition in the Australian Constitution.

**Mr WILKIE (Swan)** (4.26 p.m.)—Mr Deputy Speaker Causley, may I begin by passing on my congratulations to you on your appointment to the position of Deputy Speaker. Three years ago I rose in this chamber to deliver my first speech. At that time, I made a commitment to make a difference for the people of Swan. Whilst I believe I have delivered on that commitment, there is still a lot to achieve. I would like to thank the people of Swan most sincerely for the opportunity to serve them for another term. It is perhaps more gratifying this time...
around to know that the electors of Swan have continued to place their trust in the ability of both me and the party of which I am a member to represent their interests in this place.

Campaigns are never easy, nor should they be. The Australian people deserve robust debate about the issues and candidates who are prepared to make sacrifices in pursuit of their ideals and a better way of life for their constituents. Of course, I would not be here without the steadfast support of my family. My thanks, as always, go to my wife, Jo, sons Mark, Ben and Alexander and my parents and my parents-in-law, who have put in an incredible effort to help get me into this place.

The state electorates of the Premier and Deputy Premier of Western Australia fall within the borders of Swan, as does the electorate of Roleystone, and I pass on my thanks to Geoff Gallop, Eric Ripper and Martin Whitely for their support and encouragement. My electorate also contains the state seat of South Perth, and I acknowledge the work in his electorate of the Hon. Phillip Pendal MLA, the Independent member for the area.

I would also like to recognise my campaign team headed by John Haldon, my electorate staff and the countless volunteers who took part in the campaign. Many of those volunteers had never taken part in a campaign before. What then compelled them and others to spend their weekends in the midday sun delivering campaign material, their nights at shopping centres and their early mornings at train stations? They were compelled to get involved for one fundamental reason: to restore the unity and dignity of the Australian people through the defeat of the coalition and the election of a Beazley Labor government. This, of course, was not to be.

Despite the accusations of some members of this government, there is no bitterness on this side of the House over the election result. There may be a realisation that our dream for a better nation remains for now unfulfilled, but this is only matched by the embarrassment felt by some members opposite over the way events were manipulated by their own campaign strategists.

There is no doubt that Kim Beazley would have been one of the finest prime ministers this country has seen. His conduct during the campaign and, more particularly, the dignity he displayed in the days, weeks and months after it are a clear indication of how well he would have served the Australian people. As the current member for Swan, I would like to say thank you to a former member for Swan and the current member for Brand. Your basic integrity and decency are an inspiration to us all. As the now member for Brand rightly said in his exemplary speech to this place on 18 February:

I do not claim that we ‘was robbed’; that is not my view of life. That reduces politics to the personal and not the national. The Australian people were robbed by deceit. I will return to this question of deceit later in my speech in this address-in-reply debate, but first I would like to reassure my constituents that the Labor Party is committed to the continuing pursuit of dignity and unity and it did not end on 10 November. This is in stark contrast to the government, which has, as the Governor-General’s speech revealed, no third-term agenda of any substance. The Labor Party, on the other hand, is more determined than ever before to address the issues of importance to all Australians. I congratulate Simon Crean and Jenny Macklin for their election to the leadership team, as I know that they will produce the leadership required to dispel the notions of intolerance that have thrived under the Howard government.

I made the comment during my maiden speech and I repeat it here today that I find it incongruous that a month ago, in this first parliament of the 21st century, we in this chamber swore allegiance to the Queen of Australia but not to the people of Australia. I strongly believe that the duty entrusted in federal parliamentarians by the Australian people should be reflected in our oath or affirmation of allegiance. Queen Elizabeth II, through the republic referendum, remains the Australian head of state. It is arguable, but perhaps appropriate, that
any parliamentary oath continues to mention Her Majesty as long as we remain a constitutional monarchy.

However, I think many Australians would find it strange, if not insulting, that federal parliamentarians make no formal acknowledgment of their allegiance to those people who elected them. After all, the citizenship oath taken by thousands of new Australians pledges loyalty to Australia and its people. These sentiments should be echoed in the oath taken by members of parliament. I believe we can deal with this issue on a bipartisan basis and support the recommendations made by a standing committee last year which called for a more modern approach to the swearing-in process. I look forward to swearing my allegiance to the people of Swan and Australia in the future.

Following the electoral redistribution a number of years ago, the boundaries for the seat of Swan were altered for the 2001 election. Eastern suburbs such as High Wycombe, South Guildford and Hazelmere were incorporated into the new federal seat of Hasluck. While I thank these former constituents for their support, I am reassured to know that they could have no better representative than the new member for Hasluck, Sharryn Jackson. I wish the honourable member all the best and welcome her to this place.

The electorate of Swan is in many ways a snapshot of Australian society as a whole. It is a diverse electorate of both wealth and economic and social hardship. Swan has a strong multicultural population and one of the highest percentages of seniors of any electorate in Australia. On the economic and technological front, Swan is home to a myriad of small businesses, entertainment and cafe strips, light and heavy industrial areas and, of course, Perth airport, which is the gateway to Western Australia for international and interstate visitors.

Last year I had the pleasure of visiting the remarkable new premises of the CSIRO in Bentley. The groundbreaking work being conducted there offers a fantastic example of how innovation and new ways of competing internationally remain Australia’s greatest asset. The CSIRO is located opposite the highly successful Technology Park in Bentley, just down the road from the internationally acclaimed Curtin University, named in honour of perhaps our most visionary Australian Prime Minister.

It is discouraging, to say the least, that during the years of the Howard government spending on higher education in GDP terms has been cut. At the same time, those with money have been able to buy their way into the university places we should be preserving for our best and brightest. It is a sad reflection on the government’s changing values that money can serve to replace talent and that privilege can replace a fair go for all. But obviously, when I look at the government’s frontbench, I am reminded of this continuously.

Before I go any further, I would like to clean up some disturbing comments made by the foreign minister, Mr Downer, concerning shadow minister Rudd’s visit to Zimbabwe as part of the Commonwealth Observer Group for the presidential elections. For some bizarre reason, Mr Downer saw fit to claim that the member for Griffith was travelling to Zimbabwe because of some obsession with international travel. As part of the observer group to Zimbabwe for the parliamentary elections in June 2000 and having personally experienced the conditions in which our delegation worked, not to mention the climate of fear and violence which enveloped the whole election process, I find Mr Downer’s comments puerile and insensitive.

Mr Downer also claimed that Mr Rudd leapfrogged over me to get a spot on the delegation. This is simply not true. I was approached twice by Mr Rudd to see whether I was in a position to take part in the delegation. Due to parliamentary, family and constituent business, I had to decline. The comments made by Mr Downer last week are symptomatic of a government spiralling out of control, and show that the government is still prepared to use any means at its disposal to camouflage its dismal record in office.

Let me now return to the issue of the Howard government’s deceit that I mentioned earlier. Members on the other side of this chamber would do well to remember the words of Ameri-
can President Thomas Jefferson, who said: ‘The whole art of government consists in the art of being honest.’ Let there be no mistake: this is not an honest government. Last year it took political advantage of asylum seekers in a most despicable way. Through a series of half-truths, botched ministerial and public service processes, and downright deceit the government fabricated a misconception. While the means were elaborate, the ends were simple: to hang on to power at the last election by whatever means possible.

Given my comments earlier about Zimbabwe, I found a recent editorial cartoon in the Australian more than a touch ironic: ‘News flash: Australia dumped from Commonwealth. PM manipulated election.’ I also find it amazing that since CHOGM the Australian Prime Minister, having just been part of his own deceitful campaign to win office, is now on a committee to judge Zimbabwe’s Robert Mugabe.

When the member for Hume gave his contribution to the address-in-reply debate in this place, he referred to the Prime Minister’s conduct during the election as being courageous; I would call it cowardly. The Prime Minister failed to tell the truth when he thought it would harm his election chances, he failed to apologise to the people his government defamed when he knew they could not vote, and he failed to deal with those responsible for perpetuating the myth of the ‘throwing children overboard’ affair. He played the lowest common denominator for political gain. More recently, we only need look at the way he has handled the Heffernan affair to see how his arrogance and blatant disregard for the integrity of this place continue to damage our parliamentary institutions.

Let us face facts. Last year our government was complicit in acts orchestrated to provoke panic, fear and even hatred in the lead-up to the election. Fear and hatred, as we all know, are powerful emotions. By directing, for purely political gain, this pre-election campaign against individuals with no opportunity to respond to allegations is disgraceful. It is a sign of the strength of our democracy that, by and large, governments and oppositions have worked together for the common or collective good. If we accept that it is the job of government to allay fears, then it stands to reason that it is certainly not its job to incite fear or race-based hatred.

This unfortunately is where the Howard government stands condemned on a number of fronts. The people on that boat knew they did not throw their children into the water—yet, thanks to the provocative comments of the Prime Minister, The Minister for Immigration and Multicultural and Indigenous Affairs and the former defence minister, those people stood condemned around the world for attempting to harm, if not kill, their own children. Despite what has now come to light, has the Prime Minister apologised to those parents? No. We all know that this is a Prime Minister who has a problem with the word ‘sorry’.

Meanwhile senior members of the government’s front bench have been behaving like Sergeant Schultz from Hogan’s Heroes. When a problem is identified they run around saying, ‘We know nothing! We know nothing!’ We on this side of the House know they know nothing—but not in relation to the ‘children overboard’ affair. Unfortunately for the government, the program has come to an end, the credits are rolling and the Australian people know that the government knew more than they let on.

We could all go into dentistry after the events of the past month, because extracting the truth from this government has been like extracting teeth. Each day brings some new revelations about what the government, the Public Service and senior military officials knew, and what emails were sent to advisers and what meetings and phone calls took place. Yet in this melee of activity last year, does the Prime Minister seriously expect us to believe that no-one bothered to tell him that the photographs were wrong, that the children had not been thrown overboard? What did Peter Reith and John Howard talk about when they spoke over the phone in the days before the election? Maybe they passed on cooking recipes!
Like the offices of many members, my office was inundated in the month prior to the election with constituents passing on their opinions about the government’s treatment of asylum seekers. Fuelled by the picture painted by this government, is it any wonder that the majority of these comments were so inflammatory? Sadly, some people’s comments reflected ignorance, fear and hysteria—fanned by the government’s treatment and, we now know, erroneous depiction of asylum seekers. That, of course, was all about winning an election and had nothing to do with protecting Australian security.

The government has dramatically distorted and manipulated the events of recent months to hide the truth. But the truth will be uncovered, and with that truth will come the further realisation that this is an illegitimate government. All government members should ask themselves: did winning the election mean so much that it was worth deceiving the Australian people, dividing our society and inflicting ongoing damage to our international reputation? Do Australians themselves not think that this deception helped the coalition win government? Of course they do. To say otherwise is to rewrite history.

For example, in my seat of Swan, government Senators Ellison and Lightfoot hatched their coup de grace in the last two days of the election campaign when they sent a direct mail letter to my constituents suggesting I was weak on the issue of people-smuggling. This was because of a pamphlet I had put out advocating a review or overhaul of our border protection legislation. What they failed to disclose was that this was in the context of introducing an Australian coastguard as a more effective and serious way of addressing the issue of people-smuggling. Based on these letters, press releases followed by Senator Ellison and Minister Ruddock and I was subsequently interviewed on one of the popular talkback radio stations in Perth. Just days away from the election, the interviewer spoke about the ‘children overboard’ incident and he had calls from people condemning the actions of the people who had thrown their children overboard. I thank Perth station 6PR for the opportunity to rebuke the rubbish distributed by the dishonourable senators. I also found it interesting that the Minister for Justice and Customs had used his parliamentary entitlement to issue letters and a press statement which he would have known to be untrue. So much for justice. I thank the people of Swan for seeing through the smokescreen of deceit put forward by these government ministers.

The constituents of Swan need to be reassured also about the security of their jobs, living standards, health system and safety for their families. They look to their governments for reassurance, guidance and leadership, but the Howard government simply does not offer this assurance. The Howard government does not offer security to seniors, working families, small business operators or those who are least able to protect themselves. What it does offer are hikes in private health insurance when it assured the Australian public prior to the election that there would be no such rise. I am told in Western Australia, for example, increases of 18 per cent for HBF clients and even 30 per cent to those in Goldfield Health have been granted. What it does offer are phantom nursing home beds and a tax on disability pensions. What it does offer is a Treasurer who thinks he is James Bond in Monte Carlo, gambling away almost $5 billion of our money. The only difference is that Bond wins while the Treasurer loses.

This government has also forgotten about the Australian community. We have no better reflection of this than the government’s inaction over the thousands of workers who have lost their jobs and their entitlements thanks to company collapses. Job uncertainty is rife around Australia. From the many telephone calls I have received and from meetings and personal visits to my office there is no doubt this is a time of unprecedented insecurity for many workers, families and small business owners in Swan. I think many of us were alarmed to recently read in the report of the Committee for Economic Development of Australia that insecurity in the work force and the rising cost of living are forcing growing numbers of those termed generation X—those aged 24 to 34—to abandon hope of ever owning their own home. But what hope is there of creating an environment of stability when this government’s policies continue to promote the casualisation of jobs over full-time employment?
I have no doubt that at the heart of the problem are coalition government policies that have completely undermined job security in the Australian work force. Complaints about the government’s handling of workplace agreements and industrial relations are common at my office. Yet this government has the gall to stand up and criticise the Gallop government in my home state for trying to restore some sense of fairness to the employer-employee relationship—it is a travesty. I would like to point out that women in particular have been among the most severely disadvantaged under the policies of the former Court government. In fact, women earned on average almost $21 less than women in other states. The Court government’s workplace agreements regime was a disaster for women, particularly, once again, those women in casual low-paid occupations.

Just a fortnight ago 53 contract workers at a Telstra call centre in Belmont in my electorate were sacked—given their marching orders with no holiday pay, sick pay or redundancy entitlements. Telstra’s construction arm, Network Design and Construction, is also in the process of shedding thousands of jobs, including positions at its depot in Kewdale. At a time when the public is complaining of a lack of service, it is simply disgraceful that a company that makes $2 billion per year in profits is cutting back on its commitment to capital works and career paths.

Quite clearly, Telstra is attempting to distance itself from its obligations to its own employees. The needs of the shareholder have become paramount to the responsibility to staff and clients. Not only is this further proof of why the company must remain in Australian ownership but also why an urgent review of its entire employment practices is necessary. I only hope that those within the National Party who still think for themselves tell their Liberal partners that enough is enough. Instead of taking a stick to workers through its proposed fair dismissal legislation, the government should be coming down like a tonne of bricks on those employers who think their employees—whether permanent or on contract—are dispensable. The government must account for the policies that continue to move to a greater level of casualisation of its work force, which further erodes the security of all workers in Australia. It must act to secure proper safeguards for workers who, through no fault of their own, find themselves without a job. Australia deserves better and only Labor can deliver that change. I look forward to the coming term and a positive Labor result at the next election.

Ms JANN McFARLANE (Stirling) (4.45 p.m.)—I would like to take this opportunity of the address-in-reply debate to thank the electors of Stirling for their support at the election, and I look forward to continuing to work hard for them in the 40th Parliament. I would also like to congratulate you, Mr Deputy Speaker Causley, on your election to the position.

The federal election campaign was dominated by the events of the Tampa incident and was like no other in our political history. For many years the historians are going to be writing about this election. The divisions in our community caused by the cruel and manipulative way that the Prime Minister, the Minister for Immigration and Multicultural and Indigenous Affairs and the former Minister for Defence used this issue for political gain will be felt for years. The healing process will take many more.

The Australian public is now beginning to see how morally derelict this government are. The recent uncovering of their duplicity in the ’children overboard’ affair, their spying on Australian citizens and the blatant attack on the High Court by Senator Heffernan have all been lowlights of the first month of parliament. What these incidents have all shown is that this government are not afraid to use lies and forgeries to pursue their political agenda. The dearth of sitting weeks in the first six months of this year show that the government are not prepared to show the people of Australia that they have no real third-term agenda.

This government’s disconnection with the Australian people was evident in the result in Stirling. When I was elected in 1998, I promised the people of Stirling that I would work hard for them as their advocate in the parliament and also work hard in the local community on
local issues. Since 1998 I have worked hard to fulfil that promise to the best of my ability. On that journey I have assisted many of my constituents and many of the groups who make up the rich social tapestry of the seat of Stirling. I have been involved in issues such as Town Planning Scheme 38 in Innaloo, the sale of the Trigg blocks, the Mirrabooka tip issue, the Reid Highway issue and the Scarborough High School land issue, just to name a few. My position on these issues has always been to support the local community to make a decision on what it wants for our local area and to ensure the processes for that decision are fair and accessible. I always encourage local grassroots community involvement in issues that affect people. This is the community worker that comes out in me again and again!

In the process of my involvement in some of these issues, I have at times raised the ire of both local and state government. However, my colleagues have the maturity and common-sense to be able to deal with each issue and move on without holding grudges. I am pleased to say I currently enjoy good relations with my local and state colleagues. What I have found in this time is that, if a public consultation process is carried out genuinely, and the subsequent decision then made on the basis of that process, there is no need to fall out. But when proper process is not present, I will always push for it publicly and privately, regardless of whether it makes me popular with the other tiers of government. The underlying ethos behind what I am saying is that government needs to be accountable and transparent. I strive to be always accountable and transparent as well as hard working in my electorate.

I note with interest the article in the *West Australian* newspaper on 14 February 2002 entitled ‘WA Liberals defend poll campaign’. This followed an article the day before in which the Prime Minister slammed the Western Australian Liberals. In the second article Western Australian Liberal Party President Kim Keogh said that he was disappointed at losing the winnable seat of Stirling. This caused a bit of a furore internally in the Liberal Party in Western Australia during the last parliamentary sitting fortnight, and we saw a mini-blame game between factions in the Western Australian Liberal Party. What I have to say to Mr Keogh is that, if you run a 10-week saturation campaign in an area where you have no presence for the preceding 12 months, you are going to have problems.

A division having been called in the House of Representatives—

Sitting suspended from 4.49 p.m. to 4.57 p.m.

Ms JANN McFARLANE—Pumping hundreds of thousands of dollars into flooding people’s letterboxes is not a substitute for hard work on the ground in your local community. The Liberal Party needs to understand that you need to connect with your electorate, and the best way to do this is to listen—listen to people’s problems, their aspirations and their ideas. Local people can often offer local solutions to national problems. Holding regular community morning teas and issue forums and meeting real people are better ways to connect with, and to achieve results for, your constituents than bombarding them with expensive propaganda.

My opponent, Bob Cronin, personally ran a relatively clean campaign, and I thank him for that. However, I think Mr Cronin was let down by the Liberal state machine, which ran his campaign. Almost 90 per cent of the material put out in the Stirling electorate by the Liberal Party during the formal election campaign period was on the *Tampa* and border protection. Mr Cronin had been preselected earlier in the year, according to media reports. However, his first hit in the electorate came the week after the *Tampa*. Prior to that, there had been no contact from the Liberal candidate at all. It was as though the state Western Australian Liberal Party had abandoned Mr Cronin prior to the *Tampa* and then suddenly a Pandora’s box of goodies appeared in order to dazzle the electorate.

The danger of running the type of campaign that the Liberal Party ran in Stirling is that you focus on one issue; the Liberal Party focused on border protection. It ran a fear campaign, pure and simple. It totally ignored the impact of the GST, the need to create new jobs for our young people, the crisis in our health care system, the fact that people do not want to have the
rest of Telstra sold off, and the confusion in the electorate about funding formulas for schools. It also ignored bank closures in the suburbs, the environment and a plethora of other really important issues. During the campaign, the Liberal Party did not offer any fresh ideas to deal with people’s everyday concerns. This is why it lost Stirling—not because it picked Bob Croinin.

I would like to thank the following people who have been instrumental in helping me retain the seat of Stirling. I will not be able to name everyone, but these are some of the key people: my family and my many friends; my campaign manager, Alistair Jones, who is a wonderful, talented, skilful human being; my staff, including my past staff of Bev East, Verity Newnham and Darren Klarich, and my current staff of Jai Wilson and Bonnie Robertson-Hill; Emily’s List, whose mentoring and support were invaluable, and particularly my mentor, Cheryl Davenport, for her assistance; and my local state colleagues in the Western Australian government, Margaret Quirk, John Quigley, Bob Kucera, Ed Dermer, John Kobelke and Graham Giffard. I would also particularly like to thank Ann and Geoff Roberts and Lida Feist for all their assistance.

I would like to thank June Belton and Karen Farrell, who ran a wonderful postal vote campaign; Damien Parry and Lisa Wallis, who were there providing support and doing wonderfully well bringing cups of tea and coffee; Peter Illidge and Toriko Chen for organising booth workers; Kylie Turner and Batong Pham for their support and help and the many tasks they did for me; Neil Byrne, who was an absolute stalwart in my initial campaign in 1998 and in this campaign—he was there helping out with many tasks, particularly doorknocking and driving me around—Tony and Del Jones for their catering on election day and particularly for their warmth and smiles, even when the temperature in Western Australia went up and up.

I would like to thank my many colleagues in the unions: the CEPU national and state branches, particularly Jim Claven, Gary Carson and the rank and file workers; the AMWU, particularly Jock Ferguson, Mike Anderton and Steve McCartney; the MUA, particularly Wally Pritchard and Dean Summers; the LHMU—the ‘missos’—particularly Helen Creed and Lisa Jooste.

I would like to thank Peter Mooney, Adrian Lowe, Justin McAllister and Michael Bowyer, who helped out with driving on polling day; Sarah Burke, Margaret Clements, Mary Haddow and Barbara Leandri, who are local branch members, devoted and loyal people and great workers on the ground; Jo O’Donohue for doorknocking long and hard with me; Ken Winder for being a champion stamp-sticker; and all the branch members of Scarborough-Karrinyup, Innaloo, Balga-Nollamara, Tuart Hill and Dianella-Yokine.

It is the hard work on the ground throughout the three years that really pays off: countless hundreds of hours of work by volunteers who letterboxed, helped with community forums and worked on the booths on polling day. I would not have retained the seat without the help of hundreds of volunteers who, in the International Year of the Volunteer, worked so hard for the dream of a Labor government. There are many people’s names that I have not mentioned here today, but my thanks are with you.

That night was the sweetest victory for the true believers of the Stirling Labor Party. The State Secretary of the Western Australian Labor Party, Bill Johnson, called it ‘the sweetest victory of all in Western Australia’, as Stirling was widely tipped to fall to the Liberal Party. I would like to thank Bill, Assistant State Secretary Sally Talbot and the staff at the Western Australian Labor Party office for their assistance and support. The national secretariat also had a role to play, particularly Simon Mead. His lateral thinking, problem solving and calmness were tremendous. His ability to retain a sense of humour when things got a bit vibrant was absolutely amazing.

In particular, I would like to thank our former leader, Kim Beazley. Kim is an inspiration—a caring family man, a superb policy developer, a team leader and an all-round decent human
being. His wife, Susie, and his daughters were also an inspiration, supportive of Kim and the party and the many people who had some ownership of them as the leader’s family. Susie’s unfailing patience with people who took up Kim’s time and presence was wonderful role-modelling. Thank you, Kim, for your leadership of the party in my first term in the parliament.

What about now and the electorate of Stirling? I have many projects that I am working on, one of them being a project being run by Foodbank. Foodbank, with the sponsorship of the Western Australian Lotteries and Rio Tinto, are running a Breakfast Club program. The Breakfast Club program is a wonderful community project to provide nutritional breakfasts for children in Western Australian primary schools. Its flyer says:

We need to start with our children. Let’s show them that someone cares. Together we can make a difference.

It is looking for local businesses to contribute towards the purchase of eskies to be used for breakfast distribution, and it is doing this because 16 per cent of children in Western Australia have nutritionally poor diets. The program is looking to encourage wellbeing through healthy eating to provide a healthy foundation for a good education.

The running of this program draws one’s mind to the fact that, while we are a very affluent, well-off society, there is still a lot of poverty and disadvantage. The Breakfast Club program covers 70 schools in the metropolitan area. Twelve of those schools—that is, 17 per cent of the schools in the program—are in my electorate. That is the reason I am supporting The Breakfast Club and supporting Foodbank, Rio Tinto and Lotteries WA. I know, coming from a disadvantaged background, that if the resources are not put into children—if there are no preventive strategies—their life outcomes will be affected negatively.

I like working on projects like this because I feel that I am giving back to the community. I am now in the position of having a job—albeit a contract job of three years until the next election—but in this job I have the ability to reach my local small business and seek their sponsorship of the eskies.

Also, I am working on a number of projects to help my local aged care facilities to access dementia bed licences for the electorate of Stirling. One of the big needs in Stirling is dementia bed licences as well as ordinary aged care beds. I will be continuing my letters and questions to government about what there is for the people of Stirling and what is going to happen with the capital grants program. It is the lack of a capital grants program which is making it difficult for the 11 aged care facilities in my electorate to have a building plan, of less than 10 years, without fundraising with lamingtons to achieve their goal of getting more aged care beds in the electorate.

In the future, what do I want for Stirling? I want to continue to work to represent the people and the groups of Stirling with all their diversity of opinions, views and needs. Even though it comes with the advantages and disadvantages of being a member of parliament—particularly with the onerous travel from Western Australia and the jet lag—I feel that this is the most worthwhile job I have ever had in my life. Twenty-seven years in community work was wonderful but being a member of parliament, being in this place and being able to bring people’s needs, views and aspirations to government is truly fulfilling. I am grateful to have had the opportunity to speak today on the address-in-reply.

Mr CAUSLEY (Page) (5.06 p.m.)—Madam Deputy Speaker Gambaro, may I congratulate you on your elevation to the Speaker’s Panel and commiserate with you that you have to listen to me this afternoon in the Main Committee. It is a great honour to stand here. This is my seventh address-in-reply. I admit that four of the addresses-in-reply were in the New South Wales chamber, but this is the third in the Australian parliament. I owe a great debt of gratitude to the people of my electorate. The electorate of Page is an extended electorate, beyond
the electorate of Clarence that I used to represent; nevertheless the majority of those people have been supporting me for quite a period of time. I hope I do not let them down.

I need to briefly thank a few people for their support during the election campaign. The Hon. Ian Robinson, who was a member of this place, has been my campaign manager for all of those elections. He must have been very successful because we have managed to win them. So I would like to thank him and his wife for their great support. Also there have been some very strong supporters in the campaign office—Rod and Janet Gould of Grafton were very strong supporters and did a lot of work. Mrs Margaret Duff has worked with me now for a number of campaigns and puts in a lot of work in the campaign office. Dr Simon Kinny from Lismore gave up part of his time—I think he was going to an overseas medical conference—to work for me on the campaign. I would like to thank them very much.

Those opposite have been trying to say that the Governor-General’s address showed no vision for the future. I beg to differ because I believe that the Governor-General’s speech showed that the government was continuing down a course, set quite some time ago when the government first came into office, to rescue this country from a position where it was rapidly becoming a banana republic—as a former Prime Minister was wont to say. Many people speaking in this debate on this side of the House have highlighted the fact that we were in quite desperate trouble economically and some very tough decisions were taken to turn this country around. Even today the Treasurer is speaking in the House about the position of Australia economically compared to other countries around the world. I believe it is a credit to this government, a credit to the Prime Minister and the Treasurer, that we have put this country on a very sound basis.

I have listened to others opposite, although I do not think they listened to a speech made by the member for Port Adelaide that I found to be very interesting. It was a very well researched speech. In fact, the member for Port Adelaide tabled in the House and put into Hansard some tables on previous elections, showing where governments had failed in the past and the economic parameters that had been part of their success or failure. I thought it was a very interesting and very well researched speech.

When we start to hear the member for Swan say, ‘We weren’t really robbed, but we were,’ we need to look at this very carefully. In the election campaign in my electorate, one of the most important things that came through to me from speaking to people on the street, particularly businesspeople and young people, was the issue of the management of the economy. I know that it is a double-edged sword and those who have investments and are retired do not get great benefits when you have low interest rate regimes. But certainly businesses, and young people who are buying homes and trying to start out in life, do see that as being a great help.

I will never forget my first days in the New South Wales parliament when we were getting these terrible interest rates—up to 23 to 25 per cent—and I used to get young couples coming in to see me, crying because they had bought a house and every month the interest rate was going up. It destroyed their marriages; it destroyed them. There is nothing worse than that. We have to say that one of the great credits that this government should accept is that the economy now is very sound; it is moving along strongly. Business and younger people in this community can now have some confidence to borrow and set out to try and reach for any dreams they might have.

Having been in parliament now for quite a period of time, I want to spend a bit of time this afternoon talking about its institutions. Let us look at the Governor-General, who in fact gave the address, and at some of the things that have been prominent in recent days with the High Court, which is another tier of government really—the judicial tier of government—and parliaments themselves. When I move around the world and look at other forms of government and other democracies, I keep on coming back and saying that we are blessed in Australia for
the form of government we have. We might complain about it, we might have differences of opinion and we might think that there should be different terms or names put on positions, but at the end of the day we really are lucky with the system of government we have in this country.

We have a hybrid system of government. During the centenary, we started to see some of its forms, and I know I did quite a bit of research into history as to how Federation came about. If you were to listen to the debates at the time of Federation, you would find that they were not much different from those we have today. Those same debates are out there: the fact that the smaller states were worried about the bigger states—and they are still worried about the biggest states. The fact is that our Senate was created the way it was because the smaller states wanted to have a say in government. Nothing has changed in that way, but the system works extremely well.

I just want to have a little bit of a discussion about what, in my opinion, are some areas that we should be very careful about. There is often some criticism from the courts in particular about the fact that parliaments do not understand the separation of powers: that they do not understand the difference between the judiciary, the parliament and the executive. I think that most senior members of parliament who have been around for a while clearly understand the separation of powers, but I wonder at times whether some of our judiciary do. Really, if it is not common law—which is really the realm of the court—if it is statute law, then of course it is the right of the judiciary to adjudicate, to interpret and to enforce. That is its role. I think at times the judiciary tends to step a little bit over that line and it starts to say, ‘With some of our decisions, we can in fact change this law; we can put a little bit of an edge on it.’ Really, that is not the role of the judiciary.

Getting around the electorate—and I know a lot of this has more to do with state laws—I find that people are disenchanted at times with some of the decisions that are given by the people in authority on the bench. Yet if you look at the law in those states, or even in this place, it is adequate. There is law there that is suitable for any crime, whether it be minor or major. It is the job of the judiciary to set the penalty, and all too often people are saying, ‘We think those penalties are down on the lower end and they are not fitting the crime.’

The judiciary probably do not think this, but they are responsible to the people as well. They might be appointed for life by the parliament of the day but, in fact, they are part of our tripartite government and they should be listening to the people. I think that all too often some of our judicial officers are not listening. They certainly are very learned people, but they tend to think that they know better than the people and the parliament. I would like to remind them that every three years, particularly in this parliament, the people judge me and if they do not like what I have done they kick me out. Obviously it is important that the judiciary not be removed with a parliament—that would be a very dangerous position. But because of their unique position in our society, where they are appointed for life—and only one in the history of this country has ever been removed—I think they do have a responsibility to the people. I urge them to think about that, because I believe the people require it of them.

The other area I would like to talk about is our so-called fourth estate—the media. The media in a free society have a very important part to play. I think in Australia, as a free society, it is important that they remember that their job is to be impartial and that they should report very fairly on both sides. If there is no interference in the media then they can tease out problems. They can do this through, I dare say, question time, because obviously the community, through the opposition, have the ability to ask the government questions at that time. There is a very big responsibility put on the media. At times I do not believe they meet that standard. They claim that they have a journalistic code of ethics and I have read the code of ethics—it has been changed in recent years. It is important that they abide by that code of ethics.
I, as a member of parliament, can take you through two or three scenarios where I believe
the media have not done their homework. They sometimes think that I am a little bit obsessed
about this but I have never spoken in the parliament about it before and I thought it was
probably time that I put it on the record. I was one of the first ministers in New South Wales
to be taken to ICAC, and it was not a very pleasant experience, I can tell you. I believed I had
done nothing wrong and that was subsequently proven. Nevertheless, that did not stop the
media from going out and writing stories without researching the subject. The *Sydney Morning Herald*, in particular, wrote an article that was based upon public myth—pub gossip. They
subsequently, of course, were taken to court by me, which was a fairly harrowing experience
and it took some three years to get a judgment. They did not bother coming to me and asking
me my side of the story to check the facts. They might have still written the story and, hope-
fully, would have put my side of it but they did not bother to do that. I think that is an abuse of
power.

We have heard about abuses of power. For example, at the present time we have seen the
discussions about the Governor-General and the High Court judge. It is an interesting study to
have a look at the way the media have treated both those cases. Both cases were based on al-
legation, and in one case they gleefully took up the allegations against the Governor-General
and pursued him unmercifully. But in the other case—and I accept the fact that those allega-
tions have now been withdrawn—there was a different position taken because, all of a sud-
den, it was the senator under fire, even though nothing had been proven at that time although
subsequently it has been. It was a quite different position taken by the media.

I have to say that I am worried about agendas here. I think that sometimes some journalists
have an agenda and, regardless of the facts, they will pursue that agenda. When I was a min-
ister in New South Wales the ABC’s *7.30 Report* was presented by Quentin Dempster, who
was then riding high. He thought he had brought the Queensland government down and he
was going to come down to New South Wales and take the National Party apart. There was
Quentin Dempster, there was Murray Hogarth, who, by the way, wrote the article in the *Sy-
dney Morning Herald* and then went across to the ABC and pursued me through the ABC, and
another reporter called David Margen.

This story was over a development in Lismore, which is one of the areas I represent at the
present time. I owned a particular hotel that was up for development, and a story was run on
the *7.30 Report* based on absolutely no facts at all. Again, they did not come to me to ask for
my side of the story; they just went out there and published these allegations as if they were
gospel. The other day Laurie Oakes said that it was a pity parliamentarians did not check their
facts. I say to Laurie Oakes that it is a pity journalists do not check their facts, because they
also have a responsibility in this democracy—and it is a great democracy. They have a very
big responsibility to live up to their code of ethics, which says that they must be fair and ob-
jective in their reporting.

All too often these days a habit seems to be developing with senior journalists whereby
some unidentified person has given them some statements. This may well be true; there may
be that person out there who is prepared to give them some statements ‘off the record’, so-
called. But I think all too often these days these stories are backed up by this unsubstantiated,
unidentified evidence. Who is to say that that is not just a figment of the imagination of the
journalist? No-one knows, because when the journalists are taken to task they claim that they
have to protect their sources. There are real issues here, and I challenge the media to do
something about that.

I have had experience in the past with the Press Council. When Rob Milne was the local
editor of the *Daily Examiner* there was a great argument going on about the local hospital.
The government had put forward some $2 million to upgrade the local Grafton hospital, but
every time I put out a story this editor would not print it. He would print the arguments from
the other side, but he would not print anything I put out as the local member. I had some ad-
vice from my press officer at the time to write an open letter. I did not know what an open letter was at that stage, but the press officer said, ‘He will have to print this because it is an open letter.’ Guess what? He did not print it, but he picked pieces out of it and absolutely tore me apart on the front page of the paper. The next day he came back on the front page of the paper with an open letter to me signed by 12 prominent members of the community. Even though he would not print what I had to say, he was going to tell me what to say. Very fair reporting!

I took him to the Press Council. Do you know what the Press Council said? They said that, because the editor had signed this open letter, along with 12 other people, that was an editorial. Bunkum! I had never heard anything like it in my life. When I spoke to senior journalists around the country they all said the same thing: that that was just an outrageous abuse of the media.

The Press Council is a toothless tiger. It does not do anything. It does not keep its journalists under control. I put it to this parliament that I think it is about time we had a close look at this. I know the hue and cry: ‘This is interference with the press. You cannot do that.’ Why cannot you? Why can’t you set up a tribunal with the chair of it being a retired judge, a magistrate or someone like that and one nominee from the press and one nominee from the government of the day? And the statute? The statute would be the journalists’ code of ethics. I challenge them to argue against that.

Journalists stand up and say, ‘We are very honest people. We abide by our code of ethics,’ but they do not read it and they do not abide by it. I think it is high time that the media understood that they are a very important part of this democracy. Their responsibility is to be fair and honest. By all means be investigative, because that is part of the responsibility of a good media, but be honest and truthful and put both sides of the story. I have no problems with criticism. I have been around parliaments for a long time and I am big enough to take the criticism, but I say that we should also have the right to put the other side of the story. That is what a democracy is about: that all sides are given and that people can then make up their own minds.

Selective reporting is another lovely area that the media gets into. I know in politics that you pick up on these things. I have heard something of it from the opposition in this debate. As I see it, everyone seems to have forgotten two things in this business about ‘children overboard’. First of all, I think it was only a matter of a fortnight ago that Admiral Barrie finally gave advice to the government that he did not believe that children had been thrown overboard. Until then the head of the Defence Force was saying to the government, ‘Children have been thrown overboard.’ I have not heard much said about that. Secondly, the other thing is—and most people I see in the street in my electorate remind me of it—whether children were thrown overboard or not, and it would appear that they were not from the evidence we have at the present time, it was not very long before they were in the water because those people scuttled the boat. It did not seem to worry them then that children were in the water. But that did not suit the story. We did not get any sensational headlines because that did not suit the story.

There are often these examples. With the experience that I have had, I suppose I could go back through many examples of selective quoting of the evidence or the information that is available. By all means, if you want to go out there and write a story, fine, but give all the information that is available and do not try to hide important parts of it so that it suits your story and so you can get such a sensational effect.

There are lots of things I would like to say—although probably I will be saying them at a later time—about where the government is going and the different policies we have. I believe that it is time I put some of these things on the public record. I have been thinking about them
now for a long time: probably six or seven years. It is about time we had this debate and it is about time we thought very closely about the control of the media in this country.

Mrs MOYLAN (Pearce) (5.27 p.m.)—That I am once again able to come into this place to participate in the address-in-reply debate—which is an opportunity to range across issues—is a great privilege, and I am grateful for the opportunity that has been afforded me by the constituency of Pearce. This is the fourth occasion I have been elected to represent Pearce, and I remain committed to working hard with people in the Pearce electorate to achieve their dreams and aspirations for themselves, their families and their communities, and to represent organisations and individuals who often rely on my representation to manage a wide array of problems and concerns.

In the course of the last term I worked alongside local authorities and community groups, as well as individuals, to represent their interests in issues as diverse as better roads, health care, education, taxation, the preservation of historical places, business development and employment opportunities, and the improvement of the environment, just to name a few. There were many successes, and it was exciting to see a community that was interested in looking after the people who lived there, ensuring that they had good leadership. And it was great to see community based initiatives come to fruition, particularly projects in relation to the Centenary of Federation, as last year was a very significant year in that respect.

Also, the Green Corps projects, which are helping to look after the fragile environment in many parts of my electorate, are a wonderful opportunity. They allow young people to gain a better appreciation of the environment and, in the process, gain real skills that help them to get jobs or to go on to further education. I noticed that these projects often brought the community’s younger members and more senior members together to achieve a common goal, and I think that has been a very positive outcome of the Green Corps projects.

Shortly I hope to participate in the opening of the Northam bypass road. This road will indeed liberate the township from the never-ending rumble and disruption of heavy haulage trucks to and from the eastern states because this is the main route from the eastern seaboard to Western Australia. It was a classical example of a town and shire and its citizens pulling together to resolve what had been a long, ongoing battle to determine the route of the highway—and there was not always agreement on the issue. I felt privileged to become involved in the early meetings where mature debate, willingness to compromise and good leadership allowed the project to proceed. Now we are at a point where it should shortly be opened officially. Working together is so much more effective than working unilaterally.

There are now 19 local government groups in the electorate of Pearce, each with particular needs. Some of the local governments are bravely managing changes to their communities, where rapid growth and development are outstripping their capacity to provide the necessary infrastructure to meet the additional demands. So it was really pleasing to see the Howard government pay particular attention to local government, with specific assistance by way of regional solutions programs, other specific programs and special local road funding—and that, I know, was very welcome in all parts of my electorate. Local councils and shires have been an important point of contact for me in endeavouring to service a diverse electorate such as Pearce. I see my role as keeping in touch with the community by a regular visiting program to the many suburbs and country towns, meeting with people to hear their views, discuss their aspirations and assist wherever possible to help them achieve those aspirations.

I am very grateful for the cooperation and assistance that have been given to me by local government representatives in all the areas of Pearce. From time to time I supplement the visiting program with a survey seeking the electorate’s perspective on a range of issues. Invariably, the issues that come up as being of greatest importance in my electorate are health, education, employment, decent social support and the environment, which is a big issue in my electorate. Contemporary issues that must be addressed include safer roads, improved infra-
structure development to keep pace with growth and development in some areas, and the development of industry and business to maintain an employment base—particularly for young people.

I believe that the greatest successes in the past have come from working closely with communities. This has produced some good results in the building of safer roads and improving the delivery of health. For example, working with the division of general practitioners in the wheat belt has helped us to achieve a practice nurse policy, which I understand is working exceptionally well for country GPs in my electorate. It has also improved delivery of health services, particularly mental health services, by establishing a mobile service in rural areas at a time when Western Australia was looking like facing a very serious drought.

I am currently working with the community to address the shortage of doctors in regional areas. Now that we have substantially tackled that problem in rural areas, the regional and outer metropolitan areas are having difficulty attracting doctors. Last year I worked with other backbench colleagues and the minister, and we did have a change of policy. The community of Pearce stands to benefit from the regional doctors program. There are still some bumps to be ironed out to make it more workable, but I think we are on the right track there.

Other issues that need attention include better support for rural families whose children need to go to the city for higher education, more support for families caring for people with disabilities and continued improvement in the provision of facilities for the frail aged. Also, preparing young people for work must be a priority—and it is a priority for the Howard government, which has improved the number of apprenticeships available. For example, in my electorate in the last period we had 1,673 apprenticeships available to young people. That is a substantial increase on the numbers available during the Labor Party’s incumbency. In my electorate, we have school to work programs, which have been very effective. The Green Corps program has added to that, as has the Work for the Dole program.

In an electorate such as Pearce, one of the major challenges is the environment. It has a fragile landscape that is constantly under threat from encroaching development: both on the coastline, which is very sensitive, and throughout the wheat belt, where salt and erosion continue to threaten the viability of both farming and country towns. Throughout the hills and valleys in the electorate, great care has to be taken to preserve the integrity of the beautiful and valuable natural environment as it comes under increasing pressure from development. The federal government’s salinity action plan has great promise, if the state government could be encouraged to embrace it and make a similar funding commitment to preserving the natural environment. The Howard government has invested $1.4 billion over seven years under the National Action Plan on Salinity and Water Quality. Of all states, Western Australia needs desperately to take advantage of that. The government’s ongoing commitment to offer $1 billion for greenhouse gas abatement is, I understand, among the largest commitment in terms of dollars by any government in the world, and I am pleased to see that that work will continue.

Having grown up in a country town, Narrogin, which is now part of the electorate of Pearce, I have a goal of continuing to highlight the achievements of the men and women of the farming community and the towns, whose backbreaking work now and in the past has generated and continues to generate wealth. That wealth has not just benefited the individuals who did the work in the towns and the regions they work in; those of us who live in the city and suburbs enjoy amazing access to facilities and have the convenience of infrastructure that was to a large extent funded by the mining and pastoralist industries of the state. What other country of less than 20 million people has a dozen or more great museums, orchestras in every state, theatre companies that are world class, sporting facilities that are outstanding and places of learning that we can truly be proud of. We even manage seven parliaments.

Rural and regional Australia has gone through turbulent times over the past decade. Farming practices have changed, and farmers today are more worried about the price that they will
get for their wheat than how they will get it to market. We have seen banks close in rural towns, and other facilities lost. But we have seen the towns in my electorate fight back, with the help of the government, and restructure their communities in ways that will ensure the future without compromising the foundation. Rural areas have in the past played a vital role in shaping our nation and have a continuing role in shaping the future. I want to see rural communities included in the development and realisation of future plans and dreams for Australia.

In a way, Australia as a nation, like rural towns, must also change and adapt to the challenges of the contemporary world, both in the social and economic spheres, without losing the foundation on which it was built: unity. Without unity of spirit and unity of purpose, it will be difficult to achieve what past generations have achieved. For sure, we have our differences and there will be robust debate and argument. This was the way to unity a hundred years ago, when it took decades of debate to bring about Federation. Robust discussion and argument are to be encouraged, so long as it is in the spirit of respecting the views of others and valuing our differences and diversity.

In my first speech, I expressed my belief that those who of us who are elected to parliament have a responsibility to work effectively for our fellow Australians’ deeper involvement in and understanding of the political process. I want to quote from my first speech. I went on to say, in part:

If we are honest, we cannot deny that there is a growing cynicism in the electorate. The healthy scepticism of our anarcho-conservative cultural tradition has been overtaken by a sullen alienation, a continued feeling of ‘us’ against ‘them’.

Remember that this was in 1993, when we were still in opposition. While some progress has been made at times to change this mood, what I said in my first speech still holds:

Too many Australians consider that they are completely dissociated from government— and opposition— that they have no means of influencing public policy, and that any major policy initiative is certain to contain a malign hidden agenda.

That is sometimes what people reflect. I went on:

Much of the responsibility must be borne by not only publicly disgraced political leaders but also all those in leadership roles who have sought to exploit and deepen this feeling for partisan gain.

The concerns expressed my first speech are still relevant, and I commit myself to doing whatever I can to influence an inclusive process and to ensure a reasonable level of confidence in the political process.

I do not wish to paint a gloomy picture of our parliament, our parliamentary process or our nation, as we have done a great deal we can be proud of. In the Governor-General’s speech at the opening of the 40th Parliament he said in part that the government seeks to build on a century of national achievement and accomplishment, and that:

With political stability and social cohesion that are the envy of the world, with the personal freedoms of expression, enterprise and association more certain and assured than ever before, Australians can pursue whatever individual or collective dreams inspire them.

It is always good to highlight the things we have done so well, but these are qualities of life that are hard won—they come only from hard work, building bridges of understanding between people and countries, from respecting and celebrating the diversity of humankind and from encouraging people’s participation in all endeavours, particularly the democratic processes of our parliament.

As I said in a recent speech in this House ‘ ... in this country we have much to celebrate. We are part of a society great for its learning, its sense of justice, its reasoned compassion and the courage to defend itself. The most noble aspect of our country is the promise it holds for the future—that is, that in this magnificent landscape we may yet build the greatest, most hu-
That seems to me a goal worth striving for. Before I finish I have to say that without healthy principles in political life—principles of unity, of bringing people together and of working with other people—it would be difficult to achieve re-election.

One of the features of political life that has always amazed me is the generous support of people during election time and in particular the dedicated people who work tirelessly within the Liberal Party—in the division of Pearce in this case—and members of the campaign committee. Today I would personally like to thank the chair of my committee, former shire president of York, Gordon Marwick—and his wife and children—for the amount of time that he put into being involved in my campaign; the committee members, of course, who I will not name individually but who are wonderful, generous people; and the members of the Pearce division of the Liberal Party for the support they gave me during the last election.

There are many people who came out on the day of the election to work at polling places, not all of them with particular political affiliations. Whatever their backgrounds, they came because they believe in the democratic principles that are the foundation of a civilised society and they work to ensure that those principles are upheld. We only have to look at what is going on in many countries in the world today to recognise how precious the principles of democracy are and how important they are to civilised society. I am personally very grateful for their commitment and I look forward to ensuring that their efforts are worth while in my service in this place and to my electorate.

The electorate of Pearce has changed very significantly since I was first elected in 1993. Then, it covered less than 6,000 square kilometres and was nevertheless diverse in nature. But two redistributions in two elections have expanded the electorate to more than quadruple its original size and it now takes in an expanded area of the wheat belt in the east and the southeast and spreads across the coastal areas of Yanchep right down through the newer urban communities of Mindarie, Merriwa and Clarkson.

One common thread in the Pearce electorate is that it is made up of very distinct suburbs and towns that all have their own particular sense of community. As I think through the areas—there is not time for me to go through the many areas in my electorate—each area has a very distinct and very particular sense of community when you go there to visit. It is a great thing if we can bring areas together. Sometimes it is easier to do in country towns than it is in the suburbs, but I think, again, a goal worth striving toward is to develop a sense of community, whether it is in the suburbs or the country towns. The other common feature is the generosity of the army of volunteers who work to provide services, ranging from firefighting to providing meals on wheels. One year I instituted the Pearce Australia Day awards to recognise the many unsung heroes in the community who do endless hours of volunteer work to make life for those in the community, for people who cannot always do things for themselves, just that little bit better.

There were three ladies in the first awards who came from the country town of Northam. Collectively, they had given 90 years of service to Meals on Wheels; they had hardly missed a day. I think that is very touching. It really warms your heart to know that there are communities like this with people who are prepared to give very unselfishly to their communities many and countless hours of volunteer work, making life for those who depend on their generosity just that much more comfortable. For many of the people who rely on those volunteer services, life would be unbearable without the support and help of these very special people.

Those who work in firefighting and emergency services provide an invaluable service to the community, especially in an electorate like Pearce, where we have a great deal of national park, farming and bushland and invariably every year there are major fires which put the lives of firefighters at risk. Again, these are people who mostly work on a volunteer basis and who come out at any hour of the day or night. There are people like the woman up in the northern
sector of my electorate who provides health services for the community for nothing. She just
does it because she wants to do her bit. I am grateful for the generosity of people like these in
the Pearce electorate and for the hope that they give me that our communities and our country
are in very good shape for the future.

Mr JENKINS (Scullin) (5.46 p.m.)—Today I want to take this opportunity in the address-
in-reply debate to talk about something that was canvassed on the first day of sitting of this
40th Parliament, and that is reform of the parliament, reform of the practices of the House of
Representatives. Perhaps the aspect that I wish to emphasise is that it is not just about reform;
it is more about the modernisation of this parliament. I agree with a statement made on that
first day by the Speaker. The Speaker said to us, as assembled members of the House of Rep-
resentatives:
Can I offer a word of caution. As parliamentarians we run the risk of focusing so much on parliamen-
tary reform that we imply that this chamber is some sort of disaster in legislative terms.
And that is really not what I use as the basis for floating some ideas that we should consider
about this place.

Mr Fitzgibbon—May I intervene—of course not.

Mr JENKINS—I will go to the member for Hunter’s point later in my speech, because the
form of intervention and a change in the debate may be something that goes to a point I wish
to make, in that it may make the proceedings of this place more relevant. I consider that one
of our problems is that we have a perception problem, and we do not help ourselves with that
perception problem. For instance, those that are lucky enough to visit this magnificent build-
ing in one of the weeks that we are sitting must leave a little bemused by what is happening.
What they see is a representation, in a changed but perhaps modern environment, of the same
form of debate that was used in 1901 at Federation, when the House of Representatives used
the Victorian Legislative Assembly chamber, and that was used at the provisional Parliament
House for the years that we were there up to 1988. There are some simple things that could be
done that would perhaps make people understand a little better what is going on and see it as
being relevant to their lives.

During this speech I will be referring to two papers, both to do with the House of Com-
mons. The only reason I do so is that at the moment there is much discussion about the mod-
ernisation of the House of Commons. Some of the writings about the House of Commons
have great resonance with the feelings I have about our House, our chamber. People have
made complaints about the House of Commons and the way it does business, which have
been recorded in some of the writings about it; pleasantly, many of those we have already ad-
dressed. So that is positive. But one of the things that these writings indicate very much is a
concern that, in the public’s eye, much of what occurs in the House of Commons might be
described as follows:
The Commons looks, for the most part, arcane and old-fashioned.
That quote was taken from a paper by Greg Power, ‘Making government accountable—the
report of the Hansard Society Commission on parliamentary scrutiny’, which appeared in the
Journal of Legislative Studies in the summer of 2001. That is one of the aspects that I believe
we really have to go to.

Another paper that I would recommend to members is a memorandum submitted by the
Leader of the House of Commons entitled ‘Modernisation of the House of Commons: a re-
form programme for consultation’. The Leader of the House of Commons at the moment is
Robin Cook, who was given that job after being the foreign minister. In the short time that he
has been the Leader of the House of Commons, he has certainly indicated that he really
wanted to make a mark as to the way in which the Commons can modernise itself. In his
memorandum, talking about debate in the chamber, he states:
The length of the debate in the Chamber looks antiquated to a modern audience which is accustomed in real life to forms of exchange that prize informality and brevity. By contrast, parliamentary debate can appear to the public as ritualised and prolix.

Mr Fitzgibbon—May I intervene?

Mr JENKINS—The ‘intervention’ of the honourable member for Hunter perhaps goes to one of the features that we see in the Commons, where they allow what I would describe as a degree of informality. On an occasion when I watched the proceedings of Westminster Hall, which is their equivalent of the Main Committee, I thought the way in which they conducted their business was very encouraging in that, where it seemed appropriate, a member in the chamber could ask the person on their feet whether they would entertain an intervention. That enhanced the quality of the debate, because items could be dealt with at the time. I am intrigued that we do not use—for instance, in the discussion of legislation before us—not only the opportunity afforded by consideration in detail of analysing the clauses of a bill, and by analysing the bill teasing out its intent, but also the opportunity of using unlimited opportunities to speak in order to have that interchange.

The other thing I have to say about the way in which their second chamber operates is that it is mainly to discuss committee reports. That is very positive, because their committees were frustrated with there being no opportunity to do so in their main chamber. The predominant other business is private members’ business. They have not been quite as accommodating of the government as to assist them by pushing through uncontroversial legislation in their second chamber. But there, where there is a private member’s item, the relevant minister is in attendance. The relevant minister will enter into the discussion and debate. So, whilst these papers on the House of Commons include a complaint that everything they do is a bit ritualistic and long-winded, there is the opportunity there to have the type of discussion that perhaps we would cherish in this place.

Another aspect that I believe could make the way in which people view the conduct of this chamber more relevant is that we absolutely embrace the opportunities that IT gives us. As I look around this chamber, I note that the Clerk and the Deputy Clerk are going about their business using a computer. The Hansard person also has before him a computer. I do not understand why a lot of other aspects of the way in which our chambers work do not use the opportunities that IT gives. Last week in the Age, in perhaps one of the more flippant articles that has appeared in ‘On the Hill’, there was a noting that the present Leader of the Opposition, instead of bringing in a great pile of papers, now brings in a laptop, which he uses sitting at the table, at the dispatch box, on the opposition side.

I believe that this is a very positive signal. Perhaps, as a start, we should be looking at there being a computer permanently in place at the dispatch box of both sides, down in the main chamber. This would enable all that is very positive about that new technology to be used. With no disrespect to attendants who so faithfully bring the messages that people write us, why can we not—as well as having that very good service—have the modern interpretation, which is getting messages by electronic means?

I stress that, in pushing new technology, I do not want it to be prescriptive. I want us to see that, by embracing new technology, there is an opportunity that we can have. I would like to suggest that, in the first instance, we perhaps should be becoming more serious about the use of IT in this second chamber, the Main Committee. Why is there not a computer permanently in place for the people who do the whipping duties here? Wouldn’t it be better and less obtrusive for the people in the whips’ offices to be communicating by computer, by email—not ringing phones, with all the distraction that that causes us in this most intimate of chambers? They are things that we should consider as starting points.

One thing that is often said is that one of the limitations about our embracing information technology is that, in an architectural sense, the main chamber does not really cater for the full
use of screens et cetera. There is often an argument that the architectural integrity is too im-
portant for there to be such intrusion. I would say that we should look at ways in which we

In the Canadian House of Commons, screens and computers have been put in place for the
use of the clerks in their administration of chamber business, as has been done by our Clerk
and Deputy Clerk. But, in the footstool of the Speaker’s chair in Canada, they have also man-
aged to put a computer screen that can be used by the clerks to communicate with the
Speaker. To get the clerks to have IT on their table required that the table of the House of
Commons in Ottawa be extended. This meant that it had to go to the Heritage Commission
and all sorts of things. But at least they were allowed to do that. They use it as an effective
way of communicating between the clerks and the presiding officer. I believe that is some-
thing we should be looking at; it is an efficient way of dealing with the types of messages that
are required to go between those positions.

To indicate that we are a modern house of parliament, perhaps we should also be looking at
the ways in which we can disseminate visual images of what is going on. We have, through
webcasting, allowed the proceedings of even this Main Committee to be online, as well as the
proceedings of the Senate and the House of Representatives. That gives a greater scope than
the radio, where only one chamber is dealt with, or the direct broadcast of question time of
only one chamber.

Why don’t we pursue, perhaps with the people who provide cable networks, whether there
is the possibility of a C-Span type channel that we can use here? C-Span is the American ca-
bble network that provides broadcast of what is going on in the Congress. It is a non-profit
public service organisation of the cable television industry. Members of that industry came
together to provide it. It has been in operation in broadcasting the US House of Represen-
tatives since 1979. That was the time when the first televising of the House of Representa-
tives was made available. It has grown from that time. In 1979 it had a staff of four, giving live
signal to 3.5 million cabled homes. Today, it has a staff of 260 people, and its programming is
available to 77 million TV households via nearly 6,500 cable systems. Of course, there is a
bigger market there, but perhaps, as a public service, we should be looking at a relevant way
of trying to get our message across unfettered.

The other aspect of this place that is important, and I have had the opportunity to speak
about this in the past, is the committee system. We, as members of this House, should cham-
pion the committee system. We should remember that under our system we are here not only
as people who represent our political parties—leading to a determination of which political
party or group of political parties becomes government—but also as individual parliamentari-
ans. Often it is difficult to reconcile our loyalties to our political parties and our loyalties to
our role as individual parliamentarians.

I have had the fortune to see this from both sides. It is very frustrating, as a member of an
opposition, to effectively use the parliament as a way in which we keep executive government
under scrutiny. But the parliament gives us great opportunities to do that. If we had the full
debate of legislation, that would be one possibility. The work of the committees is another
possibility. Having had the chance to be a backbench member of a political party in govern-
ment, I would like to suggest that the same opportunity arises for backbench members of a
political party in government. They have a responsibility also to use that role—their role as a
parliamentarian—to keep scrutiny upon executive government and keep them accountable.

If you read the articles about the House of Commons, you will see that that is what drives a
lot of the modernisation process. Of course, it is a larger chamber there. There are more peo-
ple that fulfill their backbench roles. But also there has been a movement—like in Australia—
away from executive government, seeing that it should be fully accountable to the parliament.
Much of the discussion that we see in Westminster is about the way in which parliament can see its continuing role in being able to give that scrutiny and accountability.

As I said, it is important that we look at how we can change the way we present ourselves to the public. For instance, if you are down in the marble hall and you are watching the broadcasting over the in-house television, you will see what the matter of the debate is by the use of the subtitles. If you then go up to the gallery of the chamber or you find your way here—

I always assume that most people who actually come into the Main Committee get lost and get into the room by accident—you have no idea what is going on. Likewise, members who come into the chamber, if they have not been paying attention, do not know what is going on. In the House of Commons, which in an architectural sense is centuries old, they at least have a screen that tells you the business before the chamber and who is on their feet talking. You have a better idea of what is going on. In the Singapore parliament, as part of the system that they put in place for electronic voting, they have a screen. Likewise, the legislation or motion—whatever is before the chamber—is displayed so that people can get a better idea, when observing what is happening, of what is going on.

There are other aspects of this. There is the archaic way that we count divisions. What is the problem with embracing electronic voting? Why is it that here we are in the 21st century and we have not pursued it?

Mr Fitzgibbon—If they can’t see it, they can’t trust it.

Mr JENKINS—I think we have to find other means for doing that; I think we have to be creative in the way we do that. We should not allow the primacy of the executive wing of this building to enable them to hide. I say that not only from the position of opposition but from having shared the frustration of being a backbench member of a government ruling party. I think there are ways in which you pursue it. Again, if you look at the House of Commons experience, they are very conscious of that. In trying to put their procedures in a more modern context, they are raising this question about the way in which people are physically, in their case, ticked off as they pass through the lobby for voting purposes. But they simply have the greater use of deferred votes, several votes in a row. We should be exploring the ways that would enable people to get on with their business.

There are many other things that we should consider. We should consider the amount of time that we actually sit. We should not allow executive government to be so in control of the legislative program that we have brevity of debate on important legislation. I hope that individual members of parliament will see that there is an opportunity to modernise the way in which we go about our business and will pursue that as something that we can do very positively. (Time expired)

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (6.06 p.m.)—In early 2001 the Commonwealth listed land clearance as a key threatening process under the Environment Protection and Biodiversity Conservation Act 1999. We did this because of the accumulated evidence that land clearing has been the most significant threatening process in Australia since European settlement some 220 years ago. Land clearing is, of course, the destruction of native vegetation such as trees, grasslands and shrubby species and replacement with another land use such as crops, pastures, housing developments, plantations and so on. Destruction of native vegetation has been identified as the single biggest cause of biodiversity loss in Australia. It is a primary driver of land degradation, in particular salinity and declining water quality, and it contributes to about 13 per cent of our net greenhouse gas emissions—a most significant contributor.

Professor Thom, in launching the *State of the environment 2001* report just yesterday, said that federalism was letting Australia down when it came to natural resource management. He is absolutely right. We have inherited in Australia a system where the states and territories continue to be largely responsible for the natural resource management across this country,
and so each jurisdiction continues with different standards, different definitions and different rates of progress towards a sustainable future.

Regulation and implementation of vegetation management, in particular, is essentially a state responsibility. However, the Commonwealth government recognises that it is in the national interest to reduce the very high rates of land clearing and the environmental problems stemming from the decline in vegetation cover and condition. The Commonwealth does have the power for significant legal intervention in land and water management, mainly as a signatory to the Convention on Biological Diversity and the Convention to Combat Desertification, should it choose to follow that path. But, rather, the Commonwealth policy approach, particularly the John Howard approach, has been to lead national reform in vegetation management cooperatively with the states. We have amended Commonwealth legislation, encouraged conservation management and invested substantially in vegetation protection, giving incentives and support through programs like Landcare and Australia’s biggest national resource project to date, the Natural Heritage Trust mark 1 and, just recently launched, the Natural Heritage Trust mark 2—altogether over $2 billion in natural resource investment.

We know that wide community acceptance, particularly by farmers, land-holders and land managers, is essential if vegetation management is to be effective and if sustainable land management is to be achieved. The Natural Heritage Trust mark 1—and now mark 2—has been the foundation for the Commonwealth’s cooperative approach with the state and territory governments and the community for conserving Australia’s native vegetation.

Bushcare, in particular, significantly invests in on-ground projects at the community level. But now we have the national salinity action plan as well and we recognise that one of the major drivers of soil salinity and water quality deterioration is the loss of the natural vegetation, the deep-rooted species, on the critical parts of the landscape. So we have another tool, and another source of investment in vegetation management and replacement in this country. In terms of the Natural Heritage Trust, through partnership agreements signed in 1997, the Commonwealth, states and territories committed to reversing the decline in the quality and extent of native vegetation—that is, to reduce land clearing significantly, undertake revegetation of native vegetation communities and better manage and protect remaining vegetation in rural and urban landscapes. In June last year we hoped that the milestone would be achieved of an equilibrium where there was no further loss of native vegetation across Australia. Sadly we passed that milestone and there is no sense that in the near future that state of equilibrium can be achieved.

I will talk briefly about what the different states’ current state of play is with their vegetation management. After that I will talk about why we no longer have to guess about the extent of vegetation clearing or even the condition of vegetation across Australia because of the innovative work that Australia has undertaken in the form of carbon accounting systems. But first let us visit what the states have achieved since we have been putting major investments back into the landscape via Natural Heritage Trust 1.

In Queensland the current rate of clearing woody vegetation is about 425,000 hectares per year. Queensland legislation still does not protect native grassland or mangrove communities and allows clearing ‘of concern’—less than 30 per cent of pre-European distribution cleared—regional ecosystems on freehold land. Clearing continues at a high rate in the Murray-Darling Basin catchments and the adequacy of salinity information for clearing decisions remains an outstanding issue in the NAP bilateral negotiations. Negotiations with Queensland on options to reduce clearing rates for greenhouse are not going anywhere fast. Current land management practices do not deliver a greenhouse outcome that can be acceptable to any country that understands its international and domestic responsibilities.

In New South Wales 78,000 hectares of approved clearing applications were granted in the year 2000. There are several significant shortfalls in the New South Wales system. Legislation
provides broad exemptions and there is alleged abuse of these exemptions. Illegal clearing is also alleged to be significant. We have not seen any evidence that a precautionary approach is taken to approvals to clear in the state. The absence of any scientifically derived targets for vegetation retention or vegetation restoration means that there is no context for clearing decisions. We are most concerned about New South Wales.

In Tasmania there is a high rate of clearing relative to that state’s size—estimated at close to 16,000 hectares between 1999 and 2000—with over 60,000 hectares cleared since 1996. There is no statutory protection of non-forest communities including grassland and shrubland communities and their status is still largely unknown. Currently rare and endangered forest communities are not protected from clearing, although the permanent forest estate policy, which sets the clearing thresholds, is under review. We even have problems with the air quality in Tasmania caused by burning timber. Launceston, a town you usually associate with brilliant blue skies, has a major smoke problem caused by wood burning in the heaters which many of the houses still have. We have the ironic situation where, while the Commonwealth has tried to help Launceston overcome its wood fire smoke pollution, Gunns Timber company, Australia’s largest hardwood processor, has been given an exemption for two years, under the state’s Environment Management Pollution Control Act, for pollution arising from the opening of a new kiln facility in Launceston. This kiln will be burning wood. So much for the wood smoke rebate which we have put into that town.

Of course the Launceston Environment Centre has appealed that decision to the Tasmanian Resource Planning and Development Commission. Environment Australia may be called to give evidence, but when you put $2 million into supporting a state and into a city like Launceston to replace its wood burning household heating and you see at the same time another company being given permission to start a new wood burning polluting exercise, it is of great concern to a nation like ours. Firewood collection is one of the major threats to our old-growth forests and is one of the chief causes of loss of the ironbark forests in central Victoria.

In the Northern Territory recorded clearings of woody vegetation were about 3,300 hectares per year between 1990 and 1995. However, there have been no subsequent reports since this time. Land clearing for agricultural production is increasing within the Ord and the Darwin-Katherine NAP regions. There are no formal systems or administrative processes in place to protect any element of native vegetation at the moment, and we are concerned about that.

In Western Australia clearing of woody vegetation was approximately 22,000 hectares per year between 1990 and 1995. Clearing of native vegetation is still occurring in urban areas and in salinity affected areas, especially in the northern wheat belt where we know the consequences in terms of salinity degradation. Coastal plain vegetation is particularly at risk from development. Statutory controls are in place. However, there is a low level but persistent problem with illegal clearing of native vegetation communities and limited prosecution of offenders. This is an intractable problem. The condition of remnants, of course, is equally significant. It is not just a case of intentional clearing. We know that, once a remnant is left, the end of forest impacts mean those become degraded.

In Victoria clearing of woody vegetation was approximately 7,000 hectares per year between 1990 and 1995. Victoria does have effective programs for the control of native vegetation clearance and for the conservation and management of native vegetation across the state. However, there are residual issues with local government’s capacity to deal with permits up to 10 hectares and to follow up and monitor the permits. As well, penalties are not always significant or sufficient to ensure that people think twice before, for example, clearing a tomato paddock of the last few she-oaks, bull oaks or other remnant vegetation.

In South Australia clearing of woody vegetation was approximately 3,510 hectares per year between 1990 and 1995. South Australia has implemented native vegetation clearing controls across the state. However, the impact of incremental clearance approvals needs to be pursued
with the state. The major issue in South Australia is the extensive restoration work, particularly on private land. That restoration work is needed to address the land degradation problems.

I said before that we have a new tool in our armoury so in the future at least we do not have to argue about how much was cleared, where it was cleared and when it was cleared. Here I would like to talk about our new national carbon accounting system—a system funded through our national greenhouse effort and something that is now world leading. It is going to deliver to Australia major benefits and internationally it will assist other countries that have problems similar to ours.

Development of policies and programs in Australia to address land clearing have been impeded by this lack of information but this new national carbon accounting system sponsored by the Australian Greenhouse Office has the primary mission of generating robust greenhouse accounts for Australia’s land systems. For the first time ever, not just in Australia but anywhere in the world, we are going to have an assessment of clearing at a scale of resolution—a staggeringly fine scale—of 25 metres with continental coverage over a 30-year period. At this scale we can understand patterns of land clearing at the paddock, catchment, state and national scales. With this system we will be able to differentiate remnant and regrowth clearing with the necessary linkages to vegetation and soil types as well as agricultural systems and urban expansion. The information is being made widely available throughout the federal and state governments to inform policy on greenhouse and natural resource management. It will be a major tool in our fight against salinity.

The integration of this remote sensing with a range of other climate and other natural resource data to model Australia’s carbon account places us in the position of a technological world leader. The national carbon accounting system provides this world-class capability in remote sensing and measurement of vegetation cover change at a fraction of the cost of previous programs. Work with NASA has confirmed that this is world leading in terms of method, application and cost efficiency.

The industry capacity-building, competitive pricing and methodological development included in this program now mean that government and business can combine to utilise the technology for ongoing monitoring and evaluation of our land clearing, our regrowth and the condition of vegetation across Australia. No longer will we need to argue about what is going on; rather, we can concentrate on what we can do to change attitudes, to assist farmers or land managers to invest in their vegetation and to compensate those who do lose through an understanding once that they could clear, but they no longer have the property rights that they once thought they had through licences owned but not operated.

Let me end by quoting a few sad statistics. In 1999, Australia suffered the fourth largest loss of vegetation cover anywhere in the world, with only Indonesia, Brazil, Bolivia and the republic of Congo ahead of us in the clearing stakes. Despite the best efforts of the Commonwealth, according to the Australian Greenhouse Office records 469,000 hectares of woody vegetation was cleared across the country in 1999. We simply cannot go on with that level of vegetation removal particularly with the condition of the remaining vegetation deteriorating from the impact of greater insect attack and the water table changes that occur when you disturb the vegetation. We know we have water quality problems associated with our vegetation cover; we understand the linkages with salinity.

The government, through our $1 billion Australian Greenhouse Office and our mandated renewable energy requirement, are leading the world greenhouse innovation. We are also now leading, through our new carbon accounting system, in ways to monitor vegetation clearing, which will in turn make way for a carbon trading system which we hope will deliver to Australia a range of benefits beside greenhouse gas emission savings. It will also deliver to us salinity litigation and biodiversity protection. I commend the Howard government for the in-
vestment it has made in Australia’s natural resource management, and I call upon the states to get a little more serious about the job that they were required to do when the Constitution left natural resources in their bailiwicks.

**Mr FITZGIBBON (Hunter) (6.22 p.m.)**—For around 10 years now, Hunter Area Health Service has been attempting to privatise Cessnock’s Allandale aged care facility. It is a cause that has been taken up with great gusto by the service’s current CEO, Professor Katherine McGrath. The sale is not about improving care services but rather about saving Hunter Health around $3 million annually.

The sale of Allandale is a proposal I have consistently and constantly opposed, and I remain opposed to it. For Cessnock it will mean job losses and bed losses, and will bring no benefit whatsoever. Yet I am advised that, despite opposition from me and from members of the Cessnock community, the sale is about to be signed off. It is my view that Hunter Health is prepared to go to great lengths to shore up its budgetary position. Indeed, I fear that Hunter Health has sought at times to discredit the service and care of its own hardworking and dedicated employees—a strategy designed to question whether Hunter Health, which has as its focus acute care, should be in the business of providing aged care services.

Almost two years ago I was shocked to read that two male nurses at Allandale had been suspended and charged by police for allegedly kidnapping and physically and sexually assaulting elderly male dementia patients. What struck me about the case at the time was the level of support those two gentlemen maintained amongst their Allandale colleagues and work mates. No-one who knew them well could accept that they were capable of perpetrating the acts for which they had been accused and charged.

I was tempted at the time, in the face of that overwhelming support, to question Hunter Health’s motives in referring the case to the police. Indeed, at the time I also found strange the timing of the announcement that the charges had been laid or at least a police investigation had been called, and the way it was announced. But of course—and it is relevant to our current environment—I did the responsible thing and allowed the judicial processes to determine the fate of those who were being accused. On 4 March of this year, John Raymond Procter of Cessnock and Paul Ronald Mason of Belford were acquitted on all charges. Following a four-day hearing in Cessnock local court, Magistrate Crews concluded that the prosecution had failed to make out its case.

John and Paul have 36 years of nursing experience between them. Neither will work as a nurse again. After two years of extreme stress, John Procter is $70,000 poorer due to legal expenses. I assume that Paul has a similar debt to clear. I am going to express my faith in our justice system and assume the magistrate got it right. It appears John Procter and Paul Mason and their families have suffered a great injustice. Of course the media coverage of the charges against the two was infinitely greater than the media coverage of their acquittal. They will always wonder whether they were simply pawns in a larger privatisation game.

**Mr BYRNE (Holt) (6.26 p.m.)**—This is my second opportunity to speak in this place since the federal election. The last one was last night, when I discussed some serious issues of concern regarding the Defence Estate Organisation and Asset Services. In addressing that particular issue under the appropriation bills, I did not have the opportunity to thank the voters of Holt for returning me, and I would like to take this opportunity to do so, this being the first opportunity subsequent to the House sitting. I would like to thank them because they returned me by a reasonable margin. Considering the environment during the election in that region at that particular period of time, I was very grateful for their support. I would like to comment briefly on the atmospherics that I experienced during the election and to touch on some people’s concerns.

What struck me when I was doorknocking in train stations and shopping centres in the electorate was the sense of disillusionment that people had about the political process—that
sense of alienation, that sense of lack of security, that sense that governments are unable to do anything and to achieve anything and that in many situations politicians are basically self-serving, time seeking individuals that just pocket public moneys and do very little good in the community. Whilst that sentiment was utilised to some extent by the government to achieve a result, it has very serious and grave consequences. What manifested itself in the election campaign was a response to globalisation, the disenfranchisement that many people feel as a consequence of globalisation and the disconnection that people experience from their community. People believe that governments or oppositions of either persuasion are not addressing that concern.

Whilst there may have been a manifestation in terms of people’s concern about immigration and illegal immigration, in a sense governments have not addressed the source and cause of that concern. Whilst some of the disenfranchisement can be utilised for political purposes—as I believe has been done in the election campaign—the problem is that, unless we address this very corrosive strain in our community, it will lead to people’s complete abandonment in their belief in government institutions to achieve anything. That will give rise to further extremist groups and parties that do not actually represent the national interest. Notwithstanding that, we should be addressing this in a bipartisan way. Whilst this is a partisan place, if we do not address these issues of concern—mark my words—it will basically be to the disfavour of both sides of the political divide.

We had a great opportunity last year in the Centenary of Federation to address some very serious issues of a bipartisan nature like salinity, greenhouse gases and nation-building projects, but we did not avail ourselves of the opportunity because we became caught up in a partisan fight about ideas. People should have expected that. I cannot believe that when we celebrated the Centenary of Federation, at the place where it was convened 100 years ago, we did not have a debate about serious issues that afflicted our community. Whilst there was a lot of pomp, circumstance and ceremony, what I believe did not happen was the debate we should have had about where we are going to go as a nation in our next 100 years.

What we seem to be doing is responding on a very piecemeal basis to the latest crises rather than setting a road map of where we should go. In that meeting in Centennial Park 100 years ago, the politicians of the day discussed issues like the High Court and taxation systems. We had a similar opportunity to do the same thing again and I think that both sides of the political divide would have benefited from that. I am very disappointed that we lost the opportunity to do that. Towards the end of the year it degenerated into playing on the community’s fears rather than addressing the community’s very serious concern about even the very role of government. If people believe that that is going to go away then they are deluding themselves, because I believe that what has happened is that we are covering up a serious crisis of faith that people have in politicians and in the role of state, local and federal government. I wanted to put that on the record.

I certainly saw that our aim in the Labor Party can be nothing less than, as politicians, building a high growth, high wage economy where every Australian has an equal opportunity to fulfil their potential. A critical part of building Australia up is ensuring that all Australians have access to information and education. Late last year—and this gives an example of how governments should be intervening in things—Telstra announced changes to its Big Pond broadband service which had the effect of very substantially increasing costs to users. It is ironic that only Singapore-owned Optus offers a monthly flat rate broadband service, while the majority Commonwealth government owned service charges a lot more. Some users complained of massive blow-outs in their charges, from $60 a month to many thousands of dollars, as a result of these changes.

This presents an appalling symbol to the community and it is bad policy. Dial-up access to the Internet is not adequate for much of the information in its many forms of audio, video and graphics, which is conveniently accessed only by broadband users. For Australia and Austra-
lions to fulfil their potential, access to broadband Internet must be made affordable for all Australians. Telstra and the government are failing to take the lead here. In fact, they are taking backward steps by making broadband less accessible to their customers than foreign-owned Optus has. Wireless local area networks—known as LANs—offer the prospect of Australians being able to access the Internet via wireless technology. In other words, around universities, schools, workplaces, cafes, parks and other public places, users will be able to access the Internet, check their email, do research or catch up on the news on laptops or PDAs, personal digital assistants, which the member for Scullin referred to in his last address.

But all this presently existing technology being introduced across Australia right now in many workplaces will be for nothing if Telstra stifles its growth by charging too much for Internet access. You do not need to be a technology expert to understand this, and I am certainly not. We cannot afford to be left behind in the technology and information race. Telstra’s greed and indolence strike at the very heart of our country’s promise and potential prosperity.

I wholeheartedly endorse the member for Melbourne’s call to stop Telstra from acquiring media and other non-core businesses. It needs to clean up its own backyard before it looks at buying its neighbours’ houses. It needs to get the fundamentals right; it needs to be reminded of the importance of telecommunications to nation building.

Telstra’s failure to ensure widespread and affordable access to its broadband is an example of Telstra failing Australia. An inevitable feature of the information age is the amount of information exchanged, which will grow exponentially. Telstra must clearly and emphatically support that process, not undermine it by charging high prices by the megabyte. You may ask: why does broadband matter? It boils down to this: in order to maintain our living standards we must build a knowledge economy. Why must we build a knowledge economy? Because we now live in a world where capital, expertise and information can be moved around the world with the click of a mouse.

It is no longer essential or even particularly important for successful economies to control all the elements of the production process. Raw materials, traditionally our great strength as an economy, are obviously becoming less important. The value of Zegna suits is not in the award-winning Australian wool used but in the design and the cut of the garments and the strength of the brand, which all generate profits in Italy. The value of Nokia phones is not in the brilliantly well minted tantalum, extracted by the Sons of Gwalia, which makes up the capacitors—which are an important part of the miniaturisation of the electronics of mobile phones and laptops—but in the engineering, in the clever interface design and industrial design of the phones and, again, in the strength of the brand, all of which generate profits in Finland. In these examples we can see the undeniable truth: since this country was founded, the world economy has radically changed, and we must change with it. We must adapt or we will lose the high standard of living which we have been privileged to inherit from our parents and grandparents.

As we confront these facts, we must accept that our need to change is urgent: we do not have time on our side. My biggest worry about our country—and about the government—is that it lacks a sense of urgency about this change. The Treasurer obviously seems to be asleep and not concerned with these particular matters, and I am concerned about the Prime Minister’s attitude towards this, one of the most important challenges that we face in our economy. Growth is up—there is no doubt about that—but it is underpinned by private domestic demand, and it is being funded by ever-increasing amounts of consumer debt.

If you do not think that this is an urgent problem, just consider this: every year we buy from the United States $12 billion worth of goods more than we sell. What do we buy? We buy aircraft and parts, telecommunications equipment, computers, and measuring and controlling instruments. What do we sell? Bovine meat, crude petroleum, alcohol and a small but promising number of motor vehicles. That is one example, but it is a damning one. The Americans are selling us high-margin, high-technology products; we are selling them meat,
crude oil, alcohol and a very limited number of motor vehicles. We are behaving economically like a Third World nation but we are living like a First World nation. It is unsustainable and it is untenable. We need to confront, as Paul Keating forced us to, the harsh facts of life. Regardless of whether or not we acknowledge it, Australia is in trouble. We have an urgent problem that will undermine our way of life, our capacity to defend ourselves and our standard of living—our ability to ensure the welfare of all Australians.

I note the Greens are enjoying some political success at the moment. Far from being conscious of our national economic crisis, they are deluding themselves. They seem to think that we can hide from our economic problems by ignoring them. They seem to think that we can run and hide from our national obligation of creating jobs and ensuring equal opportunity for all Australians. If you read the Greens’ policy, you see that they want to cut business immigration, they want to cut skilled migration and they want to cut immigration, even though it can bring us precious skills, capital and contracts for our economy. They want to tie up businesses in even more red tape and taxes than we currently have. Their policies, I believe, are anti-jobs and their vision is anti Australian. Their policies are not designed in the best interests of our country.

Labor too must confront some home truths over the next few years. As the government totters and falls, we must be ready to govern and able to lead, but we must ensure our own house is in order—we must critically review every policy area and reconsider every past commitment. But our objectives can never change. Labor has always done the heavy lifting of leadership in Australia. Labor leaders saw us through the national security crisis that Menzies left us in 1940. Labor leaders modernised this country in the 1970s with tariff cuts, free health care and access to higher education. Labor leaders in the eighties and nineties opened this country up to the world, floated the dollar, reshaped the role of government in the economy, established a universal system of national savings for retirement and attempted to integrate us more with the region in which we live. Labor attempted to achieve reconciliation with the first Australians.

In this new decade of this new century, the government have again neglected the hard work of leadership in essential areas. They think, I believe, that reforming the economy is about introducing new taxes. No single business person that I have spoken to—and I have spoken to many, and they include lifelong Liberal voters—regards introducing a new tax as a significant reform. It was a big tax and it was a new tax and it gave us more of a substitute, but it is not actually a substitute for the reform that we require. The heavy lifting of leadership remains—ensuring access to broadband services and information for all, creating real incentives to invest in new ventures that build on knowledge, building partnerships between working people and those who employ them, building up our national brand in our region and beyond as a nation of tolerance and diversity that produces products, services and businesses of quality and integrity.

Labor have done some hard work, and we still have some hard work to do, but we stand ready. Labor must be ready to hold this discredited government accountable for every attempt to deceive the people of Australia, which they have done. The ‘kids overboard’ scandal, the Brereton bugging attempt and, most recently, the High Court hatchet job disgrace mark this government. Labor must be ready to listen to our supporters as to what we got wrong at the last poll, be ready to learn from our mistakes and be ready to modernise and restructure our great social democratic party. But, above all else, Labor must be ready to do something the Prime Minister fails to do every single day he occupies the Lodge—Labor must be ready to lead.

I have spoken about broad, thematic issues and I now want to go to the specifics. I would like to touch on a local issue which illustrates a component of Telstra’s betrayal of the Australian people. It relates to a difficulty that a constituent of mine has in the local area. The basic facts are these: Telstra has a monopoly in the area of Narre Warren—I am told that this is
due to a court case in which Telstra was able to block any other service providers coming into the area. The Leonard family of Peveril Court, Narre Warren, tried various service providers, but they were often frustrated by the number of times it took to connect through to them. Finally, the Leonard family changed to Big Pond in the belief that this would improve their ability to connect and subsequently remove the need to pay for charges for every failed attempt at connection, which was what was happening.

The Leonard family found that, instead of a connection problem, they now had a problem with the speed of their connection. They thought that it might be their computer and had the hardware and software checked out, but instead found, when they took the computer to a friend’s place in Berwick, that the speed of the connection was double that of Narre Warren. They then decided to approach the technical support group of Telstra. The technical people of Telstra finally admitted that Telstra has slow speed lines and exchanges at Narre Warren and cannot guarantee a speed greater than about 28.8 kilobits per second. The Leonards found that this speed does happen on good days, but generally the speed was between 20 and 24 kilobits per second and as low as 16.2 kilobits per second on some days. According to the Telecommunications Ombudsman, Telstra is only required to provide a speed of 24 kilobits per second, which means that the family finds it impossible to use the service to view videos for the children’s homework.

The Leonards then decided to seek out other options for the delivery of the service. Telstra’s suggestion was an expensive satellite service the family could not possibly afford. ADSL does not even exist in the area and neither does cable, because of the current monopoly that Telstra has in the area referred to earlier. This means that the cheaper service of Optus is not available to any of my constituents in Narre Warren. The Leonards then asked Telstra if they had any intention of rolling out cable in the area; they got no response. This is an individual example of the general themes I was discussing. Telstra should be addressing this, not running a monopoly and then choking people’s access to a growth sector of the economy—actually guaranteeing and delivering a service that it should be providing.

I would also like to talk about the Women’s National Basketball League and my local team, the Dandenong Rangers. I would like to touch on a concern and to issue a challenge to the ABC on this matter.

Mr Byrne—The Capitals won.

Mr Byrne—Yes, I know, but only because the Dandenong Rangers had injuries—and I am sure that Deputy Speaker Barresi, who is the member for Deakin, would agree with that as well. The problem with the Women’s National Basketball League is its coverage on the ABC: to date, as I understand it, it has not been guaranteed. That causes me a great deal of concern, because women’s basketball is not being televised on the other commercial channels to the extent that it is on the ABC. The service that is being offered by the ABC offers women positive role models; instead of seeing anorexic models striding along the catwalk, they see strong women that are great athletes. I am concerned about the fact that, if the ABC does not commit itself to this coverage, young women will not be able to see these role models in action. Consequently, I would like to issue a challenge to the ABC: make sure when you come to sign your contracts in September this year that you give a guarantee. The men’s league recently lost one of their major sponsors, Ansett, and, as reported in the Age in August last year, the ABC is currently reviewing its coverage of the Women’s National Basketball League. TV coverage is vital for the league’s sponsorship and existence. Particularly now that Jonathan Shier has left, maybe the ABC can get back to its charter of providing an alternative to commercial channels and show programs which add to the nation’s identity.

Locally, the Rangers are very important for the psyche of Dandenong. They are a successful team which should have won the premiership had it not been for injuries, and they act as role models for young women in Dandenong and in surrounding areas. TV profile has been
one of the most important reasons why the women’s league and, in turn, the Olympic team—the Opals—have been so successful. The success of one feeds into the other. Currently, women’s sport is not well represented on commercial TV. It is a minority sports category, even though participation in it is in the majority sports category.

As I said at the outset, I urge the minister and the ABC to seriously consider the impact of removing such coverage from the game. There is no specific commitment from the ABC currently to continue coverage of the Women’s National Basketball League, only to continue to broadcast live sports events. Sponsorship for the Women’s National Basketball League and the Opals is dependent on the league being on free-to-air TV for the next two years. When approached last year, the sports minister’s response was that any comment from her could be construed as government interference in the ABC. Let me say this: the national broadcaster has an obligation to the young women of our community to ensure that this coverage continues. To not do so is to deny women positive role models. I would urge the government to do what it can—notwithstanding its reluctance to intervene in the affairs of the ABC—to encourage the ABC to keep up this much needed community service.

Mr BARRESI (Deakin) (6.46 p.m.)—It is indeed a great honour to speak in the debate on the address-in-reply. It is an opportunity that I was not sure would ever arrive, but finally I do have the pleasure of being able to make a contribution. It is indeed an honour to be returned to this place by the Deakin electorate. The people of Deakin are perhaps iconic of the Australian dream and live in an electorate referred to by many as part of the Victorian metropolitan mortgage belt. Many of the residents in my electorate are balancing the demands of raising a family, meeting mortgage repayments and ensuring a comfortable life for their children. These people are undoubtedly the twine that binds the fabric of our nation, seeking economic and personal security in their lives. I have enjoyed working with them in the past and I will continue to do so. It is a partnership that has worked very well over the last six years and one which I will continue to pursue with vigour over the next three years.

The people of Deakin and indeed Australia have clearly not forgotten the tumultuous times that were forced upon us by the economic mismanagement of successive Labor governments. It took a strong and resilient leader to openly and honestly reform the taxation system, a reform which will go down in history as one of the greatest, most successful policy reforms in Australia’s political history. The Howard government has secured Australia’s economic future by driving down interest rates to their lowest level in a generation, has repaid more than $70 billion of Labor debt and has reformed Australia’s taxation and industrial relations systems, as well as creating over 950,000 new jobs.

It is worth while to make a point about the economic success of this government, because in more recent weeks one would almost be forgiven for thinking that the economy is not a priority for our federal parliament. It has been given very little attention by the opposition or the media that reports the goings-on in this place. We have to acknowledge its great success. We have seen in the last six years a government which has presided over an economy that has survived the Asian economic crisis and also the United States crisis. I doubt whether any of us ever thought that we could say those words, that the Australian economy would be able to survive in spite of what is taking place in the United States. The fact is that it has happened. It is an achievement that all of us as Australians should be proud of, because it is not simply a government that has led the economy; it is also a lot of good, hardworking people and businesses out there. Sacrifices have been made by the general community to make sure that we continue to prosper while others around the world in this ever-shrinking global economy have seen worse times.

I consider my obligations to the constituents of Deakin to be first and foremost among my responsibilities in this place, and the notion of developing and sustaining partnerships has proven to be of paramount concern to me in my work as the member for Deakin. As I said earlier, over the past six years I have worked extremely hard in developing this partnership.
and ensuring that I continue to be their voice in Canberra. It is incumbent upon all of us sitting in this place to reflect upon our responsibilities to those who have entrusted their governance to us. In my work as a federal member, I am constantly reminded of the need to work collectively, regardless of political persuasion, for the greater good. Sometimes it is hard to be reminded of that when you are subjected to some of the emails, letters or phone calls that barrage us. The election being over, I do realise and accept that I am here as a voice for the entire electorate. I have built upon, and will continue to build upon, the many affiliations that I have developed in the community to work at delivering real solutions to real issues.

That is why the Howard government has been returned. It has been our ability to listen to the heart and soul of Australia, to put our ear to the ground and listen to that heartbeat that is pounding under the vast plains of this country. Of course, we must do more. Our future is predicated on our ability to harness the seemingly impossible, to provide our children with the confidence that it is okay to dream and to expect those dreams to be realised, that it is okay for them to have ambitions and goals in their lives and for a government to be able to provide an environment in which those objectives, those ambitions, can be realised. If we fail to instil that sense of confidence in our children, then we as legislators have failed. Our need to build strong community partnerships in our electorates creates a necessity to forge stronger relationships with those who, in the past, we may not have interacted with directly.

My belief—a belief shared by many in my electorate—is that through opportunities comes the fulfilment of these dreams. I would like to refer to a couple of the government programs instigated in the last term and continued in the program outlined in the Governor-General’s speech. I am proud of the fact that in the last term I was able, through hard work and through the collective work of organisations in my electorate, to facilitate an allocation of $379,000 to establish the Checkpoint program in Deakin. This program is under the auspices of Maroondah Community Care, one of the Assembly of God churches in my electorate. With the support of the defence forces, Rotary, the Swinburne Institute of Technology, as well as local businesspeople, Maroondah Community Care has been able to forge a training opportunity for young job seekers, often those people who fall through the safety net in our society. It provides young job seekers with the opportunity to undergo an eight-week program to develop their skills and to help them attain skills that they would otherwise not achieve as unemployed people who may have been neglected and forgotten by our society.

It gives me a real buzz to see the sense of worth that is inculcated through such exposure, to see their eyes as they get up there on graduation night. I have attended graduation night a few times, and I know that there has been widespread support in the community for the program. Peter Brock has lent his support to the program, as have Jim Richards and a few other notable people from the area. It is great to see these young people up there getting their graduation certificates. Afterwards, their mums and dads come up to me and to the pastor, Mark Bateman, from Maroondah City Church and say, ‘Thank you very much. Thank you for giving my son, my daughter, an opportunity which they have not had in the past.’ These young people are trained and educated, and they are not discouraged from setting high goals once they leave that program. Our nation has not been built on the back of women and men setting low benchmarks, low goals. We stand tall today as a nation because our forebears had the fire inside to set those marks, and that same fire and the same sorts of marks need to be perpetuated in 21st century Australia.

The allocation of some $600,000 in Deakin in the last term to the Regional Extended Family Services was similarly beneficial. A lot of people may not know this, but the Regional Extended Family Services, better know as REFS, was one of the founding organisations of the government’s youth homelessness project, the Reconnect program, which is now widespread throughout Australia. Reconnect had its origins in a program which REFS put together and was successful in when it tendered for the Prime Minister’s pilot projects into youth homelessness about six years ago. REFS continues to provide great services to expand youth op-
opportunities in the electorate, and the project that it is running at the moment is a youth wilderness program targeted at young people in Deakin. This program is instrumental in assisting young people and their families by providing educational and therapeutic interventions to assist Deakin residents and Deakin young people to maximise their possibilities in all areas of life.

The election provided the outer east with one other great opportunity. I know that you, Mr Deputy Speaker Causley, along with many others in the chamber, including those on the other side, have probably heard the word ‘Scoresby’ mentioned once or twice in the chamber and also in the party room. It did provide the opportunity for the federal government to put into place its enthusiasm for the construction of the Scoresby Freeway. The construction’s obvious financial commitment is one that is going to be shared by the Commonwealth and, I am pleased to say, by the state government in a partnership that was committed to expediting construction of this freeway.

I note that, to date, the Howard government is the only part of the partnership that has made any financial payment. The first down payment of $45 million, which is half payment of $90 million to kick-start the project, has been made by the Howard government, but at this stage the Bracks Labor government has failed the Victorian people, has failed the people in the eastern suburbs, has failed the people in Deakin, Chisholm, Aston, Bruce, La Trobe and Casey, in not coming up with the $45 million as its share. I will make sure that I continue, along with my other federal colleagues in the eastern suburbs, to pressure the Bracks government to come to the table, to stop signing stunts in the form of cardboard cheques and to match the Howard government’s enthusiasm for this project.

The excuse is that it was not in their May budget last year, but we wait with interest for the state government’s May budget this year to see whether or not the money is allocated for the Scoresby Freeway in that budget. Part of me fears that the only way the state government will come forward with money for the Scoresby Freeway will be by the imposition of some form of tax on motorists, whether it be a tax on commercial operators or some sort of shadow toll. I hope I am wrong, but I sense that that may very well be the case. They are already toying with the idea of an alternative form of finances, and as soon as I hear the phrase ‘alternative form of finances’ the alarm bells go off. I know that the people in the east will resist any form of toll being introduced by the state government, even if it is introduced by stealth by the state government in the coming budget.

It is essential that, as we sit in this place, we are conscious of the global role that we all play. The Commonwealth parliament affords us, as representatives, the opportunity to witness global issues at a local level. Former President Bill Clinton of the United States, in a speech made in Melbourne recently, referred to the importance of striking partnerships with those we would ordinarily like to isolate ourselves from for whatever reason. That, in my eyes, is the spirit of true leadership: going beyond the otherwise unreachable. There has never been another time in history when nation states have been so readily called up to expand their horizons.

Clinton spoke of the dilemma of whether we accept that cultural boundaries prohibit our interaction or whether we work at breaking down the walls between cultures to benefit our generation and generations to come. I suspect that the latter is first and foremost among our opinions in relation to Australia’s global positioning. It is therefore encouraging to see our nation working in collaboration with neighbours such as Indonesia and East Timor to establish a trinational consensus on the massive problem of people smuggling.

The principal issue, however, is that of the wider security of our nation and the security of our local communities. It is undoubtedly the case that, following the disastrous occurrences on September 11, the focus of all of us has changed. We were shocked out of our daily routine to consider and question our security. People around the world were forced to question their
security and look to their governments to provide them with the assurance that they so desper-ately required. This government acted swiftly to assure the Australian people that acts such as those in the United States on that day would not be replicated in Australia or anywhere else. However, we are compelled to look beyond the tightened security and, indeed, the ruins of the World Trade Centre to how this event is impacting on us now and certainly how it will in the future.

The Australian people need the confidence that in time there will be more friends on this earth than enemies. We need to be able to reassure our children that, through the development of stronger trade links and cultural understanding, they will be able to travel freely around the world, bearing the Australian flag on their backpacks and being welcomed with open arms, as is the case currently in so many countries. The only way our children will have that opportu-
nity is if we, as a key player in regional approaches to this issue, continue to adopt a proactive stance in developing openness and broader allies. One cannot escape from the tragedy of September 11; however, we cannot allow the devastation to plague our efforts towards estab-
lishing a truly integrated region and world.

The advent of a widespread information-sharing capacity allows us the opportunity to capitalise on such developments and ensure that they work for the betterment of our global stance as much as to facilitate a vehicle for partnership enhancements. We can use informa-
tion interchange to open up the region and strengthen trade links. The Australian tradition of ‘having a go’ dictates our approach to dealing with issues of expanded horizons. Australians and Australia are proactive more than reactive, which is one of the key characteristics of the Howard government and a benefit that the Australian people have witnessed previously and will witness again over the next three years.

I have spoken about a number of global issues over the years. However, it is important to note that, regardless of our position in society, they all directly and indirectly affect us. We cannot run away and hide from the problems facing the world and their impact on us. There is no hiding from the fact that 10 million children around the world will die this year because of preventable causes. This government is committed to helping alleviate the burden of such problems through extremely generous aid provisions. We are fortunate to live in Australia; yet with our fortune comes a responsibility to maintain level-headedness.

I am pleased to see organisations such as World Vision, which is located in my electorate, continue their good work around the world, ensuring that those in Third World nations—and also those in Australia—who are in need receive that support. I, for one, am particularly grateful for the assistance that World Vision gave me during the last parliament to visit the refugee camps in Albania, to see first-hand the misery that took place in that part of world and to re-
alise that those people did not have the money or the means to be able to engage smugglers. They just had to sit it out in those camps—and I am talking about camps that had the most rudimentary of facilities, such as tents that did not even have bases to them. On the night that we visited that camp, it rained. In darkness, down the side of the slope, rain came right through the tents, right through the mattresses and the possessions of those refugees in those tents, washing away whatever they had. That is a refugee camp that the United Nations Hu-
man Rights Commission could very well direct its attention to, rather than finger-pointing at the conditions in our detention centres here in Australia.

In the brief time I have available, I would like to say that my plan for Deakin over the next three years is one of continuing with the great work that the community has embarked upon in partnership with me. I will make sure that those commitments we made in the election cam-
paign are worked towards, in partnership with not only the local community but also some of my state colleagues, because the Bracks government cannot be allowed to be let off the hook so easily. They are constantly finger-pointing towards Canberra. Mr Bracks is in government in Victoria, and I certainly look forward to ensuring that a lot of the programs that are needed
there are brought into action—and I refer in particular to the integration of the Scoresby Freeway with the wider public transport system in the Ringwood area.

I refer also to the proposed establishment of the Knox hospital, which has been eliminated from the Bracks agenda. We have seen pressure building up and ambulance bypasses taking place with the Maroondah and Box Hill hospitals. When we had ambulance bypasses in Victoria under the Kennett government, I recall that every single day it would be on talkback radio and there would be outrage in the newspapers about the plight of our public health system in Victoria. Nothing has changed—in fact, the situation has deteriorated in Victoria—and yet we hear nothing but silence out there. I, for one, certainly believe that the Victorian press has allowed the Bracks government to get off scot-free, considering what that government has not been able to achieve there and with it not having fulfilled its promises.

In the time I have, it would be remiss of me not to thank a number of people, for without their efforts I would not be here. I would not have the opportunity to stand before this parliament if it was not for the good work of my electorate chairman, Jim Madden, and his family. Charles Hogarth, Margaret Lee, Bev Bailey, Andrew Munro and my staff—Midge Coll and Tim Neve—were tireless, along with the other 500 or 600 who worked in my electorate. They were not bussed in from other electorates and they did not get paid on election day, contrary to what the then Leader of the Opposition claimed on election night. He claimed that we had to pay booth workers, but these were volunteers, party supporters, who helped work in the area. I would also like to express my profound thanks for the strength from my three children, Paul, Carla and David, in what was a very difficult year last year. It was a tough year, but one which we came through in the end. (Time expired)

Mr ALBANESE (Grayndler) (7.06 p.m.)—I rise to make a contribution to this address-in-reply debate. I particularly want to speak this evening about the ageing and seniors area, for which I have been given responsibility. Aged care is of course a major issue confronting Australia. It is an issue which will become more important as the population ages both in real numbers and as a percentage of the population.

At the moment, government policy has resulted in a crisis in aged care. There are no beds and no nurses; there is no funding, no care and no shame. Today in question time the government showed that they also have no hide. The Minister for Ageing, the member for Menzies, was asked a dorothy dixer by his side about the National Strategy for an Ageing Australia. We raised the National Strategy for an Ageing Australia before, in the opportunities I have had to contribute to debate in the previous few weeks. But what the minister said should be of great concern. He said:

This is in the context of having just a few weeks ago released the government’s framework document on a National Strategy for an Ageing Australia. In the coming weeks and months I will be engaged in a series of consultations right around Australia ...

He went on to say:

It is important that we engage the Australian population in relation to these issues—and engage not only the general population but also professional, business, academic and other groups, many of whom have already started to take a keen interest in looking at the precise policies and programs that we need to put into place in order to address these issues.

I was amazed to hear the minister make that statement. There were a number of things wrong with it. The first is that he said that the national strategy was released just three weeks earlier. Of course, that in part is true—but it is only a half-truth, because it was the second launch of the same document. The National Strategy for an Ageing Australia was also launched by the former minister, the member for Mackellar, during the federal election campaign, but because she proceeded with that launch contrary to advice from her own department that it was contrary to the caretaker provisions, given that the federal election had been called, we had a launch but no distribution of that document. That infamous act during the election campaign
cost the Australian taxpayer $42,300 in printing alone. That copy essentially had to be pulped, just as surely as the minister’s career was pulped after the federal election. When the minister launched the strategy in October 2001, she said:

I believe that the National Strategy for an Ageing Australia sets the agenda for many of these changes and my thanks go to my colleagues in the ministerial reference group for their constructive contributions to the development of this strategic framework. As well, I wish to recognise the expert advice we received from the multi-disciplinary Expert Advisory Group and the Business Mature Age Workforce Advisory Group. Contributions from the business sector, industry bodies, academia, community organisations and individuals also helped to inject valuable community debate into the national strategy development process.

Compare that with what the minister said today. The former minister said in October 2001 that this is the end of the consultative process and that here is the strategy which has cost some $6.1 million, four ministers and four years to produce. The minister today intimated that when he launched the same document three weeks ago it was the beginning of a consultative process. You cannot have it both ways. It is either the beginning or the end, and it depends on which minister we believe. Today’s comments are consistent with the minister’s comments in February when launching the strategy.

There is one difference between the two versions of the document. It is a 77-page document. Not a word has been changed in any of the chapters; not a word has been changed from the prime ministerial message at the front. The difference is that there are different forewords—one from Minister Bishop and one from Minister Andrews. Minister Andrews, in his copy, has changed it so that it says:

As a first step, I am delighted to announce the next phase in progressing the National Strategy for an Ageing Australia by using this strategy as a springboard to engage with the community on the issues of ageing.

When confronted with this contradiction, one has to look at the facts to see who is right. In fact, both the former minister and the current minister have been derelict, because neither of them, in either of the forewords, mention that this strategy—when it was announced in 1997 by the then Minister for Aged Care, the member for Bass, Warwick Smith—was a part of the government’s policy to be produced in time for the International Year of Older Persons. Was that in 2001, when Minister Bishop released her document and said, ‘This is the end’? Was it this year, when Minister Andrews launched it as the beginning of a process? Mr Deputy Speaker, you know full well that this year is the International Year of the Outback. The International Year of Older Persons was not this year or last year; it was 1999. The government embarked on a process in 1997 to produce a strategy by 1999, and now in 2002 they are saying, ‘Here is a document. Let’s consult about it.’ The contradictions and deceptions from this government know no end.

The fact that the government is three years late fades into insignificance compared with the answer that we got in the Senate estimates committee from Dr David Graham, First Assistant Secretary of the Aged and Community Care Division of the department. When he was quizzed about the time line of the strategy, Dr Graham could not provide details of when it would be completed, released and implemented, other than to say, ‘This century.’ The year 2050 is probably the outer limit, but we are planning issues around that time frame.

You should be concerned about that, Mr Deputy Speaker, as should I, because the chances are that we will not be around in 2050. The member for Gilmore agrees; she probably will not be here either. Given medical technology and advances, we might all be here, but surely that is not a basis for a government strategy which they said, when announcing it in 1997, would be ready for 1999. If we want a specific policy from this government, we have to wait until the year 2050. That is the real position.

This minister is saying he is going to go out there to consult. By the time 2050 comes, and governments come and go, who knows who will be the minister. I am sure of one thing: it will
not be the member for Menzies. I am certain of that. It is an outrage that this situation has
been allowed to develop and that Minister Andrews was prepared to get up in parliament and
clearly create a great deal of confusion, if not a misleading of the people of Australia today.

Minister Andrews, of course, went to a great deal of trouble. He spent $4,500 on the
relaunch of the strategy document. We had to get it all reprinted, at a cost of $3,600 on top of
the $4,500. They spent $2,900 on sandwiches, $1,000 on a banner and $600 hiring a photo-
grapher. Once again, the government was prepared to spend taxpayers’ money promoting its
agenda and trying to kid people that somehow there was something different. Fortunately, the
people from the community sector who were invited to the first launch were also invited to
the second launch. That is why they are angry about the abuse that we have seen already from
this minister.

If you compare the answer of the minister today with what Minister Bishop said and what
the foreword of the two documents says, it is game, set and match when you look at the
Commonwealth Department of Health and Aged Care annual report for 2000-01. There is a
section on page 82 that says ‘Progress with the National Strategy for an Ageing Australia’. It
says:
The consultation phase and development of the Strategy has been completed.
Either this report of the Howard government’s health and aged care strategy implementa-
tion—this annual report—is wrong or the minister today was wrong. It is simply the case that
the crisis in aged care, which is there, requires a response other than PR strategies. It requires
funding and it requires real action. And it requires the government to get on top of this port-
folio. If there is something that is characterising this government, it is ‘no knowledge, no
care’. Whether it is the issue of Senator Heffernan’s disgraceful abuse of parliamentary privi-
lege and his denigration of Australian institutions with the assistance and support of the Prime
Minister, whether it is the lies that were told about children being thrown overboard—

The DEPUTY SPEAKER (Hon. I.R. Causley)—I ask the member to withdraw that.

Mr ALBANESE—Whether it is—

The DEPUTY SPEAKER—Would the member for Grayndler withdraw.

Mr ALBANESE—I will not withdraw that lies were told about children overboard. I cer-
tainly will not.

The DEPUTY SPEAKER—The inference is that the government told lies. I ask you to withdraw.

Mr ALBANESE—The government told lies about children overboard.

The DEPUTY SPEAKER—I ask you to withdraw.

Mr ALBANESE—I will not withdraw that the government told lies about children being
thrown overboard.

The DEPUTY SPEAKER—I ask you to withdraw whether you want to argue with me or not. If you do not withdraw, I will have to report you back to the chamber.

Mr ALBANESE—that is okay, Mr Deputy Speaker. I stand by my comment. In terms of
the children—

The DEPUTY SPEAKER—that will be the adjournment of the committee. I ask the
member for Gilmore to move the adjournment of debate.

Debate (on motion by Mrs Gash) adjourned.

ADJOURNMENT

Mrs GASH (Gilmore) (7.20 p.m.)—I move:
That the Main Committee do now adjourn.
The DEPUTY SPEAKER (Hon. I.R. Causley)—Would the member for Melbourne Ports like to second the motion?

Mr Danby—Could you advise me, Mr Deputy Speaker, what process will take place in the House—where we will have the opportunity to argue with your ruling?

The DEPUTY SPEAKER—The matter will be reported back to the House and the Speaker will adjudicate purely on the standing orders.

Mr Danby—And will the member for Grayndler have the opportunity to resume his remarks after that adjudication?

The DEPUTY SPEAKER—It will depend on the adjudication by the Speaker.

Mr Danby—In those circumstances, I have no choice but to second the motion for the adjournment.

Question agreed to.

Main Committee adjourned at 7.21 p.m.
The following answers to questions were circulated:

**Immigration: Temporary Safe Haven Visas**

(Question No. 132)

Mrs Irwin asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 13 February 2002:

1. How many persons were provided with Temporary Safe Haven Visas arising from the situation in Kosovo in 1999.
2. How many persons issued with Temporary Safe Haven Visas subsequently applied for permanent residency in Australia.
3. How many persons issued with Temporary Safe Haven Visas have subsequently been granted permanent resident status.
4. Have any persons issued with Temporary Safe Haven Visas remained in Australia, excluding those granted permanent resident status.
5. What is the present status of persons issued Temporary Safe Haven Visas who have remained in Australia and have not been granted permanent resident status.
6. Of the persons provided with Temporary Safe Haven Visas arising from the situation in Kosovo in 1999, how many came to Australia as (a) a family unit, (b) unaccompanied minors or (c) single persons.
7. At what locations around Australia were Kosovo refugees housed.
8. How many persons were housed at each location.

Mr Ruddock—The answer to the honourable member’s question is as follows:

1. Safe Haven Visas were given to 3924 Kosovars arising from the situation in Kosovo in 1999 and a further 52 were granted to those subsequently born in Australia.
2. Four persons applied for Spouse Visas and 157 persons applied for Protection Visas. This latter figure includes children born in Australia to those that arrived on Safe Haven visas.
3. 156 Protection Visa applicants were granted permanent resident status. One person who applied for a Protection Visa did not meet the criteria and was rejected.
4. Of the Kosovars issued with Temporary Safe Haven Visas and who have not obtained permanent residence, 157 remained legally in Australia. A further nine absconded and have not yet been located.
5. The 157 who remained legally in Australia were granted Temporary (Humanitarian Concern) Visas subclass 786. One person has since died. Of the four spouse visa applicants, three were granted Subclass 820 (Spouse) visas pending the possible grant of the permanent Partner visa and the other remains on a Bridging Visa A pending a decision on their Subclass 820 (Spouse) visa application.
6. The information on family units is not available from the Department’s database. No minors came on their own. Some minors, who were not with parents, were accompanied by an adult relative such as an adult sibling, uncle or aunt.
7. East Hills, Singleton and Bandiana in NSW; Puckapunyal and Portsea in Victoria; Hampstead in SA; Brighton in Tasmania; and Leeuwin in WA. A number of Kosovars left the Safe Haven centres and lived in the community during their stays in Australia.
8. The maximum numbers housed in the Safe Haven Centres were:

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandiana</td>
<td>302</td>
</tr>
<tr>
<td>Brighton</td>
<td>401</td>
</tr>
<tr>
<td>East Hills</td>
<td>831</td>
</tr>
<tr>
<td>Hampstead</td>
<td>148</td>
</tr>
<tr>
<td>Leeuwin</td>
<td>385</td>
</tr>
<tr>
<td>Portsea</td>
<td>407</td>
</tr>
<tr>
<td>Puckapunyal</td>
<td>820</td>
</tr>
<tr>
<td>Singleton</td>
<td>627</td>
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</tbody>
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