**INTERNET**
The Votes and Proceedings for the House of Representatives are available at:


Proof and Official Hansards for the House of Representatives, the Senate and committee hearings are available at:


**SITTING DAYS—2002**

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

**RADIO BROADCASTS**

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

- **CANBERRA**: 1440 AM
- **SYDNEY**: 630 AM
- **NEWCASTLE**: 1458 AM
- **BRISBANE**: 936 AM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 729 AM
- **DARWIN**: 102.5 FM
HANSARD CONTENTS

TUESDAY, 4 JUNE

HOUSE HANSARD

Questions Without Notice—
  International Criminal Court ................................................................. 3021
  Economy: Performance ............................................................................. 3021
Distinguished Visitors................................................................................. 3021

Questions Without Notice—
  International Criminal Court ................................................................. 3022
Distinguished Visitors................................................................................. 3022

Questions Without Notice—
  Immigration: People-Smuggling ............................................................ 3022
  Defence: Army Reserve ......................................................................... 3023
  Immigration: People-Smuggling ............................................................ 3024
  Defence Housing Authority ................................................................... 3026
  Workplace Relations: Registered Organisations ................................ 3026
  Defence: Equipment .............................................................................. 3029
  Trade: United States .............................................................................. 3030
  Economy: Debt Management ............................................................... 3030
  Education: Queensland ......................................................................... 3032
  Health: Anticholesterol Drugs ............................................................... 3034
  Commonwealth Funding: Chopper ....................................................... 3035
  Foreign Affairs: Indonesia ..................................................................... 3036
  Commonwealth Funding: Chopper ....................................................... 3036
  Youth: Government Policy ................................................................... 3037
  Terrorism: Proscribed Organisations ..................................................... 3038
  Agriculture: Foot-and-Mouth Disease ................................................... 3038

Questions Without Notice: Additional Answers—
  Commonwealth Funding: Chopper ....................................................... 3040
  Defence Housing Authority ................................................................. 3040

Personal Explanations............................................................................... 3040

Questions to the Speaker—
  Standing Order 98................................................................................ 3041
  Standing Orders: Application ................................................................. 3041
  Standing Orders: Application ................................................................. 3042

Papers....................................................................................................... 3042

Matters of Public Importance—
  Economy: Interest Rates ....................................................................... 3042

Committees—
  Selection Committee—Report .............................................................. 3052
  Main Committee .................................................................................... 3054
  Assent .................................................................................................... 3054
  Bills Referred to Main Committee ........................................................ 3054
  Appropriation Bill (No. 1) 2002-03—
    Second Reading ................................................................................ 3054

Adjournment—
  Immigration: Detention Centres .......................................................... 3104
  135th Assault Helicopter Company ..................................................... 3105
  McMillan Electorate: Pakenham District .............................................. 3106
HANSARD CONTENTS—continued

Education: Queensland ................................................................. 3107
Fuel: Ethanol Content ................................................................. 3108
Eden-Monaro Electorate: Regional Assistance Program ............... 3109
Eden-Monaro Electorate: Southcare Helicopter Service ............... 3109
Ministerial Reply ................................................................. 3110
Notices ......................................................................................... 3111

Questions On Notice—
 Chinese Embassy: Falun Gong Protest (Question No. 265) .... 3112
 Higher Education Contribution Scheme (Question No. 271) ... 3112
The SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m., and read prayers.

**QUESTIONS WITHOUT NOTICE**

**International Criminal Court**

Mr CREAN (2.01 p.m.)—My question is to the Prime Minister. Prime Minister, is it still the government’s policy to ratify the convention establishing the International Criminal Court? Will this occur before 1 July so that Australia can participate in the first conference of the parties to the convention which will nominate judges and prosecutors for the court?

Mr HOWARD—I thank the Leader of the Opposition for the question. This issue has been under consideration by the government. It had previously been the subject of a number of statements by the Attorney-General and the foreign minister. A number of members of the government have reservations about it. As a consequence of that, I have initiated a process of consultation within the government parties regarding the matter, and when that process of consultation is—

Mr Stephen Smith interjecting—

Mr HOWARD—As always, it will take as long as is needed. At the end of the day, the decision to be taken by the government will be the decision which most properly matches Australia’s national interest.

**Economy: Performance**

Mr PYNE (2.03 p.m.)—My question is addressed to the Treasurer. Will the Treasurer advise the House of the results of the survey of industrial trends released today by ACCI-Westpac? What does this survey indicate about the performance of the Australian economy?

Mr COSTELLO—I thank the honourable member for Sturt for his question. I can inform him that the ACCI-Westpac survey of industrial trends, which was released today, shows that the Australian economy continues to grow strongly. Business confidence remains strong, with a net balance of plus 20, reporting an improved business situation in the June quarter, down marginally from the March quarter but still well above the negative 24 per cent recorded after the events of 11 September. New orders received were stronger for the fifth consecutive quarter. Both output and exports are up, with a net balance of plus 32 per cent and plus 23 per cent respectively. Capital expenditure plans remain solid, supported by high levels of capacity utilisation and strong profitability. Employment expectations remain strong by historical standards, at plus three per cent, consistent with strengthening economic activity.

That shows that Australian business is quite positive and quite confident about the year that is ahead. It would confirm that Australia in the current quarter is continuing to grow. We will have tomorrow the national accounts for the March quarter of 2002 but, to the end of 2001, the Australian economy through the year grew at 4.1 per cent, the strongest growth of any of the Western developed economies. When you put that together with an American recession, a Japanese recession, a German recession, a Singaporean recession, a Taiwanese recession, a global slowdown and the events of September 11, the fact that the Australian economy continued to grow through 2001 is a great credit to Australian businesses, the entrepreneurs that run them and the people who have been keeping the Australian economy strong during that period.

We on this side of the House like to see business doing well. We understand that, unless business is doing well, you will not have the growth and the jobs which are required to give young people an opportunity in life. We want to keep the Australian economy strong. It has been the strongest in the developed world. You would think that both sides of parliament would be happy with a strong economy. I am sure that both sides of the parliament would be pleased that the Australian economy is strong. We will have the national accounts tomorrow. They will give us a fix on 2002, but we do think it is important that business continues to operate properly and creates jobs in this country.

**DISTINGUISHED VISITORS**

The SPEAKER (2.06 p.m.)—I inform the House that we have present in the gallery this afternoon members of a delegation from
Cambodia, led by His Excellency Sar Kheng, the Deputy Prime Minister and Co-Minister of Interior of Cambodia. On behalf of the House I extend to the delegation and to its leader a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

International Criminal Court

Mr Rudd (2.07 p.m.)—My question is addressed to the Prime Minister. Prime Minister, do you recall saying yesterday in this parliament in response to a question from me about Australia’s accession to ratification of the statute establishing the International Criminal Court:
I support the government’s policy.
Prime Minister, are you also aware that in a speech to the United Nations General Assembly in October 1997 your foreign minister, Mr Downer, said:
Australia is strongly committed to the early establishment of the court as a major human rights objective.
Prime Minister, was the foreign minister articulating Australian government policy or was he not?

Mr Howard—The answer to the first question is yes. The answer to the second question is yes. The answer to the third question is, ‘Have a look at the answer I gave to the Leader of the Opposition.’

DISTINGUISHED VISITORS

The Speaker (2.08 p.m.)—Thanks to the assistance of some members on my left, I have also noticed in the gallery the former Chief Government Whip and parliamentary secretary, the Hon. Michael Ronaldson, and I extend to him a welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Immigration: People-Smuggling

Mrs Elson (2.09 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of measures being taken by a number of European countries to stop illegal immigration and how these measures compare to those in Australia? Is the minister aware of any alternative approaches?

Mr Downer—I thank the honourable member for Forde for her question. I would like to take this opportunity to say what an excellent job she does for the people of Forde. She is a very good member; she knocked off the Labor Party there time and time again.

Illegal immigration and people-smuggling are serious issues for many governments around the world and they are grappling with those problems. The seriousness of the problem as the European governments would see it was reflected in the proposal for illegal immigration to be a keynote theme for the European Union leaders’ summit in Seville in Spain later this month. Many European governments are introducing or exploring measures which will parallel the sort of strong response that Australia has taken. For example, the UK government recently announced a number of new measures, including the establishment of accommodation centres, tough legislative measures to remove failed asylum seekers and substantial expansion of secure detention facilities. Other European countries, and I would mention Denmark and Italy here, are also introducing measures to tighten border control and to crack down on illegal immigration. These are also big issues in Germany, France and so on.

I thought it was very interesting when the Minister for Immigration and Multicultural and Indigenous Affairs, the Deputy Prime Minister and I were in Brussels a few weeks ago for meetings with the European Community and European Union leadership and we had quite an extensive discussion about this issue of illegal immigration. Far from these leaders of Europe criticising Australia, they showed a very genuine interest in the strong position we are taking and they agreed to establish a process of dialogue and consultation between the European Union and Australia.

Australia has been strong and tough on this issue. Australia is effective at dealing with it. The European countries increasingly understand the strength and effectiveness of Australia’s position and it gives the lie to the suggestion by what I love to call in this House the ‘bourgeois Left’ that somehow—
Mr Downer—Amongst you, some of you aspire to be bourgeois and the rest of you are.

Mr Crean interjecting—

Mr Downer—I assure the Leader of the Opposition that no-one there is a member of the Left. The point is that Australia’s reputation has not been damaged; on the contrary, the international community are interested in what Australia does and they want to talk to us. This stands in juxtaposition to the positions that others take on this issue, not least the Australian Labor Party. It is hard to know what their policy could conceivably be. It has been said already this week in the House that the New South Wales and Queensland branches of the Labor Party repudiated the policy of so-called mandatory detention. In other words, their position is that they want people to be released into the community immediately when they arrive. I noticed quotes by the Labor Party. The latest was made yesterday by the member for Lalor who said:

I haven’t met anybody in the ALP yet who does not agree with the proposition that on arrival people should be detained.

This is a member of the Victorian branch obviously not focusing on what the Queensland and New South Wales branches of the party are saying. In his doorstops, the Leader of the Opposition seems to be saying that, actually, we agree with detention just so you can check people’s credentials, but once their credentials are checked, once it is established for example that these people are not refugees, our policy is to allow those illegal immigrants into the community.

Mr Crean—That is not right.

Mr Downer—Now he says that is not right, but that is quite clearly what he said on the 7.30 Report last night. The simple fact is that the Labor Party went to the last election supporting the government’s policy on this issue of detention and there was not a ‘cigarette paper’s difference’, I think members of the opposition said—it could even have been the member for Brand who said that. They said that this isn’t an election about illegal immigration; it is about something else. Labor members got elected on the basis of telling people that that was their policy and, no sooner had the votes been counted, Labor members were back in their seats and they started to change their policy.

I make a prediction. At the next election, after turmoil in the Labor Party for three years, they will go back to where they were in November last year; they will go back to the same policy. I would not be surprised if they went back to the same leader, because there is a saying these days that the Labor Party is like a chessboard, with the king in the back row and the pawns in the front. The Leader of the Opposition said, ‘If you are a betting person, back me.’ Some have it that the odds for the Leader of the Opposition are 50-50, but there are others who say the member for Brand is odds on at 60-40.

Defence: Army Reserve

Mr Crean—That from half the ‘dream team’!

The Speaker—The Leader of the Opposition!

Mr Crean—My question is to the Minister representing the Minister for Defence and it refers to an answer that she gave yesterday. Is the minister aware of the finding last week by the independent Australian Strategic Policy Institute that for each of the last three years the government has failed to attract even 50 per cent of the recruits it needs to the defence reserves? Given that two government reports have clearly identified the common induction training as the main reason Australians are not joining the reserves, why are you now spending $2 million of taxpayers’ money on a TV campaign to attract Australians to the reserves, a campaign which the Audit Office has warned is ineffective?

Mrs Vale—I thank the Leader of the Opposition for his question. The recent defence advertising has been particularly successful in contributing to an increased recruitment across the whole ADF. This began with the lifestyle campaign of September 1999 and continued with the testimonial campaign that began in February 2001. I am delighted to advise the House that, as of February 2002, these two campaigns have con-
tributed to a 44.5 per cent increase in overall recruitment achievement. The latest advertising campaign builds upon this success and promotes the Army Reserve as a part-time job that adds to your life.

It is true that Defence has faced a number of challenges in meeting reserve recruitment targets. However, the leverage gained from existing non-reserve advertising and the Army's direct to unit recruitment trial have been successful in gaining a 30 per cent increase in the number of reservists recruited by the end of November last year. This is especially good when compared with previous years.

In recognition of the importance of reservists, the government has introduced a suite of legislation and other initiatives to make reserve service more attractive and to support the employers of reservists. This includes—and I am sure the Leader of the Opposition is interested in this—the introduction of the Employer Support Payment Scheme. Already from this scheme $5.6 million has been drawn and paid to employers. This is to assist them with the absence of their employees while they are doing their reserve service. The scheme provides a payment of $807 per week to the employer. Additionally, the Office of Reserve Service Protection has been established and this provides employment, financial and educational protection for reservists as they undertake full-time service.

We were also asked about the common induction training. This was introduced to ensure that reservists were trained at the same level of expertise and competencies as their full-time counterparts. The success of this program is evidenced by the performance of our reservists in East Timor and by the deployment later this year of a company of full-time reservists who will form the first combat arms unit that will deploy overseas. The government recognises that not all reservists can commit to a 45-day period away from their regular employment and for this reason the Army is conducting ongoing trials to deliver a common induction training in modular form. This modular form training will allow more flexibility without being detrimental to the outcome of the training.

This government is committed to supporting the ADF and our reserves and ensuring that we have a modern capable Army that is able to support and sustain contemporary military operations. I would encourage those opposite to join our government in the support of our Army reservists and the increased number that we have in our reserves.

Mrs Irwin—Mr Speaker, I am not quite sure whether the document the minister was reading from was confidential, but I wonder whether she would like to table it.

The SPEAKER—I will, as the standing orders provide, ask the minister whether she was quoting from a confidential document.

Mrs VALE—It is confidential.

The SPEAKER—I thank the minister.

Immigration: People-Smuggling

Mrs GASH (2.21 p.m.)—My question is addressed to the Minister for Immigration and Multicultural and Indigenous Affairs. Would the minister inform the House of the level of cooperation between Australia and transit countries in relation to people-smuggling? What role does mandatory detention play in Australia's response to people-smuggling? How are other countries following Australia's lead when it comes to mandatory detention? Is the minister aware of other views on Australia's approach to this insidious trade?

Mr RUDDOCK—I thank the member for Gilmore for her question, because she asked me today about the level of cooperation that Australia is receiving in relation to people-smuggling issues. It is particularly important that we have in the gallery today His Excellency Sar Kheng, the Deputy Prime Minister of Cambodia, because in July 2001 there was a very important turning point in dealing with people-smuggling when the government of Cambodia intercepted a boat that was bound for Australia with over 200 people on board, where the smugglers from Indonesia had been endeavouring to open up a new route by which people might be able to access Australia. I am delighted that the Deputy Prime Minister of Cambodia and General Hok Lundi are here, because their military and police were able to detain those people who were intent on getting on another vessel
that may well have not been able to successfully reach Australia and people’s lives could have been potentially put at risk. But what we did find out on that occasion was that there were people on board the vessel who had with them travel documents which, if they had been coming to Australia, would have been disposed of before they came here. We were able to ascertain that identity fraud was rife—

Dr Emerson—How do you know that?

Mr Ruddock —We know because the people were caught and identified—

The Speaker —The minister will answer the question and ignore the interjections, and the member for Rankin will desist.

Mr Ruddock —and the documents were with them and the information was passed on to us. We were in a position to see the way in which those issues were able to be handled where most of the people, who if they had arrived in Australia were thought likely to claim to be Afghan, had residency rights in Pakistan or were Pakistanis and were able to return to Pakistan. The fact is that under the cooperation arrangements between Cambodia and Australia those returns have been able to be implemented. We do thank the Deputy Prime Minister of Cambodia and his colleagues for that high level of cooperation, and we are delighted that he is able to be here in Australia at this time.

We have had good cooperation from other transit countries such as Laos, Thailand, Malaysia and Indonesia. My Indonesian counterpart has said to me on a number of occasions that the reason they experience significant movements of people unlawfully through Indonesia is as a result of what they see to be the ‘sugar’ in Australia. Their concern is that there are a number of attractions which prompt people to pass through a situation where they would be safe and secure to get to Australia. That is related to the level of benefits if people are freed into the community. It is related to what they perceive to be the nature of the protection system and what it would mean.

The temporary protection visa regime has been an important aspect of our strategy to address these issues, because it ensures that those people who come through an orderly refugee resettlement program are able to get a permanent residency outcome, as distinct from those who arrive without lawful authority. We have been able to increase significantly the penalties for those who are involved in smuggling. We have the mandatory detention regime that ensures that people who are not refugees do not achieve an immigration outcome; that they are available for processing; that health, character and security issues are able to be addressed; and, most importantly, if they are not refugees, that they are available for removal—the most important deterrent for ensuring that our protection system is not abused. The integrity of our borders and the important refugee resettlement program that we wish to be able to maintain are the very reasons that we implement policies of this sort.

Are we out of step with what is happening elsewhere? Certainly not. In the United Kingdom at the moment there is a bill before the parliament to raise the people-smuggling penalties from two years to 14 years. Italy is considering penalties of up to 15 years. Most European countries are engaged now in trying to limit forum shopping. Switzerland is concerned that if it does not take firmer action on these issues it too will become too attractive, as it says in its own statements.

When you look at what is happening in relation to detention you will see that countries that have much larger movements than we have are trying to see how they can develop arrangements whereby they can secure people available for removal. Britain has been opening up disused jails in order to convert them into detention centres for those people who have to be removed. Of course, the real danger for us is what I said yesterday: if we have mixed signals going out there at a time when we have been able to send a very clear message to those who are involved in this insidious business of people-smuggling that they will not be able to succeed in their objectives, what do we have?

We have the Queensland and New South Wales branches of the ALP expressing views on mandatory detention and temporary protection visas that are designed to make Australia a more attractive destination. It is not
going to stop there. They will be taking these resolutions to the national conference of the ALP, where they will be seeking endorsement. It is not just the branches; we have had shadow ministers going out there. Kate Lundy, for instance, addressing the Labor for Refugees forum on 22 May said:

In my opinion, mandatory detention in its current form is not an acceptable way to process asylum seekers.

She went on to say:

I will argue within the Labor Party that any policy of detaining asylum seekers must not be with the objective of deterring refugees from arriving in Australia. We must discard the mindset that immigration policy is about protecting our borders. You cannot escape from the reality of those sorts of comments coming from your front-bench. It is an area in which the Leader of the Opposition should be able to display some effective leadership.

Defence Housing Authority

Mr EDWARDS (2.29 p.m.)—My question is to the Minister representing the Minister for Defence. Is the minister aware that members of the National Consultative Group of Service Families are concerned about the possible privatisation of the Defence Housing Authority? Minister, will you rule out the sale of this authority?

Mrs VALE—I thank the member for Cowan for his question, but I will have to take the question on notice. I will get back to him.

Workplace Relations: Registered Organisations

Mrs DRAPER (2.29 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Has the minister’s attention been drawn to the concerns about the use of power exercised by organisations registered under the Workplace Relations Act, as evidenced by the use of bloc votes at a political level?

Dr Emerson interjecting—

The SPEAKER—I warn the member for Rankin!

Mrs DRAPER—What has been the experience of his department with these organisations’ dealings with political parties, particularly those operating in my home state of South Australia?

Mr ABBOTT—I thank the member for Makin for her question, and I point out that she is certainly one of the hardest working members of this House. It is a sure sign of a weak leader that he should set for himself a trivial objective and then struggle to achieve it. The Leader of the Opposition has made achieving a 50 per cent union bloc vote the ultimate test of his leadership. His front-bench colleagues know that this is just a giant game of Trivial Pursuit. The Canberra Times on 29 November 2001 said:

Mr McMullan, in his first interview with this newspaper as Labor treasury spokesman, said ... It mattered little whether unions had 60 per cent of votes at state conference, as they do in most states, or 50 per cent, as in the ACT. The member for Fraser also gave the Leader of the Opposition six months to establish an image.

Mr Latham—Mr Speaker, I rise on a point of order. How could this possibly be relevant to a question that was asked about registered organisations in South Australia? He is quoting from a newspaper in the ACT. It has no relevance to the question that was asked.

The SPEAKER—The member for Werriwa will resume his seat; he has made his point of order. The minister has the reply and am expecting him to link his remarks to the comments about South Australia.

Mr ABBOTT—The member for Fraser gave the Leader of the Opposition six months to establish an image.

Mr Latham interjecting—

The SPEAKER—The member for Werriwa has made his point of order. The minister has the call.

Mr ABBOTT—Six months is up, and I note that at 24 per cent the percentage of Australians who rate the Leader of the Opposition as a better Prime Minister has dropped below the percentage of people who are members of trade unions!

Mr Swan—Mr Speaker, I rise on a point of order on relevance. This minister came fourth in a leadership race—
The SPEAKER—The member for Lilley will resume his seat.

Mr ABBOTT—It is because of this poor performance that we have the member for Brand contemplating the most improbable comeback since Tony Lockett! There he is—old plugger Beazley imagining himself as the shadow leader!

Mr Latham—Mr Speaker, I rise on a point of order. The minister is directly defying your ruling to come to the point about—

The SPEAKER—The member for Werriwa will resume his seat, and I will comment on the point of order raised.

Mr Randall interjecting—

The SPEAKER—The member for Canning will withdraw that remark.

Mr Randall—I withdraw, Mr Speaker.

The SPEAKER—The member for Werriwa has raised a point of order on relevance. I point out to the member for Werriwa that the comments about South Australia were at the tail end of the question asked. I have no doubt that is where the minister will ultimately respond on that, but his answer to date is not out of order.

Mr Leo McLeay—Mr Speaker, I rise on a point of order. You will recall that you ruled earlier this week and last week that members should refer to other members by their electorate or their title. Would you ensure that the minister does that?

The SPEAKER—I will listen closely to the minister’s reply.

Mr Leo McLeay—Mr Speaker, he just transgressed on that before. You may not have heard it. I ask you to bring him to—

The SPEAKER—The member for Watson will resume his seat. I have indicated to the member for Watson that the minister understands his obligations, and so do I. Had I been aware of the so-called transgression, I would have alerted him to it.

Mr ABBOTT—Let me refer to the member for Watson as the chief numbers man for the member for Brand.

The SPEAKER—The minister will come to the question.

Mr ABBOTT—I will indeed, Mr Speaker. I have been asked about South Australia. South Australia already has a 50-50 rule in operation, so let us see how the Leader of the Opposition’s brave new world operates. A couple of years back, the ALP’s National Vice-President did a comprehensive report on the operation of the South Australian ALP. It is stated: Lynette Breuer said yesterday her investigation showed dead people were among the 2,000 new members signed up in job lots by faction operators seeking to control elections.

Mr Beazley—Mr Speaker—

Mr ABBOTT—He’s back! The member for Brand!

The SPEAKER—Minister!

Mr Beazley—Mr Speaker, I rise on a point of order that goes to relevance. This is simply debauching question time. There is absolutely no relationship between this and the minister’s responsibilities.

The SPEAKER—The member for Brand, the Leader of the Opposition and all others are aware that the standing orders oblige that questions refer to the minister’s responsibility. The standing orders do not make the same obligation on answers. Whether or not the chair likes that is another matter. The changing of it is in the hands of the Procedure Committee, on which both the government and the opposition are represented.

Mr ABBOTT—I am referring to registered organisations under the Workplace Relations Act and their work in debauching and factionalising the South Australian Labor Party. I am quoting the report of the National Vice-President of the Labor Party. She said: Most of the 2,000 new memberships—

Mr McMullan—Mr Speaker, I rise on a point of order. The point which the minister is raising may or may not be of interest, but it is not of relevance. It does not relate to any registered organisation in any state in this country. It does not relate to the internal affairs of any registered organisation or to any other matter relevant to the question.

Mr McGauran—Mr Speaker, for the information of those opposite who were not listening closely to the question, it would assist the House if I were to repeat it. Has the
minister’s attention been drawn to the con-
cerns—

The SPEAKER—Minister! Resume your
seat.

Mr Martin Ferguson interjecting—

The SPEAKER—Member for Batman!

Mr McGauran interjecting—

The SPEAKER—Minister!

Mr Martin Ferguson interjecting—

The SPEAKER—I warn the minister and
I warn the member for Batman! I call the
Minister for Employment and Workplace
Relations.

Mr McMullan—Mr Speaker, I was won-
dering whether you are going to rule on my
point of order.

The SPEAKER—The member for Fraser
makes a valid point, though he would recog-
nise that the opportunity to rule was lost by
behaviour on both sides of the House. I will
listen closely to the minister’s answer.

Mr ABBOTT—I am talking about the
state of South Australia, where the 50-50
rule applies, and I am quoting a report which
says:

Most of the 2,000 new memberships—a recruit-
ment drive that almost doubled the ALP’s state
subbranch membership overnight—

Mr Swan—Mr Speaker, I rise on a point
of order. I draw your attention to page—

Mr Pyne interjecting—

Mr Swan—Mr Mischief over there. Have
you pulled the seat out from under him yet?

The SPEAKER—One could only pre-
sume that the member for Lilley was not ac-
tually seeking the call but seeking to be
asked to resume his seat. I call the member
for Lilley.

Mr Swan—Mr Speaker, I have a point of
order on relevance. I draw your attention to
page 539 of House of Representatives Prac-
tice, which says that an answer ’must main-
tain a link to the substance of the question’.

There is not the slightest link to the sub-
stance of the question, and there has not been
for some time.

The SPEAKER—The member for Lilley
has made his point of order. He will resume
his seat. I indicated to all members of the
House that I am listening to the minister’s
reply.

Mr ABBOTT—I am quoting from an of-
official ALP report which said:

Most of the 2,000 new memberships—a recruit-
ment drive that almost doubled the ALP’s state
subbranch membership overnight—

Mr McMullan—Mr Speaker, I rise on a
point of order. By the very first words the
minister used after your proper ruling, he
proved that the matter to which he is refer-
ing is not relevant to the question—

The SPEAKER—Member for Fraser—

Mr McMullan—With respect, Mr
Speaker—because it does not refer to a reg-
istered organisation. It refers to an organisa-
tion that is not registered or in any way the
responsibility of the minister, nor can he talk
himself into it by any of the facts that he has
raised. It is not a relevant matter to the ques-
tion.

The SPEAKER—It is simply not possi-
ble for any occupier of the chair to determine
within five seconds of the minister rising
whether or not he is being relevant. I am lis-
tening to the minister’s reply. He has certain
obligations under standing order 145, and I
expect him to match them. I call the minister.

Mr ABBOTT—The union bloc vote is
the Labor Party’s dirty little secret, and that
is why they are so keen to close down this
debate. I again quote the report:

Most of the 2,000 new memberships—a recruit-
ment drive that almost doubled the ALP’s state
subbranch membership overnight—

Dr Emerson—Mr Speaker, I too rise un-
der standing order 145. This surely is about
as relevant as the fly in, fly out policies—

The SPEAKER—The member for Ran-
kin will resume his seat. I call the minister.

Mr ABBOTT—I was asked about the use
of bloc votes at a political level. In the South
Australian Labor Party, under the 50-50 rule,
the doubling of the branch membership was
paid for with about $40,000 in union funds at
the concessional pensioner rate.

Opposition members interjecting—
The SPEAKER—There are those who would like me to facilitate some silence in the House by more formidable action; I will be happy to accommodate them.

Mr Swan—Mr Speaker, I rise under standing order 145. The member has sought to circumvent the application of the standing order by redefining the question. It was about registered organisations.

The SPEAKER—The member for Lilley will resume his seat. The minister has the call.

Mr Abbott—Plainly this succession of points of order is in deference to the member for Werriwa’s demand that his colleagues have testosterone enhancement therapy.

The SPEAKER—The minister will come to the question.

Mr Abbott—I have been asked about the bloc vote in South Australia. Let me say this: a 38 per cent shareholding gives Kerry Packer control of Channel 9, a 30 per cent shareholding gives Rupert Murdoch control of News Limited and a 50 per cent shareholding will leave the unions in complete control of the Labor Party.

The SPEAKER—Has the minister concluded his answer?

Mr Abbott—Yes.

Mr Swan—I had a point of order under—

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

Mr Swan—I had a point of order under—

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

Mr Swan—I had a point of order—

The SPEAKER—The member for Lilley will resume his seat or I will deal with him!

Defence: Equipment

Mr Byrne (2.45 p.m.)—My question is to the Minister representing the Minister for Defence. Can the minister confirm that the government has been funding a team of 10 Defence officials in the US for the last five years to supervise the delivery of 11 Seasprite helicopters which are now three years late? Is the minister aware that this team’s main job has been to supervise cutting rust from the second-hand airframes the government purchased for this $1 billion project? Minister, isn’t this waste and mismanagement one of the factors that has blown this year’s budget into deficit and added to pressure on interest rates?

Mr Leo McLeay interjecting—

The SPEAKER—I warn the member for Watson!

Ms Plibersek interjecting—

The SPEAKER—I warn the member for Sydney!

Mrs Vale—I thank the honourable member for his question. His question was quite complex and I would like to—

Mrs Irwin—Take it on notice!

Mrs Vale—No, I don’t actually.

Mrs Irwin—No, you don’t—great!

Mrs Vale—No.

The SPEAKER—The member for Fowler is warned!

Mrs Vale—There was a series of questions in his question, but I would like to address the Seasprite helicopters issue because—

Opposition members interjecting—

Mrs Vale—I thought that it was also about other budgets. While Labor has made a number of attempts to discredit this project for political gain, the fact is that the previous Labor government is closely identified with it. The decision to procure the helicopters was announced by Labor in its May 1995 budget, when Senator Ray was the Minister for Defence. The request for tender documentation was issued late in 1995, and the binding tenders closed in March 1996. This was a mere footfall after Labor was swept from power by the coalition government.

Mr Howard—with a 12 per cent swing in Hughes.

Mrs Vale—Labor has claimed that the contracts entered into between the Commonwealth and Kaman Aerospace International Corp. leave a lot to be desired. For example, Labor claims that the acquisition contracts do not adequately protect the
Commonwealth’s interests because they do not contain liquidated damage clauses. The fact is that the original contract issued with the request for tender in 1995 by Labor did not include a liquidated damage clause, despite the fact that standard defence purchasing tender documentation included reference to such a clause. Labor now seeks to belittle that part of the Kaman proposal that was based on refurbished and modified Seasprite frames. It would do better to remember that this proposal was permitted by, and is valued in accordance with, the request for tender documentation issued under Labor.

Ms O’Byrne—Mr Speaker, I ask that you ask the minister to table the one-page complete document from which she was reading.

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

Mrs VALE—Yes.

Trade: United States

Mr BRUCE SCOTT (2.49 p.m.)—My question is to the Minister for Trade. Would the minister inform the House of the priority being afforded to agriculture in Australia’s trade discussions with the United States? Is the minister aware of any alternative proposals?

Mr VAILE—I thank the honourable member for Maranoa for his question. Of course, agriculture will be a top priority in a free trade agreement negotiation with the United States. A free trade agreement with the US, as independent analysis has indicated, will add $4 billion to the Australian bottom line. It will mean many more and much better jobs for Australian industry and a much better circumstance for Australian families.

The member for Maranoa also asked about alternative policies. We can recall that prior to the election last year the Labor Party, led by the member for Brand, had a position of supporting a free trade agreement with the US, but of course since then there has been a significant change, one—I would venture to say—being brought about by the 60 per cent control of the Labor Party by the union movement—in particular, one Dougie Cameron. So we know now that Labor opposes the very measure that would deliver an extra $4 billion to the Australian bottom line. Labor opposes a measure that would add extra and better paid jobs to the Australian economy.

We know that the Leader of the Opposition and his trade spokesman do not support a free trade agreement with the United States, with the strings being pulled by Dougie Cameron and the unions that control the Labor Party. But what we do not know is: where is Labor’s media hungry shadow spokesman on foreign affairs on this issue? We have not heard much from the member for Griffith. Is his embarrassed silence on this an indication that he supports the government’s position? It is said around the corridors of this place that if you put a comb in front of him he will talk into it. Maybe we should put a comb in front of him, and he will give us an idea of his position as far as a FTA with the United States is concerned.

On this side of the House we have stuck with the policy that we had in the lead-up to the last election. We stand very squarely behind our pursuit of a free trade agreement with the United States. We stand united in our pursuit of an extra $4 billion for the Australian bottom line. We stand in the pursuit of extra jobs and better jobs for Australians as a result of increased trade with the United States. But the same cannot be said for the member for Cunningham, the Leader of the Opposition and the member for Rankin—and we still do not know where the member for Griffith stands on this. But we sure know where the trade union movement in Australia, particularly Doug Cameron, stand on this. So if we know that, ipso facto we know exactly where the Australian Labor Party will stand.

Economy: Debt Management

Mr McMULLAN (2.52 p.m.)—My question is to the Treasurer. Treasurer, is it not the case that the Australian Office of Financial Management recorded $5 billion in losses on foreign currency swaps in the last four years? Isn’t this another example of the sort of gross mismanagement which has blown this year’s budget into deficit and added to pressure on interest rates?
Mr Costello—No, it is not. That is completely false. The Labor Party think that, if they repeat something often enough, various people will start to believe it. It is absolutely not the case. As I think we have been through previously, the currency swaps, which were entered into by the Australian Labor Party government back in 1987, as I recall, go for a period of over 10 years. In order to bring them to account, one has to over a period of 10 years look at both the stock valuation and the interest rates. As to the allegation, that is completely false. Not even the shadow finance minister in the Senate was able to produce any papers to the contrary.

As for the proposition in relation to interest rates, we love getting questions about interest rates. The current variable mortgage interest rate is 6.3 per cent. The Labor Party want to make out that somehow interest rates are high at 6.3 per cent or at 6½ per cent. We have done a bit of research on this point. We found out that the member for Fraser was the parliamentary secretary to the Treasurer for a period of three years, and that was at the time the Labor Party entered currency swaps. During the three years that the member for Fraser was the parliamentary secretary—

Mr Rudd—Are you going to blame us for your currency swaps?

Mr Costello—The shadow minister for foreign affairs is talking but there is no comb in front of his face. The member for Fraser is concerned about an interest rate which is currently at 6¼ per cent and wants to feign concern that it may be at 6½ per cent. The member for Fraser was the parliamentary secretary to the Treasurer for three years from 4 April 1990 to 24 March 1993, and the home mortgage variable interest rate average over those three years—this man who is concerned about a 6¼ home variable interest rate—was 12.9 per cent. So the Labor Party says to the coalition, ‘Shame, coalition, your standard variable mortgage interest rate is only half the average of the Labor Party’s.’ This is apparently the big political attack from the Australian Labor Party. I guess the member for Fraser was lucky that he became the parliamentary secretary to the Treasurer on 4 April 1990. If he had been in that position prior to the 1990 election, his 12.9 per cent average would have had 17 per cent rates which were added into it.

On the last point, this of course is how the Labor Party shot themselves in the foot after the budget. On the one hand, the Labor Party would like to say, ‘Keep fiscal policy strong so that fiscal policy takes pressure off interest rates.’ That is the implication. On the other hand, the Labor Party want to say, ‘We will vote against all of the savings measures in the budget. We will vote against the Pharmaceutical Benefits Scheme. We will vote against the changes in relation to disability support pension.’

Mr Latham—What savings? Minchin said there were none.

The Speaker—I warn the member for Werriwa!

Mr Costello—The Labor Party want to say, ‘We will vote down the government’s policies in relation to superannuation and put in place unfunded policies in their place.’ The point is this: the Labor Party can have one position or the other. You can take the position that you want strong fiscal policy, because fiscal policy and monetary policy is related, or you can take the position that you reserve the right to vote down savings measures. You can take one position or the other, but you cannot take both. The Labor Party tactics committee when it meets tomorrow should decide which it is going to take.

Mr Crean interjecting—

Mr Costello—Where is the alternative? Shortly the alternative will probably be an alternative as Leader of the Opposition.

Mr Crean interjecting—

The Speaker—The Leader of the Opposition! The Treasurer has the call.

Mr Costello—As Senator George Campbell said this morning on the way into the parliament, speaking of the current Leader of the Opposition—

Mr Crean interjecting—

Mr Costello—You do not agree with Senator George Campbell?

The Speaker—The Treasurer will address his remarks through the chair.
Mr COSTELLO—Mr Speaker, Senator George Campbell said:
I think to some degree he’s got stuck on the 60:40 issue, and in many respects it is not the key issue. There are other more fundamental reform issues that ought to be dealt with and I suppose it’s time for him to move on to those more fundamental issues and start canvassing them across the party...

And here is the wake-up call from Senator George Campbell. Senator George Campbell said that we:
... ought to give him a fair go and let’s see in 12 months time just how effectively he’s performing. George has given you 12 months. The member for Fraser gave you six months. We will wait and we will see.

Mr Crean—You’ll wait and you won’t see!

The SPEAKER—I am tired of drawing the Leader of the Opposition’s attention to his obligations in the House.

Education: Queensland

Mr DUTTON (2.59 p.m.)—My question is to the Minister for Education, Science and Training. Would the minister inform the House of the government’s response to reports that a book by a convicted criminal is to be on the reading list for Queensland schools? Is the minister aware of other comments about this matter?

Dr NELSON—I thank the member for Dickson not only for his question but, importantly, also for the lifetime he has spent in making sure that the streets of Brisbane are safe. He has played a significant role in the investigation leading to the arrest of a number of criminals, including murderers, over the years and now he is keeping Dickson safe from the Australian Labor Party.

I was somewhat taken aback this morning when I opened the Courier Mail in Queensland and there on the front page was a story entitled ‘Killer’s Story Slays Critics’. It went on to say that a book by notorious killer Mark ‘Chopper’ Read has received Education Queensland recommendation as a ‘valuable addition for senior school students’. It goes on to say:
A review of Hooky the Cripple in which the hunchback son of a prostitute retaliates against a bullying butcher and stabs him 21 times, has appeared on the website of Access Z, the department unit that evaluates potential curriculum resources.

It is rather interesting that the Australian newspaper today also in looking at the review of this book by a convicted murderer said of the review undertaken by the Queensland Department of Education:
The book would be suitable for use with senior students for discussions on bullying or on the application of justice.

The Queensland Minister for Education, Ms Anna Bligh, in responding to this—and I know that the member for Dickson will be somewhat concerned to hear this—said that the book would assist school communities in their decision making process as a guide. She said that individual schools in consultation with parents determine the material on school reading lists.

One should never judge a book by its cover, but when you take into account that Mark ‘Chopper’ Read was released from prison in 1998, having served six years for murder—a self-confessed murderer, criminal, assailant, arsonist and torturer and committer of a whole range of other criminal activities—the book that is being promoted by the Queensland Department of Education and by the Queensland Labor government has this as its cover. Whilst one should never judge a book by its cover, when you look at the credentials of the author one would have to question whether this is suitable. On 4QR this morning the Queensland Minister for Education, Anna Bligh, said in part:

I think there is a question in the minds of some people about whether someone with Chopper Read’s history should be able to profit from writing activity. But I think that’s an individual moral assessment.

She went on to say:
Teachers and school communities will make the judgment about whether it ever appears in their classrooms, and any parent who has a concern should raise it with their schools. I can tell you that the members on this side of the House will be raising it with the Queensland government. I think the Premier of Queensland, Mr Beattie, needs to come out today very quickly and reassure parents...
in Queensland that a murderer, arsonist, torturer and convicted criminal will not be elevated to mythology, will not be elevated in the minds of young Australians. We do not consider that that person, as an author of any book, is suitable to be promoted in any schools and in particular in Queensland. It is interesting that the Australian education unions do not seem as enthusiastic to keep Mr ‘Chopper’ Read out of Queensland schools as they do the Governor-General. We should not be surprised, if we have governments and leaders in education that are prepared to say that right and wrong are decisions for individuals to make, if we do not provide a form of moral leadership—

Ms Plibersek interjecting—

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

The member for Sydney then left the chamber.

Dr Nelson—in the end it is a question of leadership. It is a question of people who seek to lead in education saying that there are some people, in view of their backgrounds, who should not be promoted as role models in the eyes of young Australians, that there is a difference between right and wrong. The Leader of the Opposition should get online to Sharan Burrow now and he should find out what the union’s attitude is. He should tell Peter Beattie to withdraw this author and his book from Queensland schools.

Economy: Interest Rates

Mr McMullan (3.05 p.m.)—My question is to the Treasurer. Is the Treasurer aware of this analysis by Deutsche Bank which shows that, if cash rates rise to six per cent, as forecast by the Reserve Bank Governor, Ian Macfarlane, on Friday, the interest payments of Australian households will reach a higher proportion of household income than at any time in the last 15 years?

Mr Hockey interjecting—

The SPEAKER—The minister for small business, the question was addressed to the Treasurer.

Mr Costello—On this side of the House we are happy to talk about interest rates and to take questions on them every single day. The standard variable mortgage interest rate at the moment is 6.3 per cent. When the government was elected it was 10½ per cent. That means on a $100,000 mortgage you are saving today $350 a month compared to what you were paying under the Australian Labor Party. If standard variable mortgage interest rates move by 25 basis points on a $100,000 mortgage, that is about $20 a month. So if it moved by another 25 basis points, your saving, as opposed to the situation under the Labor Party, would be $330 per month. Today it is $350—

Mr Latham—It is $150.

Mr Costello—if it moved by 25 basis points, you would be paying $330 less than you were under the Labor Party.

Mr Latham—It is $150.

The SPEAKER—I have warned the member for Werriwa. He will excuse himself from the House under the provision of standing order 304A.

The member for Werriwa then left the chamber.

Mr Costello—So, compared with the Australian Labor Party’s rate of 10½ per cent, the standard variable mortgage interest rate of 6.3 per cent represents a saving of $350 per month, or $4,200 per year. But of course that is taking it off the rate when the economy was growing in the late 1980s. That peak rate was 17 per cent back in the late 1980s.

What is all of this in aid of? The Australian Labor Party anticipates strong national accounts tomorrow and, rather than ask a question about the national accounts or how Australia’s economy is faring compared to the United States, the UK or even Mali, Bangladesh or Peru, the Australian Labor Party hope to get the subject onto interest rates and how interest rates are at 6.3 per cent.

Ms Macklin—And going up.

Mr Costello—Going up. Could I ask a question?

Ms Macklin—Going up under you.
The SPEAKER—The Deputy Leader of the Opposition persistently interjects.

Mr COSTELLO—We do enjoy it when the Socialist Left interjects. Was there a period in 13 years of Labor government when the home mortgage variable interest rate had a six in front of it? Was there a period in 13 years of Labor government when the home mortgage variable interest rate had a seven in front of it? There was a period when it had a one and a seven in front of it, but there was never a period when it had a seven in front of it. At 6.3 per cent, standard variable mortgage interest rates are the lowest they have been in 30 years, as they would be at 6½ per cent. These are historically low interest rates in an economy which is growing faster than anywhere in the Western world. I would have thought both sides of the parliament would be happy to see an Australian economy which is growing. We certainly are, because that means more jobs for Australians.

Mr McMullan—Mr Speaker, I raise a point of order. The Treasurer asked me a question and I would like to seek leave to answer it.

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

Mr McMullan—I am entitled to seek leave, Mr Speaker. There is nothing in the standing orders that impairs my right to seek leave to answer the question.

The SPEAKER—I recognise that the member for Fraser has a right to seek leave. Is leave granted?

Mr Costello—No.

The SPEAKER—Leave is not granted.

Mr Kelvin Thomson—You are weak.

The SPEAKER—I warn the member for Wills!

Health: Anticholesterol Drugs

Ms PANOPOULOS (3.11 p.m.)—My question is addressed to the Minister for Ageing representing the Minister for Health and Ageing. Can the minister outline for the House how the government is making anticholesterol drugs affordable for an ageing population? Is the minister aware of any long-term threat to the affordability of such drugs?

Mr ANDREWS—I thank the honourable member for Indi for her question and for her continuing concern about the health of her constituents, particularly those who are ageing. The most commonly prescribed medications in Australia under the Pharmaceutical Benefits Scheme are those related to lowering cholesterol. In fact, the most commonly prescribed medications are Zocor and Lipex, closely followed by Lipitor and Pravicol. The total cost of providing these medications for the 12 months to 31 December 2001 in Australia was $664 million, of which $580 million was funded by the Commonwealth government. If one looks at the actual cost in terms of prescription, every prescription of Lipex or Zocor costs the Commonwealth government on average around $80 per month, but this can vary between $55 and $114 depending on the dose. So the most commonly prescribed drugs in Australia cost the Commonwealth government under the Pharmaceutical Benefits Scheme some $580 million.

In terms of the actual payment which is made under this scheme for a drug that costs on average $80 per month but can range up to $114 per month, under the proposals that the government has introduced in this budget, for a concessional pensioner, a concessional payer, that would be a total of $4.60. So a drug which ranges from $55 to $114 per month in terms of the taxpayers' contribution towards the funding of it will for concessional payers under this budget cost a total of $4.60 and for those who are not concessional payers a total of $28.60. This illustrates the basic reason why this government is concerned to maintain an affordable and sustainable Pharmaceutical Benefits Scheme.

The honourable member asks whether there is any threat to the affordability of these drugs. If we wish to retain an affordable scheme, if we wish to be able in the future to bring other new drugs online which can cost not only hundreds of dollars but in some cases thousands of dollars and make them available to Australians generally, we must deal with the Australian Labor Party, which is threatening in the Senate to block
these changes to the Pharmaceutical Benefits Scheme.

The real issue here is whether or not we wish to have a Pharmaceutical Benefits Scheme which is going to continue to be affordable for all Australians so that these sorts of drugs—which are very effective in preventing the effects of ageing, in lowering cholesterol, and which are providing people with a much more healthy lifestyle in older age—are going to be available to Australians into the future. The threat comes from the Australian Labor Party. The Australian Labor Party is showing itself as simply a party for the elite in this country.

Mr Crean—Ha, ha!

Mr ANDREWS—The Leader of the Opposition laughs. Not only have we got a Labor Party which is dominated by one small section of the Australian population—namely the unions—but also we now have a party which says that we are only concerned with the provision of pharmaceuticals to the wealthy in Australia. That will be the effect of preventing the changes from occurring in the Senate in relation to this matter. I remind the Australian Labor Party of what their former leader, former Prime Minister Paul Keating, said about this matter in 1990.

Mr Tanner interjecting

The SPEAKER—I warn the member for Melbourne!

Mr ANDREWS—Paul Keating told this parliament in 1990—and these words are just as applicable today as they were over 10 years ago:

The alternatives are stark: reconstruct the scheme so that it remains fair for everyone, or lose the scheme altogether, so that access to complete health care would only be available to the wealthy.

If the Australian Labor Party is concerned about ageing and older people in the Australian population, it will pass these measures.

Commonwealth Funding: Chopper

Mr CREAN (3.16 p.m.)—My question is addressed to the Minister for Education, Science and Training and it relates to his last answer. Can the minister confirm that the movie Chopper received Commonwealth funding? Minister, given your previous response, why has your government supported this movie about a convicted arsonist, murderer, torturer—Mark ‘Chopper’ Read?

Honourable members interjecting—

The SPEAKER—When the House has come to order!

Mr Wilkie interjecting—

The SPEAKER—The member for Swan is warned!

Dr NELSON—I thank the Leader of the Opposition for two things. The first is for giving me the opportunity to speak further about this matter; and the second is for confirming that the Leader of the Opposition and the Australian Labor Party think that ‘Chopper’ Read should be elevated to hero status amongst young Australians. The fact is—

Honourable members interjecting—

The SPEAKER—The minister will resume his seat. The minister has the call. As the standing orders indicate, he has every right to be heard in silence.

Dr NELSON—The Australian Film Commission provided funds to produce the film Chopper—

Mrs Irwin interjecting—

The SPEAKER—The member for Fowler will excuse herself from the chamber. She has already been warned and she persistently interjects.

The member for Fowler then left the chamber.

Dr NELSON—The film Chopper received a restricted rating. It can only be seen by adults. It is not distributed to schools—certainly not with the endorsement of any responsible education authority or, indeed, education minister.

Mr Fitzgibbon interjecting—

Dr NELSON—The point that needs to be made here—

Mr Fitzgibbon interjecting—

The SPEAKER—The member for Hunter is warned!

Dr NELSON—and this is a fundamentally important point—is whether Mark
‘Chopper’ Read, who visited a whole lot of adversity on a lot of other Australians, is writing the second instalment to *Snow White and the Seven Dwarfs* or a book about a fellow that stabs a person in the head 21 times. The fact is that as a nation we should not responsibly elevate to the status of a hero a person who has made a living trading in the misery of other human beings. That is the fundamental issue, and that is the problem with the Australian Labor Party. The Labor Party is not able to distinguish between right and wrong and have a moral compass and a commonsense compass that immediately says, ‘This is wrong.’ The Labor Party is not able—

*Mr Ripoll interjecting—*

*The SPEAKER*—The member for Oxley is warned!

*Dr NELSON*—to look at something and say, ‘We should not distribute this to young Australians,’ not because of the book, or the literature itself, but because of the person who wrote it and the consequences it will have for our children. If we provide a values-free education to young Australians, we should not be surprised if we produce values-free adults.

*Honourable members interjecting—*

*The SPEAKER*—Do I need to name someone in order to get order in the House—in other words, require them to no longer represent their electorates for 24 hours? The chair is running out of choices.

**Foreign Affairs: Indonesia**

*Mr ANTHONY SMITH (3.22 p.m.)*—My question is to the Minister for Foreign Affairs. Will the minister update the House on the current situation in Sulawesi and Maluku? What steps has the government taken to assist in addressing these problems?

*Mr DOWNER*—I thank the honourable member for Casey for his question. I take the opportunity to say that he has been very active in his representations on behalf of constituents and those concerned about sectarian violence in Indonesia. I know many Australians appreciate the hard work he has done on this issue.

The government remain concerned about sectarian violence in Indonesia, and particularly the violence that has taken place in Maluku, Sulawesi and also Ambon. We deeply regret the loss of life and property; we condemn the violence committed by both sides—Christian and Muslim. We welcome the Malino agreements brokered at Indonesian government initiated peace talks, and we urge all parties to adhere to those agreements. The government are encouraged by the uneasy peace which is holding in central Sulawesi. Over 8,000 weapons have been surrendered and 124 places of worship destroyed in the conflict are to be rebuilt, so that is encouraging. We also welcome recent action taken by the Indonesian government against extremist elements in Ambon, including the arrest of the Laskar Jihad and the FKM leaders. However, we continue to urge authorities to uphold law and order impartially and to protect human rights, as well as to facilitate access for humanitarian relief to affected areas.

I discussed these problems personally when I was in Indonesia a couple of weeks ago with the Coordinating Minister for People’s Welfare, Yusuf Kalla, and also with Susilo Bambang Yudhoyono, who is the Coordinating Minister for Political and Security Affairs, and Bambang Kesowo, the Cabinet Secretary. The Prime Minister is familiar with these people as well. The embassy has visited the affected areas on several occasions over the last three years.

Finally, I am sure the constituents of the honourable member for Casey will be pleased to hear that the government has committed over $100 million in humanitarian relief to Indonesia since 1997-98, including for food and medical aid to the Maluku Islands. This is a big issue. I know a lot of Australians are concerned about it. We have taken it up on many occasions, including recently with the Indonesian government, and I am glad to say there is some slow progress being made by the Indonesian authorities in addressing these issues.

**Commonwealth Funding: Chopper**

*Mr CREAN (3.25 p.m.)*—My question is to the Minister for Education, Science and Training. How much money has been spent
by the government in supporting the production and promotion of the film Chopper? How much does the Commonwealth expect to spend in public lending rights and education lending rights of the book by ‘Chopper’ Read?

Honourable members interjecting—

The SPEAKER—I had not recognised the Minister for Education, Science and Training because I did not see how the question was an area of his portfolio responsibility, since it dealt with the money spent. I will allow the question to stand. I have an impression that the minister for science is prepared to answer it.

Mr McGAURAN—As the Minister representing the Minister for Communications, Information Technology and the Arts, I should provide the facts as I recall them. To the best of my knowledge—and I will provide further and better details to the Leader of the Opposition—the Australian Film Finance Corporation provided approximately $5 million for the production of the film Chopper. That is an independent body. Would the opposition have the government of the day interfere with a culturally independent organisation, as opposed to ministers for education, who are responsible, not only to the parliament but also to the public, for what is put on school curriculums and what is provided to schoolchildren within the care of state education departments? We have an opposition leader, firstly, who endorses the supply of Chopper’s book to the schoolchildren of Queensland and, secondly, who would compromise the cultural independence of federal agencies. The minister for education has rightly outlined for the House this government’s concerns regarding this issue and, to the extent that I need to add further facts and details, I shall do so.

Youth: Government Policy

Mr RANDALL (3.27 p.m.)—My question is to the Minister for Children and Youth Affairs. What is the government doing about the long-term future of Australian children and young people? Is the minister aware of any alternative approaches?

Mr ANTHONY—I thank the member for Canning. I was recently in his electorate, looking at a number of projects in relation to children. Importantly, I would like to reiterate an announcement that was made last Friday. The coalition government has provided $600,000 to the Australian Research Alliance for Children and Youth. For those that do not know, that is headed by Professor Fiona Stanley from the Telethon Institute for Child Health Research. This is very important research, fitting in particularly to the Treasurer’s comments on budget night about the Intergenerational Report. It talks about this particular alliance getting all the best minds in the areas of early childhood, health, education, criminology, sociology and physiology to ensure that the research that is done and the policies that this government and future governments put in place for children are relevant and hit the target. I compliment the alliance for setting up the national database on early childhood research. It is all about giving parents and children a better deal. I would also like to acknowledge the member for Gellibrand, who has given bipartisan support to this issue.

The member for Canning asks me whether there are any alternative policies. We certainly have not seen any alternative policies on children coming from the opposition side of the House. In many ways the current ALP is like the goldfish of Australian politics—swimming in circles and living in three-second chunks. The only issue here is that this House is all about providing a better outcome for children. I have to say that some members of the opposition are behaving like unruly children. Is it any wonder, Mr Speaker, when you consider that the parents of the Australian Labor Party, in particular the union movement, are so upset at the moment with the change of the 60-40 rule. I have to say—

The SPEAKER—The minister does not have to say anything. He will bring his remarks to the question.

Mr ANTHONY—As far as this side of the House is concerned, it is about providing children with a better future, and that is exactly what Fiona Stanley will be doing.

Ms O’Byrne—I raise a point of order, Mr Speaker. It is about relevance to the—
Mr CREAN (3.30 p.m.)—My question is to the Prime Minister. Prime Minister, can you confirm that the government has adopted Labor’s policy and abandoned its plan to proscribe organisations, and will include a definition of ‘terrorism’ in its antiterrorism bills?

Mr HOWARD—My response is that the expression of Labor policy under your leadership is an oxymoron.

Agriculture: Foot-and-Mouth Disease

Mr BARRESI (3.31 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry, Minister, given the great interest in the World Cup soccer and given that matches are being played in South Korea, where there have been outbreaks of foot-and-mouth disease, what precautions should Australians be taking to make sure that they do not bring back the disease to Australia?

Ms Macklin—Turn the TV off.

The SPEAKER—The member for Deakin will resume his seat. That is the only interjection I have heard from the Deputy Leader of the Opposition with which I concur. My reference is to behaviour. The member for Deakin will repeat his question.

Mr BARRESI—My question is to the Minister for Agriculture, Fisheries and Forestry, Minister, given the great interest in the World Cup soccer and given that matches are being played in South Korea, where there have been outbreaks of foot-and-mouth disease, what precautions should Australians be taking to make sure that they do not bring back the disease to Australia?

Mr Gavan O’Connor—What about the outbreak on your front bench?

The SPEAKER—I warn the member for Corio!

Mr BARRESI—Can the minister assure the House that Australian soccer fans will not endanger Australia’s farming industries if they make the trip to South Korea?

Mr Griffin interjecting—

The SPEAKER—I warn the member for Bruce!

Mr TRUSS—I cannot help but remark how disappointing it is that members opposite think a question about foot-and-mouth disease is so frivolous and unimportant. It clearly demonstrates how little concern they have ever had for quarantine issues and for keeping this country free of the pests and diseases that exist around the world. When in government they neglected our quarantine services, reduced the number of quarantine staff available at airports, reduced the number of people in our post office and mail centres, and took a callous disregard—

Opposition members interjecting—

The SPEAKER—The minister will resume his seat. I name the member for Lingiari.

Mr ABBOTT (Warringah—Leader of the House) (3.34 p.m.)—I move:

That the member for Lingiari be suspended from the service of the House.

Question put.

Ayes………… 78
Noes………… 59
Majority……… 19

AYES

Abbott, A.J. Andrews, K.J.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.J. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Ciobo, S.M. Cobb, J.K.
Costello, P.H. Downer, A.J.G.
Draper, P. Dutton, P.C.
Elsom, K.S. Entsch, W.G.
Farmer, P.F. Forrest, J.A. *
Gallus, C.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Hawker, D.P.M.
Hockey, J.B. Howard, J.W.
The SPEAKER—Order! The member for Lingiari is suspended from the service of the House for 24 hours in accordance with standing order 305.

The member for Lingiari then left the chamber.

Mr TRUSS—A lot of Australians have been following the World Cup in Korea with a great deal of interest. It is a little closer to our shores and so a large number of Australians have also been visiting the area. Others have clearly been watching the matches with interest on television. I guess the honourable member who asked the question would have been particularly keen on the result of the Italy versus Ecuador game the other night.

However, as the honourable member said in his question, South Korea has been the subject of quite a number of recent incidents of foot-and-mouth disease. Indeed, a large number of animals are being destroyed at the present time because of outbreaks in South Korean piggeries particularly. There is a high risk associated with travel to countries like South Korea. The Australian Quarantine Inspection Service has been issuing alert notices to travellers for them to be particularly alert to the concerns about the risks of bringing foot-and-mouth disease back when they come from countries like South Korea. All quarantine officers are on full alert and all passengers arriving back from South Korea can expect to have their luggage inspected whether or not they have anything to declare.

We have a large investment in preserving our disease-free status as a nation, both for our environment and our agricultural industries. Travellers coming back from South Korea should be particularly alert to make sure that they have clean shoes and boots. If they are carrying any sporting equipment, that should also be free of soil and mud and plant material. Do not bring back any meat or dairy products from South Korea. In addition, we will be alert to the other sorts of foods which could be of particular concern in relation to passengers returning from South Korea.

Obviously, there will be many Australians enjoying their time at the football and we
wish them a wonderful visit. But please be careful when coming back to Australia not to risk bringing any disease that could put our nation’s disease-free status at risk.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Commonwealth Funding: Chopper

Mr McGAURAN (Gippsland—Minister for Science) (3.47 p.m.)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr McGAURAN—I have obtained further information regarding the Film Finance Corporation’s investment in the film Chopper. Its box office was $5.5 million but the investment by the Film Finance Corporation was $2.3 million. I remind the House that it received an R rating, restricting its viewing to adults only, unlike the proposed ’Chopper’ book in Queensland for children.

Defence Housing Authority

Mrs VALE (Hughes—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (3.47 p.m.)—Mr Speaker—

Opposition members interjecting—

The SPEAKER—There may be some who have forgotten their status in the House, in which case I will be very happy to facilitate them with a little reminder. The minister has the call.

Mrs VALE—I seek the indulgence of the chair to answer a question by the member for Cowan regarding the DHA.

The SPEAKER—The minister may proceed.

Mrs VALE—I thank the honourable member for his question and I would like to reaffirm the government’s commitment to providing ADF members and their families with the highest quality housing as part of their conditions of service. It is apparent that a degree of misunderstanding has occurred following the budget night announcement by the minister for finance that there would be a scoping study into DHA. But it is not true to say that the government intends to sell DHA; nor is it true to say that the government has reached any decision on the ownership of DHA’s assets.

All that has been announced is that there will be a scoping study by the Department of Finance and Administration to examine the assets of DHA. While the terms of reference have not yet been finalised, the study will consider options for the government’s future ownership of the assets. The study will be managed by the Department of Finance and Administration in close consultation with DHA, Defence and other stakeholders. Regardless of the outcome of the study, there will be no erosion of the government’s commitment to fulfilling the housing needs of our ADF members and their families.

The SPEAKER—I will recognise the member for Cowan. I will just inquire: has the minister concluded her answer?

Mrs VALE—Yes.

Mr Edwards—I thank you for your indulgence. What I did ask was for the minister to give a commitment that the government would not sell the Defence Housing Authority.

The SPEAKER—The minister has added to her answer. The normal course of the House has been followed.

PERSONAL EXPLANATIONS

Mr CREAN (Hotham—Leader of the Opposition) (3.49 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the Leader of the Opposition claim to have been misrepresented?

Mr CREAN—Yes, I do.

The SPEAKER—The Leader of the Opposition may proceed.

Mr CREAN—In an answer to a question the Minister for Foreign Affairs quoted from an interview I did last night with Kerry O’Brien. He said, and this is the correct part, that we—that is the ALP—agree with detention to check people’s credentials. But he then went on to say that in this interview I said that once their credentials are checked—
once it is established, for example, that these people are not refugees—our policy is to allow those illegal immigrants into the community. I never said that. I seek leave to table the full transcript of my interview. That is not Labor policy. It was a complete misrepresentation by the foreign minister.

The SPEAKER—The Leader of the Opposition has indicated where he has been misrepresented. Is leave granted?

Leave not granted.

Mr CREAN (Hotham—Leader of the Opposition) (3.50 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the Leader of the Opposition claim to have been further misrepresented?

Mr CREAN—Yes, I do. This time by the Minister for the Arts and Sport.

The SPEAKER—The Leader of the Opposition may proceed.

Mr CREAN—The minister for the arts said in relation to his answer to my question that I was promoting ‘Chopper’ Read’s book. At no stage have I done that. I was talking of the government’s promotion of Mark ‘Chopper’ Read.

QUESTIONS TO THE SPEAKER
Standing Order 98

Mr SWAN (3.51 p.m.)—Mr Speaker, during question time I sought to take a point of order under standing order 145 to an answer being given by the minister for employment. The matter concerned his admission in that answer that he was answering a question that he was not asked. I wanted to take a point of order based on relevance because when he admitted that it was quite clear there was no connection to the question. Mr Speaker, I will not keep you much longer. When I attempted to take that point of order under standing order 98, you did not appear to see me or to recognise me. My question to you is this: what I am to do as a member of this House if you will not recognise me when I seek to take a point of order under standing order 98?

The SPEAKER—My response to that, member for Lilley, is that I believed that there had been a large number of points of order. He has under the standing orders the right to take a point of order. I was confident that the minister was concluding his answer, and I in fact extended to the minister the opportunity to conclude his answer. Had he not done so, the member for Lilley would have been instantly recognised and, had he had a further point of order, would have also been recognised, as I have illustrated in the last 30 seconds. But it is fair to say that there had been numerous points of order. I felt it useful to bring the answer to a conclusion and so facilitate the House.

Standing Orders: Application

Mr ADAMS (3.53 p.m.)—Mr Speaker, during the Minister for Trade’s reply to a question he used a trade union leader’s name, I think on several occasions, when he could have used the union’s name if he wanted to make a point. It seems very unfair that members on this side of the House cannot use a name in a question but people’s names are used quite often in answers. That is a very unfair situation, and I was wondering if you would give a ruling to rectify that unfairness.

The SPEAKER—Member for Lyons, as an occasional occupier of this chair, you would be well aware that the standing orders on questions apply whether the question is asked by those on my left or on my right. Precisely the same standing order about the inclusion of names in questions applies for all 149 members of the House privileged to ask questions, a privilege actually denied to the Speaker.

Standing orders on answers allow ministers, or anyone responding to a question—and it need not be a minister; it could be anyone, including a member of the opposition, who has a matter on the Notice Paper—to answer using names as appropriate. The standing orders are equitably applied. If you believe, sir, that the standing orders do not in fact reasonably allow fair debate in the chamber, then the opportunity to change them exists through the Procedure Committee, which is represented by all members of the House, including the Independents. The standing orders to which you refer have been in place for as long as I have been in this chamber, which is now almost 19 years, and longer.
Standing Orders: Application
Mr PRICE (3.55 p.m.)—Mr Speaker, during question time you referred to your difficulty in relation to the standing orders that apply to the answering of questions as opposed to the standing orders applying to the asking of questions. You also indicated that the Procedure Committee had the power to deal with the matter. You would be aware that, I think, in 1986 the Procedure Committee made a recommendation and again in 1992, neither of which were taken up. I draw your attention to page 518 of Monday’s Notice Paper and a proposed standing order to replace standing order 145. I am happy to go through the proposed standing order, but the purpose of my question is: given the difficulty that you find yourself placed in as Speaker and given the current standing orders, will you write to the Procedure Committee seeking that the Procedure Committee address the very issue causing difficulty?

The SPEAKER—I want to reassure the member for Chifley that, while in common with all occupiers of the chair there are occasions when I find the standing orders frustrating and they therefore cause me difficulty, they do not cause me sufficient angst to warrant me intervening at this stage. But the opportunity to intervene exists for any member of the House, as I have indicated to the member for Lyons.

PAPERS
Mr ABBOTT (Warringah—Leader of the House) (3.56 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE
Economy: Interest Rates
The SPEAKER—I have received a letter from the honourable member for Fraser proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s waste and mismanagement and flawed budgetary management, which is putting upward pressure on interest rates.

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

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

Mr McMULLAN (Fraser) (3.57 p.m.)—The House has received one important new piece of information about the interest rate situation today, and that is the document produced by Deutsche Bank which establishes that if the cash rate goes to six per cent, which is in the mid-range of market forecasts, Australian households will be paying a higher proportion of their gross income in interest than they were at any time in the last 15 years—that means that households will be paying a higher percentage of their income in interest than at any time through all of that high interest rate period that the Treasurer talked about. Why is that? It is because of the explosion in debt. Under the management of this Treasurer, Peter Costello, household debt has doubled and credit card debt has trebled. For that reason, households are more vulnerable than they have ever been to increases in interest rates.

Interest rates are, sadly, on the rise. They have already risen, and the expectation of the markets and of the Prime Minister is that they will rise again. It is very important that the Australian people know that it is the Treasurer, Peter Costello, who has to admit that his mistakes are a big part of the reason that interest rates are rising. He should admit what all Australians know: that rising interest rates are going to put Australian families under increasing stress and pressure. Official interest rates rose last month by one-quarter of a percentage point. There is mounting speculation that the Reserve Bank board when it met today made a decision to lift them again. I do not know whether that is the case—it may not be the case; I hope it is not the case—but it may well be. If not, it is likely that it will increase them next month.

Yesterday, the Treasurer came in and suggested that Australians should be grateful for his wonderful economic management, that they had never had it so good. The facts are that we have record household debt, his budget is out of control and interest rates are rising. It is the height of arrogance for Peter Costello to claim that Australian families have never had it so good. We all know there
is a complex variety of reasons as to why interest rates might rise, but one of the most important is the weakness in fiscal policy. The Treasurer went close to admitting it in question time today until he saw where the answer was leading him then he changed the subject. It is the waste and mismanagement that has blown a huge hole in the budget that has increased the upward pressure on interest rates. I have got a very good authority for the argument that a deficit will put upward pressure on interest rates. The Prime Minister said during the election, ‘I give you this guarantee, or this commitment: we will not go into deficit if we are re-elected.’

Mr Gavan O’Connor—Another non-core promise.

Mr McMullan—Yes; it was a non-core promise. He said, ‘Once you start with deficits, you end up with high interest rates.’ He got one out of two correct. By its own benchmark, the government’s budget has failed miserably. It is $3 billion in deficit this financial year, but the Treasurer does not like to admit it. He tried to tell the good people of Higgins that he had delivered six consecutive surpluses.

Mr Gavan O’Connor—The famous brochure!

Mr McMullan—The famous brochure from Higgins! It blew the deficit a bit more because taxpayers had to pay for it, to be misinformed.

The serious issue we now have is this: the Prime Minister and the Treasurer are responsible for a government that has presided over waste and mismanagement, which is behind the poor budget outcome and which is pushing interest rates higher. Let us think of some examples. In relation to currency losses, the Treasurer, while he was responsible for managing the government’s debt portfolio, gambled and lost $5 billion on foreign currency swaps between 1997 and 1998 and between 2000 and 2001. In addition, the defence department lost $3.5 billion through its mismanagement of foreign currency hedging. Then the government failed to act on the Auditor-General’s recommendation, and Senate estimates reveal it has lost another half a billion dollars—just half a billion; nothing much to worry about between friends!

However, the half a billion dollars would have been handy: it would have paid half the government’s advertising bill, because they have spent $1 billion over the last five years on advertising—more than Toyota, Coca-Cola or McDonald’s. Then we have the famous case of the helicopters. The government are paying money to service the helicopters and they have not arrived. We have the case of $150 million overspent in three financial years because of the sloppy management of outsourcing of banking. We have $95 million lost by selling and leasing back the Australian Geological Survey Office building in my electorate. We have the mismanagement of the IT outsourcing. The Auditor-General said that the government promised that they would save $20 million at the Department of Veterans’ Affairs and they lost $140 million.

Another example is the Pacific solution, which, as we all know, is a very short-term and expensive bandaid. We have the mismanagement of the private health insurance rebate, where 110,000 people made excess tax claims at a cost of an extra $12.6 million because, in the Auditor-General’s words, ‘Arrangements were not adequate to detect persons inappropriately claiming the rebate through more than one delivery channel.’ In other words, they were so keen to spend money, they allowed double dipping—$12½ million dollars to 110,000 people. You would have thought that this government, which are always cracking down on people who might get an extra cent in their welfare payments, might have been watching what happened to $12½ million in their private health insurance rebate.

What does this mean? It means that the Treasurer has blown the budget and Australian families are starting to pay the price. Why is the price so high? It is because of the boom in house prices. As Robert Gottliebsen said in today’s Australian:

Home buyers took the extra lending up and bid up the value of houses or built bigger homes and as a result are now much more vulnerable to interest rates hikes than any previous generation of Australian home buyers.
This is the worrying thing. As Robert Gottliebsen said:

On my estimates, once interest rates rise by 1 per cent—and they have risen by a quarter per cent already—we move into the area where loan defaults will begin to rise. Loan defaults is a pretty neutral term. It means people losing their houses. It will take a rise of only one per cent, and we are a quarter of the way there already. The conclusion is clear: against the background of surging house prices, higher interest rates make Australian families much more vulnerable. Real Estate Institute of Australia figures on house prices show the surge in house prices. The figures measure the median house price individually for each of the eight Australian capitals. The institute also has figures for all eight capitals combined, which show that since March 1996 the median house price for the eight capitals has increased by $118,000, or 76 per cent, in six years. In Melbourne alone, prices have leapt by $172,000—an increase of almost 120 per cent. Let us look at it another way. Twenty years ago, the average house in the state capitals cost about four years’ wages. In the housing boom of the early 1980s, it increased so that house prices were 6.5 times average earnings. Today house prices are almost eight times average earnings—an all-time Australian record. That means that house prices are beyond the reach of many families, unless they go into record debt.

Let us get some more evidence of that. A recent report by the Committee for Economic Development of Australia found the number of people aged between 24 and 34 buying homes had fallen by 10 per cent over the past two decades. One of the report’s editors, Linda Hancock, said that growing numbers of professionals entering the work force at a later stage due to more extended education were finding it difficult to save for a deposit while paying high rents in the inflated rental market.

That brings me back to the central issue of the Deutsche Bank analysis. The Deutsche Bank did not just pluck these figures out of the air. They have gone to the data provided by the Reserve Bank and to the Australian Bureau of Statistics, which are ministerially accountable to the Treasurer. This data out of the Treasurer’s portfolio has been properly measured, as far as I can tell, by a reputable agency—certainly Deutsche Bank is very reputable. They have made calculations on the proportion of income Australian households must spend to pay the interest on their debts. Their calculations show that, if the official interest rate rises to six per cent—that increase is less than the maximum that people are speculating about following the remarkable and extraordinary evidence given by the Governor of the Reserve Bank, Ian Macfarlane, to the Economics Legislation Committee on Friday—the interest payments of Australian households will reach a higher proportion of household income than at any time in the past 15 years.

Why do I say 15 years? Because they have only measured it for 15 years. In 1987 it was down here on the graph I am holding at 4½ per cent, and it has risen. It is predicted that, if the interest rate rises to six per cent, nearly six per cent of gross household income will be used up as liabilities to meet interest—higher than on any occasion during previous interest rate hikes in the eighties or nineties or from June 1999 to 2000. On all those occasions, when mortgage interest rates rose—because of the status of debt, of course—repayments rose, but they will not have risen as far, as a percentage of gross household income, as will be the case on this occasion. The squeeze on families is getting greater. Even though interest rates will start from a lower base—and we hope that they do not rise by as much—the burden on Australian families will be higher than ever.

Australian Bureau of Statistics figures show that household debt is now more than double the level of the time the Howard-Costello government was elected. The national accounts data for the December quarter 2001 show that household debt has soared to $558.6 billion—an average of $77,000 for every household. In aggregate, it has doubled. Per household, it has not quite doubled; it has only increased by 90 per cent. Do not worry: it is an increase of only 90 per cent! It has risen from $41,000 to $77,000 for every household in Australia. Under the management of this Treasurer, Australians now owe
Tuesday, 4 June 2002

Representatives — 3045

more than they earn each year, for the first time. The level of debt compared with gross household disposable income stands at a record 119 per cent.

This has to be added to the pressure on families because the level of tax is higher than ever. This is the highest taxing Treasurer in history. He is taking more income in tax and he is taxing our spending. He is making families pay more of their income to meet their debts and he is pushing up the cost of medicine, education, insurance, telephone charges, postal charges and other necessary household expenditure. Is it any wonder that more and more Australian families are burdened with record debt?

What do Australian families need to look at? Should the Reserve Bank have made a decision at the board meeting this morning to put up the rate—which we will know at 9.30 tomorrow morning—what do Australian families need to say to the Treasurer? They can say, ‘Well, Treasurer, what have you done for me? You’ve put me in record debt. You’ve increased my tax burden. You’ve blown my money in waste and mismanagement. You’ve pushed the budget into deficit. You’re putting upward pressure on my interest rates.’ That is what Australian households can say to this Treasurer: ‘The money I’ve got left after you’ve taken a record amount in tax is now going to have to go to meet interest rates, in a record proportion of my income.’

And why? For a variety of reasons that afflict all governments but for one reason that nobody can take responsibility for other than the Treasurer: the waste, mismanagement and record spending spree into which the government thrust itself in the lead-up to the last election. It blew the budget and lied about it. If today’s Reserve Bank meeting does decide to lift rates, Australian families should look directly to Peter Costello as the man responsible. It is the Treasurer who has put them under this pressure. He has put up their taxes and he has presided over an explosion in household debt. Last month he blew the budget, and now they are seeing the pressure on interest rates. Australian families are starting to pay the price of this waste and mismanagement.

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.11 p.m.)—What a complete and absolute dud the honourable member for Fraser is. Given the record of the Labor government, what audacity he has to come into the parliament and criticise this government for our sound economic management. Labor lost the unlosable election and they are still wallowing in recrimination, self-pity, irrelevance and self-serving claptrap. They even have the gall to accuse us, as the member for Fraser said in his MPL, of waste, mismanagement and flawed budgetary management, which they are claiming is putting upward pressure on interest rates.

I am very pleased to speak in this debate following the honourable member for Fraser. He was Parliamentary Secretary to the Treasurer during a period when the economy hit the rails and interest rates went through the roof and when the concept of budgetary management lost any meaning in the corridors of power. They have the hide to speak about economic mismanagement. The member for Fraser came to this place by being a former union boss. He was Secretary of the Western Australian Prison Officers Union of Workers and an ALP machine man. His claim to economic credentials was that he was Paul Keating’s parliamentary secretary during ‘the recession we had to have’. In 1991 he criticised the coalition for suggesting that the budget should be balanced. In an article in the Canberra Times on 15 September 1991, he said:

The Opposition leader even went so far as to say that this would have had massive employment benefits.

He also urged former Prime Minister Keating to spend up big on infrastructure by increasing the role of the Loan Council, and he attacked the coalition’s 1996 budget cuts to the Public Service as being ‘savage and unreasonable’. Let us look at his record on interest rates. As long ago as 1989, when interest rates were at their peak of 17 per cent, the member for Fraser publicly stated that ‘all arms of economic policy will need to remain tight, including monetary policy’. He defended high interest rates in 1990:
The Government recognises that high interest rates are biting in both the business and the household sectors. However, if we do not moderate demand we run the risk of a burgeoning in our debt to a level that neither we nor, more importantly, our children will be able to sustain without dire economic hardship.

He was part of a government which built interest rates up to 17 per cent. He was part of a government which built up $80,000 million of debt in their last five years. By comparison, by June next year the coalition will have repaid $61 billion of Labor’s debt.

We are very proud to have our economic record compared with that of the Keating and Hawke Labor governments. We inherited a $10,000 million budget black hole from Labor. Australia’s net debt to GDP ratio is now expected to be 4.6 per cent in 2002-03, compared to almost 20 per cent under Labor and around 40 per cent in the United States. Unemployment reached a peak of 10.9 per cent under Labor, and under the coalition unemployment has fallen to 6.3 per cent. More than 900,000 jobs have been created by us as a government since 1996, and soon a million jobs will have been created. Inflation has averaged 2.3 per cent per annum under the coalition while we have been in office, compared with an average of 5.2 per cent during those 13 dark years of Labor. When the coalition came to office, mortgage interest rates were at 10.5 per cent. They are now down to 6.3 per cent and, as the Treasurer pointed out in question time, if they do go up by a quarter of a percentage point then the interest rates will still be very much more affordable than when Labor left office.

The current situation represents an interest cost saving on a $100,000 mortgage of $4,200 per year since the coalition came to office. As I said a moment ago, and it bears repeating over and over again, under Labor mortgage interest rates peaked at 17 per cent. The saving in interest costs between then and now for a household with a $100,000 mortgage is $10,700 per year. The member for Fraser comes in here and he huffs and he puffs that he is—he comes in here and portrays himself as and claims to be—the architect of sound, solid economic management. He is an economic felon. He is someone who has as his history been part of the most disastrous government in this nation’s history. This government is proud of what it is doing; the Labor Party continues along its long and sad road to seek relevance.

Let us look at what the ALP is saying in relation to union coverage. This shows just how out of touch they are. At the present time, as the honourable member for Werriwa points out, they have ‘to face the reality that union coverage in the work force has fallen’ to just 25 per cent. He says:

But unions still have 60% of the delegates at our conferences, so it is pretty clear that 60 doesn’t go into 25 ... and there will have to be some adjustment, so we’ll be making those adjustments.

The Leader of the Opposition says in the Australian Financial Review:

I believe that in any review of the structures, we need to review the 60:40 rule ...

Again he says in the same newspaper:

What I am committed to is widening to other groups the influence within the Labor Party ... We are not beholden to any group in particular, including the unions. The task is to reach out, to involve, to include and to develop policy responses which will diminish the influence of others.

The Honourable member for Griffith says:

I believe federal Labor needs to undergo fundamental, not incremental, change—a change that must be reflected across our policy, our organisational structure and our party culture.

Most interestingly, the Labor Party’s most successful state leader, the outgoing Premier of New South Wales, Mr Carr, says:

I think the delegation from NSW that sits in Canberra needs some deft retirements and new talent to go in there. I think that’s the challenge for the party organisation, and I’ll be putting it to them in unmistakeable terms—there needs to be a turnover of personnel.

So the ALP is seeking its own road to relevance. It is not getting very far. It is having this vigorous internal debate. There are demonstrations against the Leader of the Opposition at ALP conferences. He is very much the hapless person, and we even find the Honourable member for Brand contemplating a return to the position of Leader of the Opposition. The member for Fraser, the lead speaker for the ALP in this debate, says:
I think Crean will change people’s mind about him over the next six months and I look forward to that ... (He has) six months or so to establish his image in the mind of the public.

That comment was made in the *Canberra Times* on 29 November last year. Well, the Leader of the Opposition has now had his six months, he is increasingly irrelevant and he is increasingly lacking in support from his own party and the question simply is: when will there be a leadership challenge?

We brought down a very responsible budget. We included $4.2 billion of promises, and this government will deliver in full and on time. We will deliver on every election promise through the bills which are currently being introduced into the parliament. Unlike what the Labor Party said in the past when they were prepared to promise anything to crawl back into office—and then not deliver—this government is determined to deliver on its policies.

The opposition accuse the government of ‘waste, mismanagement and flawed budgetary management’. That is a joke. When you look at the ALP spending commitments from the last poll totalling some $10.4 billion, you have to ask yourself—given the fact that they are opposing savings of $1.5 billion over four years through our reining-in of the disability support pension and also our very positive reforms to the Pharmaceutical Benefits Scheme—this: did the ALP intend to deliver on their election promises? They claimed they were going to spend half a billion dollars more on Medicare. The honourable member for Brand, the then Leader of the Opposition, said we were going to have an Australian coastguard, paid maternity leave and tax credits. The member for Fraser said there was going to be further investment in education, training, skills formation and research and development. Again he said there was going to be more money spent on further education, science and training funding. Again he said they were going to restore cuts to universities and R&D. The member for Kingston said there was going to be more money spent on training funding up to the OECD average. The honourable member for Reid said that they were going to spend extra money by allowing temporary protection visa holders access to Commonwealth funded services.

Other opposition members were going to increase the Austrade budget, increase the Export Market Development Grants Scheme, increase resources to promote Australian beef to Japan, increase places for family day care and outside school hours care, increase funding to the UNHCR, fund a national commissioner for children and young people, establish matched savings accounts, establish first share ownership grants, increase funding to APRA and make available additional funds for scientific research. Some of those things might well be laudable, they might well in principle be something that a lot of people would like to see, but at the end of the day when you total up the ALP promises you see that what they were offering totalled $10.4 billion. In an interview with Steve Price on radio 2UE on 15 May, the honourable member for Fraser was asked:

... do you believe that you could have the accounts in the black if you were running things today?

The member for Fraser replied:

Well, I think yes. If we had been running them for the last couple of years we could. ... they (the Government) built up a Mount Everest of debt ... What absolute misleading of the public listening to Steve Price’s program. What complete nonsense. In the last five years the ALP was in office, it built up $80,000 million of debt. We did not create the problem, but we have accepted the responsibility for fixing it. By June 2003 we will have repaid $61 billion of Labor debt. We promised modest election commitments of $4.2 billion—compared with the ALP’s ‘drunk on Friday’ spending program, proposing $10.4 billion. In opposing our savings measures, they promised all of these other initiatives—and they accuse us of building up a Mount Everest of debt. I think that speaks for itself. Most people would see that the ALP approach to this matter is completely hypocritical and completely lacking in any substance.

The government’s disciplined budget policies have provided support for economic growth by reducing the Commonwealth’s call on national savings. We are proud of what we have been able to achieve. We are
proud that our sound economic management has reduced mortgage interest rates to 6.3 per cent. They are as low as they have been for 30 years. Members of the Labor Party can say what they like, but they have absolutely no credibility in the Australian community because they are the party that built interest rates up to 17 per cent and they are the party which, when they left office, had interest rates of 10.5 per cent. We have averaged very low inflation compared with the ALP average. We have been able to deliver on comprehensive tax reform and we have delivered the largest personal income tax cuts in Australia’s history. We have created close to a million new jobs. This government is a government which has the support of the Australian people. This government is a government which was prepared to grasp the nettle when we were elected in 1996. We were prepared to do away with Labor’s approach, during those 13 sad years from 1983 to 1996, of spending more than the nation earned. The Labor Party were decisively rejected in 1986. They did not learn their lesson, and they were decisively rejected again in 1998, and the Howard government had a swing to it in 2001.

This government is proud of its sound economic record. It is proud of its budgets, which have reduced interest rates. It is proud that it has made home ownership affordable for Australian people, whereas under Labor the Australian dream of home ownership was a long, long way from reality.

Ms KING (Ballarat) (4.26 p.m.)—Children all over my electorate know the fairy story of the emperor who had no clothes. In the Hans Christian Andersen tale, *The Emperor’s New Clothes*, the emperor is sold a set of clothes by a scoundrel who tells him his new suit is invisible to fools. Because no one wants to be thought a fool, the clothes are lavishly praised. The emperor travels the streets naked until a child exposes the truth: that the emperor is wearing no clothes. The fairytale has come to life today thanks to the member for Fisher. It was with some sense of disbelief that I listened to his speech today, lavishing praise on the economic credentials of this government. Let me say what those on this side of the House know: the emperor has no clothes; the government has no economic credentials. This is understood by not only the Australian Labor Party but also the vast majority of the Australian electorate.

One of the most pressing issues for my electorate is the upward pressure on interest rates. Ordinary families and small business operators across my electorate know that rising interest rates mean tough times ahead. Importantly, they know that the government’s own economic mismanagement led to the recent jump in interest rates, and they fear what is yet to come. Last October, in the shadow of the federal election campaign, the Prime Minister told an ACOSS conference in Melbourne:...

... once you start with deficits they get bigger and bigger [and] you end up with high interest rates, higher unemployment.

On this point at least the Prime Minister was spot-on. Not only did he deliver a budget deficit in 2001-02; he has delivered higher interest rates as well.

The people of Ballarat are worried about the future. They are worried about a Prime Minister who has broken his election promise, delivered a budget in deficit and placed upward pressure on interest rates. At a time of unprecedented household and credit card debt, this is an ominous sign for Australian families, who have been forced to borrow increasing sums of money to finance the Australian dream of owning their own home. Household debt is up nearly 90 per cent, with Australians now owing more than they earn and with the interest rate burden at a decade high. Credit card debt has risen by nearly 180 per cent under this government. The people in my electorate are rightly worried about a man who has no vision for the nation beyond his 64th birthday. They are worried about a government which will not talk about employment, just punishment for those looking for a job. If your name is John Olsen, she’ll be right; if you are John Smith from Sebastopol, Victoria, do not look to this government for assistance.

Of course, it is not just the Prime Minister who has the people of Ballarat worried; they are also worried about the Treasurer—the great pretender—who has taken his eye off the ball once too often and set the economy
adrift. We now know that this Treasurer is the highest taxing Treasurer in our history. But what we also know is that he has turned a decade of growth into a budget deficit and, by his own words, put upward pressure on interest rates. In 2001 Max Walsh argued: The Howard Costello government is the highest taxing government in Australian history.

He went on to note:

By the time Costello brings down his Budget … we will see that Howard is not only the largest taxer in the history but also the biggest spender. How right he was.

The DEPUTY SPEAKER (Hon. I.R. Causley)—I remind the member for Ballarat of the need to address people by seats and not names.

Ms KING—By its own measures the government budget has failed miserably. The Treasurer’s budget deficit is, by the Prime Minister’s own admission, a key factor pushing interest rates higher. The Treasurer has been blowing his own trumpet on interest rates—it has been part of his job application. The Treasurer is all too ready to hit the airwaves and tell us it is his doing when interest rates are low, but where is he when they start to rise? The Treasurer cannot have it both ways. If he wants to claim the credit for low rates then he has to take responsibility for the rise.

Millions of Australians manage their household budgets better than this government manages the Australian economy, and yet it is the most vulnerable in our community who are being asked to foot the bill. Having blown billions on foreign currency swaps and taxpayer funded advertising—at the same time the economy was growing by up to four per cent—the government wants the poor to fund its incompetence. That is why it has sought to slug pensioners and families millions of dollars to claw back money through the Pharmaceutical Benefits Scheme, and wants to force the disabled onto the dole queue. It is the sort of mismanagement that would not be tolerated at most roadside flower stalls and it should not be tolerated by government.

Before the election we were told the budget would be in surplus to the tune of half a billion dollars. But we now know that the deficit for the current year is $1.2 billion. That is a turnaround of $1.7 billion in a year. By the Treasurer’s own accrual method the deficit is $3 billion. The GST was to be the great saviour of the Australian economy, but it has not proven to be the case. Instead, the tax burden on ordinary Australians is greater now than ever before. The much heralded income tax cuts delivered when the GST was introduced have now been wiped out. The small one-off savings have been absorbed and the people in my electorate are struggling under the weight of the highest taxing government in Australian history. We now all know this Treasurer is the highest taxing Treasurer we have had since Federation. The Treasurer is getting more money out of the pockets of ordinary Australians than ever before.

So what has the Treasurer done with surplus? He has wasted it on a desperate pre-election splurge. He has wasted it through the abuse of government advertising in the election campaign, and he has gambled it away. First, let us take the ‘big spending’ Treasurer. The deficit and the subsequent pressure on interest rates is entirely the Treasurer’s doing. It is not the fault of the Australian economic climate, but rather an explosion of spending. From the 1998 Federation Fund to the 2001 Pacific solution, the government has blown the surplus in a desperate attempt to buy votes.

Second, let us take the ‘adman’ Treasurer. In the lead-up to the federal election campaign the government spent about $20 million a month in a desperate attempt to put some gloss on its tarnished image. Every week there was new ad. We had the health insurance campaign, which I have to admit I thought was an ad for umbrellas. These ads tried to tell us that private health insurance was now cheaper and there were no gaps in cover. Well, I would like to see that.

Then we had the campaign, which I think had something to do with agriculture—there were green boxes in fields. I may be wrong but I am pretty sure that program was under-spent and then got a cut in the budget. And some of us in regional areas were even treated to the sight of the Prime Minister at
Finally let us take the ‘highroller’ Treasurer. We now know about the Treasurer’s massive foreign currency losses of many billions, because he could not, or would not, pay attention to his own portfolio. Like a tourist in a Las Vegas casino for the first time, he has blown huge sums of money. The difference between the Treasurer and other Australians is that when we lose a few dollars on the racetrack or at the casino we bear the consequences. Ordinary Australians cannot pass the buck as the Treasurer did in the budget.

Rodney Adler recently got a 20-year ban for his failure to understand his financial obligations. Unfortunately, the Treasurer’s incompetence has not yet been called to account. We have had to endure the Treasurer for seven years, and enough is enough. We cannot afford to keep him as Treasurer, much less as Prime Minister.

Mr BALDWIN (Paterson) (4.35 p.m.)—Can I say from the outset that I am glad the member for Ballarat believes in fairytales, because if you listen to the stories of the member for Fraser—who I must say must have been the Rip Van Winkle during the 13 Labor years of high interest rates and economic mismanagement—you would believe that he was asleep during the entire time. It is quite amusing that the ALP should choose to debate budgetary management and interest rates given their poor economic record. In today’s Australian Matt Price says:

Unluckily for Crean, listening to Labor preaching about rates is about as incongruous as Alan Bond delivering the Boyer lecture on business ethics.

The record speaks for itself when it comes to economic management. Just compare the last year of the Labor government in 1996 to today’s figures. Under Labor in 1996 interest rates were 10.5 per cent. Today under the coalition, interest rates are the lowest they have been in around 30 years, at around 6.3 per cent. This represents an interest rate saving on a $100,000 mortgage of $4,200 per year since the coalition came to government. In fact, under Labor home interest rates peaked at 17 per cent.

Let us take a trip down memory lane looking at Labor’s interest rates around budget time. In May 1983, the rate was 12.5 per cent; in May 1984, 11.5 per cent; in May 1985, 12 per cent; in May 1986, 15.5 per cent; in May 1987, 15.5 per cent; in May 1988, 13.5 per cent; in May 1989, 16 per cent; in May 1990, 16.5 per cent; in May 1991, 14 per cent; in May 1992, 11 per cent; in May 1993, 9.5 per cent; in May 1994, 8.75 per cent; and in May 1996, 10.5 per cent. Guess what happened then. In May 1997, under the coalition, it was 7.2 per cent; in May 1998, 6.7 per cent; in May 1999, 6.5 per cent; in May 2000, 7.8 per cent; in May 2001, 6.8 per cent; and in May 2002, 6.3 per cent. As I said, the member for Fraser is the Rip Van Winkle of politics: he sleeps through his own economic crisis. The member for Ballarat must believe in fairytales, but it was no fairytale when we remember Labor’s history of mismanagement of the economy that led to business and farm overdraft rates of 21 and 22 per cent. It could be said that the ALP is indirectly responsible for the increase of suicide in farm deaths.

The coalition inherited a $10 billion budget black hole from Labor and it was the ALP that racked up $80 billion of debt over its last five years. While this was going on, the member for Fraser held the position of Paul Keating’s parliamentary secretary. Today’s shadow Treasurer was in fact the par-
liamentary secretary to Keating and saw Labor’s spending sprees to please self-interested groups. He was the secretary at the time when we had the recession we had to have. He was a member of the Labor government that racked up interest rates that crippled small business and forced people off the land. During his time between 1990 and 1993 as the secretary, the average interest rate over that time was 12.9 per cent. That is a 6.6 per cent margin difference—twice the rate that it is now. Yet with economic credentials like this he is the one who initiated this debate today about economic management. As I said, he is the Rip Van Winkle of politics.

Maybe we should look a little closer at the economic credentials of the member for Fraser. During the recession that the ALP said we had to have, the member for Fraser used to compare Australia’s economy to Mali, Peru and Bangladesh. On returning from a trip to the meetings of the IMF and the World Bank in Washington, the member for Fraser said that Australia should rejoice in our good fortune when compared to the problems of Mali, Peru and Bangladesh. I am sure he was talking about the famines and the floods. It is a shame that the now shadow Treasurer could not compare the economic credentials of the nation at the time with other leading OECD countries like America, Japan or the European economies.

Today it is a different story. When we compare our economic credentials with those of other leading industrial countries, we are now one of the leaders. As a result of the good economic management offered by the coalition, this country can now raise its head and boast that we now have one of the strongest economies in the world. We have weathered the Asian crisis, we have weathered the slowdown of the US economy and we have weathered the downturn caused by September 11. In the next year we will be the fastest growing economy amongst the advanced industrial economies of the world. And Labor fought tooth and nail against this government in relation to implementing good economic policy. It is an achievement that could never have been made by the ALP and would not be achieved by any mickey mouse policies on the opposite side from Simon and the aptly tagged Creanites.

The DEPUTY SPEAKER (Hon. I.R. Causley)—I remind the member for Paterson that members should be referred to by their seats.

Mr BALDWIN—Australia grew by 4.1 per cent in the year to the December quarter 2001, which was around 10 times the OECD average. This exceptional growth in the face of the world downturn was sustained by record low interest rates, first home owners grants and income tax cuts brought in by this coalition government. This compares with the United States economy, which grew by only 1.6 per cent in the year to the March quarter 2002. All the other G7 economies are growing at rates of less than one per cent per annum, and the Japanese economy is contracting at a rate of almost two per cent per annum.

Australia’s economy is expected to grow by 3½ per cent per annum in both the 2001-02 and 2002-03 financial years. Business investment is forecast to grow by 12 per cent in 2002-03, with solid growth expected for both buildings and structures and plant and equipment. Consumer spending is expected to grow by four per cent in 2002-03 and employment is expected to grow by 1¾ per cent in 2002-03. In fact, more than 900,000 new jobs have been created since this government came to office. What contribution have the ALP made to that? None. In fact, they reject the opportunity to take the monkey off small business’s back by supporting the fair dismissal provisions. In other words, they want to scream about unemployment but they do not want to do anything in helping unemployment come down.

Unfortunately, the member for Fraser could not boast about the ALP’s economic credentials at the IMF conference because they have none. The member for Fraser even defended high interest rates in 1990, and I will quote from the Senate Hansard. He said:

The government recognises that high interest rates are biting in both the business and household sectors. However, if we do not moderate demand we run the risk of a burgeoning in our debt to a level that neither we nor, more impor-
Our children will be able to sustain without dire economic hardship.

Their children have not suffered—they have had a coalition government which has brought about a well-based family economy. Only recently the member for Fraser put out a media statement which said, ‘Deficit budget puts pressure on families.’ I cannot think of more pressure being put on families than pressure that Labor put on them with their poor economic management.

Just look at the number of households in my electorate which have mortgages. According to the census, there are about 760 households with mortgages in Forster-Tuncurry, around 76 households with mortgages in Bulahdelah, around 150 households with mortgages in Dungog and about 190 households in Gloucester which have mortgages. That is to name just a few towns in my area. Under Labor, each and every one of these households would have been paying an extra $871 per month when interest rates were at 17 per cent. Each and every one of those households is better off and has more money in their pocket because of good economic policies of this coalition government.

It is because of the good economic policies of this government that we had been able to reduce the debt and reduce the amount of interest that has to be paid, and we are able to spend it on areas more deserving. By June 2003 the coalition will have paid back over $61 billion of Labor’s debt. Australia’s net debt to GDP ratio is expected to be 4.6 per cent in 2002-03 compared to almost 20 per cent under Labor and around 40 per cent in the United States. Given these economic figures, it is amazing that the member for Fraser could even contemplate having a debate about economic management.

As I said, the member for Fraser has been asleep as the Rip Van Winkle of Australian politics. But maybe he will listen to what others have written about this government and its economic credentials. On 29 May, the *Age* stated:

Australia’s growth prospects suggests it will outperform its peer countries in Europe and Asia, according to international rating agency Standard & Poors.

On 29 May, the *Courier Mail* stated:

Strong optimism about Australia’s economy has rocketed business confidence to its highest level since the mid 1990s.

In summing up—and I speak on behalf of the businesses and farmers in my community—I know that the farmers facing the drought in my community would rather go into the drought with interest rates under a coalition government at 6.3 per cent than go into it under a Labor government when interest rates hit well over 17½ per cent.

The **DEPUTY SPEAKER** (Hon. I.R. Causley)—Order! The discussion is now concluded.

### COMMITTEES

**Selection Committee Report**

The **DEPUTY SPEAKER** (Hon. I.R. Causley)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 17 June 2002.

The report read as follows——

**Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 17 June 2002**

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 17 June 2002.

**PRIVATE MEMBERS’ BUSINESS**

**Order of precedence**

**Notices**

1. **MR LLOYD** to move:

That this House:

1. notes the passing of Australia’s last Anzac Gallipoli veteran, Mr Alec Campbell, and records its sympathy to his family;
2. acknowledges the service and sacrifice of all Gallipoli veterans;
3. notes the increasing number of young Australians who attend Anzac Day dawn services both in Australia and overseas; and
(4) encourages all Australians to ensure that the Anzac legend continues to be recognised and honoured. (Notice given 3 June 2002.)

Time allotted—40 minutes.
Speech time limits—
Mover of motion—5 minutes.
First Opposition Member speaking—5 minutes.

Other Members—5 minutes each.

Proposed Members speaking = 8 x 5 mins
The Committee determined that consideration of this matter should continue on a future day.

2 MS ROXON to move:

That this House:

(1) notes that members of the Australian-Chilean community who were victims of suffering, torture, expulsion and exile at the hands of the Pinochet regime in Chile now receive a “pension of mercy” from the Chilean Government as a reparation for their suffering;

(2) expresses concern that these members of the Australian-Chilean community have their entitlement to an Australian pension affected by the Chilean payments while other people receiving similar payments, such as victims of the Holocaust who receive compensation from Germany or Austria “as victims of National Socialist Persecution”, have these payments exempt for the purposes of income testing;

(3) recognises that these Australian-Chileans make a significant social and economic contribution to the Australian community and should be eligible for equal treatment and access to social security payments as other Australians; and

(4) calls on the Government to give those members of the Australian-Chilean community fair treatment by introducing legislation to exempt the Chilean “pensions of mercy” from the income test for Australian pensions similar to the exemption for other compensation payments in paragraphs (n) and (p) of subsection 8(8) of the Social Security Act 1991. (Notice given 27 May 2002.)

Time allotted—remaining private Members’ business time prior to 1.45 p.m.
Speech time limits—
Mover of motion—10 minutes.
First Government Member speaking—10 minutes.

Other Members—5 minutes each.

Proposed Members speaking = 2 x 10 mins, 2 x 5 mins
The Committee determined that consideration of this matter should continue on a future day.

3 MR MOSSFIELD to move:

That this House:

(1) notes that:

(a) Western Sydney is one of the fastest growing regions in Australia with a high proportion of young people;

(b) currently there is a negative perception of young people in Western Sydney, which is a mistaken view since Western Sydney is no different to any other region with regard to youth problems and youth achievements;

(c) there needs to be public recognition of the achievements of young people which is linked to high self esteem and minimises anti-social behaviour;

(d) lack of access to educational facilities, especially information technology, has resulted in an imbalance of academic achievements; and

(e) there is insufficient provision of community and recreational facilities for young people in Western Sydney;

(2) urges the Government to:

(a) research methods of providing adequate access to computer facilities to the disadvantaged in Western Sydney in order to close the digital divide; and

(b) provide urgently needed youth community facilities in the Western Sydney area to address the social needs of young people; and

(3) acknowledges the work of the Blacktown Youth Orientation in drafting this motion and bringing these issues to light. (Notice given 18 February 2002.)

Time allotted—30 minutes.
Speech time limits—
Mover of motion—10 minutes.
First Government Member speaking—10 minutes.

Other Members—5 minutes each.

Proposed Members speaking = 2 x 10 mins, 2 x 5 mins
The Committee determined that consideration of this matter should continue on a future day.

**4 MS O’BYRNE** to move:

That this House:

1. condemns the Howard Government for its policies that have and continue to undermine the Australian shipping industry;
2. recognises that this neglect puts at great risk our environment, our security and our ability to compete in the shipping industry and is therefore against Australia’s national interest;
3. calls upon the Minister to support the Australian shipping industry before our coastline is ravaged and our industry and merchant employment opportunities destroyed. (Notice given 20 February 2002.)

*Time allotted—remaining private Members’ business time.*

*Speech time limits—*

Mover of motion—10 minutes.

First Government Member speaking—10 minutes.

Other Members—5 minutes each.

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

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

**MAIN COMMITTEE**

The **DEPUTY SPEAKER (Hon. I.R. Causley)**—I advise the House that the Deputy Speaker has fixed Wednesday, 5 June 2002, at 9.40 a.m., as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

**ASSENT**

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

- Student Assistance Amendment Bill 2002
- Taxation Laws Amendment (Baby Bonus) Bill 2002

**BILLS REFERRED TO MAIN COMMITTEE**

**Mr LLOYD** (Robertson) (4.46 p.m.)—by leave—I move:

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

- Migration Legislation Amendment (Migration Agents) Bill 2002
- Migration Agents Registration Application Charge Amendment Bill 2002
- Petroleum (Submerged Lands) Amendment Bill 2002
- New Business Tax System (Imputation) Bill 2002
- New Business Tax System (Over-Franking Tax) Bill 2002
- New Business Tax System (Franking Deficit Tax) Bill 2002
- Statute Law Revision Bill 2002

Question agreed to.

**APPROPRIATION BILL (No. 1) 2002-03 Second Reading**

Debate resumed from 3 June, on motion by **Mr Costello:**

That this bill be now read a second time, upon which **Ms Macklin** 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:

1. its failure to deliver a budget surplus in 2001-02 after a decade of growth;
2. its failure to deliver a budget surplus in 2002-03 without breaking previous commitments on defence, roads and working credits;
3. imposing the cost of a pre-election spending spree on families via higher interest rates and cuts in health and welfare spending;
4. falsely claiming that cuts to health and welfare payments are needed to fund the war against terrorism and border protection;
5. wasting $5 billion of taxpayers money by gambling in foreign currency markets through cross currency derivatives;
6. wasting almost $3.5 billion by failing to manage currency risk on defence spending despite warnings from the Auditor-General;
7. wasting $31 million on maintenance services for 40 years old helicopters that are years overdue despite a $800 million downpayment;
8. its failure to recognise the GST as a Commonwealth tax and this Government as the highest taxing of all time;
Tuesday, 4 June 2002

REPRESENTATIVES

3055

(9) its failure to consider the fairer options put forward by the Opposition to offset the harsh measures it intends to impose on families, the sick and disabled; and

(10) the failure of its Intergenerational Report to recognise that investment in education, research and development is critical to our future prosperity and our capacity to generate the revenue and wealth required to support an ageing population.”

Mr BARTLETT (Macquarie) (4.48 p.m.)—This budget does three main things: firstly, it delivers on our election commitments—we have kept faith with the Australian people in terms of what we promised last year—secondly, it acts to strengthen our national security; and thirdly, it involves measures to further strengthen the Australian economy. Labor’s response has been particularly disappointing, even by their standards. It has been hypocritical, it has been irresponsible, it has been inconsistent and contradictory, and it has been dishonestly opportunistic. I will return to those issues later.

Firstly, I would like to focus on a number of positive key measures that are of particular interest to my electorate. The first is in respect of our funding of aged care. This budget has allocated an extra $654 million to aged care over the next four years. That $654 million includes a number of important measures such as an extra 6,000 community aged care packages to help older Australians who wish to remain in their own homes. Also, there will be an extra $211 million over the next four years in increased residential aged care subsidies to help those facilities retain and attract more aged care nurses. There will be an extra $79 million for capital assistance for residential aged care facilities in rural areas. There will be $140 million for Visudyne therapy to assist older people suffering blindness from macular degeneration, and increased support for careers of frail aged in our community.

These initiatives are welcomed in my electorate. I dare say they will be welcomed also in those electorates that have a growing number of frail aged members in their community. It is worth comparing the efforts of this government to assist our frail aged with the miserable efforts of the former government. Since Labor’s last year in government in 1995, spending on residential aged care has increased from $2.5 billion a year to $4.25 billion a year. That is an increase of 70 per cent in spending on residential aged care in six years. What about community aged care packages? Since Labor’s last year in government in 1995, spending on community aged care packages has increased by over 800 per cent.

Further, this government has introduced a rigorous process of accreditation to ensure that standards in our nursing homes and hostels are acceptable. By contrast, Labor was simply content to sweep them under the carpet and pretend they did not exist. In terms of aged care, Labor is great on rhetoric but it is this government which has been delivering on aged care standards, on funding for residential aged care, on funding for community aged care packages and on support to carers of the frail aged in our community.

The second initiative in this budget—which is of relevance to my own electorate—is an initiative to increase the number of doctors practising in outer metropolitan areas. This measure is of direct benefit to people living in the Hawkesbury area and in the Blue Mountains. The budget includes a commitment of $80 million over the next four years for a number of measures to attract GPs to these areas. Again, the government is directly delivering on a pre-election commitment. For parts of the Blue Mountains and the Hawkesbury that have been suffering a shortage of doctors, this is very good news. You will remember that similar measures had been undertaken two or three years ago to increase the number of GPs practising in rural and remote areas. Those measures have been very effective in attracting doctors to those areas and now they will work equally well in electorates such as mine on the outer fringe of the capital cities.

The third initiative in this budget that I want to draw people’s attention to is budget spending on education and training. This budget does two things: first of all, it includes a number of new initiatives and, secondly, it increases spending on some important ongoing areas. Firstly, in terms of new
Representatives: $1,000 for an employer who takes on a new apprentice in an emerging high-skill occupation. That is an attempt to encourage the growth of apprenticeships in IT and in other high technology areas to assist young people to get a start in a career in these burgeoning industries. Secondly, for employers who take on a young person who is still at school as an apprentice, there is an incentive of $750, with an extra $750 if they continue to employ that young person when he or she leaves school. This government is serious about vocational education and it is serious about giving our young people a chance to develop worthwhile careers. For those two initiatives, $54 million will be spent over the next four years.

While I am on the issue of apprenticeships, we need to compare this government’s record with the record of the former government. Under Labor, apprenticeships and traineeships reached a 30-year low. By contrast, under this government they have reached a record high of 330,000. The point is that, in Labor’s elitist way, they did not care about the 70 per cent of young people who leave school and do not go on to university. They made very little genuine provision for young people wanting careers in trades, needing traineeships and apprenticeships. This government is serious about helping those young people get started in valuable, secure and worthwhile careers. This budget again helps to deliver on those programs.

Another initiative in this budget in the area of training is an extra $23 million over the next four years to help unemployed mature age people back into the work force. It specifically provides IT and computer literacy training for older people who have become unemployed and their lack of IT literacy prevents them reaccessing the labour market and prevents them being competitive in the labour market. It is an attempt to provide assistance for these people to get trained so they can get back into the work force.

The other important thing that needs to be said is that this budget contains increased spending on schools. We have heard a number of critics from around the place—the unions and the ALP—saying that there is no new initiative on schools spending. The point is that this budget increases spending on schools by another 6.5 per cent to $6.6 billion a year. That includes extra spending of $82 million over the next three years for the Quality Teacher Program to assist with the professional development of our teachers to help them cope with changing technology and changing curricula, which will better equip them for the changing needs in their schools. The aim is to provide the best possible teaching, the best possible education and the best possible opportunities for our kids.

The other point that needs to be made is that this budget increases funding to public schools by 5.7 per cent. Since the coalition has been in government, in just seven years, total direct Commonwealth spending on public schools throughout this country has increased by 52 per cent—yet we keep hearing the rhetoric from the teachers unions and the nonsense from the Labor Party that somehow we are neglecting public education. There has been an increase of 52 per cent in spending on public schools in seven years. During that time, enrolments have risen by only 1.4 per cent. So enrolments are up by 1.4 per cent and direct federal funding is up by 52 per cent, including 5.7 per cent in this budget.

This government is delivering on funding for public education. Let me, by contrast, look at the record of the New South Wales Labor government. In the last financial year, the Commonwealth government’s direct funding for state schools in New South Wales rose by 5.2 per cent, but the New South Wales government raised its funding by only 2.5 per cent—that is less than half. The point is that, if in the last year alone the New South Wales state Labor government had simply matched the federal government’s increase in funding, our state schools in New South Wales would have got $146 million more than they did. That is, if the New South Wales government had kept pace with the federal government, our state schools in New South Wales would have been $146 million better off than they are. The message for the New South Wales government is: follow the lead of the federal
government and commit more resources to public schools in New South Wales.

There are two other key areas in this budget that I want to touch on briefly—two other very important measures. One is the increased funding allocated for Australia’s defence—a commitment to deliver on strengthening Australia’s defence capacity. There is increased funding allocation of $1.3 billion, bringing total defence spending for the next financial year to $14.1 billion. A government’s first priority surely is to protect its citizens. There are some people in our community who would say, ‘You’re spending too much money on defence. We’d rather see it going somewhere else,’ but a government’s first priority surely must be to ensure the security of its citizens. This government is doing exactly that.

We are determined to reverse the decline in defence spending that happened under the former government. We are putting our money where our mouth is and we are putting money into defence. In an increasingly unstable world, we have no choice but to increase spending on national security. The extra $1.3 billion includes a number of initiatives as well as our role in the coalition in the war against terrorism. It includes the establishment of a permanent incident response group to respond to terrorist attacks, stockpiling of chemical antidotes and vaccines to provide effective response to bioterrorism attacks, some major capital equipment projects worth $6.4 billion, increased support for Defence families and extra funding for intelligence activities for the Australian Federal Police and Australian Protective Service.

The second related aspect is extra spending on border protection, and that is an extra $1.3 billion over the next five years. This includes a number of new measures: doubling the number of active days at sea of our Customs patrol vessels to 2,400 days of patrol a year, spending an extra $39.8 million a year on container X-rays to enhance airport security, an extra $24.3 million for aviation security for screening incoming cargo, an extra $128.4 million for Australian Protective Service and air security officers, extra funding to prevent unauthorised arrivals and enhanced measures to crack down on people-smuggling. For instance, there will be $75 million over the next four years as part of a regional agreement to get cooperation on a more effective means of preventing that heinous crime of people-smuggling. While I am at it, I must make this point: this government is committed to doing its part to accept genuine refugees—to accept those who genuinely are in need—but we are determined equally to stamp out that abhorrent crime of people-smuggling and to prevent people from being deceived and exploited by people smugglers.

There are many other things I could say about this budget, there are many other measures—$1.8 billion in environment spending, including $100 million for a salinity and water program, extra spending on science and innovation and so on—but I want to turn my comments to the key issue of strengthening our economy. This budget will deliver a surplus of $2.1 billion over the next financial year. That is, we will continue our program of repaying Labor’s debt. By the middle of 2003 we will have reduced Labor’s debt by $61 billion. When the coalition came to office we had a debt of $97 billion bequeathed to us by the Labor Party. By next year we will have repaid $61 billion of that $97 billion. We are taking from our children the burden of debt that was left by the Labor Party. It is not only removing the debt but also reducing the interest payments involved in servicing that debt. We had the ridiculous situation under Labor that every year $8 billion of taxpayers’ money was being washed down the drain in interest payments in servicing Labor’s debt—$8 billion a year that could have been far more effectively spent on essential services and higher priorities. By reducing that debt this government have reduced those annual interest payments by $4.7 billion. That is, we are now spending $4.7 billion a year less in interest payments servicing accumulated debt because we have paid off a substantial amount of that debt. That is $4.7 billion better spent on schools, infrastructure, health, defence and on those things that the Australian community values highly, not spent on servicing a debt that was run up because of the profligacy and extravagance of the former government.
A few other points need to be made about the economy. This budget is based on an estimate of continuing growth. We look like having economic growth—growth in GDP—in the next year of 3.75 per cent. It will be the highest growth of any of the G7 countries—twice as fast as the average throughout the OECD. In the last year, when many industrialised economies in the world were in recession—Japan, the United States and many South-East Asian economies were in recession—Australia was still growing strongly and still growing rapidly, and we will continue to do so. We have heard a lot from the other side about interest rates. The member for Paterson has reminded us about the coalition government’s great record in reducing interest rates. Remember, when we came to office, home loan interest rates were 10.5 per cent. They are now down to just over six per cent. In fact, throughout Labor’s 13 years home loan interest rates averaged over 12.5 per cent. They are now half what they averaged during the 13 years under Labor. This government have been delivering low interest rates for our home buyers, farmers and businesses, and we are determined to continue to do that. We will do that because we are committed to responsible economic management.

I must point out, as time is drawing to a close, the hypocrisy of the other side’s response to the budget. We have had opposition member after opposition member getting up and whining about the fact that we are not spending enough on this program and not spending enough on another program. Last night the member for Newcastle talked about a wish list of things where she would like to have seen money in this budget spent in her electorate. On the one hand we have had them saying, ‘We want to spend more money,’ but on the other hand we have had them rejecting some of our savings measures in this budget and, in the face of that contradiction, trying to say, ‘We ought to have a bigger surplus.’ You cannot spend more, save less and have a bigger surplus, yet that is what the other side would try to have us believe. One person jumps up and says one thing; the next person jumps up and says something completely inconsistent and contradictory. They cannot have it both ways, yet they want to have it both ways. Their response to the budget is cheap political opportunism. I must read some comments from an article by the financial commentator Terry McCrann in the *Herald Sun* on Friday, 17 May, the week of the budget. The article states:

Labor’s attempt to stop the Government’s budget cuts in the Senate has the unique distinction of being both disgraceful and dumb.

To say nothing of being the most basic demonstration of the Crean Labor Party’s complete unfitness for office.

Those are not my words; they are Terry McCrann’s in the *Herald Sun*. He goes on to state:

Disgraceful because it is a totally improper use of the Senate antigovernment majority to stop the government, well, simply governing.

Dumb because Labor will one day return to office, and has invited a future Coalition Opposition to engage in exactly the same cynical short-term political opportunism.

That is what Labor are guilty of in their response to this budget—cynical short-term political opportunism. I challenge the opposition to put aside their cheap political opportunism and their cynical approach and, for a change, to think about what is good for this country and our economy, and about the sustainability of our spending programs. I challenge them to put aside all of their nonsense and support this sound, sensible budget which strengthens our economy and security, and delivers on our pre-election commitments.

Mr MOSSFIELD (Greenway) (5.08 p.m.)—I rise to speak in the debate on the Appropriation Bill (No. 1) 2002-03. The appropriation bills are the most fundamental bills this parliament deals with. The budget sets the government’s priorities and the directions of our society. It is a chance for the government to be creative, and not just creative in accounting methods.

When talking about this budget it is very hard not to be critical or negative. That is the easy speech to make. I will try to be positive in my speech and I will try not to dwell on the negatives in the budget. I will not speak about the despicable increases in the charges for basic medicines for older Australians and
families. I will not speak about the outrageous reductions in eligibility for the disability support pension. I do not need to speak about these issues because many other groups have already spoken out against the government on these particular measures. One only has to look at media releases from Catholic Welfare Australia on the morning following the budget:

Families should be thriving not just surviving.

And:

Border protection and war on terror flush with funds but at what cost to the domestic landscape.

Another damning release was headed ‘Government’s mean-streak towards disadvantage continues’. It states:

Once again we see a pattern emerging from the government that puts everyone within a marginalised group under the microscope in the hope of catching a few people out.

The release concludes:

It is unfortunate that the government chose to voice such a narrow-minded view in last night’s budget.

I do not need to remind the House of the $5 billion that the Treasurer lost at the international gaming tables of currency swaps. I will not dwell on the lack of funding for education or on the fact that, as a result of this budget, the Timbertop bushland in Blacktown will still be concreted over. This is an important stand of grey box and Cumberland Plain woodland that has been deemed worthy of saving by every environmental group and government report on this matter. Blacktown Council want to purchase the land but they need a small injection of funds to help them. However, this government refuses to stop the development and the concreting over of this important piece of urban bushland.

I also do not need to refer to the $3 billion deficit which the Treasurer wants to call a $1.2 billion deficit because he wants to have his creative accounting cake and eat it too. I could talk about the positive measures in the budget but, quite frankly, I cannot find any. The lack of vision and the complete lack of anything positive beyond more money to keep people from our shores make it quite hard to talk about the positives of this budget.

Clearly there are no policies in the budget to address the massive residential and economic development in Western Sydney, which now has a population of around 1.75 million people. This is expected to grow by at least 350,000 over the next 20 years. That is 50 people each and every day moving into the region for the next 20 years. Since the axing of the Better Cities Program, we have experienced a legacy of underdevelopment of basic infrastructure in our region. In a report prepared by Bill Randolph and Brendan Gleeson of the University of Western Sydney called A new vision of Western Sydney, the point is well made when they say:

Without urgent attention, through new forms of policy initiatives and new public investments, these problems will continue to intensify to the point where regional—and therefore national—wellbeing is diminished.

The problems alluded to include social, economic and environmental problems associated with the massive residential growth. The report continues:

Despite its manifest social, economic, and cultural significance, and therefore its claim on national resources, Western Sydney remains largely invisible in the federal regional policy frames.

I urge all members who are interested in regional policy to read that report about one of the most dynamic and rapidly expanding regions of Australia.

If ever there was ample evidence of a complete lack of a third term agenda, this budget is a demonstration of that. Six months down the track from the election and with very little sitting time to distract them, this budget demonstrates that this government have absolutely no clue when it comes to positive policies for Australia’s future. The Intergenerational Report commissioned by the Treasurer and launched with fanfare and fireworks actually dams the Treasurer’s own policies if they are allowed to continue for the next 40 years. The Intergenerational Report clearly shows that radical changes are needed in the way we go about determining the policy agendas for this country but instead the Treasurer’s reaction is to tinker at the edge and slug the pensioners and the disabled.
The challenges we face as a community, as a society and as a nation require governments to think outside the square and to look for innovative solutions to the complex problems we are facing. Infrastructure is not keeping pace with the changes we are experiencing. Suburbs are sprawling across the landscape, devouring our natural resources. I will again speak about the most important piece of infrastructure for Western Sydney—the Western Sydney Orbital. The federal government have the responsibility to fund federal highways, but they refuse point blank to fund this vital highway link.

In this budget, the government are cutting $200 million from highway funding over the next two years, leaving the people of Western Sydney facing prohibitive tolls for the privilege of using their own national highway. As the New South Wales Minister for Roads, Carl Scully, wrote in a letter to the editor of the Daily Telegraph in May last year:

The Western Sydney Orbital is a National Highway and has always been a federal funding responsibility—as the Howard Government has acknowledged.

The NSW Government strongly argued the case for full federal funding avoiding the need for a toll.

This was rejected by my federal counterpart, John Anderson.

The Governor-General in his speech opening this very session of parliament barely three months ago said that the government would maintain its commitment to national highways. The Governor-General, it seems, on the advice of the government has inadvertently misled the parliament.

Technological advances are occurring across almost every industry and every facet of our lives and in most cases they are not yet available to all. One only has to look at suburbs like Glenwood or Stanhope Gardens in Greenway to realise that the benefits of technological revolution have not yet arrived at everybody's doorstep. Both suburbs are new so you would think they would have it all—except Telstra and Optus stopped laying cable in 1994 before the suburbs came into being so there is no cable TV or broadband Internet access. In both cases—pay TV and broadband—satellite is the only option and it is the most expensive option in both cases. Many of the phone lines are split pair gains so the Internet speed for dial-up services is half that of the more established suburbs. Both suburbs are far enough away from the exchange at Kellyville to make sure that ADSL does not work either.

These are new suburbs with young families who use and need the Internet yet the service is not of a decent quality because the infrastructure needed—in this instance, cable—is not there. This issue was raised by a constituent of mine, a Mr Ravi, last year in an email in which he stated that as a manager of an infrastructure service for an IT company he is required to work from home and his daughter, who is in year 11, needs good Internet access for her studies. After appropriate inquiries, Mr Ravi found that the only two options available, ISDN and satellite, were both prohibitively expensive. What he claims is necessary—and I concur—is for Telstra to upgrade the infrastructure or install a brand new exchange to cater for the fast growing suburbs of Glenwood, Quakers Hill and surrounding areas.

The digital divide is growing, the wealth divide is growing and, most importantly and probably most disturbingly of all, the knowledge divide is growing. There is an old saying: 'You've got to have money to make money.' When our society gets to the point where you have to have money to gain knowledge then our priorities need re-examining. Democracy requires a well informed citizenry capable of independent thought for it to prosper. This government does not seem to be interested in that. We currently have an education minister more intent on cutting university courses that foster the very free thinking and innovation that we need for the future, and all on a spurious set of dodgy statistics.

There he was, splashed across the Telegraph, claiming that there were 4,000 university courses that had less than four students enrolled and that he would fight to see them all shut down in the name of efficiency when he knows perfectly well that the figures he used were as dodgy as a $3 bill. The minister knows—he must know—that there
are often people studying in the same subject at the same time in the same classroom who have different course codes—students from different faculties; postgraduate students doing course work; part-time, external and mature age students. A class of 20 students can have five or six different course codes for whatever reason. That is five or six courses that will be axed for a supposed lack of students by this minister when in fact there is not a lack of students but probably an overcrowded classroom.

And fancy a minister for education advocating the abolition of avenues of learning. And who cares anyhow if there are only three students in a particular class? They are learning and that is the important thing. They are expanding the sum of their knowledge. They are expanding the sum of society’s knowledge—that is not a bad thing; that is a good thing.

We live in a society, not just an economy. Lately, the government has not even been able to keep the economy going all that well if the deficit is anything to go by. Budgets are about the future. Budgets set the ground rules for what is possible over the coming years. Budgets mark the direction in which our society, our community, moves. They are not simply—they cannot be—pieces of financial administration. A program does not exist without funding and the funding is to be found in the budget—or not, as the case may be. By this method, governments determine how our society will be structured. This government has decided to structure our society so the holes in the safety net are getting bigger and more people are falling through to the wasteland below.

Honourable members may be aware of a family that I have spoken of a number of times previously in this House—the Goswells—and how they are struggling with the system to obtain a carer’s pension to look after their disabled son, Ryan, who has a rare genetic condition that requires he be supervised and cared for 24 hours a day. The Goswells went to Centrelink and were given a form where the criteria for a disabled minor was spelt out. Ryan only got two ticks instead of the prerequisite three. But the criteria was so narrow as to be almost meaningless. The test is different for an adult and the Goswells will be entitled to a payment once Ryan reaches 18 years of age, another nine years away. That is a nine-year hole in the safety net that the Goswells have fallen into.

I have also been approached along similar lines by Alexandria Collison, who has a beautiful baby son, Connor, who is about 18 months old. Unfortunately, Connor is blind and needs constant care but again, because Connor does not get the required three ticks on that narrow form I was telling you about, Ms Collison cannot get the help that she requires. Both the Goswells and Ms Collison are prime examples of where the government is letting people fall through the holes that it has created in the safety net.

This government has decided to engineer a society where the public owns nothing as a collective group anymore, not even our own national highways or telecommunications systems. This government has decided to structure a society where there are no support mechanisms for the most vulnerable in our community, unless they have the means to pay for them themselves. This government has decided to structure a society where compassion is a dirty word and greed is not. This government is engineering a society where the hard fought gains won by workers over a century are being wound back and rights are being taken away. This government is structuring a society where the user pays and the rest are forgotten. This government is redefining words in a way that would make George Orwell turn in his grave. Welcome to the newspeak language, written and authorised by the Howard government.

This government is creating a society where the market is all-powerful and regulation and controls have all but disappeared in favour of a system where the strong can, and regularly do, crush any spark of true competition; where organisations that exist to protect workers and their rights are vilified and corporate bosses are rewarded for presiding over huge losses with obscene bonuses—one only has to look at the multimillion-dollar bonuses paid to the directors of One.Tel and HIH before the companies collapsed to know how obscene those bonuses were; where an-
announcements of huge job losses are rewarded with a surge in share prices, like when BHP announced it would close the steelworks in Newcastle in 1997. In the week when thousands of jobs disappeared and thousands of people were thrown onto the scrap heap after years of loyal service, BHP’s share price jumped from $8.38 to $8.72, adding $900 million to the value of the company.

This is a time and this is a government where Adam Smith is held up as a prophet and a god and then his teachings are corrupted anyway, where social and economic Darwinism is the dominant ideology and the dominant theology, where policy is opinion poll driven and race is a card to be played. Make no mistake, this government is full of social engineers, and those social engineers are engineering a society that more closely resembles the dark days of feudalism than the bright, modern world we know it can be.

We need a government of vision, a government of leadership, a government that will shape the society in which we live in a way that will bring out the best in us—our better angels. We need to be funding innovation. We need to be investing in our children and in their future—which is our future, after all. We need to examine ways to make our cities livable and our suburbs more than simply warehouses in which to stack people away of an evening. We need to re-examine our public institutions and even our government structures to see whether they are in the best position to cope with the challenges that the years ahead hold for us. We need to stop the petty buck passing between state and federal governments that simply sees ordinary people squeezed between the two and then miss out altogether.

We need to be able to debate the Constitution in a calm and rational way. It is a fine document, but it was created over 100 years ago by men of wisdom who, with all of their wisdom, could not possibly have imagined the changes that have taken place since. Had these same men been alive today and drafting our fundamental political document, the Constitution would be a different work indeed. We need to be able to acknowledge this, sit down calmly and rationally and build on the solid foundation that our founding fathers gave us. They never expected the Constitution to be a static, unchanging document that could not move or evolve with the times. It dishonours their memory to believe that this is the case.

We need to think outside the square and seek to act beyond the 2½-year electoral cycle. We need to put in place policies and solutions that will leave no-one behind. We need to foster the links of harmony and to reinstate compassion as an ideal. We need to address the problems and the challenges of globalisation without forgetting that it is our local communities which ultimately sustain us. We cannot succeed globally if there is no local platform from which to stand and launch our challenges. We need to invest in new industries and new technologies, and we need to realise that the innovations and the ideas that drive the cutting edge can be home grown if they receive the nourishment they need.

We need to think outside the square and seek to act beyond the 2½-year electoral cycle. We need to put in place policies and solutions that will leave no-one behind. We need to foster the links of harmony and to reinstate compassion as an ideal. We need to address the problems and the challenges of globalisation without forgetting that it is our local communities which ultimately sustain us. We cannot succeed globally if there is no local platform from which to stand and launch our challenges. We need to invest in new industries and new technologies, and we need to realise that the innovations and the ideas that drive the cutting edge can be home grown if they receive the nourishment they need.

Mr HAASE (Kalgoorlie) (5.27 p.m.)—It was a pleasure to be present while the Treasurer delivered a budget that is economically sound, responsible and ensures Australia is a safer, more secure place for the people who live here. Undoubtedly, the first question from taxpayers is: ‘What’s in it for me—what am I going to gain, or lose, because of this budget?’ This is a question we get from the media as well, whether it be from major metropolitan newspapers or from small community newspapers such as the Esperance Express or the Kimberley Echo in my electorate of Kalgoorlie.
I believe people are now aware, however, that there is a wider picture. The focus is not on what you or I can get out of the government but instead on the need for us to feel safe and secure in our own country. Terrorist attacks are alien to Australian people and our way of life. The belief was that it will not happen here—it only happens in far distant countries, and usually in countries such as Iran, Ireland, Afghanistan or Iraq, but not here in Australia. We had been blissfully unaware in our little comfort zone until September 11 last year when we were rudely awoken.

The terrorist attacks shocked the world. I was in my office in Kalgoorlie when my daughter rang me with the news, and my first reaction was that this was cheap US fiction. Initial reactions around the world were those of disbelief and total shock. We watched the replays time and time again on the television, and slowly but surely the horrible truth sank in. The news had a sobering effect on the entire world, and there was a realisation of: if terrorists could successfully attack an American icon, what about us? For Australians, the fact that our Prime Minister, the Hon. John Howard, was in Washington at the time of the attacks made the event even more real. Many countries around the world suddenly realised how vulnerable and defenceless they really were.

This government has to be applauded for its reaction to September 11. We have shown strong and consistent leadership, we have addressed our international responsibilities and we have ensured that domestically this country is safer and more secure than ever before. At the time of September 11, we had no argument from the opposition. Now, however, as we ensure the funds are available to meet these commitments, we are faced with scurrilous opposition.

We made a number of promises in the lead-up to the 2001 election, and the thrust was securing our borders against outside threats, be they unwanted diseases and pests, illegal immigrants or terrorism. This budget further addresses those issues and reaffirms our commitment to the Australian people. It ensures we deliver on the election promises made. The Labor Party, however, are in pursuit of populist politics and are playing a head-in-the-sand game of not only denying the past but denying the future. They forget that we had a wake-up call on September 11. They conveniently forget that we are still paying off their debt of $96 billion, which by mid-2003 this coalition government will have reduced by $61 billion.

Australia’s interest bill today is $4.75 billion per year less than it was under Labor. That $4.75 billion of savings is being invested in better things such as health and education. We have international and domestic responsibilities, and we take them seriously. We are prepared to make the hard decisions, regardless of the fallout, because it is the right thing to do. These decisions may not be popular with all Australians, but we have this country’s future interests in mind. This government has committed itself to assist in the war against terrorism and, having committed to it, we must provide.

All of this takes funds. Under an alternative Labor government, where do they fondly imagine they would find such funds? Possibly they would borrow a few more billion dollars. They have done it before; this government has the interest bills to prove it. The Simon Crean led Labor Party is a party without backbone. They want to play a game of populist politics but do so without the intestinal fortitude to make the hard decisions. They listen to the clamouring chatter of minority groups, but they ignore the moral majority which quietly rely on good government to provide the resources as necessary to defend our borders and keep Australia safe and strong. In contrast, the coalition government will make those hard decisions. We have made those hard decisions and, having made commitments, we will honour them. That is what we have shown in this budget—we are prepared to honour our commitments.

Away from the international focus, or even the Australian-wide focus, I am pleased that a key promise delivered in my electorate is included in the budget. When the Deputy Prime Minister, John Anderson, visited Kalgoorlie-Boulder to open the impressive Prospectors and Miners Hall of Fame, he made a promise to extend the Diesel Fuel Rebate
Scheme. To my colleagues who live in the cities this might not mean much, but to us in the bush it is a win which I applaud. The extension of the Diesel Fuel Rebate Scheme is a further indication of the support and commitment this government has for regional and rural Australia. I have been fighting for this extension for the past three years, and I am pleased this government has delivered it.

I have worked with a number of small businesses, including caravan parks and roadhouses, to ensure some equity is delivered. These businesses are located in remote areas and do not have access to on-grid electricity—something which most of us take for granted. Instead they have had to rely on diesel generated power—generators that they pay for and maintain. Although the Diesel Fuel Rebate Scheme is invaluable for many off-road users of diesel in these areas, there is a small group of businesses that until now have missed out. Extension of the scheme to include retail and hospitality businesses that use diesel to generate power will reduce the overheads of roadhouses, tourist parks and the like in most remote areas of my electorate. The Diesel Fuel Rebate Scheme provides a rebate of up to 38.14c per litre of diesel.

The coalition has made it a key priority to reduce the costs of doing business in Australia, particularly those operating small businesses. We are acutely aware that businesses in remote areas face unique problems, including access to power and the cost of it. I know the tourism industry also will welcome this extension. With tourism as a fast growing industry in rural WA, any assistance will be greatly appreciated. Focus on bush tourism has never been more intense than now with 2002 being officially the Year of the Outback. We do not get much more outback than my electorate, and many wonderful things are being done throughout its 2.3 million square kilometres to promote the bush and outback tourism in general.

Speaking of outback and tourism, this is yet another opportunity for me to put in a plug for the Outback Highway. Upgrading of the Outback Highway between Winton in Queensland and Laverton in the northern goldfields of Western Australia via Alice Springs will be one of the greatest things that could happen for outback tourism. The Outback Highway will make the outback more accessible to tourists. Currently the road is part of the experience, if you accept that half the fun is getting there. But if a reliable, safe, almost direct route were available, it would bring the outback almost to your own back door.

A diagonal direct link across Australia joining east and west through the red heart will bring many more tourist dollars to the communities along the way and will allow city based Australians to visit and experience mining and pastoral industries as examples of the activities that helped forge this country into the great nation that it is. But, most importantly, it will give those industries the transport infrastructure to deliver products and equipment over great distances in a timely and cost-efficient manner. I congratulate the Treasurer on the budget, and I most certainly will again next year if I find funding allocated to upgrade this vital outback third link. There are always hard decisions to be made and I am proud that this coalition is not afraid to make them.

This budget reinforces our international obligations and commitments—our domestic commitments and our commitments to regional Australia. I urge Labor and the Democrats in the Senate to look to the future and beyond populist politics and to pass this appropriation bill. I urge them to realise that in order for the government to provide the Pharmaceutical Benefits Scheme for pensioners into the future small adjustments are needed now. As the Labor Party has for years called for constraint and reason to be applied to the proliferation of disability pensions, it is indicative of gross hypocrisy for Labor to oppose such action by this government.

Finally, the reduction of the superannuation surcharge was a significant plank in the coalition election platform, called for by the people of Australia and voted on in the 10 November election—an election that was won, I remind members opposite, by the coalition. Labor and the Democrats may wish to destroy their credibility by the use of obscure rationale in denying the electorate a democratic outcome. However, they have no
Mr SWAN (Lilley) (5.38 p.m.)—I rise to speak on the Appropriation Bill (No. 1) 2002-03. The primary aim of any government is to protect our national security and to make the necessary investments to strengthen our economy so that we can build a fair and cohesive society. A strong economy and a just society must be our objective whether we live in Brighton or Boondall, Aspley or Ascot, Nundah or Wavell Heights. We all have responsibilities to one another. We need to appreciate the rights of others while at the same time exercising our own rights. We need to appreciate that common interests are always as important as self-interest. That is particularly the case when it comes to local communities and building a greater sense of community.

My concern with this budget and the government’s agenda is very simple: it has not got a plan for building the future as much as a plan for finding fault. This budget does not provide the necessary investments to strengthen our economy or the unity of our society. Critically, it places too many of our families under financial pressure, and it seeks to hide its financial mismanagement behind its commitments to national security. It dismisses the concerns of those who work hard and live modestly, those who are suffering from and will suffer from rises in interest rates, those families that have been hit by family debt—about a third of all families in my electorate and nationally. Those families will suffer under increased financial pressure. It attacks the vulnerable, particularly those on disability support pensions, while not genuinely reforming the welfare system.

When you look at how this government operates, it is entirely a top-down operation. It simply does not have an appreciation of life for people in the suburbs and on the ground, of life at the kitchen table. It simply has not got a clue. If people really want to get an indication of that, I would recommend that they have a look at the feature article in the Weekend Australian about the Minister for Family and Community Services, who was clearly very out of touch with the lives of ordinary Australians and particularly the lives of those for whom she has primary responsibility.

I would also ask you to think a bit about the mean-spiritedness of this government and the appalling way that it has responded to the crisis in public liability insurance, which is having a dramatic impact on our sense of community and potentially crippling the activities of tens of thousands of not-for-profit and voluntary organisations. In my electorate, as in many others, recreational activities are vital. For example, Norths Rugby League Club was seriously considering its financial viability as a result of what occurred with public liability insurance, until the Queensland government came up with a rescue package for community organisations across the state. That was something that could have been done at the national level if we had had some national leadership.

Many other sporting associations have been put in intolerable positions. I was at a public meeting in Banyo in my electorate, and a swimming coach from one of the local schools was talking about the tremendous increase in public liability insurance for her small business and the consequent impact of that upon the parents and the families in the swimming club. This affects every aspect of our lives. The vital work of the community sector is tremendously important, particularly in Lilley but also across the country. I think it has been jeopardised by the lack of national leadership in this area, as the Howard government has simply tried to pass the buck to the states, to local government and to anyone but itself. One would have thought and expected that such a vital issue as this would have been given to a senior minister. Instead, it has been flick-passed to a junior minister, Senator Coonan. If the Treasurer were really in touch with Australians and Australian life, he would have taken charge of this himself. As I move around the electorate of Lilley or anywhere else in the community, I find that there is no issue that is mentioned to me more than this issue. It simply touches every aspect of our lives.
I believe that the general thrust of the tort reforms being put forward by a number of states must be supported by the Commonwealth and that work should be commenced immediately with the states to further develop uniform tort law. Legislation should be introduced urgently to protect volunteers and to ensure that the many important community activities that form the community we live in continue unhindered. The government must also formally direct the ACCC to monitor public liability insurance premiums to ensure that cost reductions flowing from tort reform are passed on to consumers.

We have a further insurance crisis in terms of medical indemnity. This has particularly hit hard in Queensland, because Queensland doctors are suffering the most as a result of the collapse of UMP. Doctors living and practising in the Lilley area have contacted me with their concerns about what the situation means. For many, it means that they will no longer practise medicine, and therefore our community’s health and wellbeing is at risk. I spoke only last night to a local doctor who really had no idea what his future was in the profession.

In the budget papers you find an appropriation of $2 million for consultants to advise and assist the government on medical indemnity insurance. Importantly, you will find medical indemnity insurance and, more precisely, the consequences of the United Medical Protection provisional liquidation listed as a contingent liability—not costed or quantified but nonetheless listed as a contingent liability. That reflects the government guarantee previously given from 29 April to 30 June, extended on Friday by the announcement of the Prime Minister. This is a very important area so far as our health care system and medical practitioners are concerned, but the government has done nothing except put in place a stop-gap measure, and longer-term solutions have simply not been forthcoming.

In July last year Labor announced a comprehensive policy on medical indemnity insurance. It did so at that time because the issue of public liability insurance was seen everywhere, but not by this government, who were blind to it then as they were blind to the earlier crises with HIH and so on. Labor recognised that there was a need for a comprehensive policy response to the issue of medical indemnity insurance. Finally, when we had crisis upon crisis and deadline upon deadline, last Friday—with over 8,000 UMP insured doctors mainly in Queensland requiring some certainty from the government before they determined whether to reinsure with UMP or make other arrangements—we had the Prime Minister extending the guarantee from 30 June until 31 December but offering no long-term plan.

This is a crisis the government just do not want to address. It is very much like their failure to deal with the huge shortage of family day care places and long day care places not just in the electorate of Lilley that I represent but across the north side of Brisbane. As a result of the Howard government’s failure to allocate sufficient child-care places, there are lengthy waiting lists, as the minister has mentioned from time to time in this House, across Brisbane and there is a crisis on the north side. This is hurting many working families but the recent budget included no measures to address this severe shortage of family day care places, such as the severe shortage that exists at the Bramble Bay Family Day Care Centre at Deagon, where there is a waiting list of something like 90 children. So mums or dads who need to return to the work force are experiencing extreme difficulty, particularly if they have children in their very early years. This is an urgent problem which needs addressing, and I would ask the minister yet again to take it on board and deal with it.

In addition to trying to return to the work force by accessing much needed places in child care, these families are facing rising interest rates which are being pushed up—by the government’s own admission—by the government’s financial mismanagement, because this year we have something like a $3 billion deficit and, as the Prime Minister has lectured this parliament and the country on many occasions, it is his belief that deficits such as that put upward pressure on interest rates. That is simply the case, and we are now living with the consequences of the spending spree the government went through
in their efforts to win the last election in which they squandered something like $14 billion of current and future surpluses. All of this occurred in an economy where growth was four per cent; I would hate to see what they would do in an economy where growth was substantially less than that.

Families are also struggling to find a doctor who bulk-bills after hours, and now they have to face an increase of almost 30 per cent in the cost of essential medicines from 1 August. As a result of the budget, families will now pay $28.60 for each script, an increase of $6.20 per script, and up to $190 extra each year for their essential medicines. Pensioners and other cardholders will now pay $4.60 for each prescription, up $1 per script, and up to a total of $52 a year for their medicines. There is nothing to justify the attack on families and pensioners through the Pharmaceutical Benefits Scheme copayment, nothing to recommend it at all. It simply cannot be justified.

Now of course there is their attack on the disabled. The Howard government are going to shift the goal posts for what it means to have a disability: a new work test of 15 hours, rather than 30 hours, per week will not only affect new claimants but also push an estimated 200,000 existing disability support pensioners onto Newstart benefits. This will have a dramatic effect upon the approximately 4,000 disability support pensioners who live in my area, with perhaps over a thousand of those particularly affected by the government’s new measure. These people will then be expected to live on $52 less per fortnight with the loss of supplementary payments, like the pharmaceutical allowance and the pension education supplement, and also the loss of their pension concession card, worth up to $750 a year. This change will actually reduce the ability of those with disabilities to engage in work. In an environment where the government did not guarantee in the budget that those who would be affected by this would have access to a place in rehabilitation or training—as the minister admitted in question time in this House—this is a truly draconian measure.

I want to say again to the government that I am prepared to sit down with the government and the disability sector to work out a long-term plan for a better future in this area based on some fundamental principles. We need a greater public awareness of unmet need for disability services so that people do get the support they desperately require. We need to develop a political consensus for genuine welfare reforms along the broad lines set out by the McClure committee, and we need to break down the barriers between Commonwealth and state governments that inhibit the efficient and accountable delivery of services. But the government is not heading in this direction, because it does not have an agenda of genuine welfare reform.

This government has an agenda to make those with disabilities pay the price for its financial mismanagement; they are the ones who are paying the price. Those with disabilities, those families and the sick are paying the price, and therefore the government’s measures have nothing to do with genuine welfare reform. This year’s budget is $3 billion in the red, and it is interesting to note that additional defence spending is just $400 million. The real problem is the fact that the government spent $14 billion of current and future surpluses before the election. We do not quibble over the extra money spent on national security, but the government should not be using the disabled as some form of political shield to justify the cuts that it is implementing because of its own financial mismanagement.

This government is determined to build a surplus for the next election in 2005 and, because social policy is not a priority, welfare reform has been junked. You can see that in the delay of the work credit in the Australians Working Together legislation. Once again the cuts come at the expense of those least able to afford them: those battling around the kitchen table. These are the people that the Minister for Family and Community Services has absolutely no affinity with. When the government’s budget proposals were met with outrage, what did the government do? It resorted to branding all people on benefits—the people on Newstart or disability support pensioners—as rorters, shirkers, pretenders and people with bad backs. If the government has a problem
with welfare fraud, it must be of its creation as it has been in power for six years. So, in defending itself, it most certainly should not go around smearing those people on benefits.

The government have a provision in the budget where they are pretending they have put extra money into the new Commonwealth-state disability agreement when it is existing money which is out there funding existing services. They are saying that, if the House and the Senate do not pass their cuts to the disability support pension, they will withdraw this money from existing services. In Queensland, if they carried through with this threat, that would withdraw $17.5 million in disability services funding, which would reduce services and support to nearly 1,200 families and individuals.

More than 400 adults who receive funding from the adult lifestyle program, more than 70 families funded by the family support program and more than 700 individuals and families assisted through the local area coordination services would be affected if this political blackmail went ahead. There is nothing that better indicates that when this government gets into trouble it will always resort to bullying the vulnerable and the people who work with them. We have seen this in the past from the Minister for Employment and Workplace Relations, who attacked St Vincent de Paul because they had the temerity to criticise the government. He said that they did not understand poverty. The people who do not understand poverty or struggle are those on the other side of the House.

Veterans are also hit by this measure. Many ex-service personnel are facing the loss of up to half their disability pension compensation under these changes. So not only will we be opposing the changes to the DSP; we will also be attempting to amend the social security legislation currently before the parliament so that we totally exempt all veteran disability compensation from the means test. That will benefit something like 5,000 ex-service personnel—some of whom live in the area I represent.

But I guess one of the biggest problems with this budget is its neglect of education. Whenever I talk to parents about their children, what they are thinking about are the sorts of opportunities their children will have. They always identify the word ‘opportunity’ with education. The truth is—as we have said on many occasions—that we have a choice in this country: we can either be a poor nation or we can be a knowledge nation. If we want to be a knowledge nation and carve out our role in the 21st century, we have to make the investment in our people—from the youngest age, through early assistance to family and early childhood education, right through primary and secondary and through to our universities. But there is a paltry $12 million in new measures for the entire education, science and training portfolio.

That is also a tragedy for those who are unemployed. In my area the unemployment rate is 7.7 per cent. There is nothing new in this budget. In fact, when you have a good look at the training component, you will see that there are cuts. For education, in particular, Australia needs an urgent investment, not just a minor adjustment. The budget contains no real increases in funding for public schools. After a decade of economic growth, there is no relief in this budget for overcrowded classrooms or anything for the crisis in our universities, of which we have a number locally. We have the establishment of the Catholic university at Banyo and we also have the expansion of the Queensland University of Technology at Carseldine. Those facilities are hit in one way or another by the failure of this government to give tertiary education the priority it deserves.

But it is when you come to the area of families, which I mentioned earlier, that you see just how out of touch this government is. Supporting families to ensure that they are healthy and secure has to be the central aim of our social and economic policies. There are simply no more precious assets to our nation than our children, our next generation. We need to be providing more support to families, particularly in the area of work and family, where the clash is being more acutely felt year by year. There has to be a comprehensive public policy response from government in the area of work and family. This government is heading the other way. When-
ever the government is challenged, it always prefers market values over family values. Look at the changes to industrial relations and the effect those changes have had. People are finding it harder and harder to mix their work life and their caring roles—harder and harder.

Of late we have had this long overdue debate about paid maternity leave. It has started to gain some momentum, and that is terrific. We on this side of the House have a strong commitment to paid maternity leave. We thought that perhaps the government had actually catapulted itself into the 20th century and might have been coming to the realisation that perhaps something was needed here. As we are in the early years of the 21st century, we found it particularly surprising for the Minister for Finance and Administration to suddenly turn around the other day and say that maternity leave was middle-class welfare. It is not middle-class welfare; it is absolutely essential as part of a raft of policies that are required in the community to more effectively assist families build a bridge between the world of work and their family life and their caring and nurturing roles.

Properly constructed paid maternity leave does build that bridge between the time a child is born and a parent’s return to the work force. It removes the either/or—either I give up the idea of having children or I give up my career—providing would-be parents with a pathway they do not currently have. Many mothers are separated from their babies at quite early stages simply because the current arrangements of support do not help smooth the transition between work and full-time parenting and back again. Paid maternity leave is not a panacea; it is simply one of a raft of new policies that this country desperately requires to address this growing conflict between our working lives and our family lives. I hope that Senator Minchin is put back in his box and the Prime Minister sits on the Treasurer and a couple of other ministers and moves towards our policy of paid maternity leave. But I do not think there is much hope for that when you look around the benches of this government, particularly the frontbench. They are so out of touch with the working lives of Australian families.

The other thing that is a problem in this budget is the government’s decision to locate a detention centre at Pinkenba. This is unnecessary. The location of a medium security prison in the middle of a built-up suburban area should not be happening in the 21st century. If the government is serious about meeting the needs in Queensland, there are plenty of rural shires that have asked for it and want it. I would ask the minister opposite, the Minister for Children and Youth Affairs, to speak to the Minister for Immigration and Multicultural and Indigenous Affairs, to defend the interests of the National Party in regional areas, and convince him to take this unwanted centre in Brisbane to rural Queensland. (Time expired)

Mr SECKER (Barker) (5.58 p.m.)—I rise this evening to join the debate on the Appropriation Bill (No. 1) 2002-03 which is now before the House. When the Howard coalition government came to power in 1996 we were left with the aftermath of 13 years of Labor and all that came with it—a $96 billion debt, mortgage interest rates in double digits, and nearly one million fewer Australians employed. Despite this, the coalition stood firm and carefully considered our economic policy. While the rest of the so-called G7 countries are either in or on the brink of a recession, we have a strong economy that is not even close to recession—in fact, it is booming.

My point is that, unlike Mr Keating, the Howard coalition does not believe that Australia needs to go into recession just because the economies of countries that we deal with are going into recession. Instead, we believe that, if we manage the economy carefully and make the tough decisions when they are necessary, we can ride the tough times out and still do pretty well. I think it is safe to say that, because of our strong economic management, we have done this. Despite the downturn in the world economy, ours is still strong. In keeping with this, the 2002-03 budget will go a long way further to this cause and, with our sound economic management, this budget will return a surplus of approximately $2.1 billion—something for
which my colleague the Treasurer is well known.

Unfortunately for Australians, no-one could have predicted the tragic events of 11 September last year. As a result, no-one could foresee that we would need to show our support in the war against terrorism, which has seen the deficit return this year. Despite this, I was very interested to listen to the comments of the member for Werriwa who rambled on about the Treasurer guaranteeing a surplus budget and then made some comments about us not delivering one. I would have thought that even the member for Werriwa would have to admit that no-one could have predicted the events of September 11. I would have thought that even he would be in favour of assisting the United States and other allied countries in the fight against terrorism, but I am obviously mistaken.

In 1996 the Labor Party left Australian taxpayers servicing a $96 billion debt. Through the coalition’s careful management, we have managed to reduce Labor’s astronomical debt by $62 billion—that is not to $62 billion but by $62 billion. By June 2003 net debt will shrink to 4.6 per cent of GDP, its lowest level in more than a decade. Our $62 billion repayment has saved Australian taxpayers around $350 million in interest repayments each year for ever and ever. With careful economic management we have managed to improve the job prospects of nearly one million people who now have regular employment and, with the help of our economic policy, Australia has just experienced some of the lowest interest rates in 30 years.

The member for Lilley raised the spectre of higher interest rates—almost with some glee, I would have to say. I will take our record compared with the Labor Party’s any time. We have record low interest rates, the lowest in 30 years, which gives a tax-free saving of about $350 a month on a $100,000 loan compared with when Labor were last in office—and that was their best figure. Under Labor, home interest mortgage rates reached 17 per cent. Compare that with the situation now, when the average person is $1,000 a month better off in terms of tax-free income. I think that is a pretty impressive economic record, especially when you consider what we were left to deal with.

This budget is in keeping with our commitment to all Australians and, unlike those opposite, we have never wavered in this commitment. The Howard government has always remained steadfast in its stand against people smugglers. I do not believe that there is one Australian who was ever in doubt about our stance on unauthorised arrivals on Australian shores. Despite declaring that they would stand united with the government prior to the election, we now have members of Labor’s caucus openly declaring that we need to forget about strong defence and domestic security—like the member for Fowler did last night. Unlike those opposite, we remain strong and stable, and the public know what they are getting. The public got a budget which will allow for stronger border protection and enhanced defence and coast-watch activities and offshore processing to deter unauthorised boat arrivals.

What those opposite forget is that, if Australians do not feel safe and secure in their own country and if they continually have to fight against people who are in this country illegally—for jobs, welfare assistance and the like—throwing all the money in the world at them will not help their plight. This is why we cannot simply forget about strong defence and domestic security, as the member for Fowler suggests. Governing is about providing Australians with the best opportunities that we can. It is about making Australia a better place. The member for Fowler must not be able to understand that governing is about making the choices, tough or otherwise, which will do this.

So the government has made a choice. We made the choice to keep Australians safe. We committed an additional $536 million in funding—that is, over half a billion dollars—over the next four years to meet the costs of offshore processing to determine the status of asylum seekers as soon as possible so that genuine refugees might be able to live their lives. We committed an extra $219 million over five years to construct a purpose-built immigration reception and processing centre, and we are providing $6 million over four
years to encourage the voluntary return and resettlement of asylum seekers who unsuccessfully apply for refugee status. We are looking after those that do meet the criteria and those that do not; how much fairer can you get than that?

We have also made a commitment to rural Australians in a range of measures designed to improve roads, provide greater access to television and radio and promote regional tourism. When I first became a member of this parliament some three and a half years ago, there were a considerable number of problems with our telephone and mobile phone network. Whilst it is not perfect, it is a lot better than it was when I first entered this parliament.

This budget extends the Road Safety Black Spot Program by a further $180 million over four years. This is a very important program and a very popular program, I might add, because it helps ensure the safety of motorists in Australia, especially in rural areas. The budget provides funding of $5 million over three years as a one-off grant per service to provide access to commercial radio in areas where licensees cannot provide commercially viable coverage. It will also provide an extra $13 million over three years to improve reception in identified areas that the existing television black spot program could not assist. I was pleased recently to have quite a small black spot area in my electorate fixed up under this program.

An issue which is close to my heart and those of many of my constituents in my electorate of Barker was also addressed in this budget. This budget provided more funding for aged care by providing better residential and community care services for older Australians. A further 6,000 community aged care packages will help to meet the needs of frail older people and allow them to live longer in their own communities. I know that these packages in particular will be sought after in my electorate of Barker as, being a rural electorate, we all too often have to say goodbye to our elderly loved ones who have to move from the community to obtain the care that they need. The budget also provides for aged care homes to receive increased subsidies to try to help them attract and retain more aged care nurses, and aged care nursing scholarships at rural and regional university campuses will also help to attract aged care nurses to rural Australia.

While I could go on listing the major benefits of this budget, I feel that the constant denouncement of the budget by those opposite as an unfair budget needs to be addressed. I suppose it is to be expected, but it does need to be addressed. In following this debate I have listened to one opposition member after another stand up and deliver the caucus line. This amazes me for two reasons. Firstly, I cannot imagine that some of the benefits to the Australian population that I have mentioned do not apply to at least one person in their electorates. Secondly, instead of debating the budget in a balanced method, they have chosen to beat up out of all proportion the issues of the disability pension and the Pharmaceutical Benefits Scheme, or PBS as it is more commonly referred to.

Mr Deputy Speaker, I am sure you are aware that copayments make up only 16 per cent of the total cost of the Pharmaceutical Benefits Scheme and that in 1990-91 under a Labor government the patient copayment was 20 per cent of the total cost, so the Labor government actually made a greater copayment. This budget sees an increase of only $1 in the cost to concessional patients so that they now will make a copayment of $4.60 when purchasing medicine which is listed on the PBS. This $1 increase will go a long way to making this scheme sustainable for future generations of our ageing population.

Since this initiative was announced in the federal budget, I have been out and about in the community and have received some very positive feedback. Many people have approached me with regard to this. The message coming from many in my electorate is that people, while aware that their copayment cost has increased, are grateful that we are taking action now to ensure the sustainability of the scheme. Comments made to me include things such as this: ‘I suffer from diabetes and need insulin, and a copayment of $4.60 is much better than having to pay $189.19 per prescription.’ I hear so many people who are aware that the copayment cost has increased by $1. How-
ever, when they compare it to what they would be paying if there were no PBS, they are more than happy to pay. I even had one lady tell me that in her case it meant paying $52 extra a year, which was less than the cost of one prescription if the drug she required was not listed on the PBS. If she lost that subsidy as a result of a failing system, she would certainly be worse off. So while those opposite run around touting the unfairness of this budget to pensioners and the like, they are missing the point that many of these groups, labelled by the Labor Party as the disadvantaged, are more than happy to help us keep this system working so that they have access to it in the future.

For general patients the same argument applies. An increase in copayment to $28.60 is still a lot less than these patients would have to pay if the PBS were not available. In addition, more than half the drugs listed with the PBS will not be affected by this increase in the copayment cost, meaning that families with asthma sufferers, or people with high blood pressure or some forms of diabetes, will still only pay the present copayment of $22.40, and in some cases less than that. Also being overlooked by the opposition is the fact that the safety net still applies for concessional patients, so that after 52 prescriptions in a calendar year they then pay nothing for additional prescriptions for the rest of the year. The safety net also applies to general patients and families who, after paying the copayment for 31 prescriptions in a calendar year, pay only the concessional copayment rate of $4.60 for every extra prescription purchased in that calendar year.

Likewise, the opposition have been vocal in the media with reference to the disability support pension. Unlike the opposition, the coalition government is not trying to focus on a person’s disability but instead to focus on their ability. If you listen to the media coverage, the Labor Party would have us believe that this group of people are a disadvantaged group who do not have the ability to help themselves and rely solely on this government to survive. In some instances that is the case, but in many cases it is not. The coalition want to encourage and support those who are able to get back to the work force and back into employment. Presently one in nine Australians aged between 50 and 64 receive DSP, and many people on this support benefit could be more self-reliant if they received a better combination of assistance, both financially and emotionally. That is why this government, unlike those who sit on the other side of the chamber, want to focus on the ability of disability support pensioners to work instead of their disabilities.

This budget provides for 73,000 new places over the next three years in disability employment services, rehabilitation services, the Job Network, education and training and the personal support program. We want to encourage people who are able to get back into the work force and reap the rewards this can bring. I honestly believe that many of my constituents in Barker are aware of this. Once again, I have been speaking to people about this change and I have discovered that, on the whole, the changes to the eligibility rules for the disability support pension do not have as many adverse effects as the Labor Party make out. In fact, all this media hype has done is cause confusion which, I assume, is what the opposition wants.

The Labor Party have scared the genuinely disabled into believing that their disability support pension will be affected. They have scared elderly disabled pensioners, and pensioners who are close to retirement age, into thinking that their support will be affected. That is not the case. In the last two weeks, I learnt of two constituents who are within five years of retirement age and who are worried that their disability support pension will cease and they will need to find a job. I am appalled at the level of misrepresentation on behalf of those opposite. Their cheap and petty party politics have worried people unnecessarily and provided constituents with misinformation. After discussing their concerns with me, I then informed these people that they had the wrong information and that, because they were within five years of retirement age and who are worried that their disability support pension will cease and they will need to find a job. I am appalled at the level of misrepresentation on behalf of those opposite. Their cheap and petty party politics have worried people unnecessarily and provided constituents with misinformation. After discussing their concerns with me, I then informed these people that they had the wrong information and that, because they were within five years of retirement age, their benefits would not be affected. This scaremongering is disgusting. Instead of reporting the facts and making the constituency aware of what they are up against, like we have done, those opposite seek to confuse the Australian population in
the hope that they might gain that extra percentage point in the opinion polls.

Those opposite have not been able to find very much at all wrong with this budget. They have told us to forget about strong defence and border security, an issue which is very important to the Australian population. They ignore the fact that there are strong rural initiatives housed within this budget, they ignore the aged care initiatives and they ignore the benefits that this budget brings to veterans and war widows—they only focus on two aspects of the budget—when those affected by the changes seem to understand their necessity. This is a strong budget and it contains some challenging measures. But it is the strength of the measures contained in this budget which will see our economy remain strong and ready to face the challenges which come our way. I have said before that our strong economic performance has been proven, and I honestly believe that the Australian people recognise this. I would like to take the opportunity to personally congratulate the Treasurer on this budget as I believe it is what Australia needs at the moment. I commend this bill to the House and urge those opposite to recognise the importance of this piece of legislation.

Mr MARTIN FERGUSON (Batman) (6.18 p.m.)—I take the opportunity this evening to speak on the Appropriation Bill (No. 1) 2002-03 and, in doing so, I would like to express my utter dismay at the contemptuous treatment of the portfolio of Transport and Regional Services by the Howard-Anderson government. I urge the member for Barker to seriously consider some of the issues that I raise this evening, because he represents a non-metropolitan seat. A fair examination of the budget—and the fact that the government walked away from some of its commitments—shows very clearly that his is one of the seats that will suffer as a result of the Howard-Costello-Anderson budget. For those reasons, I point out to the House that, as so often happens with this government, mixed messages are abound yet again.

The government say that rural and regional Australia are the backbone of the nation; they have helped ward off the global downturn, and that is an important part of the strong social fabric of our nation. That is the message they would like you to hear—as you would understand, Mr Deputy Speaker Adams, representing a very significant regional seat in Tasmania. They then say that the regions are something we should be proud of as a nation. They suggest that there is a partnership between the Commonwealth government and regional communities that they are proud of. But the facts show otherwise. The facts show that when there are no votes to be gained, no politicking to be done, the coalition government treat the bush with utter and complete contempt. What more evidence do you need of the Howard-Anderson government approach and how they treat rural and regional Australia than this contemptuous budget?

I would like to remind the House this evening that the Treasurer originally promised the people of Australia a surplus of $1.5 billion. He then revised this figure to a surplus of just $500 million. It is almost like a game of unders and overs—and we know he has a gambling habit, as has been revealed in more recent times. We then go to the real outcome, as revealed in the budget papers, and we really see the impact of the largesse of an election year. What do we find? No surplus. We have seen the surplus disappear—evaporate overnight—to a deficit this financial year of $3 billion. I take exception, as most taxpayers do, to the Treasurer having the hide to use his parliamentary entitlements to produce a leaflet distributed at taxpayers' expense in his electorate lying to the electorate that there was, in essence, a surplus. That was a lie to the electorate that is represented by the Treasurer, which was exposed by our endeavours to table that document in the House in question time last week. The Howard government refused to allow us to table the document, despite the fact that, when the Treasurer was questioned about that very leaflet, he was unable to explain why it said there was a surplus, whereas his own budget papers clearly established that there was a deficit.

For that reason, I argue very strongly that the budget provides little for the people of rural and regional Australia such as in the seat of Richmond. The bush has clearly
slipped away in terms of the Howard-Anderson government’s priorities. The Minister for Transport and Regional Services appears to have been hoodwinked by the Treasurer into thinking that the budget is a budget for all Australians or, alternatively, he is trying to defend the indefensible. In this House on 15 May, the minister stated:

The budget reflects the government’s ongoing commitment to regional Australia.

A fair question should be: what commitment would that be? There is clearly nothing in this budget that is new for people in rural and regional Australia. Conversely, if I go to the Australian Financial Review, I find a spokesperson for the Minister for Transport and Regional Services, just two days after the recent budget, saying:

... it was ridiculous to suggest the Government could simply produce packages of about $1.8 billion for the bush every year.

No longer is the coalition trying to soothe the discontent in the bush by throwing money and half-baked promises to rural and regional constituencies; no longer does the coalition feel that the bush is worthy of the same attention as in an election year. The budget only confirms the established coalition practice of providing funding to mates on the pretence of supporting problem regions or communities. This only creates busy but unfocused local action, removes local control and stifles enterprising initiative.

When will the government learn that it is the government’s responsibility to support the process of being enterprising and not to reinforce a culture of dependency on government? Ensuring adequate infrastructure for all in remote locations within Australia, I believe, is a legitimate consideration of government. It should support the process of being enterprising and enable businesses and communities to take the initiative to develop their own local solutions.

The budget, alternatively, does nothing to increase the economic and employment strength of our regions. To date, the only evidence we have of any action is the pork-barrelling in Wide Bay in the lead-up to the election. Since then, what have we seen? Talkfests in a number of so-called pilot regions and reprofiled initiatives, such as the regional business development analysis. What did last week’s Senate estimates hearings show? In essence, they further highlighted the lack of commitment by the coalition government to ensure that Australia is well prepared for the future. Representatives from the Department of Transport and Regional Services informed the Senate that they do not believe the department has a role in the development of any infrastructure other than roads and intermodal transport links. Without denigrating the importance of roads and infrastructure and improving intermodal links, I simply say, as the shadow minister for regional and urban development, transport and infrastructure, that this is a very disappointing revelation. I suppose we cannot expect any more of the department at this stage because the performance of the department, in essence, reflects the demands of the minister and, in this case, the lack of attention and focus by the Minister for Transport and Regional services to his job.

Effective regional development, as we all appreciate, requires broader consideration of infrastructure than simply ensuring that transport links cope with future needs. Ensuring that our regions get on the path of sustainable growth and development needs, and consideration of other issues, such as electricity and gas supply, telecommunications, and water and salinity related issues, are all vital infrastructure considerations, and they correctly deserve the attention of the Commonwealth. But what do we find in the Treasurer’s Intergenerational Report? Supposedly, a valuable opportunity to identify what the requirements of infrastructure will be over the next 40 years. In the mind of the Treasurer, it is the launching of an alternative agenda for his run at the top office, the Lodge. Surprisingly, if that is what the future is about in the eyes and the mind of the Treasurer, there is one gaping big hole: infrastructure is not mentioned once in the report. I believe this is another telling statement on the federal government’s long-term strategy—or lack of a long-term strategy—for Australia because the Intergenerational Report completely and utterly misses the mark on investment in Australian infrastructure development. The Australian community is crying out for assistance on infrastructure
because they have suffered for far too long on the infrastructure front. There is, in essence, an infrastructure wilderness under the Howard government and, unfortunately, there is no indication or commitment to change in the wings. In turn, that is related to the vital issue of transport.

On the transport front, we find a continuation of the contempt by the Minister for Transport and Regional Services to transport industry workers and the Australian community. Take, for example, the shipping industry. The budget estimates hearings revealed yet again that the Commonwealth government has an antishipping policy of direct government intervention to give foreign shipping companies an advantage to knock off Australian road, rail and shipping companies and, in so doing, to knock off Australian jobs. At last week’s Senate estimates hearings, the minister for transport’s junior minister, his partner in crime, Senator Macdonald, confirmed more than ever that the government believe that their policy is about destroying Australian jobs. He said:

I do seriously point out to the committee that coastal voyages from Melbourne to Perth … can get goods from Melbourne to Perth 30 per cent cheaper than rail. That is why we have these exemptions to our normal cabotage policy.

We have been confounded as to why the Minister for Transport and Regional Services let the Treasurer pocket the entire $220 million from the sale of the National Rail Corporation. The Australian Rail Track Corporation report—and the member for Richmond likes to go to the railway dinners on a quarterly basis but does nothing in terms of delivering to the railway industry—found that an investment of $507 million to upgrade our mainland interstate track would deliver radical efficiency improvements. We saw not one more cent for that project in the recent budget. The Treasurer, in fact, pinched the $220 million from the sale of the NRC and the minister for transport got rolled yet again—a little puppy dog running back to his kennel because he could not deliver on the important issue of railway infrastructure.

Mr Martin Ferguson—Prior to the suspension of the sitting I was dealing with the importance of the railway industry and touching on the government’s lack of a shipping policy. As I indicated, from Senator Ian Macdonald’s statements in the estimates committee last week it is now very clear that the Howard government wants foreign shipping companies to do Australian work. I contend that that makes a mockery of the newfound commitment of the Minister for Transport and Regional Services to an integrated approach to transport and the development of a national transport plan.

The minister also continues to surprise the opposition with the level of his disengagement from the portfolio, as is clearly evident in the area of aviation policy. Since he took responsibility for transport, aviation policy has cascaded from one damage control policy reaction to the next. We have had the avgas crisis, the multiple Ansett crises, the Qantas maintenance issue and the ongoing talk of the need for reform without enunciating the purpose of that reform, then not delivering on it in any way.

Let me refer to recent developments in the aviation industry. With the battleground strewn with the remnants of the last airline war, what happened this week? The minister advocated a third carrier. He actually went further than that: he stated that the policy framework has already been established by him for that purpose. The only policy framework seems to be that of Adam Smith and the invisible hands—I contend that John Anderson has been sitting on his hands and has left the policy to run itself. The other Mr Smith has come to the rescue—none other than Mr Dick Smith, an especially important friend of the Prime Minister. The minister has turned to Dick and the other learned gentlemen to tell them what to do on airspace management. There is not one expert on airspace management policy and not one air traffic controller amongst them involved in the process. But Dick Smith is popular, so the minister hopes that he can deliver for him one popular aviation policy. The opposition is watching. The jury is out on airspace reform and it will stay out until some experts—not the razor gang—get to look at it.

Sitting suspended from 6.30 p.m. to 8.00 p.m.
The jury is also clearly out on the minister’s lack of focus with respect to his failure to determine and develop a proper aviation policy.

The same can be said when it comes to roads and infrastructure. At the last election the Labor Party had a clear proposal to establish a national infrastructure advisory council. I remind the House that that proposal was mocked by the Minister for Transport and Regional Services in the lead-up to the last election. He claimed that it would be a Canberra-centric, top-down approach to infrastructure development and, if anything, would generate no activity at the local and regional level.

With respect to the minister’s announcement concerning infrastructure, I had hoped that the minister would have embraced our full proposal rather than half our proposal. But there is a strange contradiction in the Howard government’s thinking on transport. If the AusLink plan is such a revolution in thinking, why was it not mentioned or costed in the budget? In fact, if it were so deep in the heart of the minister—if he were truly committed to a more integrated approach to transport funding and a national land transport plan—he would have mentioned it in his election policy. If the minister is so proud of his plan for future transport infrastructure, he should explain why $300 million was cut from road funding over the next two years.

The member for Paterson clearly understands this, because he was called upon to explain those cuts in recent times in his own electorate.

The minister clearly did not tell the truth about the cost of his promises during the election, and he still refuses to come clean on those very important issues. The opposition has therefore asked the department whether any analysis was done on the impact of those road funding cuts on jobs in the affected areas. The answer was no. As long as the minister could have the cover—the thin veil that it was—that he could meet his election promises, no care was given to the implications that it would have on the ground: on families, jobs and regional communities.

The minister for transport refuses to acknowledge that he has played with the formula for maintenance on national highways in a bid to save money. So much for saving lives and preventing road accidents. The AusLink plan also ensures that the blinkers stay on over the problems surrounding urban congestion. It is now up to the minister to come clean and tell the Australian community which projects will miss out on funding due to these cuts and what impact that will have on jobs. The issue of AusLink has no credibility without more money. It has no credibility if it is designed to avoid responsibility for national highways and to put more responsibility onto the states and territories to do the job that the Commonwealth should be doing. Senator Macdonald told us in the estimates that AusLink will be the big money that will come later. I wonder whether the Treasurer knows that, or is it another endeavour by the government to deceive the Australian voting public?

That brings me to the issue of the sale of Kingsford Smith airport. I firmly believe that part of the proceeds, which are expected to be about $4.5 billion, should go in part to some of the worthwhile infrastructure projects that are demanding attention around Australia. I call upon the government this evening to think about investing in those projects, because the lack of infrastructure development on the drawing board represents a barrier to investment, jobs and economic growth in Australia.

I challenge the minister to stand up for regional Australia, for the Department of Transport and Regional Services and for infrastructure requirements and to demand that the Treasurer hand back some of the money that will come from the sale of Kingsford Smith airport so that it can be invested in worthwhile infrastructure development. Again, it is a question of whether he will stand up and argue for the priorities in his portfolio or, alternatively, whether he will merely roll over again as the Treasurer pushes him aside, as he has continually done since the minister was sworn in as Minister for Transport and Regional Services after the last election.

In conclusion, the recent speculation about the merger of the Liberal and National parties might hold the key to the coalition’s...
hollow promises and lack of interest. In just one fell swoop the cat has been let out of the bag by Senator Minchin: regional Australia clearly has no standing with or respect from the coalition government. This news comes at a time when people are questioning the relevance of the National Party—and so they should. I remind the House that the Treasurer’s budget outlined no plans for the future of the bush nor did his Intergenerational Report address the development of Australia’s regions and associated infrastructure needs.

We are all aware that the ‘Liberalised Nationals’ agree wholeheartedly that the Commonwealth should not be in the business of controlling such an important part of Australia as its telecommunications industry and that there is a requirement to have a regional development policy and to do something about urban congestion. The cracks can be clearly seen in their failure to do something serious about telecommunications infrastructure. How can rural and regional Australia have any confidence in the so-called party for the bush when it succumbs at every turn to the city-centric, Liberal-heavy cabinet dominated by the Treasurer, who has no regard or respect for regional Australia? It is up to the Deputy Prime Minister to defend the turf of the National Party and, in doing so, to guarantee a future for regional Australia. (Time expired)

Mr BALDWIN (Paterson) (8.08 p.m.)—I rise to speak on the Appropriation Bill (No. 1) 2002-03. When you compare Australia to other nations around the world, our economic record is leading the way. In 1996, the coalition inherited spiralling debt, crippling interest rates and exorbitant unemployment levels. The government has had to make tough decisions to get the economy back on track and to make sure that we were well placed to weather the storm of a world economic downturn. Today, those tough decisions in previous budgets have paid off and the decisions that were made then have kept us on track today.

At the end of the financial year, the government will have paid off over $61 billion of Labor’s debt. Australia’s interest bill is $4,750 million a year less than it was under Labor. That $4,750 million of savings is being invested in better things like health and education. Low interest rates combined with the first home owner grant have enabled people to buy their first home and stimulate the economy through the building sector. Australian home buyers are now paying $350 less per month on a $100,000 home mortgage than they were paying when Labor was last in office. Growth in 2001 was higher than in each of the world’s largest seven economies and was twice as fast as the OECD average.

These achievements were made by the government and the community working together and they finally broke the chains of poor economic management that we had suffered for so long at the hands of the Labor Party. The 2002-03 budget takes responsible actions to ensure that we meet the challenges of today so that they do not become the entrenched problems of tomorrow. The budget will help keep Australia safe and secure and our economy strong while delivering in full on all of the coalition’s election pledges. For the first time ever, the budget includes an Intergenerational Report which gives us an idea of what spending pressures will influence governments in 40 years time. The budget estimates strong economic growth to continue at 3¾ per cent next year with a budget surplus of $2.1 billion, while unemployment is forecast to fall to six per cent.

In the aftermath of September 11, greater resources are needed for the war against terrorism and the government will greatly increase defence spending by $1.3 billion over 2000-01, bringing total defence spending to $14.1 billion. We will spend an additional $1,300 million over five years to upgrade security within Australia. This new funding will create a second Australia Defence Force Tactical Assault Group, a permanent incident response capability, and will double the Australia Federal Police strike team capability. Unlike the Labor Party, the coalition is committed to strong border protection and maintaining the integrity of the immigration program. This government will spend $1,300 million over five years to improve aviation security, assist in identifying possible security threats and increase Australia’s capacity to respond to security incidents. There is an
increased commitment to process illegal arrivals offshore ensuring $350 million in savings through reduced onshore processing. The coalition is providing more than $75 million over four years for a regional cooperation agreement to fight people-smuggling and unauthorised migration in transit countries. Strong border protection is supported and the government will bolster its policy by increasing funding by $908 million over the next four years. Our stronger border protection is working and there have been no unauthorised boat arrivals to Australia since December last year.

Parents of small children will receive tax relief through the coalition’s promised baby bonus available to parents of a child born on or after 1 July 2001. Parents can receive up to a maximum of $2,500 a year until the child turns five. Aged people will in the future require better residential and community care services, and I am more than happy to say that the coalition is delivering nationwide with an additional 6,000 community aged care packages to address this demand—another item that was ignored and abused by Labor.

The government is also boosting funding for carers of older people and people with disabilities. The total new funding for aged care and for carers comes to $654 million over four years. The coalition government is addressing health needs by spending an extra $80 million over four years on doctors for outer metropolitan areas while around $73 million will be spent over four years establishing up to six new radiation oncology units in regional Australia.

From 1 July 2002, qualifying low income earners who make personal superannuation contributions and have annual incomes under $32,500 will benefit from the government’s co-contribution of up to $1,000 per annum. In addition, self-employed people will be able to claim a full tax deduction for up to $5,000 of superannuation contributions compared to $3,000 currently.

I am pleased that veterans who are 70 years old and who have qualifying service will be given a gold card enabling them to access the full range of repatriation health care benefits. The government has also decided to index the ceiling rate for the war widows income support supplement twice yearly, which will ensure payments to lower income war widows keep pace with other pensions. This coalition government has also decided to further encourage the apprenticeship system by providing a subsidy to employers of $1,100 for each new apprentice attending a training course in new and emerging areas of industry. This measure is expected to assist 25,000 new apprentices over four years. It is these initiatives that are helping the people in my electorate of Paterson. For example, Port Stephens has one of the lowest unemployment rates in New South Wales. I would like to address some of the specific initiatives during this debate about what this budget means for Paterson.

In budget 2002-03, RAAF Base Williamtown will receive over $17 million as a part of a large ongoing budget. This is a significant investment in not only the base but the region as well. RAAF Base Williamtown is a vital part of the economy and community within Port Stephens and this government will be supporting those families. Funding in the recent budget includes $2 million for a new child-care centre to be located on the base. The centre will provide 50 to 60 places with preference given to Defence Force families. Funding of $10 million has also been committed to RAAF redevelopment and the airborne early warning and control works. The works will provide the new AEWAC precinct—comprising a headquaters and maintenance complex for the AEWAC squadron; aircraft parking aprons with hydrant refuelling capability; a new fuelling arm; new ordnance loading aprons; and improvements to the base engineering services, runways, taxiways and airfield lighting.

The remainder of the $17 million will go towards the lead-in fighter works, the Duck Hill radar works, the installation of dehumidifiers in the aircraft shelters, the Salt Ash weapons range perimeter fencing, the relocation of the Defence Materiel Organisation tactical fighter systems program office and weapons training simulation. Again, this is a
significant investment in RAAF Base Williamtown and secures thousands of jobs that derive from the base. It also supports local Defence families who are an integral part of our local community.

The budget also confirms an election promise on the Buckett’s Way. This road is one of the most notorious in New South Wales and stretches 158 kilometres from just north of Raymond Terrace up through Stroud, Stratford and Gloucester before coming back through to Nabiac. There are works that have been carried out on the road but some of the areas, in particular between Limeburners Creek and Gloucester, remain in a shocking state. The issue of fixing the Buckett’s Way has been a problem for many years. The road itself is a state government and council road and will take a considerable amount to fix completely. The councils affected include Great Lakes Council and Gloucester Council, who spend a great deal of ratepayers’ money each year on the roads.

In my first speech this year I talked about the cost shifting that has occurred in New South Wales. More and more services are now being administered by local councils that used to be the responsibility of state governments. But councils have not been fully compensated financially for picking up those extra services. It places councils in a very difficult situation, particularly when they have to spread their funds across a number of services and costs including roads. This funding commitment of $20 million starting from 2003-04 will help councils with this burden of helping to maintain the Buckett’s Way.

I remind people that, even though this is a state and local council road, the federal government has seen the need and the benefits that will come if Commonwealth investment goes into this area. It is an investment that was never made by the federal Labor government; it was a commitment that could not be matched by the Labor Party during the election campaign. On hearing the state budget this afternoon, the state Labor Party has put aside a measly $6 million over three years. Once again, the Labor Party has walked away from its responsibilities in regional and rural areas. I am committed to making sure these funds are delivered in full to the people of Paterson, and I am pleased this election commitment should start rolling in this term of government.

In regional areas, it is vital that all levels of government provide quality infrastructure. Good roads are good for business, good for farmers and good for safety. It makes sense to make significant investments in roads because the investment brings benefits to the wider community. For too long now road projects in New South Wales have been directed towards Sydney and not the regional areas. Billions of dollars have been poured into Sydney while state roads in Paterson have been simply neglected.

Take the Medowie Road, for example. Again, it missed out in the state budget today. I do not know how many local people have driven along this road and had their tyres damaged or windscreen smashed. But this is a road that is vital for the growing area of Medowie and the Tilligerry Peninsula. More and more families are moving to this part of Port Stephens, and on the current trend the number of services to this community will need to be increased. Again, good roads are good for the community.

Take the Lakes Way, for example. I met with business people in Forster-Tuncurry some months ago and we discussed some of the most pressing issues. Surprise, surprise—the Lakes Way is one of those issues. This road is one of the worst in New South Wales and again has been ignored by the New South Wales Labor government. It stretches just passed Bulahdelah through Pacific Palms and on into Forster-Tuncurry. Tourism operators have told me that when tourists phone them to arrange travel they ask: ‘Which is the best way to drive—the highway or the Lakes Way?’ The tourism operators told me that, even though the Lakes Way may provide the most scenic route, they could not advise people in all seriousness to take this road. They were too concerned about the dangers that this road imposes on motorists—which is highlighted by the number of fatal accidents—to advise tourists to take the Lakes Way. It is a road that also needs major funding and has been a major financial cost for the Great Lakes Council.
Another specific program that I would like to mention in this debate is TV black spots. TV reception in Port Stephens, and in particular the bay area, has been impossible for some residents. For many years, residents living in Shoal Bay, Fingal Bay, Corlette, Nelson Bay and Lemon Tree Passage have been unable to see their local news. They have been unable to tune into local TV stations in the same region. However, digital testing has been taking place in the area over the last few weeks and for some people this has helped with their TV reception problems. For those whose screens are still a blur, this government has made a commitment to making the bay area in Port Stephens a major priority under the alternative technical solutions program. The bay area has been eligible for funding under previous funds for TV black spots but they have been unable to receive assistance due to the lack of available broadcasting spectrum or viable analog re-transmission solutions.

The budget 2002-03 delivered an extra $13.3 million towards the alternative technical solutions program. Funds will be allocated to community and local government groups towards the cost of establishing alternative technical solutions including direct-to-home satellite reception facilities for individual homes, local area cabling or digital multi-channel self-help rebroadcasting facilities. This additional funding builds on the coalition’s commitment to fix 200 to 250 TV black spots but they have been unable to receive assistance due to the lack of available broadcasting spectrum or viable analog re-transmission solutions.

This is the first time that any government has taken any action towards innovative solutions to the long-running reception problems that cannot be fixed by way of analog re-transmission. This program is helping communities like Forster-Tuncurry, for which over $83,000 was announced in December last year to fix transmission for 375 households. The funds are going towards the construction of a tower in Forster and will provide SBS, ABC, NBN, Prime and NRN TV. The TV black spots program is also helping towns such as Booral and Stroud. This particular area has been affected by both poor TV and poor mobile phone reception. For the first time, a government is taking the matter seriously and looking at improving both of these problems for this area of regional Australia.

These are three specific examples of how this budget will help the communities in Paterson: helping in roads, defence and TV black spots. We should also look at what has been said about the budget since it was delivered on 14 May. In our own area of the Hunter Valley, the Newcastle and Hunter Business Chamber said:

A responsible budget, the Government has maintained strong defences for low interest rates and continued growth.

They continued:

The Business Chamber was pleased the budget confirmed funding for initiatives announced before the election including the Small Business program and continued funding for Isonet and the Supplier Access to Major Projects.

The Information Technology apprentice incentives will address the skill shortage in this important area and will develop future capability.

In the area of innovation the Business Chamber welcomed funding for the new Premium Rate Tax Concession, the Rebate for Small Companies and the extension of the COMET Program to improve commercialisation skills.

Another important area is represented by the National Farmers Federation, which said:

It’s a responsible Budget and I think it’s a Budget that will enable the business of agriculture to continue to grow.

Health is important to us in Paterson, so we welcome these comments of the National Rural Health Alliance:

The investments made in rural health two years ago in the 2000 Federal Budget have been protected in this year’s budget.

And business is very important, so I welcome the announcement from the Business Council of Australia, which said:

It’s a very solid Budget reflecting the Government’s good economic management.

They go on and on in praise of the budget. Unfortunately, those who sit opposite have blinkers on. As I said in an earlier speech today, they seem to be the Rip Van Winkle of politics because they have an ability to
sleep through their own economic crisis that they delivered to the people of Australia and in particular those in Paterson. There were people driven out of their farms in Paterson and people driven out of their businesses in Paterson because of Labor’s economic mis-management. I am sure we are going to hear the member for Shortland rabbit on about how tough this budget is and how projects in her area did not get funded, but there are a couple of simple questions to ask the members in the Hunter from the opposition benches: what projects did you actually take the time to lobby for and put forward? The answer is probably none.

The other area that I am disappointed that the Labor Party in New South Wales walked away from today was the Energy Australia Stadium, otherwise known as Marathon Stadium. Today they received no funding. The state government walked away from a state government owned facility. It is the responsibility of the New South Wales state government and again they shirked it. Bob Carr came up to the Hunter a couple of weeks ago with a couple of trinkets, trying to buy us off over why the Hunter did not receive any support at all for the World Cup rugby games. We have World Cup rugby games going to Tasmania, going to Wollongong, going to other places but not to Newcastle. Why? Because Bob Carr and his Labor mates, with the support of the people in the opposition benches, refused to support the people of the Hunter in bringing a sporting event like the World Cup rugby to the Hunter. They would not invest in their stadium. They walked away from it.

Those that live in the safe seats in the Hunter, those that turn up to the ballot box each and every election and just put in that vote for the Labor Party, need to understand that the Labor Party has taken them for granted election after election and done nothing for the area. They have dogged it on roads; they have dogged it on hospitals; they have dogged it on police numbers; and, to the dismay of Andrew Johns and all of the players in the Newcastle Knights—who will again win the premiership and the grand final this year—they have walked away from the stadium.

There are very few projects that bring the community together like the Newcastle Knights and the need for funding for a stadium. But Michael Egan and Bob Carr discounted that today. I am very disappointed in the state government, which owns the facility yet walked away. It shows that the member for Newcastle and the member for Shortland—indeed, all of the Labor members in the Hunter—have absolutely no ability to deliver dollars for their area.

Ms HALL (Shortland) (8.28 p.m.)—In speaking to Appropriation Bill (No. 1) 2002-03, I refer the member for Paterson to the reports in the *Newcastle Herald* that followed the federal budget. They were scathing. The *Newcastle Herald* said time and time again that the federal government ignored the Hunter and delivered nothing to the Hunter. They were particularly scathing of what was happening in Paterson. So I really would like to point out to the House that the member for Paterson has nothing to crow about, because this government has not delivered to his electorate. He has sold out the people that voted for him, and they will remember it at the next meeting. The member for Paterson made a comment about not Marathon Stadium but Energy Australia Stadium, as it is called. I refer the honourable member to the press conference held by Michael Egan after he delivered the budget, where he said that once a formal submission was presented to the government then of course that project would be considered properly.

The federal government totally ignored the cries of the people of the Hunter, yet they gave $12½ million to NorthPower Stadium, which happens to be in the Robertson electorate. They also gave money to a basketball stadium in the member for Paterson’s electorate. I had a conversation with the member for Paterson before the budget was brought down, and he indicated to me that he did not support the federal government giving any money to Energy Australia Stadium. I feel that he stands condemned by his own words.

Mr Baldwin—Madam Deputy Speaker, I rise on a point of order. I am afraid the member for Shortland has dramatically misled the House on that statement. I never made that
statement to her. What I have said is that it is the responsibility of, and is owned by, the state government. They need to address the issue in the first place.

The DEPUTY SPEAKER (Ms Gambbaro)—There is no point of order.

Ms HALL—The Treasurer and the Prime Minister in this budget have delivered to all Australians what could be considered a very disappointing budget. It is a disappointing budget to the people of New South Wales, to the people of the Hunter, to the people of the Central Coast and to the people of the Shortland electorate. It is an unimaginative and mean-spirited budget that attacks those people who rely on the government for security. It is a budget that delivers a deficit to the people of Australia. It is a testimony to the Howard government’s poor economic management and to the pre-election spending spree.

Prior to the 2001 election, the Prime Minister said that he would do whatever he needed to do to win the election—and blowing the budget surplus is what it took. He launched on a vote buying spree. He spent $20 million a month on an advertising campaign, trying to sell what he had done and buying the votes of the Australian people. The Treasurer would have us believe that the deficit has resulted from increased funds being allocated to defence and border protection. That is not true. Even if there had been no new funds allocated to defence and border protection, the budget would still have been more than half a billion dollars in deficit. These are the sorts of things that the member for Paterson does not tell the House. This budget is testimony to the government’s poor economic management, which has led to high interest rates, the doubling of household debt, the tripling of credit card debt and rising unemployment. It is not a pretty picture for the future of Australia. This is a budget that fails to deliver to the people of Australia on health, education, basic services and a secure future.

One of the issues that has been of great concern to the community I represent here is the failure of doctors to bulk-bill. There has been a decline in bulk-billing since this government came to power. Throughout Australia, the bulk-billing rate now is 74 per cent—that is Australia-wide. Unfortunately, it is not so high in the electorate I represent. In the Central Coast part of the Shortland electorate, 63 per cent of all doctors do not bulk-bill, 28 per cent partially bulk-bill and only nine per cent bulk-bill. This is a really disgraceful situation. There is no action in this budget that will move towards correcting that. These figures come from the Central Coast Division of General Practice, so I can assure the House that they are correct. My office rang 22 general practices in the Lake Macquarie part of the electorate. Of those 22 practices, 16 GPs do not bulk-bill at all, five partially bulk-bill and one fully bulk-bills. That equates to something like 72.2 per cent that do not bulk-bill, 4.5 per cent that do bulk-bill and something like 22.7 per cent that partially bulk-bill. This is a disgraceful state of affairs and something that this government has done nothing to address. I refer the member for Paterson to his own electorate, and I can assure him that he will find similar sorts of bulk-billing numbers.

There is a severe doctor shortage on the Central Coast. People are having to wait between seven and 14 days for an appointment.

Mr Baldwin interjecting—

Ms HALL—In relation to the 150 GPs that the Treasurer in his speech said would be allocated to outer metropolitan areas of the six state cities, I argue very strongly that some of these GPs be allocated to the Central Coast. The parliamentary secretary wrote to me and said that in the Wyong Shire there was no shortage of GPs, that there was actually an oversupply and that the situation there was better than the national average. I would like to refer the parliamentary secretary to the fact that the national average is one per 1,000 people and in the northern part of Wyong Shire it is one per 2,500 people. The government needs to act and to put in place in the northern part of the Wyong Shire some initiatives like those outlined in the budget.

Mr Baldwin interjecting—

Ms HALL—This is forcing doctors to use outpatient services at the public hospitals.
This is cost shifting from the state to the Commonwealth. Instead of the services being provided by the Commonwealth through Medicare—

*Mr Baldwin interjecting—*

**The DEPUTY SPEAKER**—Member for Paterson, order!

*Ms HALL*—Thank you, Madam Deputy Speaker; it is about time he was called to order, I might say. There is cost-shifting because the money that should be going towards paying the doctors rebate through Medicare is not being paid. People have to wait so long to see their doctors that they need to go to the hospitals.

One of the first acts of this government was to remove the Commonwealth dental health scheme. Unlike the federal government, the New South Wales government has today allocated $16 million in its budget to dental health care. This will allow 4,000 pensioners to get new dentures and will provide for 10,000 dental treatments for other patients. This government’s failure to meet the needs of the Central Coast and the Hunter—the area that the member for Paterson supposedly supports—is a crime, an absolute disgrace. What we want is fairness. What we want is a government that considers all Australians, not just the few. Once again, all we have seen from this government is cost-shifting to the states from the Commonwealth.

We have had a major increase in private health insurance of $150 this year, and the government has approved this. What happened with pharmaceutical benefits was very mean-spirited and it has created fear and trepidation among older people and families in our community. An elderly person came to my office last week and he said to me, ‘What does the government want to do? Do they just want us to crawl under a stone and die? They just keep taking and taking from us. We can’t cope anymore.’

I will just touch on the Pharmaceutical Benefits Scheme. I was at a shopping centre the other day, and some grandparents came up to me. They were minding two of their grandchildren, because their daughter had another two children who were sick. She had gone to the doctor the day before and her children had had to get prescriptions for antibiotics and so did she. It cost her $98. With an increase of $6.20 in the price of pharmaceuticals, it is going to be even greater. I know that when my children were younger I could not afford to pay that sort of money to get the prescriptions my children needed. I also spoke to a single pensioner that day who is on the disability support pension. She has 14 prescriptions a month and 15 tablets a day. She was very disturbed about the changes to the system and was very worried about how she was going to cope. It is going to lead to a situation where people are going to have to choose between the medications they take. They will be given two different prescriptions and they will have to decide which one they will take. This will lead to an increase in illness, greater hospitalisation and poorer health outcomes.

These cuts are being driven by the Intergenerational Report, a report that the Treasurer is using to justify health cuts and to use older Australians as scapegoats for the government’s poor economic management. There are many factors involved in rising health costs. An ageing population is one but it is by no means the most important. Technological changes are at the forefront of increased health costs, and per capita costs have increased—that is, it is rising health costs rather than the proportion of older people in the community. There has been a rise in per capita health costs and it is not related only to the number of older people in the population.

When the government does not have an answer to a problem, it attacks the most vulnerable in our community. There is no new information in the Intergenerational Report. It is not a blueprint for the future, and there are no creative initiatives. It amounts to a failure to plan and commit money to services which will allow older Australians to live useful lives in the community. The government should be putting extra money into programs like HACC, planning how it is going to cope with changes in the population in the future and introducing incentives to encourage young people to have families—not incentives like a baby bonus, which
benefits only the most wealthy in our society. We need initiatives that are going to benefit all Australians equally.

What the Treasurer and the Prime Minister are about is targeting Medicare and universal health care and justifying their privatisation agenda. From this budget and the statements being made on the other side of the House, it is obvious that nothing will save Telstra as far as the government is concerned. All it is interested in is privatising Telstra at all costs to pay for its budget blow-out.

Aged care is an area that I am most concerned about. The government has saved $1.52 million with its phantom beds and it is planning to save another $174 million next year. It promised an extra $50 million, yet all it does is cut and cut. Shortland electorate is the 16th ‘oldest’ electorate in Australia. Despite my many pleas and representations in this House, the government has failed to listen. Data from June 2000 shows that there are only 37.2 high-care beds available per thousand people over the age of 70 in the electorate. That compares to 50.9 beds throughout Australia. Obviously, this government definitely plays favourites. There are 28.4 low-care beds per thousand people over the age of 70, and that is even worse than the other figure. When it comes to community care packages, people in my electorate are gravely disadvantaged, with 1.8 packages available per thousand people as opposed to 10.6 per thousand throughout the whole of Australia.

This is a very hard and uncaring government, and we only have to look at what has happened with the disability support pension to see that. As somebody who worked with people with disabilities for in excess of 13 years and helped them to find work, I know that this is not the way to achieve a positive outcome for those people. I know that people need to feel secure about what they are doing. They do not need a government that is just going in there to cut costs. To be successful with helping people with disabilities re-enter the work force, you actually have to spend some money. When I look at the one issue that could have helped people generally with finding work—the working credit scheme—I see that it is being deferred by this government.

This government has put nothing into education in this budget, and it has particularly worked against those people attending public schools. There is nothing for public schools, which 70 per cent of students attend, and education costs have been adjusted by 19 per cent, as opposed to 27 per cent for private schools, non-government schools. I have a list of the capital works needs of one school in my electorate, Mount Hutton: ‘asphalt for car parks, no toilet blocks for students, bottom fields resurface, a classroom, efficient permanent library, full enclosure of school staff room’. When the federal government fails to give funds to the states, it is very hard for state governments to be able to spend money on these.

One issue—one of many issues actually—I feel I would like to raise with some vigour is the government’s much touted Roads to Recovery program. I have been in touch with both my local councils. Both have said that there has been a deferment of funding for this year. The program of Lake Macquarie council’s funding for 2002-03 has been reduced by one-third. The government says, ‘Okay, we’ll make it up to you in the future,’ but the fact is that costs increase, they will not be able to do the same amount of work with that level of funding, and the council has been forced to cut its kerbing and gutting and road-sealing program as well as this by $300,000. It is a very sad state of affairs when the government actually promises something to local government and then reneges on its promise, particularly when its cutbacks are to pay for its election spending.

The federal budget has really hit councils very hard, and it is likely to result in the direct loss of about four jobs in most council areas. There was a similar situation with Wyong council. Like Lake Macquarie council, they have had a deferment of their program till next year. This is very difficult for councils because they have urgent roadworks that need doing, they have made commitments to staff and they have employed people—and now the government has turned around and said, ‘Bad luck, we’re going to defer it. To say this is a despicable budget is
Tuesday, 4 June 2002

an understatement. To say this is a disappoint- ing budget is an understatement. It is a bad budget. It is a mean budget. It is a budget that will hurt many of the people I represent in this House and many of the people that the member for Paterson represents. This is a budget that will not solve the bulk-billing issue and GPs shortage in Lake Macquarie and on the Central Coast. It is a budget of missed opportunities, one that will only deliver despair. (Time expired)

MRS DE-ANNE KELLY (Dawson) (8.48 p.m.)—I will ask the member for Shortland to stay for a moment because I want to remark on something that struck me tonight. I have been in the parliament for seven years and I have never risen to speak when there has been a woman as the Deputy Speaker, a woman as the minister at the table, a woman as the shadow minister and when I have followed a woman speaker and a woman speaker will follow me.

The DEPUTY SPEAKER (Ms Gambbaro)—I thank the member for Dawson.

MRS DE-ANNE KELLY—Tonight, despite the political differences, I feel in the company of fellow women, and I wish them personally well in the parliament. It just struck me that we were all here and that it was not a moment I had experienced before. It was lovely to see women on all sides of the political spectrum here at once tonight. To my female colleagues: I wish you personally well if not always politically well.

After that little sojourn, I would like to speak tonight on the Appropriation Bill (No. 1) 2002-03 and the Appropriation (Parliamentary Departments) Bill (No. 1) 2002-03. As I said to my constituents, the 2002 budget is one for the tough times. It is one for the involvement by Australia in the war against terrorism to continue securing our nation’s borders, to increase domestic security and to fairly share the costs of an ageing Australia 40 years from now. So it is a matter of securing our borders and securing our future for our children. This is a budget that acknowledges a less secure world since September 11, and I think all of us would have watched with very mixed emotions the removal of the final rubble from the World Trade Centre site. It reminds us so readily that a government’s first responsibility is to defend its own people. This budget acknowledges—and delivers the capability to carry out—this responsibility. It will provide $194 million to maintain the government’s commitment to the international coalition against terrorism, both in Afghanistan and the Persian Gulf. It also provides for a doubling of the Australian Federal Police strike team capability and the establishment of a permanent Australian Defence Force tactical assault group on Australia’s east coast to complement that based in Western Australia.

I have to say I am very pleased to see at the table the Minister representing the Minister for Defence, and I have no doubt that she is very supportive of these initiatives. It is great to see her here tonight while this very important debate on the budget and, more significantly, on securing our borders takes place in the House. This budget will establish a permanent incident response regiment to respond to potential chemical, biological, radiation and nuclear incidents. Sadly, the world has changed and many of its democratic countries are now subject to such threats. The budget provides for a doubling of National Maritime Unit and Coastwatch surveillance.

But this is also a budget for the tough times in the future, and it provides for our families. There has been a wide ranging debate in the broader community about Australia’s declining fertility, about how we encourage families in a country where so many of us are driven by the necessity of dual incomes in our households. For those who since 1 July 2001 have known the joy of the arrival of their first child, the government has brought in a baby bonus, which provides $2,500 a year for the first child born on or after 1 July 2001. There will be 245,000 mothers—and, of course, their babies and their families—who will benefit from the baby bonus. Ultimately it will benefit 600,000 Australian families. I think that is a far more effective way of supporting families than looking at imposing this burden on their employer, perhaps in a rural or regional area. It is appropriate that, through the tax system, we address this necessity.
I am delighted that the government is delivering strong government and strong and responsible economic management. It is delivering not only in the national interest but also to support the Australian people—and they support the government. Shortly I will address the level of support that the Australian people have for this government. Regrettably, there has been a recent rise in official interest rates. However, Australians with a $100,000 home mortgage are still paying $300 less per month than they would have been paying under a Labor government. This budget is a responsible budget, as it rightly should be, and will result in a surplus of $2.1 billion. This surplus will be used to pay back the Labor government’s $96 billion debt legacy they left us in 1996. By the end of this financial year, the government will have repaid $61 billion of the Labor Party’s $96 billion debt. Australian voters had a very distinct choice in 2001. They looked at the Labor Party, who had a very poor record on interest rates, on delivering for Australians, on a future platform and on border security, and they made a very definite decision to vote for a responsible government that cared about Australia’s borders, that cared about families, that reduced taxation rates and plainly reduced interest rates. In my view, the Australian people will continue to support a responsible coalition government.

I would like to mention some of the highlights of the budget. One, of course, was the Export Market Development Grant Scheme. This scheme is of great benefit to small and medium size businesses seeking to build export markets for their product or services. Many of the small firms in my electorate, generally associated with tourism, take advantage of the Export Market Development Grant Scheme. These businesses are also involved in engineering and manufacturing. It is very significant that the payback from the EMDGs, according to the University of New South Wales, is that, for every dollar spent by the Commonwealth on EMDGs, there is a $12 return from exports. It is a very significant payback. In the past three months alone we have seen in excess of $100,000 delivered to five tourism businesses in the Whitsundays, one of which is Australia’s premier tourist destination. So this is going to mean an increase in the tourism business in the Whitsundays of $1.2 million.

I would also like to mention education. It is, quite rightly, high on the coalition’s priority list, with a new Minister for Education, Science and Training who is very focused on the benefits of education for young Australians.

Mr Hartsuyker—He is a good minister. Mrs DE-ANNE KELLY—He is indeed a good minister, as the member for Cowper has said. In 2002-03 we will see a record $6.6 billion go to Australian schools. Since 1995-96 Commonwealth funding for schools has risen by over 80 per cent—a very significant amount. State schools funding increased by a further 5.7 per cent over last year, and represents a massive 52 per cent increase since the government was elected in 1996—I repeat: 52 per cent. That is how much faith the Liberal-National government has in young Australians. Whether they be in non-government schools or government schools, every child deserves a quality education and an opportunity. As so many people in my electorate say, you ultimately give your children a loving home and the best opportunity in education. I am pleased that this is a government that believes in investing in young Australians. I am pleased to see that the budget is providing a further incentive for business to take on apprentices. Again, that is helping young Australians to embark on a meaningful career. Employers taking on a new apprentice while that person is still at school will be eligible for a $750 payment and a further $750 if they continue to employ them for within six months of year 12 completion.

In the time left to me I would like to turn to one of the very significant parts of this budget, and that is the Intergenerational Report. The last time an intergenerational report was mentioned was, of course, when we won government in 1996. The Treasurer really does have to be complimented on this report. It is the first time that a government has looked ahead 40 years to see not only the opportunities for us but also the situation for our children and grandchildren. It is the most significant document—perhaps the most im-
portant document—in our period of government.

The reality is for all of us that we cannot live off our children’s and grandchildren’s future. We cannot bequeath a legacy of costs from this generation to the next generation of Australians. A nation is made up of not only our senior Australians, quite properly, and those Australians in their middle years of family and career but also our junior Australians just starting their lives in this country. I am delighted that this is a government that has looked to the longer-term questions.

The Intergenerational Report, frankly, is a very provocative document. When you read through this, it is very challenging. Chart 5 says of projected Commonwealth spending by category that, when you look at education, by the year 2040 there is a modest fall in funding. For social safety net payments to individuals, there is a slightly modest rise. For aged care there is a rise but it is not that significant. But the big item that stands out is health. It goes from four per cent of GDP to eight per cent—it doubles in that period of time.

When you look in more detail at the Treasury projections for health and the components of Commonwealth health spending, you see the medical benefits scheme subsidy—again, with a modest rise but probably nothing that would not be expected. For hospital and health services there is a rise, but it is not too outstanding over a period of 40 years, and the ‘other’, including the private health insurance rebate, sees a modest rise but nothing really startling. The one set of figures that really is startling is the Pharmaceutical Benefits Scheme subsidy, rising from less than half a per cent of GDP to about 3.2 per cent. It stands out starkly. This is going to be the big cost burden in 40 years time.

It is quite clear from the report that doing nothing is not an option—well, there is always an option: we could do nothing and pass the problem onto our children so they have an even greater burden than we face, but they will not thank us for that and nor should they. Quite plainly, there is going to be a proportionately greater burden on services, including health and the Pharmaceutical Benefits Scheme, as the years go by. Left unchecked, the government of the day in 2041 would need to find another $87 billion in today’s dollars from the then taxpayers, who will be our children and grandchildren. It would be quite wrong of us to bequeath that sort of debt and cost to young Australians.

Quite clearly, there are many changes we can make now that will ease the burden in the future—and in fact benefit ourselves. We are going to have to provide more for our own retirement. We are probably going to have to work longer and retire later in life than we do at present. I am already heartened by the number of people I see in the community who are working into their late 60s and early 70s—and in fact finding it quite rewarding. We are going to have to take more responsibility for our own health. It simply is not a matter of lining up at the doctors. I take nothing away from those who need medical assistance, but in so many ways there is the opportunity for us to take responsibility for our own health—better diet, more exercise, some sensible measures to reduce our dependence on medical services. So it is about taking primary responsibility.

I want to return now to the charts showing the significant cost in 40 years time. As we have seen, the most significant costs are the Pharmaceutical Benefits Scheme and the disability support pension. Let me share with members of the House some of the changes that are being anticipated. Concessional cardholders will pay a dollar extra per prescription for up to 52 prescriptions a year, so we are looking at a total additional cost of $52 a year. General patients will pay an additional $6.20 for a prescription up to the point that they receive the safety net level of $874.90, or around 30 prescriptions.

Let me share with the House some of the costs that the taxpayer absorbs. For the number one drug on the PBS—Lipetal, for high cholesterol—$59.71 is the average price. For Lipex and Zocor, it is $60.86. But the most expensive drugs, when you look through this schedule, are undoubtedly Zyprexa for schizophrenia at $219.18, Zyban for nicotine addiction—in other words for giving up smoking—at $249.51 per prescription and
Zolodex for the treatment of prostate and breast cancer—treatment we would all be supportive of—at $726.08 per prescription. So there is no doubt that the taxpayer does very well by those who have a need for drugs. However there has to be a point at which people assume a level of responsibility for their own health and at which the government, quite rightly, asks people to absorb some personal cost.

There are those who have railed against these sensible measures, particularly those contained in the review of the disability support pension. Could I just share with the House an article that appeared in the Courier Mail on 18 May 2002 written by Michael Duffy. He said:

Up to 400,000 Australians are receiving a fortnightly Disability Support Pension cheque when they should actually be looking for work and receiving training and employment assistance from the Government.

For every person being placed into ‘work for the dole’ another 13 have been shoved off the dole. Despite massive improvements in medical technology, rehabilitation and personal health, more and more Australians are living on disability benefits.

In particular, this is a problem for men approaching the last part of their working life. Among the advanced economies, Australia has the lowest rate of labour force participation for males over 55 years.

Shamefully, we have given up on their chance of ever working again. One in every eight Australian men in their 50s has been classified as disabled. Even worse, amongst the 60-64 group one in four is on the DSP. It is no way to repay an older generation by calling it disabled and writing off its prospects of actively contributing to society through work.

Was this the Minister for Employment and Workplace Relations, the Treasurer or perhaps the Prime Minister? No, it was the member for Werriwa, writing in July 1999, in his halcyon days as the freethinker of the ALP. Sadly now he has been reduced to being a member of the opportunistic opposition frontbench. The member for Werriwa was right then, and he is right now but he just will not admit it. The problem is that the Liberal-National coalition government is going to do through this budget what he espoused then and what he probably still believes in. It will be interesting to see what happens under the Labor Party’s new leadership. I notice ‘Crean team loses budget bounce’ in one headline. In fact, they just cannot get a bounce. Since the election they have fallen back. It is time for the ALP to take the hard decisions.

Mrs CROSIO (Prospect) (9.08 p.m.)—I say at the outset of my speech on the Appropriation Bill (No. 1) 2002-03 that it is quite surprising how one person on one side of the House can read the budget and get a complete misunderstanding of what it is all about and we on the other side of the House can truly appreciate and understand what this budget is going to do to the people of Australia. This budget attacks the very core of fairness and equality in Australian society. It is a budget which cuts the heart of our long-held notions of a fair go for all Australians. According to the Newspoll published in the Australian on 21 May 2002, 44 per cent of respondents said that they would be worse off under this budget. This is the worst rating of any budget the Treasurer has delivered.

Before I go into detail of the many groups of Australians in my electorate who will be affected and disadvantaged by the budget, I would like to focus on what is not in this budget. In Labor’s reply to the budget we have said that budgets are about choices. Firstly, there is the issue of education. I disagree with the member of Dawson, because during the Treasurer’s budget speech he failed to make one announcement on the entire education system. There were not one mention of increased funding to public schools and there was no significant funding announcement for our universities. In fact, in the entire 2002-03 budget there is only $12 million in new measures for the whole Education, Science and Training portfolio. This is only a minor adjustment of 0.1 per cent of the total budget for education and training. This country needs an urgent and significant investment in its education system. There are over five million students in Australia’s schools, universities and TAFE colleges, but the new measures in this budget provide only an extra $2.50 for each student in the education system.
Also absent from this budget is any initiative from the federal government to protect 100 per cent of workers’ entitlements. This is an issue which I have pursued vigorously since I first introduced a private member’s bill in 1998 which would protect 100 per cent of all workers’ entitlements in the case of employer insolvency, which has now been taken well and truly on board by members on this side of the House. It has now been confirmed by the Department of Employment and Workplace Relations during Senate estimates hearings that this government’s so-called employee entitlements scheme, or GEERS, as they refer to it, is riddled with delays, shortfalls in payouts and cost overruns. Only 54 per cent of claims under the GEERS scheme are being met within 16 weeks, far short of the government’s target of 80 per cent of claims processed within the 16-week period. If you do not believe me, to the member for Dawson and other members in the House, it is in the portfolio budget statement 2002-03 at page 41. There is a shortfall between employees’ actual legal entitlements and what they receive. This has blown out now by $9.4 million. GEERS has paid out $37.9 million to date while the actual legal entitlements have been estimated at $47.3 million. The difference is due to caps placed by the government on redundancy payouts and salary levels.

Even with those caps, the GEERS scheme is costing taxpayers more than this Howard government had even anticipated. The department, the true public servants, have estimated that it will cost $68.8 million in 2001-02. The government has only budgeted $52.8 million: $40 million in last year’s budget and $12.8 million in the additional estimates. This projects a shortfall of $16 million. I ask where it ends. Is it going to be another $10 ticket like the Ansett tax, which the Prime Minister says is really not a tax, just a levy? The fact remains that the Australian Labor Party is the only party in this House with a comprehensive policy to protect 100 per cent of workers’ entitlements. How many more years will the workers of Australia have to wait until that 100 per cent of entitlements is protected through legislation? On the latest estimates, $140 million in entitlements are lost each year by the workers of Australia. I am sure that all Australians know that it will take the election of a Labor government to provide them with that 100 per cent protection.

Also missing from this budget is any truth to the government’s own claims to be competent economic managers. This government went into the last election promising the Australian people that all of the government’s policies and spending in the next year would be met and that we would still have—a budget surplus. We turn to this budget and there it is in black and white: the government has projected an underlying cash balance of $1.2 billion deficit and a fiscal balance deficit of $3 billion. The Treasurer has put the budget into deficit. It cannot get any simpler than that. That is $3 billion deficit, and it is entirely the work of Treasurer Peter Costello.

The deficit cannot be attributed to the war on terrorism, as the Treasurer would like us to believe, because total new defence spending on the war on terrorism, border protection and domestic security is $400 million for this year. Rather it is the fact that this government lacks the insight and the talent to come up with cost-effective and sensible policies to tackle the problems which currently face this nation. It is the same classic old line from this government: one story before the election, promise everything under the sun, promise a budget surplus before the election; and deliver the complete opposite afterwards.

In 1998-99 it was estimated that the 2002-03 budget would have a surplus of $14.6 billion. Yet by the time the budget was brought down, this figure had collapsed to a $1.2 billion deficit. In my reckoning, that is a $15 billion deterioration. If we cast our minds back to 26 September 2001, shortly before the election, the Treasurer announced the final budget outcome for the year ending 30 June 2001 showed an underlying cash surplus of $5.6 billion. Where has the money gone? Between the final budget figure for 2000-01 and the budget figure for 2001-02 announced in the recent budget, we have gone from an underlying cash surplus of $5.6 billion before the election to a $1.2 billion defi-
cit and, on my calculations, that is $6.7 billion which has gone in one financial year.

The question needs to be asked: where has the money gone, Mr Treasurer? We know that between the final budget outcome announced in September 2001 and the budget announced on 14 May a federal election was held. We also know that the Howard government spent millions on government advertising. We know that the Howard government has lost billions of dollars on overseas currency swaps. The Treasurer still failed to deliver a precise figure on the cost of their so-called Pacific solution for asylum seekers. Perhaps these are just some of the areas where that $6.7 billion of taxpayers’ money has gone.

This government now has the dubious title of the highest taxing government in Australia’s history. They are receiving more revenue in taxes than any other government in history, but all they can produce is a $3 billion budget deficit in this budget year and a projected wafer thin surplus for next financial year. We now have a Prime Minister who, as we have seen from the Senate inquiry into the ‘children overboard’ affair, is content to say one thing before an election and another thing after—I believe, deliberately misleading the Australian people. We also have a Treasurer who misleads the Australian people by promising a budget surplus before an election and delivering a deficit after—a deficit that I believe has left the Howard government’s credibility in tatters.

I now turn to the true devil in the detail of this budget—that is, the changes to the disability support pension. Proposed in the budget is a change to the number of hours a person can work per week and still claim the pension, from 30 hours or more to 15 hours or more. The recent data provided by the minister shows that there are 12,500 people in my own electorate who claim the disability support pension. Many of these people suffer some sort of disability which often prevents them from taking a full-time job—in fact, it is impossible—and thereby making a significant improvement to their financial situation.

The impact of the new work criteria could move many of these disability support pensioners, with the capacity to work 15 hours or more a week, on to the Newstart allowance, resulting in a loss of $52 a fortnight as well as a loss of other vital benefits. By moving from the disability support pension to the Newstart allowance, these people will also lose access to their pensioner concession card, which entitles the holder to a range of concessions. Those concessions include a reduction on property and water rates, a reduction on energy bills, a reduction in fares on public transport, a reduction on motor vehicle registration, four single or two return first class rail travel journeys on Countrylink services anywhere in New South Wales, and telephone account concessions—just to name a few.

During question time in the days after the budget, I asked the Prime Minister whether he could guarantee that David Smith, who suffers from spina bifida and works more than 15 hours per week, and his wife, Tannia, who is a virtual quadriplegic and also works more than 15 hours a week, would not face a cut of $52 a fortnight because of this budget. The Prime Minister offered no guarantee to David and Tannia that their pensions would not be affected. Also, when Simon Crean, the Leader of the Opposition, mentioned this exact same case in his reply to the budget speech, the Treasurer was heard to interject asking the Leader of the Opposition, ‘Do they exist?’ I believe that that comment shows to all Australians the attitude that this government has towards people with disabilities. The government’s attitude is that, if you are not able to work for one reason or another, you are a layabout and, if you are on a pension for any reason, you are a bludger.

I can assure everyone in this House that this is not the attitude of the Labor Party towards people with disabilities and we will fight these changes tooth and nail. We understand that disabled people already face enough hurdles in trying to find employment, and when they do find employment many disabled people feel a great sense of self-esteem and they take a lot of pride in their work. Governments of all persuasions should do all they can to encourage disabled people to make the transition into the work force, but this budget only serves to punish those people on disability pensions who are
even fractionally able to work for more than 15 hours per week. This government has made no secret of its intention to tighten up the welfare system, and there is a strong case for stamping out abuse of the welfare system. However, in my electorate many honest people have already been the victims of this government’s handling of the social security system and it looks as though this is likely to continue.

Recently, two people in my electorate who are both blind contacted my office because Centrelink had sent them an assets and income form in the mail, asking them to declare their income, their savings or assets, as well as asking for personal information, including their partner’s income, assets etc et cetera. These forms arrived in the mail with no covering letter and no explanation as to why they were required to provide the requested personal information. One of my constituents has been blind since 1985 and the other has been blind since the age of three. She has been on a disability pension since 1964; he has been on a disability pension from 1985. They did not wish to have their names used by me but they did give me permission to highlight their cases in parliament as an example of how this government has no idea of how these policies affect real people.

If the Treasurer has any doubts as to whether these people exist, I can guarantee that these people certainly do exist and they live in my electorate. I have already written to the Minister for Family and Community Services with their full names, particulars and their complaints. Under Centrelink’s own rules, pensions paid to people who are blind or visually impaired are not—and I repeat not—subject to the assets and income test. My constituents are asking that if that is the case why is the government sending out these forms and asking them to reply within 21 days? This is just another example of the Howard government’s deliberate political strategy of engaging in a smear campaign against people with disabilities.

I repeat that, whilst there is always a case to be made for tightening up the welfare safety net to prevent abuse, there can be no case at all for these people having to bear the consequences. Personally, I find it completely reprehensible to query the situation of these two people when both of them have received the pension for many years and when, clearly, the government’s own legislation precludes an income and asset test for the blind pension. These letters were sent out only a week after this government brought down their 2002-03 federal budget, in which they indicated their changes to the disability support pension and the crackdown on welfare fraud.

One of my constituents, I might add, contacted my office in quite a distressed state after Centrelink told her that not only was she required to complete the income and assets review but also she could expect to be sent for a medical examination within the year in order for Centrelink to assess her condition to see if she is still medically qualified to receive the pension. It is just so wrong that honest people like this are to be treated in such an appalling way by their government. I have already written, as I said, letters of complaint to the Minister for Family and Community Services, asking her for a complete and thorough explanation. I am totally opposed to any measures in this budget which disadvantage people with disabilities in my electorate, and I am proud to be a member of the federal parliamentary Labor Party, which will vote against those unfair measures.

The government is not content with changing the disability support pension, because also included in this budget is a 30 per cent increase in the cost of pharmaceuticals listed under the PBS. It is quite clear that this government does not understand how decisions like these affect people not only in my electorate but also around Australia. The 30 per cent rise is also indexed to inflation. This means the cost of prescriptions will continue to rise each year. The Daily Telegraph—the Prime Minister’s favourite paper, I believe—on 29 May 2002 reports that almost one in five people will be less likely to buy their prescription, while a recent Newspoll survey found that 70 per cent of Australians disapprove of the cuts. The Pharmacy Guild of Australia were also reported as saying that up to seven million prescriptions per year will now not get filled as a result of that par-
particular price rise. These cuts, it was reported, will mostly affect women and families on an income of under $60,000 per year. I might add, this is the majority of people in my electorate of Prospect.

For the first time in our history, thanks to the Howard government, a trip to the chemist will now cost more than seeing the local doctor. In fact, under this government, the cost of prescription drugs has increased by a total of 70 per cent. When Labor left office in 1996, the cost per prescription was $16.80 for general patients and $2.70 for pensioners and cardholders. Now, with the budget, this will increase to $28.60 for general patients—an increase, as I said, of 70 per cent—and $4.60 for cardholders, which is another increase of 70 per cent. The effect of this budget means that 300,000 Australians are in families who will pay an extra $190 a year for their essential medicines. This comes after the Howard government claimed during the introduction of the GST that the cost of medicines would not increase. However, true to form, this is an increase of three times the GST.

Along with the budget papers, the Treasurer released the Intergenerational Report, which pointed out the fact that demand on the health and aged care sector will grow as the population ages; yet in almost the same breath the government again contradicts itself by taking what it calls a ‘saving’ of $152 million out of the aged care budget this year, and a further $174 million is planned to be taken out of that same area next year. Data released by the Australian Institute of Health and Welfare only a week before the budget exposed a shortage in 2001 of more than 11,500 nursing home places, which was up 10 per cent on the previous year. Surely this should send a clear message to the Treasurer that aged care funding must be increased, not decreased.

In conclusion, I said in my reply to the last budget from this government that it is the product of a government that is stuck for new ideas, imagination and vision. Most importantly, this budget is not about Australia’s future. Sadly for Australia, not much has changed in the last year. The government is to be condemned for bringing down this budget, which has plunged the economy into a deficit and is relying on disabled people and the sick to pay for it. This is a budget that will be remembered as another budget from the Howard government which offers nothing but more cuts, increased costs, and fails to invest in the interests that will benefit Australia, not only for today but for the long term. This is yet another a budget of lost opportunities.

Mr GEORGIOU (Kooyong)  (9.27 p.m.)—The budget handed down by the Treasurer on 14 May is a responsible economic plan for the coming financial year. It is true to the government’s medium-term fiscal strategy; it recognises current defence and security imperatives; it responds to the recent weakness in the international economy; and it looks to the future, taking steps to address the challenges facing the Commonwealth over the next 4 years. It does not propose reform of the magnitude we have seen in recent coalition budgets but this should not be misunderstood. The budget does address key problems facing Australian society.

Next year, the government will spend $13 billion on defence, $29 billion on health, $72 billion on social security and welfare, $12 billion on education, $3 billion on labour market and employment initiatives, $2 billion on transport, and significant amounts in other areas—funds that are allocated to specific programs, carefully designed to address areas of need in the community. Focusing only on the changes announced in any particular budget does not give us an accurate picture of a government’s priorities. It is important to take a broad view.

The problem with taking a broad view is that it is something that the Labor Party, despite all its rhetoric, has shown itself totally incapable of doing. In his response to the budget, the Leader of the Opposition came to this chamber waxing lyrical about the brand new, positive approach of his all-new, all modern Labor Party. There were expansive words about vision, hope and the future. There were promises to spell out modern ideas, plans to strengthen the nation and assurances of what is called a fair go for everyone. I have spent a large part of my adult
life patiently waiting for the Labor Party to stop talking about the light on the hill for long enough to walk to the summit and turn the thing on—don’t laugh, Mr Deputy Speaker—and so I listened with great interest to what the Leader of the Opposition had to say. I have to admit that I was a tad disappointed. To date, the all-new Labor Party amounts to little more than a different announcer, a couple of novel and catchy guitar riffs, and a fancy, more stylised logo. The speech did not look too bad on television but the bottom line is that nothing of substance has really changed.

The format and frequency of the Labor Party is the same—the same old tunes are played over and again. The Labor Party still champion budget surpluses while proposing massive unfunded new spending. The Labor Party still obstinately oppose the trimming of programs which are becoming unsustainable. The Labor Party still treat the electorate with cynical disdain. There are new things about the so-called new Labor Party: a new leader, a new frontbench and an enhanced capacity for amnesia. Some of us on this side of the House can remind the Australian people, if they need reminding, of what the Labor Party would rather forget. As I listened to the Leader of the Opposition’s response to the budget my mind was taken back to another rather infamous budget— the Keating government’s 1993 budget.

Mr Kelvin Thomson—We were reminded of that when we heard your budget.

Mr GEORGIOU—You thought of that when you heard our budget—good. In that year, as in this, the budget followed hot on the heels of a closely contested election. The difference then was that Labor was returned to office. In that year, as in this, the budget was delivered against a difficult economic backdrop. In that year, as in this, the Commonwealth’s finances were stretched. But that is where the similarity ends and the contrast begins. It is a historical fact that the Labor Party used its 1993 budget to scrap many of its promised—no, not promised, its legislated l-a-w income tax cuts. Despite the promises, Labor moved in the budget to cancel the l-a-w tax cuts and to impose or increase indirect taxes across the economy when it had promised the electorate no new taxes. Labor used that 1993 budget to slug ordinary Australians for the cost of Labor’s economic mismanagement.

Let us skip ahead to the present, in anticipation of the speech by the honourable member for Lalor. The Howard government is using its 2002 budget to implement promises it made at the last election, in particular its promise to phase in a reduction of the superannuation surcharge. What is Labor’s response? They want to block the measure. They want to team up with the Australian Democrats in the Senate to deliberately prevent the government from implementing its election commitments. In its place the Labor Party want to substitute an uncosted, un-promised superannuation proposal—a superannuation proposal that they did not even have the heart to spell out to the Australian people prior to the last election. Just six months ago, during last year’s election campaign, the then opposition leader was reported as saying that the Labor Party had not developed a comprehensive superannuation policy because the fact that they were in opposition precluded them from having the resources to do so. Yet the Labor Party have now unveiled a superannuation proposal—just six months afterwards. What has changed? Have Labor won government? No. Have the resources magically become available? No. Two noes—and who knows where they got it from. The only certainty is that Labor’s superannuation proposal is yet another poorly thought out, hastily cobbled together policy designed solely to mask the fact that they are trying to keep the government from keeping its promise to the Australian people at the last election. So much for the ‘all-new’ Labor Party! They still do not like seeing promises kept. No-one now expects the Labor Party to keep their promises, but at least they could have the decency to allow us to keep ours.

It is salutary to reflect a little more on the 1993 budget. As they say in the classics, the older I get the more I believe in experience. Let us take just one measure: the change to the Pharmaceutical Benefits Scheme. Mr Deputy Speaker Price, as you and your colleagues will be painfully aware, because you...
have had to sit through many hours of this debate on the Appropriation Bill, the Labor Party intend to team up with the Democrats to block this measure. In that, they are demonstrating very clearly the new depths of their opportunism. Earlier in my remarks I referred to the 1993 budget as the budget best remembered for the Keating government’s broken tax promises. But buried in the fine print of that same budget was an interesting item which yielded the National Health Amendment Bill (No. 2) 1993. That bill increased the safety net threshold of the Pharmaceutical Benefits Scheme for non-pensioners and imposed a new copayment on ‘above safety net’ prescriptions. In 1993 Labor considered this amendment to the scheme difficult but nonetheless just, fair and necessary. The then minister, the well remembered former Senator Richardson—Richo—said that unless the government was prepared to keep the cost of the scheme under control, the long-term result would be ‘horrible’—millions would be denied access to essential medicines. Let me quote the then minister for health, the former Senator Richardson:

... I do know that, unless governments are prepared to keep the cost of pharmaceuticals under constant review and make certain that we keep the overall costs under some sort of control, they will romp away from us in the way they have in, say, the United States and some European countries. When that happens, access to drugs will not be as easy as it is for Australians today. It is going to get more and more difficult. While it may be with a heavy heart, it is nonetheless the duty of government to do what is contained in this bill.

Richo also had some pertinent comments to make on private health insurance, but I will let those go for the moment. The important thing is that the then shadow health minister, former Senator Jocelyn Newman, recognised:

With the ageing of the population and new drugs being developed, the cost to government of operating the PBS is growing at an alarming rate. The coalition concurred with the Labor Party that increases were needed to protect the scheme and that to oppose the measures would be opportunistic and irresponsible. I repeat: it would be perhaps politically advantageous, but nonetheless not in the national interest. As the then shadow minister said, the opposition was not opposing this bill and it would make no amendments to it. It accepted that there was a need and it acted on that need. That action underscores the contrast between the responsibility of the opposition in those days and the irresponsibility and opportunism of the opposition these days because, nine years on, the sustainability of the Pharmaceutical Benefits Scheme is under even greater pressure and the government has acted to address this issue. Yet in this year’s budget response, in an act of breathtaking opportunism, increases in copayments and the safety net are howled down and opposed by the opposition. This is the essence of the all-new Labor Party—the party that proposes as well as opposes. It proposes measures when it is in government and it opposes them when it is not: same old Labor, same old tune.

Some comment has been made by our opponents on the fact that the current year’s budget is likely to end in deficit when a small surplus had been projected. The interpretation they seek to place on this is that the government’s fiscal strategy has been undermined and the sky is going to fall in on us. To be quite plain, this view is a distortion that deliberately fails to take into account a number of clear and important factors. The fact is that the government’s medium-term strategy does not demand surpluses every single year; it never has. The aim is to achieve balance on average over the course of the economic cycle.

During 2001-02 there can be little doubt that the international economy was at or near the bottom of the economic cycle. Some of our biggest trading partners were in technical recession. Economic growth around the world was subdued and exogenous events combined to batter business and consumer confidence. By adopting a relatively relaxed fiscal stance during this period, the Howard government helped Australia to avoid the effects of the international downturn. Our economy has continued to grow at substantial levels, unemployment was not allowed to accelerate and our economic infrastructure was protected from structural damage.
This result was made possible through the accrual surpluses while economic growth was strong and the government’s preparedness to dip into them when the situation took a turn for the worse. It is that, and not some blind obsession with surplus budgets, that is the essence of effective economic management. Of course, the policy flexibility gained through the build-up of surpluses during the late 1990s was two-fold: as well as providing a much needed stimulus for the economy, the surplus also enabled the government to respond positively in the wake of the September 11 terrorist attacks on the United States. This is a vital point to make: unforeseen events such as September 11 are, not surprisingly, unpredictable. However, if you have something in reserve, you retain your capacity to react as they arise and that is exactly what this government has done in this instance. Its commitment to the war on terrorism and its focus on improving domestic security were not anticipated when the last budget was delivered. However, these steps were vital for the government to carry out its central role of ensuring the safety of Australia and its citizens.

The result does appear to be a small deficit in a single year, but this is well within the boundaries of the government’s medium-term strategy and it is far preferable to the alternative of not being capable of responding. The challenge for the government now is, of course, to rebuild the surplus; to use the anticipated acceleration in economic growth to look through the next business cycle and to put in place a buffer against the next unanticipated event or events.

That is what this budget achieves. Despite all the talk about deficits, this budget plans for an underlying cash surplus next year of $2.1 billion. It provides for further repayment of the $90 billion debt racked up by the previous Labor government. It forecasts significant and growing surpluses in the out-years. It achieves this because of strong predicted economic growth and, in no small part, through the shoring up of the tax base through the coalition’s recent success in the area of tax reform—a success which it is interesting to note the Labor Party has now accepted and embraced.

I stress these points to counter the observations, misguided as they are, made by some on the other side of the House and in the other chamber that the surplus is being achieved through cutbacks to social welfare. Certainly measures were announced in the budget relating to the Pharmaceutical Benefits Scheme and the disability support pension which will save the Commonwealth money over time, but the net saving from these two measures next year is less than $300 million. The predicted budget surplus is $2.1 billion. The budget clearly would be in surplus with or without the measures. I commend the bill to the House.

Ms GILLARD (Lalor) (9.43 p.m.)—I am pleased to be able to address the House in respect of the Appropriation Bill (No. 1) 2002-03. I intend to address two issues raised in the budget. The first is the claims the budget makes in relation to protecting Australia’s borders and the second is the Intergenerational Report which was supplied for the first time with the budget papers. I note that, despite the claims of the member for Kooyong, both issues have been used to justify the savage cutbacks contained in this budget in relation to the Pharmaceutical Benefits Scheme and the disability support pension to the extent that the government has relied on either excuse, the need to protect Australia’s borders or the need to make provision for Australia over the next 40 years as disclosed by the Intergenerational Report. Properly viewed, we know that both justifications are simply untrue.

Turning first to the claims regarding the protecting of Australia’s borders, we know and other speakers in this debate have remarked that the additional costs of protecting our borders are not the explanation for either the deficit contained in this budget or the need for the Pharmaceutical Benefits Scheme and disability support pension to the extent that the government has relied on either excuse, the need to protect Australia’s borders or the need to make provision for Australia over the next 40 years as disclosed by the Intergenerational Report. Properly viewed, we know that both justifications are simply untrue.

I want to use this opportunity to explore in some detail the expenditure revealed in the budget papers in the areas of immigration.
and border protection. At the outset I would like to note that the government seeks to claim—and indeed these claims were made around the time of the budget—that it has always had at heart the need to protect our borders, and the spin that comes from the government is that it has always had a consistent strategy and a consistent approach in relation to protecting our borders. In fact, nothing could be further from the truth.

What we do know is that, prior to the arrival of the *Tampa* into Australia’s political consciousness, 213 boats had landed in Australia with persons who were unauthorised arrivals and who subsequently sought asylum on board. Suddenly, when the 214th loomed on the horizon and as the election date drew near, the government came up with a new strategy, the so-called Pacific solution, which since the date of its adoption—which is not that long ago—has been argued for by the government as if it were the only solution ever possible. If it was the only solution ever possible, one wonders why 213 boats went by before the government stumbled upon this apparently blindingly obvious solution. But it was a solution only adopted after the 214th boat.

If we turn to the budget papers—and I am referring to Budget Paper No. 2—and we look in detail at the budget measures that are dealt with in relation to immigration and border protection matters, we have cause to reflect on how successful the government’s so-called Pacific solution and its so-called border protection strategy are. We find on page 137 of that budget document the following statement:

> In the 2001-02 Budget the Government allowed for 5,500 unauthorised boat arrivals per annum to be processed onshore and this was revised to 4,500 at the 2001-02 MYEFO. No unauthorised boat arrivals have been received since.

But the budget then goes on to say that over time this budget is predicated on unauthorised arrivals running at the rate of 4,500 per year. That is 1,000 fewer unauthorised arrivals than those who arrived in the year that the government say was the worst year. All of this money has apparently changed the government’s expectations by 1,000. I think that needs to be clearly understood because it is only in that context that one can measure whether or not the so-called Pacific solution has been a success.

I wish we did have the full price tag for the so-called Pacific solution so that we could have a reasoned debate—hopefully one without fear and spin and vitriol—in this place as to whether or not that amount of expenditure has been worthwhile to get this outcome as disclosed in the budget documents. But of course we cannot have that debate because, try as you might, you will not find disclosed anywhere in these budget documents the true all up cost of the so-called Pacific solution. Despite my many invitations to the minister, we still wait for the true all up costs of the so-called Pacific solution to be detailed.

What we unfortunately suspect is that these details will have to be dragged kicking and screaming out of the government and various departmental bureaucrats by the Senate select committee that is inquiring into the ‘children overboard’ affair because the government has neglected to disclose at any time to the Australian people, who are paying the bill, the true cost of the so-called Pacific solution. What we do know from this budget paper is that additional funding of $322 million was required in the 2001-02 financial year, and we suspect that when we find out the true cost of the so-called Pacific solution across all portfolios—immigration, foreign affairs, Defence and the like—that $322 million will just be a patch on the total expenditure.

I have noted that the government did a major U-turn in its policy in relation to border protection at the time of the *Tampa* and cobbled together very quickly the so-called Pacific solution. Perhaps what is less well known is that this is not the only U-turn the government has done in relation to the matter of refugees and asylum seekers and how they are to be dealt with by Australia. The minis-
ter, on 11 April, issued a press release entitled ‘Long-term strategy for immigration detention facilities’. This press release purports to outline the long-term strategy that the government has for immigration detention facilities. It records, amongst other things, that the Baxter Immigration Reception and Processing Centre—that is the centre near Port Augusta—is expected to come online in the middle of the year, that the detention centre at the Curtin RAAF base is to be mothballed and kept as a contingency and that the Woomera facility is to be downscaled. It makes various other announcements. That was, on 11 April, a long-term strategy for immigration detention facilities.

Any reader of this document would think to themselves that what the government is planning to do is accommodate asylum seekers at the Baxter centre; some of them are going to go to Woomera; Port Hedland is not mentioned here and so you would have to assume that it is continuing; Curtin is going to be mothballed and so on and so forth.

But, of course, a long-term strategy in the area of detention policy for this government actually comes out, when you count through it, to about 33 days—I would hate to see a short-term strategy if a long-term strategy is for 33 days—because 33 days later we find disclosed in the budget papers that in fact the government is now claiming, quite contrary to the long-term strategy of 33 days earlier, that its whole strategy is predicated on the fact that there will be no additional unauthorised boat arrivals seeking asylum processed on the mainland. Just to be clear about that: in April there is a long-term strategy about the use of onshore detention centres; 33 days later we are told, ‘Chuck that out the window; actually, our plan is to not process any newly arrived asylum seekers onshore,’ which must mean that they are all going to be processed on Christmas Island or on PNG or Nauru or some other offshore place that the government can come to an arrangement with. So *Tampa*, U-turn, creation of the so-called Pacific solution, in April we have got a long-term strategy, by the May budget we have done another U-turn and somehow we are not going to keep in line with the long-term strategy anymore but are going to do something entirely different.

On the subject of U-turns, the budget papers do not just disclose that—though it might be a related U-turn. The budget deals with the construction of a facility on Christmas Island, and all of the costs are nicely detailed there and you can add them all up and it comes to about $219 million to construct the facility on Christmas Island. But when you look through the budget you find a heading ‘Location of new immigration detention facility in South-East Queensland’, and there we would expect to see the costs of construction of the new facility in South-East Queensland, if the government was going to construct such a facility—and as part of the long-term strategy it was going to construct such a facility and the minister has made various announcements about that. There we find in the four financial years disclosed in the budget papers an entry ‘nfp’, not for publication. So we are not going to be told about the construction costs of the Brisbane detention centre. That is apparently not a matter which taxpayers are allowed to know about, even though their money is financing it.

This leaves us with 10 questions that I believe Minister Ruddock needs to answer for us to be able to interpret the budget papers in any intelligent way. The 10 budget questions I would ask Minister Ruddock to address before this debate reaches its conclusion are as follows. Question No. 1: are you building the Brisbane detention centre? Simple enough. Question No. 2: if so, what will it cost? It is Australian taxpayers’ money; they have got a right to know. Question No. 3: given your backflip from the long-term strategy to what is now in the budget papers, are you ever intending to use the facility constructed at Baxter? The budget papers would tell us that, no, the government is not intending to use that facility. Question No. 4: if you do not ever intend to use this facility, is it not a fact that you have wasted $40 million in constructing a facility that is never going to be used? It would be a very interesting answer to that question.

Question No. 5: what is the future of Port Hedland? The budget papers tell us that no newly arrived asylum seeker is to be processed onshore. There is a detention centre at
Port Hedland. You cannot have a detention centre without people in it, though the government has managed to have one at Baxter at the cost of $40 million, so maybe that simple assumption is not right. Perhaps you can have a fully staffed detention centre with no-one in it under this government. But, assuming that the government discards that rather absurd—

Mr Kelvin Thomson—There was a Yes, Minister episode like that—in a hospital.

Ms Gillard—Yes. It is very easy to mind people where none of them are there. They are going to be pretty easy jobs. But, assuming that the government is honest in the budget papers and it does not intend, as its budget papers disclose, to have any more new asylum seekers processed onshore, what is the future of Port Hedland Detention Centre? Surely, the Port Hedland community has got a right to know. Question No. 6: what is the future of the Woomera facility? Under the long-term strategy of April it was going to be continued but downsized. Now, in light of the newly disclosed strategy in the budget papers, who knows? Labor supports the closing of the Woomera facility. Maybe the government does too. If it does, it would be nice if it told the Australian people, not least of all the people who work at Woomera, the asylum seekers who are accommodated there and the local community.

Then of course there is question No. 7 that Minister Ruddock needs to answer in relation to this budget: why have you budgeted $430.8 million over four years for offshore arrangements in relation to the processing of asylum seekers—and when I say ‘offshore’ I mean in this sense not Christmas Island but genuinely offshore places like PNG and Nauru—when you do not have an arrangement with PNG or Nauru over a four-year time span? Why would you budget for something that you have not agreed? Interesting question.

I come to question No. 8 that Minister Ruddock really needs to come and tell us about. We all remember the representations the Prime Minister made prior to the last election, that not one *Tampa* asylum seeker would ever set foot on Australian soil. It was going to be over his dead body. He was going to give this sacred pledge to the Australian people. Can the minister perhaps come into the House and clarify for us whether it is a fact that when you look at page 137 of these budget papers you find over the next four years $1.4 million budgeted each year to provide for travel for asylum seekers, including the *Tampa* asylum seekers, from offshore places to Australia. If you have budgeted for their travel, presumably you have got an idea as to how many of them are going to come to Australia. Perhaps the minister could give us an order of magnitude by which the Prime Minister has broken his sacred pledge to the Australian people that not one *Tampa* asylum seeker would set foot on Australian soil. Has he broken that once, 10 times, 20 times, 30 times, 40 times? People might like to know.

Then of course is question No. 9, the ninth question the minister really needs to answer: what is the money regarding offshore removals and detention budgeted for at page 139 being used for? This is money under the heading “Regional cooperation agreement”. It says, in a somewhat hard to fathom manner: ‘This measure also provides support to international organisations, such as the United Nations High Commissioner for Refugees and the International Organisation for Migration, for the detention, processing and subsequent removal of people in transit countries. Neither the UNHCR nor the International Organisation for Migration remove people from transit countries, so what is that money being budgeted for? Finally, here is question No. 10—the top 10 for Minister Ruddock: in relation to page 136 of this budget paper, will he disclose the arrangement he made with the Afghan interim authority in his recent visit to Afghanistan, for which he has budgeted an expenditure of $10 million? Just exactly what did Australians get for the expenditure of this money? I trust that, before the appropriations debate reaches a conclusion, we will hear the answers to each of those questions, because they are things we should not be left worrying about. They are things that we should be crystal clear about; they ought to be disclosed.

I will now briefly move on to the second issue that I raised at the outset—that is, the
Intergenerational Report. We all know that this was supposed to be Treasurer Costello’s big moment. It was his opportunity to move beyond the traditional confines of the job of Treasurer and to outline his vision for the nation. The trouble is that, when you actually look at the Intergenerational Report, it is not a vision for the nation. It is a statistical extrapolation of where you will get to if you basically do nothing and if the current trends just keep chugging along.

Certainly the government needs that information, but the real question that the government needs to answer is not where current trends are going to take us but where do we want to be and how are we going to get there. If you cannot answer that question, you cannot contend for the leadership of this nation. Treasurer Costello has been unable to answer that question in this Intergenerational Report, and he ought to in the light of that think about his future.

The most interesting table in the Intergenerational Report is table 15, which actually correlates the various factors that one can have an effect on and how they impact on real GDP growth and the budget bottom line. This table raises squarely the questions that the Howard government and Treasurer Costello have failed to answer. What can the government do to create a prosperous society which is able to finance the government programs necessary to create a fair society? Not surprisingly, the table tells us that what matters is the fertility rate and immigration. We would have known that, but the question is: what is this government going to do in relation to a long-term population policy plan that deals both with immigration and with measures to support the fertility rate? I notice, as I have commented before, that the fertility rate assumption in this report is nothing short of heroic if we assume that our fertility rate is going to stay at 1.6 over 40 years when comparable societies are already at 1.2. It is arrant nonsense and the government ought to know it.

Overall, these budget papers find us in the following situation: the government has told us too little about what it intends to do to protect our borders, and it ought to use this debate as an opportunity to clarify its expen-
expanding health and welfare sectors on the social and economic wellbeing of all Australians.

This is a unique budget because it makes the sorts of responsible decisions necessary to meet the challenges of not just today but also right through into the future. September 11 changed the way that democratic nations approach national security. This budget reflects the need to better resource the defence of Australia. It also delivers on its promises to provide greater protection of our shores from those who seek to come here illegally, as well as providing more support for those who arrive here genuinely seeking refuge.

In addition to strengthening security across Australia, this budget delivers real benefits to local communities through support packages for primary industries, small business, health and education, employment, the environment and, most importantly, our families. For the first time, an Australian federal budget has sought to identify the social and economic challenges that will confront future generations. The Intergenerational Report outlines what we can expect unless we start to put in place more sustainable policies and programs to relieve spending pressures.

‘Australia is heading for a fiscal car wreck within 15 to 20 years if existing policy settings [in regard to an ageing population] do not change,’ wrote a journalist from the Australian. By far the biggest challenge we face is the increase in our ageing population which will soon, in large numbers, be seeking access to aged care and health services. In the longer term, this threatens to undo the good work of the past six years of the Howard government, which has managed to reel in the out-of-control deficit budgets of the Keating years and sail the economy full steam ahead in spite of a sluggish global economy.

Rarely has a government so successfully managed a domestic economy to provide such genuine and lasting benefits to the people of Australia. By mid-2003, the coalition government will have reduced $61 billion of debt inherited from the Labor government, and it is budgeting on a relatively healthy $2.1 billion surplus in 2002-03. Most countries in the OECD, including the United States and the United Kingdom, are expected to be in deficit in 2002-03. Yet I have heard speaker after speaker from the opposition stand in this place and downgrade the Australian economy, downgrade the worth of this government and downgrade the future potential that the reforms of this government have enabled.

Low unemployment, predicted to fall to six per cent by mid-2003, is also fuelling the economy, with more than a million jobs expected to be created by this government by Christmas this year. Importantly, Mr Deputy Speaker Causley—and I know that you are paying particular attention to this as well—there is also real growth in jobs in our regional areas. Strong economic conditions have proved a boon for the local housing and building industries, with thousands of young people and families able for the very first time to become home owners. Australian home owners are paying $350 less per month for a $100,000 home mortgage than they were paying when the ALP last managed to form government.

Certainly, our strong budget position means that we are well placed to begin coping with cross-generational challenges, and that is what we must now do. Commonwealth spending on health and aged care could easily more than double over the next 40 years, with necessary increases in real dollar spending levels putting the budget into deficit. Technological health advancements and the community’s expectation to continue to receive access to the latest health treatments at heavily subsidised prices will also bear increasing pressure on taxpayer revenue. Future governments must tread carefully and exercise sound policy management to minimise the tax burden transferred to the next generation, particularly in the areas of health and aged care.

The Pharmaceutical Benefits Scheme represents the greatest drain on the public purse in terms of the extent to which registered medicines are subsidised by the government. The cost of the scheme has blown out from $1.2 billion to $4.2 billion just since 1991, and it is predicted to grow to around $60 billion by 2042. We are running the risk of
carrying with us into the future an unsustainable scheme that will hurt the very people it is designed to help—that is, the sick and the poor in our society—if we do not take action now. And yet this is what the ALP are proposing by their refusal to allow this government the opportunity to make the small changes needed to preserve the Pharmaceutical Benefits Scheme into the future. The only way we can continue to provide highly effective but expensive medicines is to reduce the funding gap between copayments made by patients and the actual drug costs.

For example, Zyoban, the popular medicine used for the treatment of nicotine addiction, costs $235.85 per prescription, but a concession holder will pay just $4.60. This represents an extra cost to the cardholder of $1, but it is almost negligible in closing the gap between the real and actual costs for prescription medicine. Avonex is a drug that is commonly used for the treatment of multiple sclerosis, and it is a drug that I know something about as I worked very hard to have it included on the PBS. Before it went on the PBS, I was approached by a constituent whose family was facing the prospect of having to take out a second mortgage on their home simply to pay for the cost of this drug. Avonex costs $1,090 per prescription, which would put it out of the reach of so many other sufferers of the disease if it were not available on the PBS.

It is a sad fact of life that this budget has been misrepresented by those on the other side of this House, particularly in relation to the reform of the Pharmaceutical Benefits Scheme. The fact is that the maximum rate for any medicine will be just $28.60, whether the drug costs in real terms $100, $200, $1,000 or $6,000, and the price of many more scripts will remain the same. Medicines marked at rates lower than the current maximum of $22.40 will not change, and these include various brands of antibiotics, sleeping tablets and contraceptives—medicines right across the board. And yet that is not what we are hearing from the opposition. For example, a family paying $17.20 for the Ventolin CFC-free inhaler before 1 August will still be paying $17.20 after 1 August. So while concession card holders will pay an extra $1 per script, from $3.60 to $4.60, other people will pay up to $6.20 extra for scripts which are already marked at the maximum rate. The increase in prescription costs is expected to save around $1.1 billion over four years by continuing to provide massively subsidised medicines.

We also have a responsibility to encourage doctors to make good decisions about the suitability of prescription medicines for patients as well as working more closely with manufacturers of generic medicines to reduce the actual costs. The pharmaceutical industry will also be called on to provide more information directly to doctors about restrictions that apply to the prescribing of some medicines. Certainly I believe it is good news to learn that the actual cost of prescription medicines will soon be printed on the labels, alongside the cost to consumers. This will clearly spell out to consumers the amount by which the government subsidises each of the medicines on the PBS and will give the lie to many of the outrageous stories I have heard members of the opposition putting. New initiatives will also be introduced to target prescription fraud, doctor shopping and those people who seek to obtain inappropriate and clinically unnecessary medicines for personal and other uses through the PBS. In this way consumers, doctors, industry and pharmacists will all be contributing to reducing the cost of the scheme and ensuring it remains an affordable and accessible part of health care in Australia for all Australians. What this budget has highlighted is the very high cost to our taxpayers of subsidising drugs on the PBS. If we as a society want new and advanced drugs to be made available at affordable prices to the public, changes to the current system are needed. That is the central principle underlying these so-necessary changes proposed by this government, and I urge all opposition members to cast aside their political motives and allow the passage of this legislation for the good of all Australians.

Regional communities, such as those that make up my electorate of McEwen, have also benefited from initiatives announced in the federal budget. Defence families at the Puckapunyal Army base have been allocated
$1.7 million for a purpose-built child-care centre. This centre will provide long day care for between 50 and 60 children at a facility to be managed by a contracted service provider and maintained by the Department of Defence. This goes to the very heart of a serious problem, the retention of our defence personnel. I know from personal experience—from many of the families who have spoken to me in my electorate as well as from many families from defence bases around the country—that, firstly, defence spouses have difficulty in gaining employment and, secondly, when they get it frequently child care is not available. This will go a long way to overcoming very severe problems in my electorate.

A further $30.5 million has been allocated to the Goulburn Valley Highway to continue construction of the $94 million deviation at Murchison East. Another $300,000 has been earmarked to assist in the planning of the highway bypass at Nagambie, at the top end of my electorate. Like a number of regional electorates that many pollies in this place represent, McEwen is an electorate built on the backs of country people: primary producers, small businesses and, in more recent times, tourism operators taking advantage of the spectacularly rugged and absolutely superb and pristine environments that make up the electorate. New schemes outlined in the budget supporting these sectors, such as the Small Business Assistance Program, the National Food Industry Strategy or the Primary Industries Environmental Management Scheme, have been particularly welcomed in my electorate. This government has well and truly reaffirmed its commitment to rural and regional Australia. Regional communities will also share in $113.2 million to support regional development through established schemes such as Regional Solutions and regional transaction centres.

I want to put on record my appreciation of the work that this government has done in the past and how it has reaffirmed those particular programs yet again in this budget. I represent an electorate made up of many small communities in small towns who over the years have had their services withdrawn or downsized and have started losing population. The Regional Solutions Program, the Regional Assistance Plan and the rural transaction centres have absolutely breathed new life into so many of the small communities that I represent. For the first time in a long, long time, my constituents living in these areas have actually had services restored and for the very first time we have a Centrelink office in McEwen. The Medicare Easyclaim machines that have gone into all of the areas across my electorate are facilities that people in the cities and built-up metropolitan areas take for granted, but people in the country areas do not take these services for granted. It took this government to restore these services to our small towns while at the same time repaying that $61 billion of debt left to us as the legacy of the Labor Party when we assumed government just six short years ago.

So, as well as repaying the debt, this government has been getting our budget back into a healthy position, establishing those firm building blocks of sound economic management, getting interest rates down and creating real employment right across our country, including, most importantly, our regional areas. This is what this government has done successfully since coming to office in 1996. There are programs like Work for the Dole and the program that was announced in the budget to enable more doctors in the outer metropolitan areas. The only thing the Bracks government has done for an area in my electorate in the Upper Yarra has been to reannounce $150,000 of funding. For the first time ever that the Commonwealth has assumed responsibility in this way, the Commonwealth has looked at those outer metropolitan areas to identify, just as we have done in the regional areas, where the services are lacking, and has said, ‘We are prepared to do something about this.’ That is real progress.

In closing I want to say that the support that the government has given to communities like those that I represent, by providing such sound economic management, has meant a lot to the people living in all of my small communities. I commend this budget to the House.

Mr KELVIN THOMSON (Wills) (10.23 p.m.)—Principally, I want to direct my re-
marks on Appropriation Bill (No. 1) 2002-03 to the area of my portfolio of environmental and heritage and the government’s environment budget. But I want to raise a couple of issues before I do that. The first issue was raised with me by one of my constituents, Mr Steve Walsh, and concerns the government’s slashing in this budget of the GST compensation package which it had previously announced to support the printing industry. It was calculated that, due to the introduction of the GST, there would be a three per cent reduction in Australian book production, and something like $9.2 million in current business assistance applications were being put forward to try to offset the adverse impact of the GST on book production.

There were two schemes introduced by the government: the Enhanced Printing Industry Scheme and the Printing Industry Competitiveness Scheme. The government promised just two years ago that they would provide compensation for the book industry because they accepted that the GST would be damaging for the industry. Now the government have simply pulled those schemes without any consultation with the industry or the unions. I understand that, when these schemes were cut in the budget, out of the total of $48 million promised for industry support packages, only $15.9 million had actually been paid out. I have to say that this is a familiar refrain, to which I will return in talking about the environment budget.

The government promises that money will be spent and that things will be done, but later on when you look at the fine print it turns out that these things have not been done at all. As a result of these schemes being cut, there has been an impact on the job security of workers in places such as Griffin Press, Adelaide, and McPhersons in Maryborough in Victoria. These schemes were launched with much fanfare by the government on 1 July 2000. The Printing Industry Competitiveness Scheme was launched in a fanfare of publicity. There was $25 million promised at the time. That money has now been withdrawn and simply will not be spent. I want to register in this place my concern at that decision.

The second thing I want to do is to make some observations about the work being done by the Australian Museum to try to bring back the Tasmanian tiger. I guess I should confess up-front that I have never been a great fan of reproductive technology, IVF or cloning. I suspect that many of these things lead us into ethical minefields and that, on the whole, we would be a happier community if they had never been invented. But I realise that my views do not necessarily have a whole lot of public support, so I do not seek to inflict them on others. But I do feel that I should make some remarks about the project to bring back the Tasmanian tiger.

If this project has any prospect of success—and some have suggested that it has no prospect at all of success—it could only be at fabulous expense. It is inconceivable, therefore, that any animals produced through such a process would be released into the wild. They would be freaks—merely objects of human curiosity. Their reappearance would not represent cause for celebration at the marvels of the natural world; it would represent just the opposite—another example of humans triumphing over nature and, indeed, manipulating it to suit our own purposes.

It is not just that we would get so little to show for so much expense and endeavour. I must express my concern that this would send exactly the wrong message to the Australian community at a time when many of our birds, plants and animals have been listed as endangered or vulnerable. For example, on a global scale, 1,183 species of birds, about 12 per cent of the world’s total, and 1,130 species of mammals, about a quarter, are threatened with extinction. The subtle message that the Tasmanian tiger project sends to people is that extinction is not forever; we can bring species back. So it does not matter if we sail too close to the brink and tip a species over the edge; we can always bring it back. The fact is that this is not so. The Tasmanian tiger is never coming back in the form that it was here, to the world that it used to inhabit. There are many other species that have become extinct over the years. No work is being done to bring them back. You do not hear about anything being done to bring back the paradise parrot, for example. So, if the museum ever does
succeed in creating a thylacine, I for one will not be cheering. I would prefer that our resources, our money and our endeavours go into saving the numerous beautiful and unique species of birds, animals and plants which we still have whose future is not assured.

In the few moments I have left, I will turn to the budget, particularly the environmental impact of the budget. The total Commonwealth environment expenditure, both in the prospective budget and for last year, has been massively inflated by an amount of $205 million spent by Customs on civil maritime surveillance and response. My colleague the shadow minister for immigration may know something about money spent by Customs on civil maritime surveillance and response. I dare say it has a vast deal more to do with her portfolio.

Debate interrupted.

**ADJOURNMENT**

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

That the House do now adjourn.

**Immigration: Detention Centres**

Ms GILLARD (Lalor) (10.30 p.m.)—Tonight, Mr Speaker, I intend to address the question of the management of Australia’s detention centres. As you would be aware, the management of Australia’s detention centres is tendered out to a private sector company called Australasian Corrections Management. At its first meeting this year, the Federal Parliamentary Labor Party adopted as Labor’s policy that the management of detention centres ought to be returned to the public sector. As at would be expected, the management of Australia’s detention centres is tendered out to a private sector company called Australasian Corrections Management. At its first meeting this year, the Federal Parliamentary Labor Party adopted as Labor’s policy that the management of detention centres ought to be returned to the public sector. At an earlier point in time our detention centres were managed by the public sector through the Australian Protective Service, and the position of the Labor Party is that such an activity as managing detention centres ought to be done in the public sector where accountability and scrutiny are at a higher level than if it is done through contract arrangements in circumstances where the full nature of the contract, and particularly the money flows, have never been disclosed.

In furtherance of that Labor policy, we called on the government to halt the current tender round, to not proceed with the tender that is in train at the moment whereby they are testing the market to see who will be the next manager of Australia’s detention centres. We said to the government that they ought to halt that tender round and they ought to take the opportunity to return the management of detention centres to the public sector.

Unsurprisingly—I do not think you will be surprised by this, Mr Speaker—the government has not taken the opposition’s advice on this matter, though good advice it was. Instead, it has proceeded with the tender round, and on 28 May the department announced that it had shortlisted for the tender round. It announced that there were four companies on the shortlist. Interestingly, one of them is the Australian Protective Service, and that is of course where Labor thinks management of our detention centres should lie. The other three on the list are: Australasian Correctional Management Pty Ltd—that is the company that currently manages detention centres; Group 4 Falck Global Solutions Pty Ltd; and Management and Training Corporation Pty Ltd. Only one bid was discarded—Chubb Protective Services, and they did not proceed; they are not on the shortlist. So there are four bidders on the shortlist of which one is the Australian Protective Service.

If one is having a tender round, the purpose of the tender round is to test the market, to have a truly competitive round where companies come along and bid and you are able to select from a wide range of choices, having tested the market as to who is going to perform a certain function for you. I do not think we can describe as robust a tender round that ends up with four tenderers on the shortlist. But it is actually a little bit worse than that, if you look at this in detail. You find that two of the tenderers—that is, ACM and Group 4—have in fact internationally amalgamated. They are now two parts of the same company. Both of them are now subsidiaries of the global giant Wakenhut Corporations. Wakenhut Corporations and Group 4 effectively merged, or there was a takeover depending on what terminology one wants to use—but you used to have two in-
ternational firms, Wakenhut and Group 4, and you now have one international firm, a combination of the two, and ACM and Group 4 in Australia are both subsidiaries of that same head company. So in reality, our shortlist of four quickly collapses to a short-list of three because two of these companies are subsidiaries of the same global company.

Turning to Management and Training Corporation Pty Ltd, we find that this company has no experience in detention centre management; it has experience in prison management in the United States and one prison in Queensland, and it is incorporated in Australia as a two-dollar company. So I say again, I am querying the robustness of the tender round that throws up a shortlist of four, where two of the four are subsidiaries of the same head company and where one of the four has no experience in the requisite set of skills required, that is, the skill to manage detention centres. Isn’t it time that the government took Labor’s advice, stopped this tender round before it cannot be stopped and returned management of detention centres to the public sector? (Time expired)

135th Assault Helicopter Company

Mrs GASH (Gilmore) (10.35 p.m.)—A few days after Anzac Day this year I was asked to speak on behalf of the Minister for Veterans’ Affairs, the Hon. Danna Vale, at a reunion of Vietnam veterans in Bomaderry in my electorate of Gilmore. May I say that the occasion for me was an honour and a privilege. It was one of the most moving veterans’ ceremonies that I have attended due to the care and organisation of detail of the committee led by Mr Frank Eyck and very ably assisted by Mr Jim Hill. It marked the reunion of members of the 135th Assault Helicopter Company Vietnam, or EMUs, the Experimental Military Unit.

The day enabled a noble and generous gesture to be made by the government of the United States of America to our veterans. This was the belated but deserved award of American decorations to 12 Australian members of the unit and the presentation of an American flag. The 135th Assault Helicopter Company was a unit of the United States Army. Their missions were to support infantry operations against the enemy from the air.

In 1967 the 135th was converted to an experimental unit made up of American servicemen and personnel from our very own Royal Australian Navy—hence the term EMU. In deference to the Australian members of the unit, the 135th came to be called the ‘Fighting Emus’. The Australians on the other hand were not so besotted with the name for, as one wag pointed out, an emu was a stupid, flightless bird. However the name apparently stuck and the motto ‘Get the Bloody Job Done’ was adopted. And get the job done they did. This amalgamated unit was operational from 1967 to 1971. The unit lost 37 killed in action, of whom five were Australians.

Being part of the remembrance ceremony and standing shoulder to shoulder with these veterans, I could not help but get a small sense of what was going through their minds. The gathering included about 100 Australian veterans and about 20 of their American colleagues. The Chief of the Defence Force, Admiral Barrie, was there, as was the American Ambassador, His Excellency J. Thomas Schieffer. Local naval personnel from HMAS Albatross provided the catafalque party and there were excellent representations from the local ex-service community.

Firstly, 12 Australians were awarded American decorations for their actions on the battlefields of South Vietnam. As each man stood up to accept his medal from the ambassador, you could see the choked-up feelings of pride welling up in the throats of those present. The recital of the ode was accompanied by a rendition of the last post as we know it and the American equivalent, ‘Taps’. Both the Australian and American versions of reveille were sounded. That element alone symbolised to me the fraternity and partnership of two great countries, epitomised through the Emus. Until that day I knew little, if anything, about the Emus, but through my participation on behalf of the minister I am today both thankful and honoured that I was given the opportunity. The Royal Australian Navy has a proud and deserved history and I can personally say it is
rewarding to take the time to actually see why this is so. To the members of the 135th, Australians and Americans, thank you. You did your duty. As has been said elsewhere, all gave some and some gave all.

The commanding officer of the 135th Assault Helicopter Company, Lieutenant Colonel Fred Dunaway, US Army Retired, presented to me, on behalf of the Australian government, a cased flag that had been flown over the US Capitol building. I have brought the flag with me this week to present to the minister and parliament. However, it is the wish of the 135th that the flag be displayed at the Naval Aviation Museum at HMAS Albatross in Nowra. I would now like to present this most excellent gift to the Minister for Veterans’ Affairs, the Hon. Danna Vale, whom it was my privilege and honour to represent. Minister, the inscription states:

This flag was flown on November 11 2001—Australian Remembrance Day—in honour of the members of the Royal Australian Navy who gave their lives in Vietnam while serving with the U.S. Army’s 135th Assault Helicopter Company Experimental Unit (EMU) from 1967 to 1971.

However, I must add that it needs to come back to Nowra to the Naval Aviation Museum. I have been asked to formally invite you, Minister, to Gilmore to meet the members of the Emus and to re-present the flag.

The SPEAKER—Before I recognise the member for McMillan, I indicate to the member for Gilmore that, in order not to create a precedent, I would appreciate the display of the flag, while appropriate at this point in time, not remaining through the adjournment debate.

McMillan Electorate: Pakenham District

Mr ZAHRA (McMillan) (10.40 p.m.)—Whilst many people think of the electorate of McMillan as being centred around the Latrobe Valley, they often forget that I also have the good fortune to represent the people of the Pakenham district in this place. Pakenham is one of those places which is growing like crazy; in fact, Pakenham is one of the fastest growing parts of the country. I spend a fair bit of my time in Pakenham. Despite the fact that it has only got 12,000 or 13,000 people, it is a place which takes up a lot of my time because it has a lot of need. In fast-growing communities it is incredibly important that government stays right on top of the needs of people living in those districts. Pakenham is a case in point, because so often in Pakenham we have seen situations where the level of service delivery has not kept pace with the demand of people who live in that community. We see it time and time again. In a place like Pakenham, which has doubled in size over the course of the last five to seven years, you need to make sure constantly that the existing services that are in place are meeting the needs of local people.

I had the good fortune only a few weeks ago to spend some time with a number of different organisations in Pakenham. I spent a bit of time at one of the best local neighbourhood learning centres in our country, which is Living and Learning Inc. in Pakenham. They do a lot of excellent work for people in the community. They spend a lot of time providing courses to local people and making new families to the district feel comfortable in the town which they now call home. Living and Learning Inc. is run by Judith Smart, who has been the coordinator in that centre for some years. She is someone who has always been innovative and creative in the way that services are delivered, and I think Living and Learning Inc. in Pakenham provides a great example to other local neighbourhood learning centres about how to reach out to people moving into a new and fast-growing community like Pakenham.

What is important to the new families moving into Pakenham is making sure that there is support there for families. I am talking about enough room in our local schools, enough aged care places and enough out of school hours care places. These are just some of the issues that people in Pakenham face. It really is incredibly important that government does not wait until there is a crisis before services are put on the ground to service the needs of local people.

In relation to the number of aged care beds servicing Pakenham and district, unfortunately we have seen the federal government miss opportunities to provide beds to that region. This means that there is now a very long waiting list for people to get into
nursing home care in the Pakenham district. What a lot of people do not understand is that, while the growth in Pakenham is young families, those young families also have ageing parents. Quite often when those people start to need the type of care that is associated with nursing home beds they do not want to be separated from their children when they are receiving that care. A family that moves to Pakenham, as many hundreds and thousands of families have from the inner city or from the other side of Melbourne, does not want their mum or dad to be cared for in a place which is far removed from them and their young children. They want their parents to be able to be looked after in the town which they now call home. So I think it is important that government take into account this demographic when they consider where they are putting those nursing home beds. Right now in Pakenham there is a lot of need for aged care beds, and a lot of need as well for out of school hours care.

There was an article in the Sunday Age last weekend where it was identified that in Pakenham the school holiday program was 100 per cent overbooked; that is, they had 120 places funded but 240 children wanted to be in that program. This is just one example of the needs of the people in Pakenham. It is a great community and a great place to live, and it is really incumbent upon government to make sure that services like out of school hours care are in place and that we support the work of organisations like Living and Learning Inc. We must also make sure that there are appropriate levels of services there for people who need aged care. (Time expired)

Education: Queensland

Mr CIOBO (Moncrieff) (10.45 p.m.)—‘Give me a child until aged seven and he is mine for life’ is a statement attributed to the Jesuits and often quoted. It serves to enforce the responsibility that we all share of ensuring that our children are appropriately moulded and inspired. Children are, after all, vessels to be filled. Each is an individual that will develop into an adult with idiosyncrasies shaped by their childhood experience and exposure. The responsibility that befalls us all is that of ensuring that we will nurture our children, challenge them, inspire them and protect them. How concerning then that I should discover today that Education Queensland holds the view that it is appropriate to inspire our children with the story of the most horrific murder written by a horrific murderer. Anna Bligh, the Queensland education minister, gave Hooky the Cripple—a book about the son of a Sicilian prostitute who stabs a butcher in the head 21 times—her blessing today as a text for school students in Queensland.

I read in the media that this book has already been banned in Victoria. Yet the Queensland education minister has been scrambling to distance herself from comments that the book was unlikely to be accepted for school use. That is difficult to believe. It was not an attempt to distance herself from the book but an attempt to distance herself from comments that the book should not be used. How incredible that an education minister should be so devoid of even the most basic sense of differentiating between right and wrong: that a book authored by a murderer, a torturer, an arsonist, a convicted criminal should be approved by Anna Bligh to be recommended reading for schoolchildren.

As best as I can determine at this point, the basis for that recommendation is the book’s— and I quote from Access Education’s review of Hooky the Cripple—‘economy of phrase and subtle vein of humour’. How terrifying that these credentials be considered adequate to balance the inherent moral turpitude contained not only in the text of this book but in its selection and approval as a literary piece. Like fruit from the poison tree, this work represents the ugly profiting from an ostensibly remorseless murderer.

I noticed on AAP today that ‘Chopper’ Read challenged states, other than Victoria, to ban this book. He said: Ban it, just go out there and ban it. I am gonna make a fortune if they ban it … they have done me the biggest favour in the world.

At this juncture, I highlight the fact that I am not joining calls for the book to be banned. I do not support the prohibition of this book. What I do object to, however, is Anna Bligh
recommendating to schoolchildren that the blessing of Premier Peter Beattie is also on this book and that they should read this book to learn the lessons of life, to learn the lessons of bullying and the application of justice. The question though is: what exactly is the lesson to be learned? Again, I turn to the source. ‘Chopper’ Read states that his book provides little reason to cause concern to parents as it was an Aesop’s fable which warned against bullying and pushing people too far.

I discern from that quote that Anna Bligh, and the Queensland state Labor government, support ‘Chopper’ Read in teaching the lesson that if you are bullied, if you push too far, watch out—a crazed attack, amounting to stabbing someone in the head 21 times, is the price you will pay. How absolutely base! This is not a lesson to teach children. It is not acceptable to me—and I am certain it is not acceptable to parents on the Gold Coast or in Queensland—to instruct children that the way to deal with bullying, with being pushed, is to strike out. It is not acceptable that Anna Bligh or Peter Beattie should seek to wash their hands of any responsibility for this. The Queensland education minister stated on radio today that teachers and school communities should make the judgment about whether this book is allowed into classrooms. I want parents to make that judgment. (Time expired)

Fuel: Ethanol Content

Mr KATTER (Kennedy) (10.50 p.m.)—An ethanol conference was held today in Brisbane and I have been informed that the United States Senate has voted 88 to 11 to introduce an ethanol blend—what is the equivalent of 10 per cent of ethanol—into petrol tanks in the United States. I asked the Minister for the Environment and Heritage, Dr Kemp, a question about ethanol content in this House some two or three weeks ago, and I thank the minister most sincerely for his great action with alacrity.

The government has allowed four years for the elimination of MTBE—which is the lead replacement. If you eliminate the MTBE, you have to replace it with something, and in this case the replacement will be ethanol. The government has allowed 10 years for the implementation of a 10 per cent ethanol blend in petrol. As I said in that question to Dr Kemp in the House, France is doing it, Germany is doing it, Canada is doing it, the United States is doing it and Brazil is doing it. Could someone please tell me why the most urbanised country on earth is the one country that is not doing it? But I must emphasise that, within a speedy two or three weeks after raising the matter in the House, the minister for the environment moved with great aggression on the issue.

In sharp contrast, I am very disappointed to note a statement today by the Minister for Agriculture, Fisheries and Forestry—the person who, even more than the environment minister, should be leading the charge. He said that this is not going to be the panacea for the sugar industry, that there is no market for it, that the Brazilians will fill any market created in Australia and that the government has provided assistance but there have been no takers. These are quite extraordinary remarks—that there is no market because there is no mandate for it here! The market has been created in each of the other countries by a mandate being quoted.

Another person has said that we cannot have it because there are no factories here. That is a bit like saying, ‘You cannot have electric lights in New York, Mr Edison, because you do not have a power station.’ Mr Edison and the government went and bought the power stations, but we are not asking that of the government. All that is simply needed is mandating. Once again, I am very pleased to see the Minister for the Environment and Heritage talking in his press release about mandating, the same as the United States did just a fortnight ago.

Having said that, we require mandating—that is, for the government to pass legislation saying that MTBE, the lead replacement, which is very dangerous to the environment, will be taken out and, to meet the Kyoto protocols, we will be moving to a 10-15 per cent ethanol blend over a certain period. The Americans have chosen 10 years but, because they are moving the MTBE out in four years, it is probably closer to four years that they are aiming at. In respect of Brazilian ethanol coming in, right at this very moment
Brazil can bring ethanol into this country and sell it for 40c, undercutting Australian petrol by 80c at the bowser. It would behove the government and the minister for agriculture to move with great alacrity to do something which may be regarded as peculiar, and that is, put the excise on ethanol, but grant a green rebate to Australian farmers—be they grain growers or sugar growers—and millers or plant operators, because they have done something to improve the environment in Australia. That does not create any WTO problems. Far from being a reason not to go into this area, it is a reason why the minister should have acted prior to this.

If we get agreement on the break-up of that money between miller and farmer and the sugar industry—and I think there would be similar arrangements in the grains industry, with some $360 a tonne for a third of our product—we will return prosperity to this great industry. It will create a new industry for Australia, an industry worth $1,000 million a year to the Australian economy. Instead of $1,000 million a year going overseas to the OPEC countries and to the big multinational oil companies, it will be going into Australia’s farmers’ pockets—people who desperately need it. It would behove the minister that I am talking about here to remember the phrase of the late and great John McEwen:

Government is not a spectator sport.

Eden-Monaro Electorate: Regional Assistance Program

Eden-Monaro Electorate: Southcare Helicopter Service

Mr NAIRN (Eden-Monaro) (10.55 p.m.)—I rise in the House tonight to commend to the parliament a project which is just about to get started in the Snowy Mountains, which is in my electorate, with $22,275 assistance from the federal government through the Regional Assistance Program. It is referred to informally as the ‘stock whip’ program—WHIP standing for wild horse incarceration prevention. The program seeks to rehabilitate minor offenders—that is, low risk prisoners—by training them in horse handling and breaking in. There are no negatives in this project. Not only are the prisoners rehabilitated in a country area free of outside influences, it also assists in the control of wild horses in the region. The project also potentially raises revenue for the government, as the horses are sold after being successfully trained.

A similar program has met with a great deal of success in the United States. It is worth commending at this stage the work of the Snowy River Shire Council’s General Manager, Ross McKinney, who has been the instigator of this project in our high country. At the Colorado Canon City facility in the US, prisoners have successfully broken in more than 10,000 horses, using similar techniques to those that will be adopted at this facility. Studies have revealed that, when animals are introduced into the rehabilitation and reskilling process, the results tend to be much more positive. The skills that these low risk inmates will develop will hold them in great stead to be able to adapt to life after a period of incarceration. Because the prisoners are low risk, they not likely to pose any great threat to the quiet neighbouring towns.

In fact, studies so far have revealed that the overall effect of such a project should be very positive. Not only will there be job creation in the construction phase but also there will be the associated job creation in the ongoing nature of the project. It is also envisaged that the horses can be sold at the end of the process as a revenue raising venture. I notice in the last minutes of the project’s steering committee that an assessment of the value of the horses at the end of this process is one of the next steps. It will be very interesting to note the overall costs of such a project once this revenue is incorporated into the picture. Looking more broadly, there is also the benefit of removing these feral animals from one of our most important national parks—Kosciuszko National Park. The damage done in this region as a result of introduced plants and animals is immeasurable. Capturing these wild horses will assist in the environmental management of the national park, further assisting the tourist industry in capturing their fair share of the market.

It is also interesting to note the various sectors of the community that have come out in support of this project. The RSPCA sup-
ports this project because it is an extremely humane way of dealing with this increasing problem. The community organisations that I have spoken to in recent weeks are also in support of this program for the positive effects it promises to have on the local economy. The National Parks and Wildlife Service has indicated its support. Currently, horses need to be removed from the park regularly to achieve sustainable population targets. They believe that approximately 30 per cent to 40 per cent of the horses in the national park will be suitable for this program. When one considers the fact that there are between 3,000 and 8,000 brumbies in the park, the potential benefit of this project is very clear.

The funding that the Howard government has provided will go towards the business and strategic plan that is currently being formulated. All interested parties are taking an active role in this process and I have assured Ross McKinney that I will be providing as much support as I can. I would like to commend the Snowy River Shire Council for getting this program up and running. I have mentioned Ross McKinney but I should also mention Dallas Byrnes, who is the economic development manager of the shire. The project is still in its infancy but it relies on all the support it receives. My colleague in the state parliament, Peter Webb, has already commended this project in the New South Wales Legislative Assembly, and I want to commend this project to the House.

While I am talking about the high country—the Snowy Mountains area—I also inform the House that, last Saturday night, I attended a gala dinner for fundraising for the Snowy Hydro Southcare Helicopter Service. It performed its 1,000th service last weekend, down to Moruya in my electorate. We raised about $40,000 in the live auction on Saturday night and I think another $10,000 or $20,000 in the silent auction. Stuart Diver was the guest speaker; he is the patron of this service. They do a wonderful job. I have helped them with some of the tax issues that they had to overcome, and we still have a few more to go. They are doing a great job in the area, and last Saturday night was a great way to put some money in the kitty to help them with the service that they continue to do.

The SPEAKER—Order! It being 11 p.m., the debate is interrupted.

Mr Hardgrave—Mr Speaker, I require that the debate be extended.

The SPEAKER—The debate may continue until 11.10 p.m.

Ministerial Reply

Mr HARDGRAVE (Moreton—Minister for Citizenship and Multicultural Affairs) (11.00 p.m.)—The member for Moncrieff tonight has made a fine contribution to the debate. He has highlighted the absolute arrogance of the Beattie Labor government, which of course has such a strong team in the state parliament in Queensland that public opinion does not seem to worry it very much. The member for Moncrieff in his contribution tonight struck very well the simple arrogance of the education minister in Queensland, Anna Bligh, who has shown yet again that her judgment on the way the public feel about issues is incredibly off. Anna Bligh is the same minister who last year told her staff to tell principals in schools in my own electorate, and I dare say throughout Queensland, that political material which misrepresented the Commonwealth’s position on education funding to schools could and must be circulated by principals and sent home with students.

As the member for Moncrieff has also highlighted, Anna Bligh has shown herself to be a victim of the 60-40 rule, which is dominating all Labor Party judgment and will continue to do so. Even though there may be something like a 50-50 rule operating in Queensland, it just shows that there is really no difference. At the end of the day, Anna Bligh is the same person who, when it came to Bill D’Arcy, the former Labor member of parliament in Queensland who was convicted of paedophile activities, said that it was okay for the Teachers Union in Queensland to send a $10,000 cheque to help him with his defence. Speaking of the Teachers Union, where is the Queensland Teachers Union on the matter that was outlined in the fine contribution by the member for Moncrieff tonight?
I would also like to turn my attention to the contribution from the member for Lalor, who I believe tonight has also shown herself to be a victim of the 60-40 rule when it comes to the way the unions dominate the Australian Labor Party’s logic. It is, I think, a very sad fact that we on this side often reflect, as the Minister for Immigration and Multicultural and Indigenous Affairs suggested to the House today, that there are always so many different positions of the Australian Labor Party when it comes to the matter of detention policy. I believe the member for Lalor opened the debate tonight by showing that they are prepared to show that there is still plenty of sugar for those who may care to try to encourage some to come to this country illegally—people whom we as a government are very determined to ensure are not getting the satisfactory migration outcome that they are trying to force upon all of us. Also, this government policy enhances the position and standing of all six million people who have migrated to this country by ensuring that the integrity of the immigration system is beyond reproach, hence the need for a detention policy.

If the member for Lalor tonight would like to show that, in a codified way, in keeping with the 60-40 rule approach of the Labor Party, she and others are still prepared to try to white-ant and to show that the white ants are carrying a bit of sugar for those who want to get around Australia’s detention policy approach, let them go ahead and do it. It is quite wrong to try to white-ant the circumstances of the personnel who are doing difficult work in detention policy all around Australia at the moment. When I visited places like Woomera, Port Hedland, Maribyrnong and Villawood I saw the absolute energy and dedication to difficult but important tasks that is obvious on the faces of the personnel involved. The member for Lalor suggested tonight that the government should take Labor’s advice. We on this side know—in fact the whole of Australia knows quite clearly—that we cannot possibly take advice from the Australian Labor Party when they themselves are not sure what their position is.

I complete where I started on this extension of the adjournment debate tonight: Anna Bligh and another minister in the Queensland government, Matt Foley, just two weekends ago in my own electorate showed that they themselves do not even support their own state leader in Queensland when it comes to detention policy. At the African and Latin American festival held in my electorate at the Junction Park Primary School, Annerley, they publicly criticised the Australian government here in Canberra, and in doing so publicly criticised Peter Beattie’s standing when it comes to support for detention policy. The contribution from the member for Lalor again showed the way in which the Australian Labor Party in this place and in parliaments all around the country will send off mixed signals. It is mixed signals that the people of Australia rejected last November, and they will continue to do so.

Mr Zahra—Mr Speaker—

The SPEAKER—There is no facility under the standing orders for me to recognise anyone other than the minister in the 10-minute extension that applies to adjournment debates.

House adjourned at 11.07 p.m.

NOTICES

The following notices were given:

Dr Nelson to present a bill for an act to amend the Higher Education Funding Act 1988 and the Australian Research Council Act 2001, and for other purposes.

Dr Nelson to present a bill for an act to amend the Vocational Education and Training Funding Act 1992, and for other purposes.

Ms Plibersek to present a bill for an act to amend the Australian Citizenship Act 1948.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Chinese Embassy: Falun Gong Protest
(Question No. 265)

Mr Kerr asked the Minister representing the Minister for Justice and Customs, upon notice, on 20 March 2002:

(1) What steps were taken to restrict Australian Falun Gong supporters outside the Chinese Embassy from expressing their concern and anger about the suppression of Falun Gong adherents by the Chinese Embassy.

(2) Who asked that these actions be taken.

(3) Was the Minister or any of the Minister’s staff involved in the decision or made aware of the decision to crack down on the protest before the action was taken.

(4) Who decided it was necessary to take such actions and what reasons were given.

(5) Had the Falun Gong done anything beyond exercising their right to peaceful civil protest.

Mr Williams—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) On 16 March 2002 a Certificate, issued pursuant to sub-regulation 5A(2) of the Diplomatic Privileges and Immunities Regulations, was signed by the Minister for Foreign Affairs. The purpose of these certificates is to stop the use of banners and amplified music as part of the Falun Gong protest opposite or near the Chinese Embassy. The Australian Federal Police (AFP) removed the banners after the issuing of the Certificate.

(2) The Minister for Foreign Affairs.

(3) Yes—the Chief of Staff was made aware of the decision.

(4) Refer to House of Representatives Question Number 264 asked to the Minister for Foreign Affairs.

(5) Refer to (4) above.

Higher Education Contribution Scheme
(Question No. 271)

Mr Beazley asked the Minister for Education, Science and Training, upon notice, on 21 March 2002:


(2) What proportion of students pay full HECS.

(3) What proportion of students receive the 25% discount for up-front payments.

(4) What proportion of students receive the 15% bonus on voluntary repayments.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) The average student contribution under HECS as a proportion of university operating grant funding, excluding Commonwealth subsidies is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>20%</td>
</tr>
<tr>
<td>1996</td>
<td>20%</td>
</tr>
<tr>
<td>1997</td>
<td>24%</td>
</tr>
<tr>
<td>1998</td>
<td>28%</td>
</tr>
<tr>
<td>1999</td>
<td>31%</td>
</tr>
<tr>
<td>2000</td>
<td>32%</td>
</tr>
</tbody>
</table>

However, a more accurate reflection of what students actually contribute on average takes into account the Commonwealth’s contribution via the subsidies involved in HECS. The average student contribution under HECS as a proportion of university operating grant funding, including Commonwealth subsidies for the 25% discount for up-front payments, the 15% bonus on voluntary re-
payments, debt-writedowns due to death, remission of HECS debt for special circumstances, and the provision for doubtful debt, is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>18%</td>
</tr>
<tr>
<td>1996</td>
<td>18%</td>
</tr>
<tr>
<td>1997</td>
<td>21%</td>
</tr>
<tr>
<td>1998</td>
<td>21%</td>
</tr>
<tr>
<td>1999</td>
<td>23%</td>
</tr>
<tr>
<td>2000</td>
<td>25%</td>
</tr>
</tbody>
</table>

The figures for 2001 will not be available until the financial adjustments for up-front payments have been completed.

(2) 75% in 2001.
(3) 23% in 2001.

Note: The remaining proportion of students not included in Questions (2) and (3) above represent: those HECS-liable students who made a partial up-front payment of their HECS with a 25% discount on payments of $500 or more and then deferred repayment of the rest; and those students who were only eligible for a HECS-liable place on the basis of full upfront payment without a discount (ie. certain categories of New Zealand citizens and permanent residents).

(4) On the basis of data provided by the Australian Taxation Office (ATO) for the 2000-2001 financial year, 2.7%.