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THURSDAY, 6 JUNE

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

NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS—BUDGET MEASURES) BILL 2002

First Reading

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

Second Reading

Mr ANDREWS (Menzies—Minister for Ageing) (9.30 a.m.)—I move:

That this bill be now read a second time.

The National Health Amendment (Pharmaceutical Benefits—Budget Measures) Bill 2002 implements the decision announced in the 2002-03 budget to increase patient copayments and safety net thresholds under the Pharmaceutical Benefits Scheme.

Current expenditure on the Pharmaceutical Benefits Scheme has grown at an average annual rate of 14 per cent for the last 10 years.

In that time it has grown from just over $1 billion—$1.1 billion in 1990-91—to almost $5 billion this year—$4.8 billion in 2001-02.

No responsible government can allow this to continue if Australians are to continue to enjoy universal access to medicines into the future.

Since 1996, the Howard government has added many new items to the PBS at a gross cost in excess of $1.5 billion. Each and every one was recommended by a committee of experts, the Pharmaceutical Benefits Advisory Committee, and represents a sound investment in the health care of all Australians.

In the not too distant future it is quite possible that a single medicine for the treatment of a common condition such as arthritis or diabetes will cost taxpayers $1 billion in a single year.

Right now, the PBAC is grappling with a potentially lifesaving medicine that costs as much as $50,000 per patient per year.

The Howard government is committed to ensuring Australians can continue to have access to subsidised medicines under the PBS. However, if the PBS is to continue to provide access to subsidised medicines, just as it has for the last 50 years, we must now put in place measures that will keep it affordable.

Even with the announced increases in copayments, consumers will be contributing just one-fifth of the total cost of the PBS, or around $1 billion a year.

The Intergenerational Report shows that, if growth continues as it has, in 40 years the PBS could cost taxpayers as much as $60 billion a year.

Securing the future of the PBS requires a whole-of-community approach.

We are asking consumers to make a small contribution. For a concession cardholder, such as a pensioner, self-funded retiree or low-income family, it will mean a maximum additional contribution of $52 per year.

For general consumers the copayment will increase to $28.60. However, almost one in five of all prescriptions for medicines listed on the PBS are priced below the current general copayment. Consequently, general consumers will pay no more for these medicines as a direct result of the changes to take effect from 1 August.

Many of these are common medicines such as Ventolin for asthma, the contraceptive pill for birth control, Panadeine Forte for pain control, Voltaren and Feldene for arthritis, Augmentin for infection and Tenormin for high blood pressure.

The safety net is also in place to protect people who use a lot of medicines. Every Australian can qualify for the safety net.

Once a concession cardholder reaches 52 prescriptions in a calendar year they pay nothing for their medicines for the rest of that year. Importantly, this same threshold applies to families so, for example, a low-income family of two adults and three children with a concession card enjoy a very significant benefit.

Importantly, the safety net does not just apply to people with a concession card, which means for general users from 1 January next year once they spend $874.90 on their PBS medicines in a calendar year they
will pay the concessional copayment for the rest of that year.

The PBS is a world-class scheme and very generous. But securing its future requires a whole-of-community approach and we will be working together with doctors, pharmacists, pharmaceutical manufacturers and patients to ensure Australians continue to have access to the medicines they need.

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

Debate (on motion by Mr Zahra) adjourned.

TAXATION LAWS AMENDMENT (STRUCTURED SETTLEMENTS) BILL 2002

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.37 a.m.)—I move:

That this bill be now read a second time.

The Taxation Laws Amendment (Structured Settlements) Bill 2002 will amend the Income Tax Assessment Act 1997 to encourage the use of structured settlements for personal injury compensation, by providing an income tax exemption for annuities and deferred lump sums paid as compensation for seriously injured persons under structured settlements.

The income tax exemption will be available in relation to such payments if the necessary eligibility criteria are met. The eligibility criteria are designed to remove the disincentives in the tax system in relation to structured settlements and to ensure that the interests of the injured persons are protected, for instance, by providing for prudential regulation of the annuities and preventing the injured party from commuting an annuity.

Structured settlements involve periodic payments for life or over a substantial period. They give injured people greater security about their future income and their capacity to meet ongoing medical expenses.

Many people who receive large lump sums as damages for personal injury may be unable to properly manage the investment of the lump sums. This can result in the early dissipation of compensation payments, leaving an injured person unable to provide for his or her future needs. Regular periodic payments avoid these problems.

They can also more closely align the damages awarded with a person's actual needs.

There are cases of windfall payouts that are much larger than necessary, because of the uncertainty surrounding a claimant's future medical needs. There are also cases where the lump sum was spent too soon, or proved inadequate for the long-term care of the injured person.

Structured settlements therefore provide better outcomes for both claimants and insurers who make large payouts on behalf of defendants.

At the ministerial meetings on public liability insurance in March and May 2002, Commonwealth and state and territory ministers recognised the importance of introducing structured settlements into the Australian insurance market, as one of a range of measures to address difficulties associated with the availability and affordability of public liability insurance.

The Commonwealth agreed to introduce the legislation contained in this bill and state and territory ministers have agreed to sponsor legislation to remove the barriers to structured settlements as an alternative to lump sum payouts—and in some cases have already done so.

These amendments are the result of extensive consultation with the structured settlements group, which represents a broad range of interested organisations.

The bill will also amend the Life Insurance Act 1995 to provide that any commutation or assignment of a tax-exempt annuity or lump sum will be ineffective. This will ensure the settlements continue to benefit the person they are intended to benefit.

A statutory review of the operation of the tax exemption is to be undertaken no later than five years after the date of commencement.
Full details of the measures in this bill are contained in the explanatory memorandum.

I commend this bill and present the explanatory memorandum.

Debate (on motion by Mr Zahra) adjourned.

BILLS REFERRED TO MAIN COMMITTEE

Mr LLOYD (Robertson) (9.41 a.m.)—by leave—I move:

That, at the conclusion later today of the resumption of debate on the second reading of Appropriation Bill (No. 1) 2002-2003, the following bills be referred to the Main Committee for further consideration:

- Appropriation Bill (No. 1) 2002-03
- Appropriation Bill (No. 2) 2002-03
- Appropriation (Parliamentary Departments) Bill (No. 1) 2002-03

Question agreed to.

APPROPRIATION BILL (No. 1) 2002-03

Second Reading

Debate resumed from 5 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;
(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 KELVIN THOMSON (Wills) (9.42 a.m.)—I am pleased to resume my remarks on the Appropriation Bill (No. 1) 2002-03 after a couple of days break. I want to talk in a little bit of detail about the environment component of the budget. As I was indicating previously, this has been substantially inflated by an amount of $205 million which is in fact money spent by Customs on civil maritime surveillance and response. This looks to us like Pacific solution money and, had this $205 million not mysteriously appeared in the amount spent last year, the Commonwealth environment budget would have been underspent in a massive way. I will come to the fact that it was significantly underspent in any event, but it would have been massively underspent had not this $205 million mysteriously appeared in the budget.

Similarly an amount of $243 million has been allocated under this heading for the year 2002-03. Again, without this amount of $243 million, the environment budget for this year would be less than that for last year and the Minister for the Environment and Heritage would be forced to acknowledge that there has been a cut in environment funding under this government rather than boasting that this is the greenest budget by the greenest government et cetera. Without the $243 million being spent by Customs, this would be exposed for the nonsense it is. In our view, this looks suspiciously like Pacific solution money dressed up, disguised, as environment expenditure to make the cost of the Pacific solution appear less than it is.
It is mightily convenient that it has now emerged.

This is an issue which we pursued in estimates. My colleague in the Senate Senator Carr asked departmental officers about activities that are being carried out by Customs that are being included as part of this environment expenditure, and there was no disagreement to the propositions put by Senator Carr that these people are, amongst other things, looking for people smugglers and for drug smugglers. The secretary to the department, Mr Beale, said, ‘I am sure they are looking for a whole range of illegal activities associated with our borders.’

To include what they describe as barrier surveillance work in environment expenditure appears very strange indeed. I notice that Robert Macklin in the Canberra Times was on to this, suggesting that the environment minister, David Kemp, be given a co-median of the year award for including $243 million for civil maritime surveillance of asylum seekers under environmental expenditure. We asked the department in Senate estimates how this came to be included in the environment document. It was explained by Mr Beale that the department writes to all other agencies drawing their attention to the criteria for environmental expenditure and asks them to describe any expenditures they have that would fit the bill. So Customs came back with the idea that this could be included in the environment budget. It is a great system. I anticipate that next year they might go the whole hog and include the whole of the defence budget in the environment budget on the basis that spending for defence has got to be good for protecting the environment.

Not only has the environment budget been boosted by shonky figures in this way—this cooking of the books—but also the amount of underspending is the second problem. It is extraordinary that when the State of the Environment 2001 report indicates the sorts of problems we have in areas like land clearing, salinity, water quality, greenhouse gas emissions—all those sorts of things—and the departmental secretary tells the Senate estimates that Australia is certainly not at this point in a position of sustainability, you can have a situation where the environment budget simply does not get spent. I will give a few examples of this. Regarding the combined environment expenditure by the Department of the Environment and Heritage and the Department of Agriculture, Fisheries and Forestry, they promised that they would spend $1,066 million last year. In reality, they spent $934 million, so there was an underspend of $132 million. Similarly, with greenhouse expenditure, they promised they would spend over $245 million. In reality, they spent $119 million, an underspend of $126 million. Less than half the money they said would be spent was included, and it includes a $104 million underspend by the Australian Greenhouse Office.

One of the things this points up is that the Democrats GST deal—invoking what is called the Measures for a Better Environment package—has been comprehensively broken. The Democrats were told that $796 million would be spent between 2000-01 and 2003-04. In fact, only $254 million—less than a third—of that money has been spent. There are serious casualties of this underexpenditure—for instance, the Murray River and, with it, the water supplies for Adelaide and South Australia. They suffer as a result of money not being spent on the National Action Plan on Salinity and Water Quality. We have a situation where $148 million less than the government said it was going to spend over that period from 2001-05 is now going to be spent. It originally promised $575 million; it has now been whittled back already to $426 million.

This is a substantial cutback. The Murray River—as was pointed out by the Adelaide Advertiser just after the budget—is a casualty of that, and with it, water supplies for Adelaide. In my own state of Victoria, the Wimmera-Mallee are casualties of this underspending. There has been a very worthwhile initiative for a sustainable water management strategy for the Wimmera-Mallee, which involves replacing the existing open channels with a new pipeline system throughout 2.3 million hectares of the region. The pipeline system has been designed with a capacity to deliver 27,000 megalitres per year to cater for current and future needs of
the supply area and to allocate water which is saved through that piping to the Wimmera-Glenelg and other river systems, therefore helping to restore those river systems.

The Victorian Labor government committed itself to spending $77 million on the Wimmera-Mallee pipeline over 10 years. The federal government has been asked to provide the remaining $77 million over 10 years. Where is its allocation? It is simply not there, although there was a claim, I think, by the Deputy Prime Minister, that the government would put forward $3½ million. However, when you look at the budget documentation, there is no allocation for the Wimmera-Mallee pipeline at all. It is extraordinary when the government cannot find the money to spend on this national action plan on salinity, and cannot spend the money on the Natural Heritage Trust. It is a pity it cannot find money for such a worthwhile project as the Wimmera-Mallee pipeline.

Another victim of this underexpenditure is the Cape York Peninsula. Back in 1996, when Paul Keating was Prime Minister, Labor promised $40 million to fix up native title and other issues on the Cape York Peninsula. The Howard government said, ‘We will match that; we will provide the $40 million.’ They turned that into Natural Heritage Trust money, but that money still has not been spent. Around $20 million of that $40 million—that goes all the way back to 1996—has yet to be spent. The money allocated for land acquisition in the Natural Heritage Trust expenditure has not been dipped into at all. In my book, that is a scandalous situation.

I mention also as evidence of the fact that the environment budget has not only been underspent but also cut that the budget paper says that there are 120 staff to be cut from the Department of the Environment and Heritage. When we quizzed the departmental secretary in Senate estimates about this he said, ‘I hope it will be somewhat less than that. It might be 90 to 100 staff.’ When he was asked why the budget papers say it is 120, he said, ‘Because we prepared that some weeks ago before we were in a position to finalise the details.’ It is pretty odd that, when you get budget papers that are supposed to be accurate and reliable about these things, the department indicates that this is not necessarily going to be the figure and it apparently is unable to inform us as to exactly what its intentions are. Coming from a government that made much of the Charter of Budget Honesty, it all makes a bit of a joke of the budget papers.

It gets worse. Not only is it the case that the government does not spend money that it claims it will spend but also there is retrospective underspending—money that we thought had been spent turns out not to have been spent. In the area of the Natural Heritage Trust programs, last year the government told us that for the year 2000-01 it had spent $395 million on Natural Heritage Trust programs, but this year’s budget revises that figure downwards by a massive $110 million, down to $284 million. This retrospective underspending infects virtually every Natural Heritage Trust program. It is the case that spending delayed is spending denied. But it is even worse for the Howard government to claim credit for environmental expenditure which simply did not happen; nor can it be explained by rounding errors between the delivery of the May budget and the end of the financial year on 30 June. Nearly 30 per cent of the claimed Natural Heritage Trust 2000-01 expenditure simply did not happen. No other government department or program would be subject to such massive downward revision.

It is not just a problem area with the Natural Heritage Trust and the National Action Plan on Salinity and Water Quality; funding for the Greenhouse Office has also been shrinking. As I said, the government promised $245 million of greenhouse expenditure for 2000-01. A year later, only $119 million of that had been spent. Once again, we pursued this issue at estimates hearings. The government said that they had reprofiled their expenditure—they had blown it out into years to come. When I was involved in a radio interview with Dr Kemp concerning this matter, he said, ‘You can’t spend the money if the proponents for renewable energy projects aren’t out there putting up their hands for support.’ This certainly made one listener irate, because he wrote to me out-
lining the difficulties he had faced getting interest in his product as a businessperson with greenhouse gas abatement technology. In fact, when he went to the Greenhouse Office web site, he found that the grants for round 2 were closed and had been since July 2001, with no indication of when round 3 grants would commence, if indeed there was going to be a round 3.

In relation to the environment budget, the reality is that the government have cooked the books with Customs' money, they have systematically underspent the budget—so you cannot take their word for it that money they have claimed will be spent has been spent or will be spent in the following year—and they have engaged in cuts in critical areas, such as the National Action Plan on Salinity and Water Quality, the Natural Heritage Trust, combating greenhouse gas emissions and tackling climate change.

Mrs May (McPherson) (9.56 a.m.)—Last month, the Treasurer handed down Australia's 101st budget since Federation. I will give just a little bit of history. Of those 101 budgets, 69 budgets have been handed down by the Liberal Party and/or the coalition and 32 budgets by the Australian Labor Party. The reason there have not been 102 budgets since Federation is that there was no budget in 1915. As far as I can ascertain, there was no particular reason for this; it just looks to be a matter of timing. The 1914 budget was handed down on 3 December and the 1916 budget was handed down on 9 May.

The 101st budget reflects what I believe to be the overarching role and responsibility of a democratic government, and that is to act in the national interest by providing as much security and stability as possible—firstly, and most importantly, in defending its citizens, and also in the economic sense. There is no doubt that strong economic policy and good governance is the hallmark of this government. We have a fair, reasonable and effective system where people can go about their daily business and achieve a high standard of living. The structures are in place for people to lead productive and successful lives. Australia's system and way of life is our strength and is to be preserved, treasured and never taken for granted. We must be prepared to fight crime and terror, and this year's budget focuses on safeguarding Australians as, unfortunately, it has September 11 as its backdrop. In this budget we are allocating an extra $1.3 billion to upgrade security in Australia.

As part of upgrading domestic security, the Minister for Justice and Customs has announced that Fisherman Island is the site chosen for a major new Customs container X-ray facility. This new facility is one of two being funded through an additional $39.8 million over four years announced in the recent federal budget. The enhanced container X-ray technology in Brisbane will boost the number of containers that can be screened each day. This will speed up the inspection process, while limiting physical handling of the goods, and will save businesses a great deal of time in processing imports through Customs. When the Fisherman Island facility comes on stream early next year, Customs proposes to examine 60 containers per day, or 15,000 per year, in Brisbane. This landmark X-ray technology will allow entire containers to be inspected without the need to physically unpack them. The machine is capable of detecting weapons, drugs and other prohibited items.

Other commitments to protect our borders are: an additional $77.4 million over four years to double the number of at-sea days for the Customs fleet of eight vessels to 2,400 annually, which will provide additional staff for the vessels to enhance maritime surveillance and response capability; and $28.5 million over three years to increase annual Coastwatch surveillance hours. The additional 1,600 hours allows for the maintenance of surveillance in north-west Australia and raises the capacity to respond to other tasks from law enforcement and government agencies. The commitments also include an extra $42.3 million over four years to obtain access to international airlines' reservation systems to allow better screening of arriving and departing passengers for counterterrorism purposes; an additional $12.8 million over four years to trial, in conjunction with Defence, high frequency surface wave radar technology to increase surveillance coverage beyond the capabilities of conventional mi-
crowave radar; and $8.1 million over four years to improve communications between airborne aircraft and the Coastwatch National Surveillance Centre. This increased funding to Customs provides for better technology, more staff and more operational hours at the border—a strong sign of the priority this government gives to the security and sovereignty of Australia’s borders.

I have heard it said over and again that this government had to take hard and courageous decisions in this budget. The decisions may have been difficult but the reality is that there really was not much choice. To secure our lifestyle, every single one of us has to make a contribution. If we do not do what has to be done now, we can be guaranteed a much higher cost further down the track, without the advantage of a planned and disciplined approach.

As part of the budget papers the Treasurer tabled the Intergenerational Report. The report looks to the future and identifies the challenges that lie ahead for us in the next 40 years. In Australia we have a declining birth rate and an ageing population; that is, fewer workers supporting larger numbers of aged people who are living longer. In 40 years time the largest area in relation to government spending will be the health area.

The Intergenerational Report projects that in 2044 the Pharmaceutical Benefits Scheme could grow to $60 billion in today’s dollars. The government has started addressing the problem of an unsustainable Pharmaceutical Benefits Scheme by increasing the price of copayments from 1 August 2002. The price of a script will increase by $1 to $4.60 for concessional cardholders and by $6.20 to $28.60 for general patients. The safety net is also to be raised from 1 January 2003 to $239.20 a year for concessional patients and $874.90 for general patients. The increases in copayments are very small steps indeed that go towards safeguarding an extraordinary pharmaceutical system that provides patients with low-cost access to expensive medicines worth up to hundreds of dollars.

The highest volume drug in Australia is the high-cholesterol drug Lipitor, which sells at an average price of $59.71. Concessional cardholders will pay $4.60 for this drug, the remaining $55 being picked up by the government. Zoladex, which is used for prostate and breast cancer, costs on average $726, yet a concessional cardholder will have to pay only $4.60. Zyban, which is used for nicotine addiction, costs $249, while a concessional cardholder will pay only $4.60.

The change to copayments demonstrates that this government can make the tough decisions while protecting the integrity of the Pharmaceutical Benefits Scheme so that it is affordable to all Australians. Yet we have the Australian Labor Party and the Democrats saying that they are going to damage our economic strategy by stopping this budget initiative in the Senate. It is highly improbable that the Democrats will ever be in power to deal with fiscal reality, but it is quite simply disgraceful on Labor’s part to stop this initiative and it is further confirmation that the Labor opposition is unfit to govern.

Gold Coast City, Australia’s premier tourism destination, has welcomed the $45 million budget commitment for tourism and the impetus it will provide to this very important industry—an industry that is primarily made up of small businesses right across this great country. Regional and rural Australia are set to receive an additional $8 million over the next four years to help develop its tourism potential. The funding will be provided through competitive grants under the regional tourism program. The federal government will also contribute $8 million over four years to the See Australia partnership initiative. The funding will enable See Australia to encourage Australians to take a domestic holiday, particularly in rural and regional Australia. The campaign will assist in alleviating the impact of the Ansett collapse on major regions throughout Australia. Although Australians are renowned for taking holidays, approximately 40 per cent of us do not take a yearly holiday. The See Australia campaign hopes to convince people to take a break and to check out some of the great tourist areas and attractions we have here in Australia.

The quarter following the collapse of Ansett and the World Trade Centre saw the same number of tourists visit the Gold Coast...
as visited the previous year, but there was a major change in their composition. The number of overseas visitors was down, but the drive market was buoyant—Aussies are staying at home. Nationally, figures since last year show the recovery of the country’s key tourism markets as mixed. Some markets were showing promise but some markets still remained flat after September 11. Figures for the first four months of this year show the number of inbound arrivals down by 4.8 per cent and the number of visitors dropping 11.8 per cent in April. The See Australia campaign will cushion the effects of that drop in the number of visitors coming to Australia.

The budget also provided an additional $24 million to the Australian Tourist Commission over five years to enable a business and leisure tourism market redevelopment package to be implemented. The funding will enable the Australian Tourist Commission to develop a package to protect and grow Australia’s market share of international travel and restore visitor numbers to regional areas hardest hit by the events on September 11 and Ansett’s collapse last year. It will include specific marketing campaigns in Asian locations, working with key industry partners and focusing on leisure travel from those locations. It will also enable the Australian Tourist Commission to conduct a business tourism marketing program to attract large conferences and convention business to Australia, and a campaign in key markets focusing on specific market segments. The Australian Tourist Commission promotes Australia to consumers and the travel industry in over 40 countries. It works with private, state and territory tourism organisations in implementing tourism marketing and promotional activities as well as developing the meeting, incentive, convention and exhibition sectors and promoting business tourism.

An important budget initiative affecting the people of the Gold Coast is the availability of the Postgraduate Education Loans Scheme to Bond University students. The extension of the Postgraduate Education Loans Scheme to Bond University gives students more choice, which will in turn enhance students’ contribution to the region’s and the nation’s economic, cultural and environmental wellbeing and prosperity.

The Postgraduate Education Loans Scheme is already having an impact on the number of students undertaking higher education. Data is scarce because the scheme only commenced at the beginning of this year for students at public universities but, according to university estimates, fee-paying postgraduate places have increased by approximately 20 per cent in 2002 over 2001. This is ascribed to both the trend in increases in these enrolments and the impact of the Postgraduate Education Loans Scheme. At Bond University, local postgraduate enrolments declined by nearly 10 per cent last year, but I am happy to say that this trend is expected to be reversed with the availability of the Postgraduate Education Loans Scheme to Bond postgraduate students.

Last year was Bond’s most successful year to date when growth in scope and scale was achieved. It was the second year that the university posted a profit, and the Gold Coast community can be proud of that result. Bond University is now poised to build the necessary resources to capitalise on its success to date and become the truly great international university that is its vision.

Now, more than ever before, there is a growing importance for higher education as, without doubt, universities are vital to Australia’s success. In the global knowledge economy, the competitiveness of nations is increasingly determined by their capacity to generate, assimilate and apply new knowledge. For a nation like Australia, with our unique environmental, industrial and social circumstances, there is a need for a substantial national capacity to generate knowledge based solutions specific to Australia, and the Postgraduate Education Loans Scheme is a mechanism that goes towards meeting that need.

Turning to the First Home Owners Scheme, this scheme has enabled many young people in my electorate of McPherson to buy their own home and I applaud the government for continuing to support this very important scheme. Mortgage interest rates are still at low levels where people can
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meet their obligations. I remember only too well the eighties when, under Labor, interest rates were around 17 per cent. During that time it was not uncommon for people to be forced to sell their homes because they could not meet their mortgage obligations.

This government’s reputation as a strong economic manager is now almost a throwaway line and it disguises the considerable skill required for its excellent performance, but it is a finely tuned balancing act of monetary policy, micro and macro-economic policy, taxation reform and general policy reform. Over the past seven years, the government has got the balance right and Australia is continuing to lead the world in its economic performance. While other countries have rising unemployment, ours is expected to fall, and is falling.

No other comparison can illustrate more dramatically the difference between Labor and the coalition government. Labor talks about social outcomes while stripping government of the capacity to pay for them. By careful attention to priorities and the more effective targeting of public spending, by the end of 2002-03 this government will have reduced Labor’s debt by $61 billion. This government will continue with our disciplined and far-sighted approach that secures Australia’s future. I commend the bill to the House.

Mr SCIACCA (Bowman) (10.12 a.m.)—In rising to speak on the Appropriation Bill (No. 1) 2002-03, may I simply say that I have a great deal of regard for the honourable member for McPherson, but she really did carry on with some codswallop there. It was one of those self-congratulatory speeches that you hear all the time in this House emanating from the government and that, of course, is part of the chest-beating that members opposite have been carrying on with in this debate about the budget. They crow about how it has delivered the government’s election commitments in full, on time and on budget, but they do not say that they are hitting the needy—those people in the community who need assistance to pay for the mistakes that the government has made in relation to a number of matters—or mention the bribes that it took to win the last election.

The community response to this budget has been much less enthusiastic. Many residents in my constituency of Bowman who have contacted me agree that the government have managed to find the dollars necessary to fund their big spending pre-election pledges in this budget, but have failed to invest in important areas such as education and the environment, areas vital to ensuring a safe and secure future for all Australians.

The overwhelming majority of people in my community who have phoned or written to me, or who I have met in the streets in the aftermath of this budget, have expressed concern about the rising cost of health care and the lack of services as our health system is run into the ground. In the past, when Australians have faced misfortune, they have commonly taken solace in the thought, ‘At least we’ve got our health’—small consolation, perhaps, but one that is increasing in value given the Howard government’s ongoing attack on the health system and on the sick.

Particularly concerning for some families in my electorate has been the government’s speedy implementation of measures such as the baby bonus, and their failure to deliver help where it is most needed. In the eyes of many, they are delivering middle-class welfare while important decisions about possible changes to private health insurance reimbursement to cochlear implant recipients for the cost of upgrades or replacements of their speech processors, decisions which will have a significant impact on the quality of life of many hundreds of hearing impaired Australians and the financial security of their families, have been deferred indefinitely.

Members may be aware that, following the recent review of the National Health Act 1953, the Private Health Insurance Medical Devices Expert Committee, PHIMDEC, recommended that, while the implant and the initial speech processor should remain on the Surgically Implanted Prostheses Schedule, and therefore continue to be compulsorily covered by private health insurers, subsequent speech processors required by patients...
would no longer be required to be covered by health funds.

The Wharton family of Birkdale in my electorate recognise that such a change would place their son Matthew in a position of considerable disadvantage. Matthew, who is now 14, received a cochlear implant in November 1997. Although he was born with full hearing, when he was aged some two years and nine months he suffered from a cold for a couple of weeks. He was put to bed one evening and awoke the next morning profoundly deaf. Nobody could tell them why or how it had happened. The Whartons have worked hard to ensure that Matthew enjoys all the opportunities available to other children. Matthew adapted well to hearing aids, attended a preschool which specifically caters to the needs of deaf children and, having been involved in an early intervention oral program, he was able to be fully integrated into the Catholic education system in Brisbane.

Despite Matthew’s determination to live his life as normally as possible, by the time he was nine it was evident more would be needed to ensure his language and speech development were on par with those of his peers. Deciding whether to go ahead with the cochlear implant was an agonising process for the Whartons, knowing that there was no guarantee of marked improvements with the procedure, but, having gone ahead with the implant in 1997, the family have been delighted with the difference it has made to his life, and they have not looked back; or rather they had not until the beginning of this year when they learned that the provisions relating to private health insurance and speech processors were looking like changing.

For some 15 years private health funds have been required to cover speech processors for cochlear implants. Given that in order to reap the full benefits of the implant recipients require speech processors that are well maintained and in line with the most up-to-date technological advances, this appears to be a logical requirement to help hearing impaired Australians to live as fully integrated members of the community. Yet the review by PHIMDEC concluded that it:

... is restricted by legislation to only approving compulsory coverage by health funds for prostheses items implanted during an episode of hospital treatment, so they could only approve the actual implant and the first speech processor as it could be argued that the first speech processor is an integral part of the implant.

However, it goes on to say:

... replacement speech processors and accessories are therefore no longer required to be covered by health funds.

The decision on whether to proceed and remove speech processors from the Surgically Implanted Prostheses Schedule has been deferred. Maybe the health minister thought this budget was enough of a kick in the guts for disabled Australians for the time being. I take this opportunity to illustrate to the government the very real implications such decisions can have for families like the Whartons—families who, induced by the stick of Lifetime Health Cover and the carrot of the 30 per cent rebate, have signed up to private health insurance only to find themselves on the brink of being abandoned when they are in most need. The Whartons said in their correspondence to me:

How am I supposed to tell my son that when all his friends are saving up for their first cars that he'd better be saving up for his new processor so he can hear better.

Although four-year-old James Morris of Capalaba can take comfort from the fact that he will be covered by the program for the next 17 years, his parents are understandably concerned that the added demand the decision being contemplated by the government will place on Australian Hearing Services will mean longer queues for services, putting hearing impaired children at a disadvantage during their formative years. Some private health insurers may decide to include speech processors for cochlear implant recipients in items covered by ancillary insurance. But the composition of the ancillary tables is dictated by the individual funds’ business considerations and is therefore in a constant state of flux.

I call upon the health minister to take a stand against the harsh treatment that this budget deals to the disadvantaged in our community and to ensure that the profoundly
deaf, especially children, can continue to secure upgrades and replacements for their cochlear implants by requiring private health funds to continue to cover the costs of the prosthesis.

Placing an unfair burden on the disadvantaged—being strong on the weak and weak on the strong—is a strong theme in this budget. Proposed changes to the disability support pension are not, as the government would have us believe, about getting people back into the work force. They are about shifting the goalposts and cutting benefits. They are about reducing by $52 per fortnight the income of members of our community who experience physical or psychological disadvantage. Combined with the loss of supplementary payments like the $68 pensioner education supplement and the loss of their pensioner concession card, these changes will in reality reduce the ability of those with disabilities to find and engage in work or training. In fact, the argument that cutting someone’s pension will help them to find work holds as much water as the Prime Minister’s bizarre contention that more Australians will find employment if it is easier for bosses to sack them. It is a line that is not washing with members of the community.

These changes are causing a great deal of anxiety amongst DSP recipients and their families. I recently received, from a woman living in Capalaba in my electorate whose husband is a disability support pensioner, a letter which typifies the concerns about the government’s proposal that have been raised with me since the budget was brought down. She writes:

I would like to protest against the changes that are going to be made to the DSP rules. It would seem the Federal Government is hell bent on hurting as many disadvantaged Australians as they can and these changes only serve to prove it. It is quite uncaring to change the rules for any Australian who has suffered a debilitating injury, but especially for people like my husband who is currently on a DSP and has been for over 9 years with a genuine back condition. He is not a bludger and, because I see him every day I certainly know his limitations.

The prospect of being forced into actively seeking work is a worrying concept for people with disabilities and their families, not because they do not want to work but because they are understandably concerned about the impact training requirements and workplace conditions will have on their health status. My constituent asks:

My husband’s condition seems to be getting worse over time, so medically speaking is it a good idea to force people (like him) who have been on a DSP for over nine years into the rigours and stress of retraining) and employment. What would be the medical repercussions and who would be responsible for any further damage? If his condition became even worse than it is now, what happens then? Would he simply be put back on the (Disability Support) Pension in a worse condition than he is (in) now? Or does he just cop it on the chin? There doesn’t seem to be much hope for people like us either way.

Even when people who are placed on Newstart as a result of reassessment are able to find a job, it must be remembered that many debilitating conditions fluctuate. While a person may be generally deemed to work 15 hours a week or more, there may be other times when their condition leaves them unable to attend the workplace for days or weeks on end. If such a situation arises, my constituent asks: what would the employer’s responsibility be to him? Would his job be safe? Will the government guarantee any part-time job he may have found? If he were on Newstart, would Centrelink be understanding during such times?

There are also many questions left unanswered for the partners of disability support pensioners, who devote much of their time to providing appropriate care to their husbands or wives, about the impact a reassessment would have on their own income levels and activity requirements where they are in receipt of a Centrelink benefit. The letter concludes:

I have read the information supplied by Centrelink, but it does not provide these answers. It was the Federal Government that put my husband on DSP in 1993, with a further review in 1998. He underwent rehabilitation at the time ... How can they now simply change the rules for people who are currently on a DSP?

Labor is prepared to support genuine disability reforms and programs that genuinely assist those who are able to participate in the work force to gain skills and find employ-
But I am pleased that, despite the threats levelled by the Minister for Family and Community Services, we will not be supporting this proposal that is little more than a crude cost cutting exercise that will actually diminish the ability of the disabled to engage in work and move off benefits.

But, not content with reducing assistance to an estimated 100,000 disability support pensioners Australia wide, the government has in this budget attacked people with disabilities across the board. While in his budget speech the Treasurer, Peter Costello, announced a new five-year Commonwealth State Disability Agreement, with the Commonwealth providing the states an extra $547.5 million over five years for unmet needs, this announcement was simply a re-packaging of funding agreed to in July 2000. There has been no growth funding allocated to this important area, which means a reduction in the respite, accommodation and support services that are vital to maintaining the quality of life of hundreds of people with disabilities across the country, their carers and their families.

As details of cuts to disabled Australians began to emerge in the days leading up to the budget, I began to receive a steady stream of letters from individuals and support groups across my electorate, letters from people like Ron Murray, who has extensive experience in delivering disability support services to Bayside and Redlands residents and understands the enormous amount of stress and hurt that this budget has caused for disabled Australians. Ron writes:

It would appear that the word Disability ... is not in the vocabulary of the present Federal Government ... there is an obligation for any Federal Government to support the State Government in providing sufficient funds to enable people with a disability to live a life to the same level of you and I.

Amongst other correspondence I received on this matter, I was sent a petition with 400 signatures, collected in only two days, from residents in the Bayside and Redlands suburbs that make up my federal constituency of Bowman and from surrounding areas, calling for the federal government to commit funding to address the growing unmet need for services and support for people with disabilities and their families. So, while disability services are not a priority for this government, I am pleased to see that community expectations that the government should provide appropriate support for the frail, elderly and disabled and their families is still strong.

Another of my constituents, Mrs Fran McWaters of Alexandra Hills, knows only too well the physical and emotional stress borne by those who care for people with disabilities and those whose age and frailty prevents them from looking after themselves. She has been active over a number of years in the battle to secure better support for carers in our community. Carers are of tremendous assistance to government. The Queensland Council of Carers estimates that there are more than 14,000 carers in the Redlands district of my electorate alone. That is over 14,000 people in that community alone who are providing services that would otherwise need to be provided by government—a figure that is certain to rise given the ageing population and the growing popularity of the Bayside suburbs as a retirement destination.

If fewer family carers are able or willing to care, and if governments argue that they cannot afford to provide care or choose not to do so, then the care gap may be increasingly filled by private services or paid volunteers working in the grey economy. Such developments are quite widespread overseas, where they are causing concern because of the difficulty of ensuring adequate standards of care and the potential for exploitation of both carers and care recipients.

The Treasurer's own Intergenerational Report highlighted what we already knew: Australia has an ageing population, a trend exacerbated by increased life expectancy and the ever declining birth rate. While there is much work to be done to address the acute shortage of places in institutional care across the country—work which was seemingly overlooked by the budget, which announced no new nursing home beds—Mrs McWaters has raised with me her very legitimate concerns that, though important, an exclusive
focus on institutional care is the wrong path
to go down.

Members of our community who require assistance to get through everyday life should have the option of remaining in their own homes, where they are comfortable and where they are close to their families, for as long as possible. But, in order to make staying at home a viable option, it is incumbent on government to provide carers with access to proper support services. For a long time, caring was viewed simply as an extension of family duties. But the community is increasingly becoming aware that providing care for people with disabilities can be emotionally and physically draining work. Community education must continue, but there is growing acknowledgment that people like Mrs McWaters, who are at the coal-face, need improved access to support services to help them to help others.

These very important members of our community do not ask for thanks but they do ask for support to ensure that they are able to continue to provide the highest level of care possible. Sadly, that support is not readily available. Mrs McWaters provided care for her mother on a full-time basis for 10 years after her mother suffered a debilitating stroke. During that time, she became acutely aware of the lack of support, in particular the limited availability of respite services available to carers in the Redlands district of my electorate. The day centres that operate in the area have restricted hours, only operating between 10 a.m. and 2 p.m., Monday to Friday. Outside these hours, carers who have commitments outside the home find it very difficult to access respite services. As a consequence, Mrs McWaters has observed that many carers will put their own needs aside. For instance, the difficulty in obtaining emergency respite care where a carer takes ill will mean the carer tends to forgo doctors appointments and generally neglect their own health requirements, whereby their role as a carer is compromised.

May I place on record my sincere admiration for Mrs McWaters and people like her all around Australia in their hundreds of thousands that do this work, save governments a lot of money and ask for no thanks.

The least we can do is give them some support. From her own experiences and having spoken to many people who provide full-time care for their loved ones, Mrs McWaters knows that there is an urgent need for carers to have access to flexible respite arrangements seven days a week or overnight if need be. It is time that the government recognised the valuable contribution made by carers and ensured that disability services receive appropriate growth funding in that area.

We also have the Pharmaceutical Benefits Scheme changes proposed in this budget. These changes would put even more financial pressure on Australians when they are down, obliging pensioners and cardholders to pay an additional $52, while others must foot the bill for a further $190 for pharmaceuticals. It is not on, and Labor will oppose this measure both in the House and in the Senate.

The other matter that creates concern in my electorate is that the Treasurer has persistently refused to increase funding to ensure a viable universal health system. Fewer and fewer doctors are prepared to bulk-bill. In fact, some of them are receiving notices like one that I have in front of me which says, ‘Cessation of bulk-billing from 1 September 2001,’ and it goes on to say, ‘Pay the total fee and then go to Medicare for your rebate.’ In my electorate of Bowman, the Wynnum Medicare office was closed by this government so, even if you can get some of the money back, you have to catch a bus or a taxi, which costs money, to get your money back from Medicare. It is an absolute disgrace. This government is not really worried too much about the health care of our people in Australia and certainly not those in Wynnum in my electorate.

I wanted to mention other constituents in my electorate who have written to me. Mr Stan West of Alexandra Hills is just one of many of my constituents who has contacted me about these important issues. These issues need to be addressed. I would hate to think that if we do lose our Medicare system, if the medical system does fall down because of meanness on the part of the government, the government would only act to restore the
Medicare system if a human tragedy shook them into action. I can assure you that could well happen, because people, particularly pensioners, do not have a lot of money and every dollar means something to them. We would never want a situation where healthcare is seen as a luxury in this country, where people have to choose between that and feeding themselves.

Mr BILLSON (Dunkley) (10.32 a.m.)—I welcome the federal budget and the Appropriation Bill (No. 1) 2002-03 that we are discussing today. Treasurer Costello has delivered a forward looking yet frugal plan that faithfully implements all of the Howard government’s election pledges. Beyond the key goals of keeping our nation safe and secure and our economy strong, the budget delivers in full on all of the government’s national election pledges and, thankfully, all of the undertakings I gave to the community at a local level. To underline the importance of longer-term planning as part of governing responsibly, the government for the first time incorporated an Intergenerational Report that looks at the demands of our ageing population and what kind of spending pressures will influence government in 40 years time so that we can start planning for those impacts now. This look into the future should give us all confidence that decisions being made today are being shaped with an eye towards the longer term and also towards the demands and changing needs of our community.

The budget forecasts strong economic growth at 3¾ per cent for the coming year which, when combined with ongoing labour market and economic improvements, should reduce the rate of unemployment to at least six per cent. A budget surplus of $2.1 billion and a debt repayment plan that will have reduced the debt accumulated under previous Labor governments by $61 billion by the end of the next financial year will continue to provide a pro-employment, pro-investment, low inflation and low interest rate business environment.

In the aftermath of September 11, defence spending will be increased by $1.3 billion over 2000-01 levels, bringing total defence spending in the coming year to $14.1 billion as part of the government’s efforts to ensure that we are properly resourced against the war against terrorism. New funding of $1.3 billion over five years will create a new east coast based defence tactical assault group—a permanent instant response capability and a doubling of the Australian Federal Police’s strike team capability—in a targeted upgrade of our domestic security and response readiness. Our strong border protection regime that has ensured no unauthorised both arrivals to Australia since December last year will be bolstered with a funding increase of $908 million over the next four years in a measure that I believe is strongly supported by the people of the Dunkley electorate.

It was interesting to listen to the shadow minister for the environment having a go at the link between border protection and the wellbeing of our environment. The Labor spokesman on the environment fails to recognise that we need to protect against not only threats of war and terrorism but also the insidious impact of introduced species, organisms, pests, plants and animals that can wreak havoc across our great nation. This expenditure not only ensures our safety and our wellbeing but also goes to protect our biodiversity and the integrity of our national natural systems and also reinforces the security of those natural systems that make a significant contribution to our economy and make this mega diverse continent one of the very special places in the world.

The link between that expenditure on protecting our borders and the wellbeing of our environment is very clear. It disappoints and saddens me that the key spokesperson from the Labor Party on issues concerning the environment cannot see that connection. If fungi, plant species, pest animals and diseases affect our crops and native bird life, if we have weed problems, which we have, from aquarium plants clogging up some of our rivers and waterways, surely the Labor spokesman on environment matters can see the very obvious impact on our environment, our natural systems, our economy and our national wellbeing. That link is very clear to me, and I hope that on reflection it will also be clear to the Labor spokesperson on the environment.
The government will spend over $1.8 billion to protect our environment in the next financial year—$198 million more than 2001-02. This is a record level of expenditure for any Commonwealth government and underpins the Howard government’s credentials as the greenest government this nation has seen. It is a deserving recipient of an award from the World Wide Fund for Nature that was discussed in this place yesterday for some of these environmental measures.

Through this budget, we have delivered on key election promises such as developing a new national coastal policy and the national rescue effort for the Murray-Darling Basin. The Natural Heritage Trust will be extended for the next five years, with a further $1 billion injection. Together with the $1.4 billion National Action Plan for Salinity and Water Quality, this represents the greatest commitment by any Commonwealth government to the environment since Federation. These are big numbers: $1.4 billion is $1,400 million—an enormous commitment to the national action plan on top of the $1,000 million being spent through the Natural Heritage Trust.

One of the measures that it will support, as I mentioned, is the National Oceans Office—a new initiative that will develop the south-east regional marine plan to make sure that the environment we cannot see, that miraculous part of our ecology that is under water, is being properly managed not only for its sustainable use but to protect what is often unique biodiversity in that area. I have spoken before about how almost three-quarters of the marine life south of Australia, which we are responsible for, occurs nowhere else on the globe. Isn’t that significant? We do not know what great mysteries are there beneath the water. This commitment will reinforce our responsibility for the exclusive economic zone, a vast area of this globe that our nation is responsible for. We will also put in place a marine plan for the Gulf of Carpentaria and the Torres Strait region.

There is also funding for in-service emissions testing of diesel and petrol vehicles and $2.1 million to implement the new national fuel quality standards legislation. I am delighted that, after many years of campaigning to highlight the benefits of LPG not only to our environment but also to commuters and users of commercial vehicles, it is now part of that legislation. There is a draft standard out there and we are receiving input through a consultation process. This is to make sure that, as we tread a little more lightly on the earth by using a transitional fuel like LPG in preference to fossil fuels, we are also securing improved air quality for our cities and communities. There is also $4½ million to promote eco-efficiency to reduce the use of resources and to cut pollution, waste and production costs in the packaging, construction and mining industries—all quite worthwhile things.

The other thing is that there is $38.7 million for the ongoing implementation of the Environment Protection and Biodiversity Conservation Act—a landmark piece of legislation that made sure the Commonwealth had a suite of tools to protect environmental biodiversity where it was threatened by some action, process or negligence. It is a targeted measure—quite a significant piece of micro-economic reform, in my view. To give you an example of how it operates, I can tell you that it is already being felt in, and will deliver benefits to, the area that I represent.

Those listening would be disappointed if I did not mention the Scoresby corridor and the Scoresby freeway project. I will not disappoint them: I will mention it. The Minister for Trade, who is at the table, had the good fortune to fly over it in a helicopter when we were arm-twisting our ministerial colleagues to recognise the virtue of this project; and thank you, Minister, for your support on that. The Scoresby transport corridor and in particular the freeway connect to my electorate of Dunkley. Why is that a big deal? It is a big deal because it is enormously significant to the community that I represent.

To give you an idea: there are 236 hectares of undeveloped industrial zone land in Frankston City alone—236 hectares of investment opportunities just waiting to happen, opportunities that are snuffed out and strangled because the transport networks are so pathetic that, if you are using the land to produce some high-value exports, getting
those products to ports and airports is a nightmare. Trying to get the products to other marketplaces is very difficult. Those 236 hectares in Frankston City represent 17 per cent—almost one-fifth—of all the vacant industrial land in the greater Melbourne area, and those 236 hectares will benefit from the Scoresby transport corridor. Why wouldn’t I be excited about this project? Why wouldn’t I recognise the economic and social benefits and the benefits to living standards that the project represents to the community that I represent?

We are not reckless about this. I know that there are some people who do not support the project—people like Paul Mees, who is a private citizen trying to stop this project through appeals to the Federal Court. As frustrating as that is, it is microscopically frustrating compared to the inactivity of the Victorian state Labor government. It might be worth recalling that the Bracks government campaigned and were elected on the basis of opposing this project—a project that represents a life vein into the city that I am a part of and into those 236 hectares of vacant land. It was opposed by the Bracks government when they were elected. Finally, through arm-twisting, good argument, persuasion and strong advocacy, we convinced the state government of the importance of this project, and they are now on board. But ever since they said they were on board they have behaved like reluctant converts, and that continues to this day.

We still do not know when the project is going to commence. We still do not know when the section that is of most interest to me—the link between the Frankston freeway and the Monash freeway—will start, what it will look like, when it will be completed and what the key attributes of it are. We do not know that. We are putting $950 million—nearly $1 billion—of public money into this project and we do not know when it is going to start. We ask a lot of our governments but I do not think that that is too much to ask of our state government: when will it start; when will we get on with the project?

The Commonwealth is doing its bit in recognition of the fact that last year we secured Ramsar listing, an international recognition, of the Seaford-Edithvale wetlands. Those wetlands have some tourists: birds that travel from Siberia and right around the world to hook past the electorate that I represent. We have responsibilities there and, quite appropriately, we declared the wetlands a Ramsar site. In addition to that, under treaty obligations those listed and migratory bird species we have responsibilities to care for their habitat. Because of that, quite rightly, the southern section of the Scoresby corridor has been identified and declared a controlled action so that its construction and design do not impact negatively on the Ramsar site and the habitat and wellbeing of those listed and migratory species.

To give you an idea about how the Environment Protection and Biodiversity Conservation Act puts disciplines on the Commonwealth, let me illustrate what is happening. At this stage, we have some idea that the project is going on, but we have not even got the required minimum level of information from the Victorian state government to determine what level of assessment is required. Once we get that information, the Commonwealth has 20 days to make a decision. We have waited 20 months for some kind of information at all from the state government about how it intends to carry this project through. When we get an idea and some preliminary information is submitted from the state government, the Commonwealth has 20 days to decide what level of assessment is required. That will be followed by a public notification period of at least 10 days. The community is invited to put its view, and the proponents—in this case, the state government—can respond to those points. Once that response has been received, the Commonwealth has a further 20 days to prepare an assessment report.

I am talking about disciplines that the broader community expect of their governments, particularly when there is $1 billion being invested, and we still cannot get any information from the Bracks Labor government about what the heck is going on with this project. They say they are committed, but they are behaving as reluctant converts. They should just get on with it and help the community prepare for it. In the void—this
period of not knowing when this project is going to move forward— we have ideas from the Bracks Labor government sneaking out the back door about building a high-security prison in Carrum Downs. What is the justification? There is vacant industrial land. We know that: that is why we are campaigning for the Scoresby transport corridor. But, if the community is going to secure maximum benefits from the Scoresby transport corridor, it needs to know when and how this project will proceed. I am talking about maximum benefits for the community from this project, not a maximum security prison. That is the choice at the moment, and the state Labor member for Frankston East seems to think it is not such a bad idea. He is quoted in the 20 May edition of the Frankston/Hastings Leader as saying:

“If there’s a prison to be located in the South Eastern region, it will be located in an area that is suitable for a prison ...”

Anyway, if a prisoner escapes from the prison, they aren’t going to hang around the local area—they’d get as far away as possible.”

That is the logic we are up against. He goes on to say that the area on the corner of Thompson and Frankston-Dandenong roads opposite Bunurong Park would be suitable for a prison as the land is mostly farming land. It might be suitable from that point of view but I do not know under what other criteria it would be suitable, and I certainly do not believe a maximum security prison is the best way of securing benefits for our community from the Scoresby transport corridor. But how can we argue the case about high-quality investment producing high-earning secure jobs as a result of these projects when we do not even know when the transport corridor project is going to commence?

In the meantime, in the absence of a clear strategic plan to secure these benefits, we get these ideas about a maximum security prison advocated and apparently supported, according to the media, by the state member for Frankston East, Matt Viney. What great logic: don’t be worried, folks, about a maximum security prison in your neighbourhood—if someone gets out, they are not going to hang around. That is what we are up against. How is an escapee going to get away from the place though? I hope I am not in the road of the freedom run and this person’s exit from the prison when they decide to assault me and my family for my motor vehicle to get away from the place. This is the sort of nonsense that we have to contend with at a state level.

Roads have always been a problem down our way. We have the Frankston-Cranbourne road duplication. I highlighted, as a result of freedom of information inquiries a little over a year ago, that this project was announced and set to proceed last year: in June 2001 work on this project was supposed to have commenced. Why then? Because that was announced some time earlier by the former roads minister and the state member for Cranbourne, Gary Rowe, who did a great job getting that project up. It was to cost $7.6 million at the time. What happened? The government changed, and now our local community gets this story: ‘Gee, VicRoads are horribly mean to our community: they won’t support any road projects.’ That is absolute bunkum.

The FOI documents that I secured and released to the media showed that VicRoads were ready to go and were strong advocates of the project but the expenditure review committee, in a political decision by the Bracks government, put it on the back burner. The state transport minister, Peter Batchelor, is on that committee, and you have the state Labor representatives running around saying, ‘Gee, VicRoads are doing us over.’ That is wrong: VicRoads were there, ready to proceed. Work should have commenced a year ago, and we would be nearing completion of the project if it were not for this political decision to bury it. In the meantime, the federal government spends $142,000 of federal black spot funding trying to carry out safety works so that the harm that this overstretched road is imposing on our local community and on motorists can be abated. Thankfully, the black spot project is continuing, and guess what? In recent weeks there has been an announcement by the Bracks Labor government that they are going to think about starting the project in a couple of years. What is this? This is just an exam-
ple of our community being treated as political mushrooms over these sorts of road projects when they are of crucial significance to the community I represent.

In the Fairfax community newspaper *Flyer* this week, there is an interesting and insightful report attributing comments to Pat O'Connell from the Frankston and Mornington Local Learning and Employment Network. It goes on to say that Mornington Peninsula secondary schools are retaining 69 per cent of students through to year 12 and that this is a worrying concern. I agree: it is a worrying concern. This is why I am so supportive of the funding in the budget for training initiatives. I have spoken in this place before about many gifted and able people having great futures ahead of them although they might not necessarily excel academically. They will need skills and abilities properly nurtured to make them very successful citizens and big contributors to our country. So vital training initiatives for all Australians are supported by this budget: $8 billion of Commonwealth funding over the next four years will put in place these training opportunities. This is an increase of 5.5 per cent over previous years, and in the coming year we are spending $1.9 billion, including $1.1 billion going to states and territories.

Two key initiatives that are in this budget are the innovation in the New Apprenticeships measure that means employers taking on a new apprentice in IT or other emerging high-skilled occupations will be eligible for an additional $1,100 incentive payment. That is crucially important. It is an incentive to employers to take on young people with talents in these high-skilled areas, young people who might not be academically the most gifted but are talented people in these areas. It is an incentive for employers to take on these young people, and even more mature people looking for a change in careers, as a new apprentice. That is crucially important in my area. In particular, though, employers who take on a new apprentice while the young employee is still at school will be eligible for an incentive payment of $750. What is important about that is this: we have concerning levels of early school leaving happening in my area and, while we have initiatives such as the IT Skills Centre at Mornington Secondary College providing alternative career pathways, we now have in place a further incentive that says to employers, ‘When you are speaking to a young person about a new apprenticeship opportunity, canvass the prospect of them staying at school and doing a new apprenticeship and VET and school activities alongside elements of the curriculum,’ a positive measure that I absolutely support.

Finally, I would also like to highlight the $54 million over four years for older people who are job seekers who have some difficulty with information technology skills. These are talented people able to commit to and engage in the workplace, and what is the barrier: not comfortable with IT. It does not matter whether you are working at Bunnings handling orders for timber, working on a factory floor or selling real estate, some competency with IT is an advantage. This is a great measure that I hope to speak more about shortly. (Time expired)

Mr WINDSOR (New England) (10.52 a.m.)—It gives me pleasure to speak to the budget papers. I would like to make some introductory remarks and then make some comments on various aspects of the budget and some policy issues that relate to the budget. Firstly, I congratulate the government in relation to the fiscal policy that it has generally been running. I believe—and there has been debate on this in this place in the last few days—that interest rates and inflation are very important parameters of economic health and need to be watched very closely by government. Sometimes that is not too glossy in terms of how it relates to the electorate, but I think the underlying parameters of inflation, interest rates and fiscal policy are very important. The forecast surplus of $2.1 billion is a positive indication of the government’s economic performance.

Having said that, I do have some concerns in relation to the equity issues that are coming through in this current budget not only in relation to country and regional people but also in terms of the Pharmaceutical Benefits Scheme that the government is addressing. I am not totally opposed to the general concept
of trying to gear it back, but I think there are some impacts on the edges that need to be addressed. Hopefully they will be addressed in the Senate. The other issue that I believe needs some degree of scrutiny—and it has been through this particular chamber—is the conversion of people from the disability support pension through to unemployment benefits. Even though I think the general rhetoric of the government and the minister is plausible, there are individuals who are going to be impacted on the edges of that particular policy change, and in my view this needs to be addressed and hopefully there will be some addressing of this issue.

Like the member for Calare, who spoke yesterday in the superannuation debate, I do not believe that the government, just because it was elected under a whole range of policy issues, has a mandate to carte blanche deliver all those so-called promises to the constituency. This place is about elected members in a parliament and, in my view, the two houses of the parliament should have some say, whether it be in terms of the superannuation bill that was addressed yesterday, the conversion from the disability support pension to unemployment benefits or the way in which the Pharmaceutical Benefits Scheme is going to be administered into the future. The parliament is elected by the people and the majority on one side or the other forms the government. Obviously, the government has a right to lead in relation to those policy initiatives, but that does not deny the right of other elected individuals, who are also elected on certain promises made to their electorates, to have some say in relation to particular policy issues.

I am very pleased to see some of the initiatives that have taken place in the electorate of New England. I would be the first to say that they have not all happened because of the new member for New England. I would give credit to the former member for New England, Stuart St Clair, and a former, former member for New England, Ian Sinclair, in relation to some of these initiatives. I am particularly pleased that the Minister for Trade is in the chamber because he would be well aware of one of the initiatives that has been put in place—that is, the Sheep Industry Cooperative Research Centre. It is an initiative that the industry, the political representatives, the University of New England and many others have been involved in over a number of years. I am absolutely delighted to see that sort of thing actually happening. It is an injection of about $19 million. But more important than the money is the concept of how the industry, the university, the political process and the research process are actually going to work in relation to that particular venture. I would encourage the government to keep moving along those lines in relation to those CRCs. They are a very constructive way of engaging many groups in a focused effort to deliver progress in various industries—in this case, the sheep industry.

I noticed that the member for Wannon yesterday made some claim about his area being the pre-eminent wool area in Australia. I understand that you can use parliamentary licence in this place, but I think that is taking it a bit far, when he would fully recognise that the New England area has by far the best wool in Australia. I may raise with the Speaker the prospect of having that corrected in Hansard at some future date. The CRC is very important in our part of the world, and will be important to other parts of Australia where the wool industry is still a very important industry.

There are some initiatives in the budget that embrace New England. Obviously, the New England Highway passes through the electorate, and I am pleased to see that, over the next two years, $15.6 million will be spent on an area of road north of Armidale called the Devils Pinch. Anyone who has travelled on that road would be fully aware that it is one of the blacker black spots on that highway. So that will be remedied over the next few years. Three bridges at Tenterfield, the planning for a bridge just north of Armidale over the Duval Creek and some much needed work in the main street of Tenterfield on the New England Highway are a few things that are happening in the electorate that I am very pleased about.

In his speech, the Treasurer spent some time highlighting Australia’s economic performance compared to other countries. He
made the point—quite a valid point, I thought—that a lot of the investment growth and growth in the economy has been underpinned by agricultural growth over recent years. I think that is a very important point. On further analysis of the budget papers, I was a little bit disturbed to see that, even though agriculture was making a major contribution to the economic health of the nation, the expenditure on agriculture over the next few years is projected to decline. In fact, from 2002-03 through to 2005-06 the projections are that there will be a 10 per cent decline in the government expenditure on agriculture. I think the various agricultural industry leaders need to be aware of that and perhaps more lobbying is required in that context. Agriculture obviously is still tremendously important to our economic wellbeing and very important for regional communities. There is a role for government to play in terms of expenditure. I think something like $1.7 billion is expended through a whole range of programs by the government—something like one per cent of the total expenditure by governments. There is room for improvement.

Another issue that leads to a series of issues highlighted in the budget is the environmental health of our rivers and our soils, and a number of members in the chamber have already spoken about those concerns. I am very disappointed that the issue of property rights has not been recognised at the federal level. We still seem to be engaged in the lack of leadership game that is being played concerning that particular issue. I know that Deputy Speaker Causley, who is in the chair, has been concerned about that particular issue on a number of occasions, and I compliment him for that.

There was an ideal opportunity in this particular budget and at the recent signing of the salinity action plan for the federal government to take some leadership role concerning the property rights of water and land users—whether it be about water allocations or capacity for land clearing to take place in various states and the removal of those so-called rights from individuals. The federal government needs to lead that debate, and it lost a tremendous opportunity to lever the New South Wales government, which has been a bit recalcitrant on this issue. New South Wales has a fairly scanty definition of property rights within the New South Wales Water Act. But it seems that the Prime Minister, in signing the salinity action plan, has endorsed the New South Wales definition of property rights, which by anybody’s definition is a fairly pathetic definition. In my view it should not have been endorsed by the federal government. The federal government lost an opportunity to really lever the states into a position by using the money through the salinity action plan.

Having said that, we have moved now to the sale of Telstra. The Treasurer and the budget strategy and outlook document, budget paper No. 1, indicates in the asset sales section that Telstra will be sold. That is of concern to a lot of country people, and I hope to a lot of people in this chamber. Very importantly, I hope a lot of people in the other chamber, the Senate, will look very closely at the sale of Telstra. I do not believe—and I do not think any right minded country representative believes—that Telstra is anywhere near up to scratch. There are countless examples of where the system and the services are not up to speed.

I was a little bit disappointed to hear the Deputy Prime Minister, the member for Gwydir, saying that the National Party in particular was moving towards the sale of Telstra when the services were up to scratch. Senator Boswell in the other place has also indicated that he believes that they are getting closer to being up to scratch. What I have suggested to Senator Boswell is that next time he is in Gunnedah, if he just goes for a short stroll about a kilometre from the Leader of the National Party’s office, he will see telephone cable that has been on a barbed wire fence for about 18 months. It is near the large roundabout on the road going towards Tamworth. I think that indicates the lack of response from the National Party in particular to this issue. I do not think anybody should be saying that we are getting close to being up to scratch when we still have large areas of underground infrastructure—and infrastructure that has not even got that far yet, that is hanging off barbed wire fences,
that has not been repaired. We still do not have mobile services anywhere near the service level required. Where I live we do not have a mobile service—some people might suggest that is a good idea and to keep it that way. But there are many areas not too remote that do not have adequate services.

Telstra is being used as a bait to some people in the Senate to come to grips with some of the environmental reforms that we all view as needing to take place. I believe we do not have to sell Telstra. We should not sell Telstra and we should not use something as basic as our communications services as bait for remedial work on the environment.

We should look at property rights, particularly where changes that no doubt do have to take place are going to impact on individuals. What we should be doing, if we are serious about this—and I am particularly pleased you are in the chair, Mr Deputy Speaker, because I think you have some sympathy with what I am about to say—is putting in place an environmental levy on all Australians to fund the sorts of things that we are selling assets to try to fund. That fund should be much more transparent in relation to how it is spent. The political tampering with the money and the waste of some of that money that has taken place in recent years through the Natural Heritage Trust should not happen.

If you look at ways and means of raising money, a dollar a week from every Australian puts $1 billion a year into the environment. That is the sort of magnitude of money which I believe we should be looking at. We had that dreadful waste of money on the guns buyback scheme where Australians were levied, so there has been leadership shown before by the current Prime Minister. I did not agree with him personally on that particular issue, but he has set a precedent. The Timor levy was another precedent where money was raised for a special purpose. We are all saying that there is a special need out there in salinity, water quality, land clearing and those sorts of issues. All the rhetoric from all politicians is saying that that is important. We did some market research when I was a state member in Sydney on whether Sydney people would accept an environmental levy if it was targeted and transparent, and the resounding answer was yes.

I suggest it is time not to bother fiddling around with Telstra—we should leave Telstra as it is. When you do some honest research into it, there are no good reasons for selling Telstra. This business of selling it to be able to access the capital market is complete and utter rubbish. Leave Telstra alone, but let us look very closely at the environmental agenda. Let us impose a levy on all Australians, make it transparent and make it plain to people that it is not only about remedial work but also about aiding the people who are going to be impacted by short-term change for long-term good. In doing that you would need a federal definition of property rights that really has some weight on its side. I think we have got to a fairly ordinary position of the federal government and the states just playing a tennis match with the property rights issue. There are some constitutional problems which we are all aware of, but problems are there to overcome, and I think it is time to walk around Telstra, get the telephone lines off the barbed wire and actually start to address this environmental issue in a more meaningful fashion.

Another issue I raise is the social and community services award on which the Industrial Relations Commission of New South Wales passed down a salary increase. I would urge the Treasurer and the Prime Minister to revisit this particular fiasco that is happening at the moment in that the states are demanding that the federal government put in some money for the wage increases. I have done some independent analysis on a number of these crisis community services and there is no doubt that their cost increases have been much greater than the indexation that the Treasurer and others are saying has been put in the award over the years to cover wage increases. I suggest to the Treasurer that the government does not just blindly agree with the state governments but analyses the numbers and, where it can be shown—and I think it would be fairly obvious in most cases—that indexation has not kept pace with inflation and the cost of these services, the federal government should come in and fund that component. That may
mean an equal contribution with the states or it may not, but it is something that really does need to be addressed.

Another part of the budget that I was a bit disappointed with was the Medicare arrangements in relation to outer metropolitan doctors and the use of Medicare rebates and Medicare provider numbers to assist doctors to go to Western Sydney and Western Melbourne. I think that is an insult to country communities. Country communities have been crying out for a similar logic to be used for country areas to try and attract doctors. Differential Medicare rebates are an appropriate example. The Deputy Prime Minister in question time, in reply to what I think was my very first question, denied that the use of the Medicare provider numbers and differential Medicare rebates could be a mechanism to help drive doctors into the country. Yet here we have the federal government, in which the National Party is a prime component, using exactly the same theory in practice to drive doctors to outer metropolitan areas. If that is not political targeting of seats in terms of health care, I do not know what is. I think that is something that should be corrected. I am not saying that outer metropolitan areas should not have doctors, but I think there has to be some equity in the way that that sort of policy is imposed. Taken together with neglect of public liability and medical indemnity, all that will do is assist the movement of doctors back from the country into outer metropolitan areas. I do not think even the Deputy Prime Minister would want that to happen, and I urge him to reconsider that in terms of the particular budget measure.

In conclusion, I leave the message that Telstra should not be for sale. I do not think country people need it to be for sale. If we are really concerned about the environment, which we should be, we should look very closely at an environmental levy for remedial work. (Time expired)

Mr Nairn (Eden-Monaro) (11.12 a.m.)—I am very pleased to speak today on the Appropriation Bill (No. 1) 2002-03 and specifically the budget that was brought down a couple of weeks ago. I think it was a very responsible budget. The reaction I get around my electorate is similar. People do recognise that it is a responsible budget and that it is keeping things ticking along very nicely around Australia. That is the major responsibility of the federal government, to look at the national situation. If all those national things are right, other things fit in between and the states, local government et cetera can work appropriately underneath that overall national situation. But, if you have got it wrong at the national level, it certainly makes it very difficult at the local level to work properly.

I thought the inclusion of the Intergenerational Report in the budget was a great step forward as well. Some people have laughed and said, ‘What are you looking 40 years ahead for?’ I think this is great visionary stuff on the part of the Treasurer and the government as a whole to really look at some of the challenges that the country will face not just next year or the year after but in 10, 20 or 30 years. It is very appropriate that we do that sort of planning. Driving a national economy is a bit like driving a rather large ship; you just cannot turn things around overnight; you need to make changes gradually when you are wanting to head in a particular direction. That is why a number of matters have been addressed in this budget in looking at the longer term thing.

We could take the easy way out and just worry about the next year or two ahead. How often is it that politicians are criticised for only looking as far ahead as the next election and not looking to the future? Here is a case where we really have looked well beyond the next election; we have looked beyond the next 10 elections at where the country will be and what it will need. As I said, the economic management is very responsible. We will see ongoing growth of nearly four per cent over the next year and unemployment falling to six per cent. These figures are very good for so many of our industries, particularly many of the industries around my electorate—and I note that the Minister for Trade is at the table this morning. Companies like Bega Cheese in my electorate that have really been getting into exports over the last few years rely upon good overall national economic management to have the confi-
dence to go out and find new markets and increase their sales overseas. That means more jobs in the local town, which is great stuff.

The national unemployment rate, which is coming down to six per cent over the next 12 months, seems to fit pretty well with what is happening around my electorate. The most recent figures on people receiving Newstart and youth allowance show an ongoing fall right across my electorate over the last 12 months or so; we are down considerably compared with six to nine months ago. That is a good sign. It is really hard in regional areas to get a good handle on what the unemployment figures are. Every three months these small area labour market figures come out. They give some indication, but you have to look at a period of 12 months or more because they are based on fairly small samples. In my electorate only a few hundred people might be surveyed and, when you extrapolate the figure with some of the ABS figures and so on to come up with a figure, you find they jump around quite a bit from one quarter to the next. Unemployment nationally tends to only move a few points at a time from month to month, but small area labour market figures can often jump several per cent from one quarter to the next. Unemployment nationally tends to only move a few points at a time from month to month, but small area labour market figures can often jump several per cent from one quarter to the next. Clearly, in most cases that is not happening, but it has something to do with the very small samples that are used in determining unemployment. That is why you have to look at the trend over a period.

The figures that are more reliable in that sense are those on the number of people receiving the unemployment benefit. Once again, that does not give you an absolute figure because many people who are unemployed are not eligible for benefits. That is acknowledged. But certainly the number of people going on and off benefits is a good example of what is happening from month to month. That is why it is very encouraging, when you look at actual figures—these are not estimates—to find that, for instance in Batemans Bay, there were 945 people in September last year receiving Newstart and youth allowance, whereas in April this year the figure was 875. That is pretty good. The figures were similar in Bega as well. The fall that is predicted nationally down to six per cent is something that has been shown to be the case throughout the electorate of Eden-Monaro.

Another thing that gets talked about a lot at budget time is the surplus or deficit—whatever it might be: the amount of money the government owes. The figures are always very large because it is a big budget—something in the order of $160 billion. Sometimes the numbers are so big that people cannot really understand what they all mean. People will know that when we came into government we talked about being given a $10 billion deficit and nearly $96 billion worth of debt. Generally, people look at that and think, ‘It is a big number, but it is a big government; what does it mean?’ I have worked out two comparisons: one based on a business and another one based on a family income. I tried to relate the figures at a national level back to those so that you can get a far better feel for what they mean.

Back in 1995-96, the federal budget that we inherited was in deficit by $10 billion on a turnover of about $120 billion. If a small firm had a turnover of about $1.5 million a year—that is a figure that is easier to understand—it would be like buying a small business that was losing about $125,000 a year. There would not be too many businesses turning over only $1.5 million a year that could continue to operate for very long if they were losing $125,000 a year. But worse than that, compared with the amount of debt that it was carrying, it would have an overdraft of just under $120,000. A small business with an overdraft of $120,000 turning over $1.5 million is paying a hell of a lot of interest to start with, but that is the sort of thing that we inherited.

We have turned that around and in 2002-03 we are going to be in a far better situation. We have paid off a lot of that debt—$60 billion has been paid off—and we are in surplus, and have been. What is the comparison for the small business that I mentioned before with a turnover of about $1.5 million which is losing $125,000 and has an overdraft of nearly $120,000? Using the same comparison, by 2002-03 that business will have a turnover of about $2.1 million to $2.2
million, it is making a profit of about $25,000 a year in 2002-03, and it has reduced that overdraft from nearly $120,000 to a bit over $40,000. Quite a dramatic change has taken place in the six or seven years that we have been in government. I think that gives people a far better feel for understanding this.

We can take it one step further, down to the family. What does it mean for a family? The budget situation we inherited in 1995-96 would be the equivalent of a family having an income of about $40,000—which is probably a little bit above the average family income throughout my electorate, but let us use that for round figure terms—and spending nearly $3,500 more than their income. If a family spends more than its income, it has to find it from somewhere. It has to borrow the money or, in this day and age, it would probably put it on the Bankcard. So $3,500 would have to go on the Bankcard to allow that family to balance its budget. In addition, if we take the debt that the country had into a family situation, it is the equivalent of that family already having a Bankcard bill of over $30,000. So it had to try and pay $30,000 off the Bankcard and it was accumulating more debt at over $3,500 a year, all with an income of about $40,000. The equivalent of what has happened with that family over the six or seven years is that now—this is in 2002-03—that family has an income of nearly $57,000, it has nearly $700 left over at the end of the year, and it has managed to reduce that Bankcard bill from over $30,000 to about $11,000. That gives you some idea of just how far we have come in the last six or seven years in terms that I think business could understand and a family could understand. It is quite an achievement.

There are some specific things in the budget that I want to mention which relate to Eden-Monaro. The Eden wharf is well under way. It is a multipurpose wharf being constructed in conjunction with the Defence ammunitioning facility which is going in down there. Dredging has been taking place and pile driving for the wharf will commence in the next couple of weeks. I was very pleased to see a continuation of the funding for that project in the budget. The ammunitioning facility and multipurpose wharf is a $40 million project. It is a great project, which will be completed by about the end of next year. Navy boats will go to Eden to offload and pick up ammunitioning. It will give us an opportunity in that region to export. The Eden port in Twofold Bay is quite a large port. It is placed halfway between Sydney and Melbourne. Once the wharf is in place, there will be all sorts of possibilities being realised throughout south-east Australia—in New South Wales and Victoria—involving the utilisation of that wharf. It was great news to see a continuation of funding for that in the budget.

There was also an item in the budget for $2 million to contribute towards the Queanbeyan heavy vehicle bypass. That is a commitment that we gave last year to help Queanbeyan. Queanbeyan really does need this heavy vehicle bypass. The state government promised it back in about 1995 but it has not moved forward on it at all. It is the responsibility of the New South Wales and ACT governments to do this project, but the federal government, in recognising the needs of the area, said that they would contribute $2 million towards it. The cost of the main stage of this bypass is about $5.5 million, so you would think the state government would jump at getting $2 million. Unfortunately, they have not; they have gone very slow on it. Two million dollars is the best part of 40 per cent of the overall project; it is $2 million that the New South Wales government do not need to find. Certainly, I am pleased that the federal government has maintained that commitment, but it will require the New South Wales government to get off their backsides and carry out this much needed project for the Queanbeyan area.

The other project that I talked about after the budget is the Defence operational headquarters, which will be built between Queanbeyan and Bungendore. This is a major project for our region—it is a $200 million project—and certainly the planning work is continuing along very well. Some people jumped on the fact that in the budget there were not specific line items for certain parts of the construction costs and things like that and claimed that meant that the project is not
necessarily going into the region. Nothing could be further from the truth. These people—and they are predominantly in the Labor Party around Queanbeyan—have never gotten over the fact that we were able to achieve this project for our region. I think they are jealous of that. At every opportunity, they try to find a reason why it may not be going ahead. They are so unbelievably negative all the time, and that is the last thing we need.

Business in that area is very buoyed by the fact that this project will be occurring outside Queanbeyan. Certainly I can confirm that nothing has changed with respect to this project; it is continuing and it is certainly on time. In fact, on the night of the budget, I was talking with the Minister for Defence about it, and he explained that there were no specific items for construction costs and things in the forward areas because that work had not been done yet. That is the work that is being done at the moment. It is all part of the overall appropriations for Defence at this stage because the planning and design work is still to occur. He told me that he has asked Defence to specifically put a time line on the project once the project gets to a particular point, which will probably be in the next few months. We know that it should be completed somewhere in the order of 2006-07, but he wants to tie that down because, he said, ‘I want to see this project accelerated.’ It is fantastic news for the Queanbeyan area to know that this project not only is on track but also, if the Minister for Defence gets his way, will be accelerated. It is a major project—1,000 personnel will be working out of it when it is completed—and it certainly will be a huge boost for the construction industry once the construction side of it gets under way, probably later in 2003-04.

I mention quickly a couple of other matters that emanate from the budget. One is education funding, which is always a hot topic at budget time. I was pleased that the federal budget shows that there will be national spending increases of about 5.7 per cent on state schools. Once again I quickly remind people that state schools are funded by state governments, but the federal government provide a contribution. Over the last six years we have constantly increased our contribution, and in this budget we increase it by 5.7 per cent. That means that since 1996 federal spending on state schools has increased by 52 per cent, which is 37 times more than the 1.4 per cent enrolment growth. That is great news. You would think that state governments, who have primary responsibility for their state schools, would be increasing funding by similar amounts. Certainly it is needed—there needs to be a lot of work done in many state schools. Over the last few years the state governments have not increased that funding. Last year, they increased it by only 2.5 per cent compared with our 5.2 per cent increase. We have increased it this year by 5.7 per cent. I was very disappointed to see that in Tuesday’s state budget spending on state schools increased by only two per cent on the spending last year.

The state government are not even keeping pace with inflation. If they had increased their funding also by 5.7 per cent, the same as the federal government—that is pretty fair—an extra $202 million would have been available in the New South Wales budget. I know that many of our schools around Eden-Monaro would have been very happy to get some of that money. Some schools are getting some funding, and a lot of it is coming from the federal government. The Jerrabomberra school, which is in the area where I live, is under construction, and about 70 per cent of its construction is being funded out of federal coffers and the rest is being funded by the state. So that state funding is disappointing, particularly as funding for schools is a topic that comes up constantly. I want people around Eden-Monaro to understand that in the federal budget we increased spending to state schools in New South Wales by 5.7 per cent; the state government’s budget increased funding by only about two per cent, so they have not matched anywhere near our spending. (Time expired)

Mr PRICE (Chifley) (11.32 a.m.)—I rise to speak on the Appropriation Bill (No. 1) 2002-03. By way of response to the honourable member for Eden-Monaro, I say that the state budget spending on public schools is $8 billion. The member did not quote the fed-
eral figure, but it is nowhere near that magnitude. If he is saying that we should spend more on education, I am happy to support him on that. We understand that if we have a lower base it is much easier to increase the amount we are spending, but if the budget is already $8 billion each percentage increase is quite enormous.

I wanted to start my contribution by talking about the horrible events of September 11. People’s reaction to them and the vivid TV imagery of them have led to an outpouring of feeling across political parties and certainly to a genuine response by ordinary men and women of Australia—and children for that matter—of sympathy with the American people. I thank 3,000 constituents—members of and visitors to the Mount Druitt Workers Club and the Rooty Hill RSL Club—who spontaneously signed a memorial book. I thank Barry and Margaret Stewart for helping me to organise that event. As I said to the ambassador when I presented the book, we tend to underestimate the depth of feeling and goodwill Australians have towards the American people generally, and of course that just highlighted it. As a consequence of September 11, Australia is engaged in the war against terrorism. I asked the Secretary of the Department of Defence, ‘Are we at war?’ He was unable to answer that question at the time, but he came back and said, ‘No, we as a nation are not at war.’ That is not to demean in any way the service people we have engaged in the war against terrorism or the fact that they are significantly placing themselves in harm’s way. However, we have article IV of the ANZUS treaty being invoked. It was not invoked by America or Australia alone; according to Dr Hawke, following consultation between the two governments, article IV was invoked. Article IV states:

Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to re-

store and maintain international peace and security.

The war on terrorism has been the centrepiece of this budget. Since article IV was invoked, and indeed since the budget was handed down, we have not had a prime ministerial or ministerial statement on the war against terrorism. We have had no statement in this House by the Minister Assisting the Minister for Defence and no ministerial statement from the Minister for Foreign Affairs. We have had no debate in this House about the war on terrorism or about the deployment of our forces to Afghanistan. Sad to say, we have already suffered one casualty in that war, but no official government time has been provided to inform the Australian people via the people’s house about what we face, why we have invoked article IV and why we have sent troops away.

The purists in terms of process can be deeply offended, and I believe that. But the greatest offence is that we have deployed troops who do not have a resolution of this House or a ministerial statement of this House saying that the government parties—the Liberal and National parties—and the Labor Party and the Independents in a bipartisan way support the government’s action in invoking article IV and in deploying the troops.

The centrepiece of the budget is about security and the war on terrorism. We ought to ask ourselves what sacrifice we, the people of Australia, are making as a result of this war. Are we in any way cutting down on home videos, going to the pictures or restaurants to make an extra contribution to this war on terrorism? I think I can say with some authority as a result of this budget that the people as a whole are not doing that.

But two groups in our society have been singled out for special treatment by the government to get the revenue—some of which, not all—that will pay for this war on terrorism. It will come as no surprise to learn that those two groups include people who are disabled, and in particular those who are capable of working or who have worked for 15 hours a week. They will no longer receive a disability pension. Instead, they will go onto other service benefits and lose something
like $50 a fortnight. This group of disabled people in Australia are singled out as a revenue item in the budget to help pay for this war on terrorism. I think that is terrible.

The other big revenue raiser in this budget is pharmaceutical benefits. If mums and dads go to a doctor and, given decreasing bulk-billing these days, fork out their $35 or $40—and if they have a couple of kids they have to pay twice, and that is quite legitimate—if they need any prescription medicines on the PBS, those medicines will have gone up by $6.20 to $28.60. It is not unreasonable for a visit to the doctor now to easily cost $80 or $100. These people have been singled out by this government to help pay for the war against terrorism.

It is always difficult for an opposition to know what to do. It is fair that there is a view that governments should be able to govern and that they should be able to get their budget revenue measures through. However, it is also fair to say that the opposition feel so deeply about this that we oppose these measures. You may recall that when the government were in opposition they felt so deeply about selling off Sydney airport that they blocked that measure in supply. In this budget, we are singling out those two measures I have referred to.

I have been very interested to learn from my constituents whether they are happy with the measures the government are proposing and I am confident when I say that I do not think they are. I am happy to learn from my constituents whether our opposition to these measures should translate from mere words to actions and I would be happy to report on that at a later time.

I want to raise some defence issues and to respond to an answer from the Minister Assisting the Minister for Defence, Danna Vale, when she was asked a question about the Seaspire helicopters. It is regrettable that the government tries to run a very partisan defence policy instead of seeking as much as possible to run a bipartisan policy. Part of that technique has been to demonise equipment purchases made under the Labor government. In that vein, the minister suggested that it was all Labor’s fault and that the decision to go to contract had been announced by then Labor minister Robert Ray and the ready for tender had been called when Senator Ray was the minister. That is true. The minister also suggested that the whole weight of responsibility for purchasing 40-year-old airframes for the Seaspire, not being able to deliver the software and not having any damages clauses in the contract, fell on the former government.

The truth of the matter is that that is half the story. Who signed the contract? It was the Minister for Defence. Was it Robert Ray? No. Did he do it in April 1996, as you would imagine from the minister’s answer? No. It was Minister McLachlan, and if I have my dates right it was about June 1997. A minister is always free, and is expected, to exercise his or her own discretion and to make his or her own decisions. To suggest, when more than 12 months later this contract was signed by the Liberal Minister for Defence in June 1997, that this is Labor’s fault I think comes very close—and I will use my words advisedly—to misleading the House. I wanted to clear that up for the public record.

The other thing that I want to talk about is an interest of mine, and I hope of the minister at the table, and that is reforming the Army. As I said at the beginning, article IV of the ANZUS Treaty has been invoked. We have Navy, Air Force and SAS deployed overseas in harm’s way. This House had the report From phantom to force—a report about radically reforming the Army—before the white paper. It is impertinent to suggest that somehow a government is duty bound to pick up the recommendations. I do not believe that for one moment. But what I find totally insulting to this House and to the current state of affairs in Australia is that we have not had a response to it. I see the esteemed former chairman of the Defence Subcommittee, who did such an able job on From phantom to force, is in the chamber. I commend him for his work.

Most unusually for a parliamentary report the committee then went out and consulted with all those who had made submissions about its recommendations. It brought down a further report—it changed some of the recommendations as a result of those consultations—A model for a new Army. That report
has not been responded to. I think it is an utter disgrace. If the government has a view about the report or a view about the need for change, let us put it on the public record. But why have we had nearly two years of silence? I am told that a colonel who was required to write the response to the report in fact resigned in disgust about what he was being asked to do.

We said that we needed to radically change the way the reserves operate. We highlighted—and unfortunately it was misunderstood in the public ether—that there was an equipment shortage of some $4.2 billion in the Army. Surely that of itself is worth responding to? Did we get it right? Is that figure acknowledged? I do not know because the government has been deaf, dumb and mute about it. It has not responded.

We certainly recommended changes to the reserves and I see that the government now is introducing changes to the reserves. There has been no ministerial statement and no ministerial press release. You will get those about advertising campaigns or about picture opportunities with the military. But there has been no statement to this House about the fact that there are new categories of reserves. ‘High readiness’ reserves is one. I think that sounds pretty good, but what does it mean? What does it mean in terms of extra training? What does it mean in terms of changing the readiness of reserves? What does it mean about training in manoeuvre units for reserves? I do not know because the minister in this House will not tell us. Then we have a second category of ‘active reserve’. That relates to the current GRs—general reserves—but the name changes ‘signify the new focused levels of operational readiness’. What does that mean?

Let me tell you what I think it means. Army is now spending $950 million on its Army reserves. These new arrangements mean that out of five brigades there will be one company of high readiness reserves. And that will not be a formed company; it will be a made-up company. I cannot discount the $950 million for the glamour units—the doctors and the dentists and what have you—or northern surveillance units; pick a figure and take that out. But what this really means is that Army is spending $192 million a year to get one active company out of the reserves—a company being about 100 strong. It is an enormous figure. I apologise if what I am saying is wrong, but there is no government document that I can follow, no ministerial statement, no ministerial press release, that reveals these details. I think it is a disgrace. It is absolutely shocking.

Let me pose a question. We currently have a multimillion-dollar recruiting campaign to recruit more reserves. I think that is good, because we are so poorly down in numbers of reserves. But who can tell me how many high readiness reserves we are recruiting? Of those we propose to recruit, what proportion of them are high readiness reserves? And what is the proportion of active reserve? You will not find that in the minister’s press releases. You will not find it in her answers to questions in this House and there has been no ministerial statement. I believe our reserves deserve to know the full extent of the changes, how the changes will improve them and how they will benefit. After all, they volunteered to serve our country; it is we who impose the conditions upon them. We should end this tyranny of silence. There should be ministerial statements on the war on terrorism, on the invoking of article IV of ANZUS and on the changes that have been partially announced for the reserves. (Time expired)

Mr HARTSUYKER (Cowper) (11.52 a.m.)—I commend the Treasurer on bringing down a responsible budget which is totally appropriate for the times that we face. This budget delivers a surplus of $2.1 billion against a backdrop of solid economic growth. In fact, the national accounts figures released yesterday showed that Australia had grown at a rate of 4.2 per cent for the year ending March 2002—the highest rate of growth in the industrialised world. I will say that again, because it is a very important point: our economy has achieved the highest rate of growth in the industrialised world, against a backdrop of low inflation and low interest rates.

I note that the members opposite are tending to crow and perhaps rejoice at the prospect of a 0.25 per cent increase in inter-
est rates. But the thing we need to remember is that, despite that 0.25 per cent increase in interest rates, interest rate levels are still at a 30-year low. We should look at the peak rate in existence when Labor was in power of around 17 per cent. In fact, these rates are still less than half the mortgage interest rates when Labor was in power.

By the end of the financial year 2002-03, this government will have paid back $61 billion of Labor’s crippling debt. Whilst unemployment is rising in many other economies, unemployment in Australia is trending downwards. That is due to a number of things. It is due to the very good economic policies which this government has delivered. I must say it is in part due to the very fine efforts of the Minister for Employment Services, who is in the chamber, and his team to provide jobs for people out there, to get them off the dole queues, get them working, get them producing, increase their self-esteem and enable them to provide for their families. I commend the Minister for Employment Services on the fine job he is doing there.

The budget delivers policy outcomes in a range of areas. It delivers on aged care. It delivers on border protection. It delivers on defence. It delivers on health. It delivers on small business and tourism. This budget delivers. In my electorate I have a large proportion of retirees, so for my constituency aged care is of vital importance. This budget provides welcome additional funding for aged care. Carers in our community provide a vital service and carers, through their own personal sacrifice, provide vital assistance to the aged in our community. This budget supports carers. Carers are an important group in our society, and this budget supports carers by providing $80 million over four years to provide them with improved support. The government will provide $30 million in additional support for carers of older Australians. With 2.3 million carers across Australia looking after elderly Australians there is a high demand for respite services for carers, and this government recognises that by providing additional support where it is so very much needed. Carers are providing a great service to our country.

This funding will expand the Commonwealth funded respite services, particularly in rural and remote areas, subsidise the cost of specialised equipment and provide counselling services for carers through carer resource centres. An additional $20 million in funding for carers of people with dementia will be provided. This is another area of need. Carers of people with dementia are indeed out there doing a great job. Caring for dementia patients is a very difficult task, and we should commend these carers for the very fine work that they do there. It is very important to remember that the number of people suffering from dementia will swell from the current level of around 158,000 to around 200,000 in the year 2010. It is something we have to be very focused on. This budget is focusing on the need for dementia care through support for carers.

An amount of $30 million has been allocated to provide more support for ageing carers of people with disabilities—another area of need and another area where the government is recognising the contribution of those older Australians who are caring for people with disabilities and are making a personal sacrifice to care for those people with disabilities.

Most older Australians also prefer to spend their senior years in their own homes, rather than going into some form of residential care. This budget provides for more community aged care packages. It provides for 6,000 community aged care packages at a cost of $68.8 million over four years. The federal government will provide $14.9 million for aged care packages in retirement villages to assist those who have chosen to lease or buy their own units in retirement villages. That is a very important initiative. These Australians have been providing for their own retirement lifestyles, and they rightly deserve our support in assisting them to do that.

I welcome additional expenditure in the budget of $211.1 million over four years for recurrent aged care expenditure. This is a very important area, and I am pleased to see that this budget is addressing that. The budget also provides $100 million over four years for capital works for aged care facili-
ties in rural and remote areas, certainly a very vital initiative. We have got to get increased capital investment in aged care facilities in regional and rural areas, and this budget is addressing that. I am pleased to see it. I commend the Treasurer, and I commend the Minister for Ageing for his work in ensuring that our aged members of the population are getting the care and the services they deserve.

An aged care system is dependent not only on bricks and mortar but on good staff. This budget provides $26.3 million over four years to fund up to 250 scholarships valued at up to $10,000 per year for students from regional areas to do undergraduate, postgraduate or re-entry nursing studies at regional and rural universities. This is very important, getting the staff out to regional and rural Australia where they are needed. Aged care and the needs of senior Australians have certainly been catered for in this budget.

I would now like to consider the Pharmaceutical Benefits Scheme. This budget lays the groundwork for a sustainable pharmaceutical benefits system. This budget seeks, through a relatively modest increase in the contribution from the community, to ensure that new medicines can be included in the scheme. The reality is that, if we were to just put the blinkers on, let the scheme trundle along and let the costs blow out—and despite the fact that members opposite do not want to hear this—we would not be able to bring new medicines on to the scheme. We would not be able to provide the sorts of drugs that the community rightly wants and deserves. The changes to the PBS will help to ensure that Australians get the life-giving medications they need over the long term. We are not talking about the short term here; we are talking about the long term and the long-term sustainability of the scheme. Without these changes the PBS would become unsustainable in the long term. The government is about delivering sustainable programs.

The package of measures introduced in the budget will provide savings of $1.9 billion over four years. I would like to reflect on the measures for a moment just to highlight to the House the relatively modest contribution that this budget is requiring of the community to enable that scheme to remain sustainable. From 1 August 2002 concessional cardholders will pay an additional $1 per script, from $3.60 to $4.60. General patients will pay an additional $6.20, with their copayment increasing from $22.40 to $28.60. The government will ensure equity in the system by retaining a safety net in order to ensure that cost savings are balanced with affordability. For concessional patients the safety net applies after 52 prescriptions, and they will pay nothing for additional prescriptions during the year. For general patients the safety net applies after 31 prescriptions in a calendar year. On additional prescriptions they will pay $4.60 per script.

This scheme is the envy of so many countries around the world. A drug such as the antismoking drug Zyban costs the taxpayer $249.51 per script. How much does the health care cardholder pay? Not $249.51 but $4.60. Humulin for diabetes costs the taxpayer $189.19. How much does the health care cardholder pay? They pay $4.60. It is indeed good government. I hear members opposite moaning about that additional $1 that this budget asks from health care cardholders. I say that it is fair and reasonable. There is a safety net to ensure that those most in need are catered for, but this modest contribution ensures the sustainability of the scheme.

I find it indeed disappointing that members opposite seek to misrepresent the impact of changes to the scheme. They seek to manipulate the facts for their own gain. They seek to mount a scare campaign to mask their own policy void. Members opposite have tried to play out a charade to make people believe that all drugs to general patients will increase by $6.20. This is just not true. Only those drugs costing in excess of the contribution amount will increase. For example, Ventolin for asthma costs $19.07. It will not change; there will be no increase.

Before the changes are introduced to the
PBS, asthma sufferers pay $19.07; after the changes are introduced to the PBS, they will pay $19.07. Note that high blood pressure costs $10.11. There will be no change to that either. Zandac for peptic ulcer costs $22.20. The price of Zandac will not change. Indeed members opposite have an entrenched downside mentality, and their glass is always half empty.

I would like to focus for a moment on the issue of cancer treatment for people in regional and rural Australia. The use of radiation oncology services in regional areas is currently less than clinically accepted rates. Not only are patients and their families forced to deal with a hideous disease, but many patients in rural areas are forced to travel long distances for extended periods to receive treatment. This creates great problems for patients in my electorate who are forced to spend time away from their home, their family and their support network while dealing with probably the greatest challenge they have ever faced. People in regional and rural Australia welcome the government's decision to provide $72.2 million over four years to improve patient access to radiation oncology, including funding for up to six new regional radiotherapy centres. This is a vitally important issue. It is a wonderful government initiative to meet the needs of health in regional and rural Australia. This program shows the commitment by this government to the delivery of quality health services in regional and rural Australia.

This government is focused on allowing Australians to achieve their full potential. This government is focused on providing the economic settings and policy framework to allow people to live in dignity and to support themselves and their families.

The Labor Party, by way of contrast, has a focus on welfare and a mentality that seeks to drag down Australians by not providing an environment to enable people to realise their goals. Members opposite have tried to paint the proposed changes to the disability support pension as an attack on welfare. Nothing could be further from the truth. The changes to the DSP are focusing on ability, not disability. The proposed changes will provide 73,000 new disability employment places. That is a great initiative. To name just some of the measures, there will be 17,200 places in disability employment services, 37,600 places in the Job Network, 14,700 rehabilitation places, 3,200 places in personal support programs and 600 places in literacy and numeracy programs. I would like again to commend the Minister for Employment Services for these very fine initiatives.

This budget continues the government's strong stance on border protection. It is hard to determine what the policy of the members opposite is with regard to border protection. We have the Creanites saying one thing and the 60-40 unions saying another. I must admit to being a little confused as to their policy initiatives in this area. Unlike members opposite, this government has a strong and well-founded policy on border protection.

Mr Gavan O'Connor—You’ve just abandoned the Pacific solution and—

Mr HARTSUYKER—Settle down, settle down!

Mr Gavan O'Connor—Good policies, mate!

Mr HARTSUYKER—What policy? You’ve got no policies. This budget—

Mr Sidebottom interjecting—

Mr Brough—These fellows are all over the shop.

Mr HARTSUYKER—They are indeed. The Creanites—

The DEPUTY SPEAKER (Ms Corcoran)—Order! The member may not respond to interjections.

Mr HARTSUYKER—This budget provides an extra $175.8 million over four years to Customs for more Coastwatch flights, communications and X-ray equipment; and an extra $22.3 million for the Australian Defence Force to continue operations at our northern borders to deter unauthorised boat arrivals—I wonder whatever happened to the Coastguard idea—which operations have been highly successful. The last boat that attempted to come to Australia was detected and turned around in early December. The members opposite claim that it is only the monsoon that has deterred people. Indeed, it must be getting close to being the longest
monsoon in recorded history! In addition, there will be $1.5 million for five patrol boats to assist the Indonesian police to prevent people-smuggling.

The budget also provides for a doubling of our counterterrorism capabilities. The budget includes $219.4 million over four years for a second tactical assault group and $121 million over four years to improve the Australian Defence Force capability to respond to chemical, biological, radiological, nuclear or explosive incidents. The government has also committed another $524 million to support Australia’s involvement in the international coalition against terrorism. This budget is strong on border protection, it increases our counterterrorism capabilities and it fulfils our commitment to the international military effort against terrorism.

Tourism is a vital industry in my electorate, and this budget supports tourism. It provides $24 million to the Australian Tourist Commission over five years to enable a business and leisure tourism market redevelopment package to be implemented. This funding will enable the Australian Tourist Commission to develop a package to protect and grow Australia’s market share of international travel and to restore visitor numbers to regional areas hardest hit by September 11. This funding will enable the ATC to conduct a business tourism marketing program to attract large conferences and convention business to Australia. I should say that conference business is a very important part of the tourism business in the electorate of Cowper, which I represent. This budget also includes $8 million over four years to assist in developing the tourism potential of rural and regional Australia. The government will also contribute $8 million over four years to the See Australia partnership initiative. This program aims to encourage people to take domestic holidays particularly in rural and regional Australia.

Small business has generated 70 per cent of the job growth over the past decade and contributes 30 per cent of GDP. Small business is vital to rural and regional Australia, particularly in the electorate of Cowper. This budget provides $60 million over four years to establish a small business assistance program. The government will provide $36 million for projects promoting an enterprise culture in the small business sector and for the establishment of small business incubators. In addition, $24 million has been provided for referral and support services for small business on relevant government programs and initiatives.

This is a fine budget indeed. It delivers on the coalition government’s election promises such as the baby bonus, which was so well received in the electorate. The budget supports small business and the budget supports tourism. The budget provides for improvements to the superannuation system so that Australians can enjoy a better retirement. The budget delivers a surplus of $2.1 billion—a feat the members opposite have not been able to achieve for a long time and a result that they could not achieve even when they were selling off government assets. This budget allows the government to pay back Labor’s crippling debt. The members opposite have great skill in financial engineering: they can engineer high interest rates, they can engineer high inflation—

Mr Gavan O’Connor—Like you!

Mr HARTSUYSKER—You know the definition of high interest rates. They can engineer the recession we had to have and they can engineer crippling levels of government debt. This budget is in stark contrast to those which have been delivered by many of the members opposite. It is a responsible budget, a budget in surplus and a budget for the future. I commend the bill to the House.

Mr GAVAN O’CONNOR (Corio) (12.11 p.m.)—The Appropriation Bill (No. 1) 2002-03 is an important opportunity for members of this House to raise matters of concern in their electorates as well as to make some comments on government measures contained in the budget and on the general state of the economy as it impacts on households, businesses and individuals in their electorates. One important area of expenditure in the federal budget is health, and people in my electorate look closely at the government measures in the budget to assess its impact on their individual and household budgets.
Every Australian has the right to access a good health system when they are in need, and Australians are fortunate, thanks to that great Labor initiative of Medicare, to have access to quality, reasonably low-cost health care, especially when likened to other, comparable countries. Our system is universal and comprehensive and, compared with, say, the United States of America, we spend less of our GDP on health care and we cover more of our citizens. Yet, like in so many policy areas—and I refer to industrial relations, education and even local government—the Howard government wants to Americanise the health system. We know the Prime Minister’s historical hatred and contempt for Medicare. He is on the public record as saying that he would like to stab Medicare in the stomach. They are strong words and they are not mine; they are the current Prime Minister’s. Let me state again to the Prime Minister and to this House that in the electorate of Corio there is very strong support from constituents for Medicare. They want it retained and they want medical services improved.

But it is the most recent Costello budget that has hit their pockets the hardest. Having come to terms with the impost of the Treasurer’s GST on their incomes, families and pensioners have been hit with increased medical costs in the budget, courtesy of the Treasurer. Families, pensioners and low-income earners are now being forced to pay for the Treasurer’s incompetence. He has driven the budget into deficit by spending like a drunken sailor in the lead-up to the election, and now he is forcing pensioners and financially pressed families to bear the burden of his incompetence. He has lost $5 billion gambling in currency swaps, and we are all left to pick up the pieces.

Three years ago he said the budget would be $14 billion in surplus. Where is it? Where is the $14 billion that three years ago the Treasurer said we would have today to address the problems that he raised in the Intergenerational Report? We are all waiting for it to appear because it would solve a lot of problems currently faced by the Australian community and economy. He has blown it—he has driven the budget into deficit—and now pensioners and low-income families have to pay for it. Pensioners will pay an extra $52 per year and families will pay an extra $190 courtesy of Treasurer Costello’s incompetence. He is hitting the sickest and the poorest in the Geelong community, which I represent in this parliament, to prop up a very shaky budget bottom line.

But the health story does not stop with what is in this budget: over the life of this government we have seen the rate of bulk-billing decline from 80 per cent to below 75 per cent, and that has meant an extra $60 million impost on Australian families. We have seen private health insurance premiums rise continually under the government, and Australian families are now paying an extra $500 million in that area. Now we have this increased cost of essential medicines.

The second health related matter I wish to draw to the House’s attention is a problem relating to my own electorate and that is shared by many rural and regional communities throughout Australia. At the moment Geelong is suffering a shortage of general practitioners. The situation is putting quite extreme pressure on its public hospital casualty resources as well as creating considerable inconvenience for consumers of GP services and, of course, it is also affecting the health of many hard-pressed GPs in areas where services are currently deficient. The crisis is particularly acute on the north side of my electorate of Corio where the shortage of GPs is causing people at a clinic to wait more than two hours to see their doctor and is putting an enormous strain on the doctors who are in the field trying to cope with this quite extreme demand.

Recently a clinic which is pivotal to the delivery of GP and other health care services in the Corio area had to close its doors on weekends on three occasions in one month. That situation put quite extreme pressure on casualty resources at the Geelong public hospital. I understand that the Corio area has been designated a rural, remote and metropolitan area of need for the purposes of the government’s recently announced $80 million program to address these shortages that are creating quite significant inequalities in access to medical services within discrete
geographical areas such as my electorate. I call on the federal government to bring resources to bear on this problem to ensure that all people in my electorate have better access to GP services. The situation is acknowledged by the Geelong Division of General Practitioners, and my state colleagues have taken the issue to the state health minister as well to see if we can get an improvement in GP services in the city.

One might ask how this situation might occur in an urban community such as Geelong’s, given that figures produced by the health department would indicate that Geelong has its quota of GPs relative to its population. There are two things that have to be kept in mind about those statistics. While postcodes and registered addresses might indicate a certain situation, they perhaps do not reflect the real picture on the ground. For example, many Melbourne based GPs have residences in the region and do not actually practise in Geelong but for purposes of the departmental statistics are registered as practising in the Geelong area. Many are women who do not practise on a full-time basis: they may well be working restricted hours because of their families. So the community does not get the full benefit of a full working week from many general practitioners. This has created what I would call a statistical illusion of enough GPs servicing this community. I think there is a solution to the problem: we do have many excellently trained foreign doctors. Two would help address an urgent need for two doctors in a clinic in Corio.

We have also seen a constriction in the after-hours services available to residents of the Corio electorate, and it is putting an enormous strain on those clinics that are left in the field. We have seen clinic after clinic close their after-hours services to the point where there is only one available in the whole of the Geelong area. You might recall, Madam Deputy Speaker Corcoran, that before the last election we committed ourselves to providing some $200 million to solving this particular problem and to improving after-hours access to Medicare services. We did not win that election, the problem still remains and enormous pressure is being placed on the remaining clinic providing after-hours medical services in the Geelong region. We have a crisis in Geelong in this particular area, and it is incumbent on federal and state governments to work cooperatively with the local medical fraternity to see if we can resolve this problem.

I will now turn to the area of economic performance. I have listened intently in this debate, especially to members of the government who have got up in this place and landed the economic achievements of the government and the Treasurer over the past six years. When the debate is focused on the economic fundamentals of Australia’s economic performance, members opposite have invited us all to take a walk down memory lane, especially on the matter of interest rates and their impact on businesses and households. Let me say to members opposite that there is more to an economic analysis than a simple reference to historical interest rate trends. But I will willingly oblige them on that matter, because Australia is now in the era of Liberal interest rate rises, and the reason we are experiencing these interest rate rises is most definitely worthy of analysis.

First let me deal with other broad measures of economic performance, so that we get the historical record straight. Government members talk of a four per cent growth rate as a new phenomenon, as something that they produced all by themselves. You would have to be a bunch of economic mugs to blow a record like the one that we left you. We left you with four years of four per cent growth. So you would have to be an economic mug if you could not match that particular performance. But if government members want a trip down memory lane—

Mr Brough interjecting—

Mr GAVAN O’CONNOR—If you want to go a bit further down memory lane, I will take you there—especially those fresh-faced young backbenchers who think their Prime Minister is some sort of economic magician. Back in 1983 John Howard was the Treasurer of this country—this Liberal Prime Minister was the Treasurer of this country. He left Labor with a legacy of negative economic growth. For members opposite, I want to explain what that means. It means an
economy going backwards. It means thousands of businesses going bankrupt and it means pressure on households as their breadwinners are thrown out of work. That was the Liberal legacy. So what we had to do was restructure the Australian economy. We built it to a point where it was experiencing four per cent growth over four years, and now the members opposite want to claim some credit for having an economy running at four per cent growth.

Mr Brough interjecting—

Mr GAVAN O’CONNOR—The honourable member opposite, the Minister for Employment Services, wants to talk about inflation rates. Who do you think broke the back of high Liberal inflation rates in this country? Who do you think did that? Who do you think broke the back of double-digit inflation rates in this country that underpinned double-digit interest rates in this country? It was a Labor government. It took Labor 13 years to reduce the high Liberal inflation rates and get them under two per cent. Now we find, thanks to the Liberal GST and poor economic management, inflation fears are now fuelling interest rate rises again.

Mr Brough—What is inflation, again?

Mr GAVAN O’CONNOR—We brought inflation down to under two per cent from double digits under the Liberal Treasurer of the time, John Howard, and we left you with two per cent. The least we would expect from you is that you match that. It is very simple: match what we left you. But do not claim credit for a low inflation rate and a high growth rate as something new in the Australian economic experience—because it is not.

Let us turn to unemployment. Labor brought the unemployment rate down to a single digit from double-digit Liberal rates of in excess of 11 per cent. More importantly, we completely restructured the Australian economy to enable Australian businesses to compete internationally. The great driver of Australian export performance has been the massive gains in the competitiveness of Australia’s businesses that flowed from the huge leaps in economic productivity under Labor—surely, you are not claiming that as one of your achievements, when we left you that as well?—and the cost advantages that flowed to Australian businesses when we cut out the Liberal inflation cancer from the Australian economy.

Let me turn to the area of interest rates. The honourable members opposite like to quote historical rates of interest—double-digit interest rates under the previous Labor government. But—surprise, surprise—when the current Prime Minister was Treasurer of this country, we had double-digit Liberal interest rates. Of course, now they are in denial about that fact. But now we are in the era of Liberal interest rate rises, and we know which donkey to pin the tail on: the Treasurer. The Prime Minister gave the Australian people a guarantee that he would not put the Australian budget into deficit because it would cause a rise in interest rates. And, of course, the Treasurer said, ‘Deficits put pressure on interest rates.’ Well, he was right. He has produced a deficit—he has blown $14 billion to produce the deficit—and we have pressure on interest rates, and there are more rises in the pipeline for Australian households. The honourable members opposite do not like it, but we are now in the era of Liberal budget deficits and Liberal interest rate rises, and the impacts are going to be quite severe on Australian businesses.

But, of course, we know the competence of the Treasurer on the general economic front. This was the Treasurer who, at the time that the Australian exchange rate was in the region of, I think, 70c or hovering around there, said that, if the Australian exchange rate went down below 60c in the dollar, that would be a disaster, that would be an indication of hopeless economic management. Would you believe that this Treasurer presided over a drop in the exchange rate to 47c in the dollar? According to his own criteria, budget deficits create rises in interest rates. He has produced a budget deficit and now we have Liberal interest rate rises.

But of course the incompetence does not stop there, because he is a gambler. Treasurer Costello is the gambler. He is the one who has blown not only $14 billion that he said we should have today in the budget but also some $5 billion in currency swaps. I know
some of the honourable members opposite have fine voices and I know they are students of modern and country music. There was a song sung by Kenny Rogers called *The Gambler*, and this is what the song had to say:

You’ve got to know when to hold ‘em know when to fold ‘em
know when to walk away and when to run

The Treasurer is the gambler. He did not know when to hold ‘em. He did not know when to fold ‘em. He did not know when to walk away and he does not know how to run.

Well, yes, he does know how to run. We know he runs from the big decision that he has to make—his run at the Liberal leadership. The golden-haired boy does not only have yellow in the hair; it is running from the back of the neck down to his backside. The Treasurer will not take on the Prime Minister in the leadership stakes because we know he has not got the ticker. So here we are with the gambler and, as the lines say:

You never count your money when you’re sitting at the table
There’ll be time enough for countin’ when the dealing’s done

The Treasurer is responsible for a Liberal deficit. The Treasurer is now responsible for Liberal interest rate rises. The Treasurer is now responsible for a Liberal blowing out of $5 billion in currency swaps. The Treasurer is responsible for the disappearance of $14 billion from the budget— and we want to know where it has gone, because now he is asking the pensioners of Australia, the low-income families, to bear the burden of his incompetence.

Mr CHARLES (La Trobe) (12.31 p.m.)—As I rise today the water level in beautiful Lake Eildon in central Victoria is at 19.2 per cent and falling. Beautiful Lake Eildon is no longer beautiful but a giant mess on the landscape of dried and drying mud because of the Goulburn-Murray Water Authority’s lack of attention to the needs of the local community surrounding Lake Eildon and all those people who use the lake for recreational and tourism purposes.

One might ask what exactly the water level and water quality in Eildon have to do with the federal budget. The Commonwealth government has made an unprecedented investment in the management of our environment and national resources through the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality. The federal Minister for the Environment and Heritage, Dr David Kemp, and the Federal Minister for Agriculture, Fisheries and Forestry, Warren Truss, have said that, thanks to funding of $1 billion, the Natural Heritage Trust has been extended from 2002-03 to 2006-07. The new package represents a total commitment to the trust of more than $2.7 billion over 11 years, funding actions that will help deliver cleaner beaches, improved water quality for all users, more sustainable agricultural practices and protection for threatened animal and plant species and ecosystems. Dr Kemp said that a key focus of the next phase of the Natural Heritage Trust would be water quality. At least $350 million of the new trust funding will be spent directly on measures to improve water quality. For example, river care projects will support improved land and water practices that affect the health of our rivers. Coast care and river care funding will also target coastal and urban water quality hot spots.

The trust might also give some attention to our water storage areas in inland Australia which are such an important part of the infrastructure for both agriculture and leisure, and indeed for the very lifestyles that we live. May I say to you that Mr Alan Valle, the owner-manager of Peppin Point Holiday Park at the northern end of Lake Eildon near Bonnie Doon, caused a petition to be circulated around the lake for users of the lake, including holidaymakers and visitors from other countries and other places. That petition should be tabled next sitting Monday by the Clerk of the House. It reads:

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

The petition of certain citizens of Australia draws to the attention of the House the problem of sustained diminished water levels at Lake Eildon in Victoria. Residents of Lake Eildon and the local area are dependent on the Reservoir for many reasons and for several years now have had their lives and income adversely affected by con-
siently low water levels. Whilst it is understood
that prevailing weather conditions do have an
impact on water levels at the lake, it is felt that in
these times greater consideration needs to be
given to the lake's water level as opposed to the
needs of the irrigation systems regularly in receipt
of water from Lake Eildon.

Your petitioners therefore request that leg-
islation be put in place to ensure that the water
level of Lake Eildon not be allowed to drop be-
low 40% of the maximum capacity (excepting in
times of severe drought).

This is a serious issue. The state government
of Victoria has the theoretical responsibility,
and practical responsibility, for management
of that huge water storage area. But it has
abrogated its responsibility by pushing off all
the operations and all the decision making to
a quango known as the Goulburn-Murray
Water Authority. It seems to me that the
authority acts to maximise its income from
farmers and those who would use the water
out of the lake, to minimise any risk whatso-
ever, and to give no consideration whatso-
ever to other uses of the lake.

I am advised that over 700 houseboats are
located on Lake Eildon. Each of them pays
$1,180 a year for a licence fee to operate the
houseboat on the lake. If the lake goes down
to 20 per cent, which it has, there are no
houseboats in the water anymore. The
houseboats are up on the mud and so they
cannot use the water. But the authorities still
collect the $1,180 a year. If you want to put a
yacht in the lake—which might have an on-
board toilet but in any case you are going to
sleep on the yacht overnight—you will pay a
fee to the authority for every night that you
are on the lake.

I am also informed that those who have
foreshore rights around the lake for holiday
parks, caravan parks and houseboat facilities
pay a fee to the authority for the length of
shoreline they have on the lake. They also
pay a fee for every ramp which they have
permanently put in place to dump boats into
the water. It matters not whether there is any
water in the lake; they still pay for the ramps,
even though you can take a boat down to the
ramp and strike absolutely nothing but mud
and it may be that way for a kilometre or
more. The authority still charges the fee. A
fee is also charged for fuel barges which are
put in place by those who have houseboats
for hire. A fuel barge might be sitting on the
mud, as several are at the moment, and the
authority still charges those people for the
use of the fuel barge, which of course they
cannot use.

The authority seems to be a complete law
unto itself. An article in the Mansfield Cou-
rier in January of this year said:

Bonnie Doon lake operators are fed up with con-
sistently low water levels on Lake Eildon—and
are determined to do something about it.

I do not blame them.

A petition has been organised by a group of busi-
nesspeople led by Peppin Point Holiday Park
operator Alan V alle. It will be delivered to Par-
liament in the hope that legislation is put in place
to stop the lake reaching significantly low levels.

That petition is about to be tabled. Over
3,500 citizens of Victoria have signed that
petition and their wishes ought to be listened
to. That is a fact. The government ought to
consider what it can do to pressure the Victo-
rian government or the water authority or
else give us national management of our in-
ternal water resources. The article continued:

Mr V alle said residents of Lake Eildon and the
surrounding local area had had their lives ad-
versely affected by consistently low water levels.

'The water levels controlled by Goulburn Murray
Water need to be addressed,' he said.

They certainly do. Of course dry weather has
an effect on levels in the lake, but for the last
five years we have consistently had water
levels below 50 per cent, which puts the
holiday plans of a massive number of Victo-
rians and some from interstate at greater risk.

But the authority does not seem to care. The
article goes on to say:

'The Member for Latrobe, Mr Bob Charles, an
Eildon holiday maker, has promised to help the
residents and has received support from the
Member for McEwen, Fran Bailey.

All that is true. They have got my support
and they have got Fran Bailey’s support, and
we are determined to push through with this
issue to see that someone addresses it. I can
tell you that we as a nation are now having a
look at the Snowy River and the devastation
and destruction that has been done to the
Snowy over such a long time by having vir-
tually no water running down the Snowy.
We are as determined to do something about the water storage at Eildon. It is certainly crazy that the authority can hit the property and houseboat owners for all these fees and yet make no guarantee of any water level in the lake whatsoever.

In an article in the *Mansfield Courier* in February, the authority responded. According to the article, Mr Bob Klos, Goulburn-Murray Water’s headworks manager, said the prospect of legislation to ensure the lake level does not drop below 40 per cent capacity is ‘very slim’. The article continued:

Mr Klos said that while the water was used for leisure purposes, there were other needs that have to be met including irrigation and the Goulburn River. ‘There are rights to that water,’’ he said.

Mr Klos said the water was owned by irrigators and GMW simply released the water according to those requirements. ‘The water is the lifeblood for lake operators—but the dam was designed to cater for these events when water is needed and has been designed to go to almost empty if need be.’

The authority, GMW, does not care at all about the leisure operators around the lake or the leisure users of the lake. In April one of the operators at Eildon, Mr Greg Smith, who has the Lakeside Leisure Resort, also near Bonnie Doon, proposed putting in a golf course down on the mud flats by mowing the grass that was growing there because he has got no water any more. He has fuel barges sitting on the mud but very little tourism. He said at the time that at the last reading the lake was holding about 23 per cent but when this year’s irrigation finishes on 15 May it is expected to hold less water than at the same time last year. It has not finished, because I am informed that the water level is still dropping by something like 130,000 megalitres a day. At that time, on 5 April, Mr Klos said that environmental water quality and public liability issues meant that it was unlikely that anyone would be teeing off on this golf course.

Mr Klos seems to be concerned about environmental water quality but not water levels, and in fact the authority is not managing water quality at all. All it is doing is managing the water resources in the most inefficient, impractical ways possible in order to get the maximum amount of dollars out of Victoria’s farmers. I do not deny the rights of Victorian farmers to water. This is an important resource, and it should be used and used properly. But there are competing needs for this resource, and to ignore totally one user of that water is to deny responsibility nationally altogether. To say, ‘Well, the dam was built originally for irrigation purposes and nobody ever thought about anybody using it for waterskiing, fishing or other boating or water leisure activity’ is certainly disingenuous. Times change. Where we had farms in my electorate we now have houses. Many of us might wish that we still had the farms there, but times move on and we need to address the issues as they arise.

It was recently announced back in January, I think, that Richard Pratt offered something like $100 million to help cap Australia’s northern flood plains and bring them down in pipelines to middle and southern Australia. At the time he told the *Australian* that he would urge John Howard to take personal charge of a national water authority, or appropriate body, to override vested interests. He made an important statement. Mr Pratt had offered to invest up to $100 million on such a venture. That should be taken seriously. It is undeniable that our inland waterways are under stress. This government has pledged huge amounts of money to try and help overcome salinity, to approach dryland management in a positive way, and to try and get water flowing back into our rivers and make them live again. I say to the minister responsible that, from my viewpoint and the viewpoint of the recreational users of Lake Eildon, they consider the water storage area at Eildon to be of equal importance. Their issues need to be taken into consideration as well, along with simply providing water at the cheapest possible price whenever anybody says, ‘Okay, I’ll pay a few dollars for a few more megalitres of water.’

The problem here is that the quango are not answerable to the public; they are not answerable to the electorate. Even the state government will not tell the quango what to do. The Goulburn-Murray Rural Water Authority was constituted by ministerial order under the provisions of the Water Act.
1989, effective from 1 July 1994. The authority is responsible for the management of the headworks within its region and isVictoria’s constructing authority for the Murray-Darling Basin Commission. Goulburn-Murray Water is responsible for the provision of bulk water supplies to urban water authorities, other rural water authorities, industry and agriculture and for the delivery of irrigation water, domestic and stock supplies and drainage services to an area of approximately 68,000 square kilometres. It also undertakes a number of national resource management activities closely associated with its core business for government on a cost recovery basis, predominantly related to salinity, water quality and water resource management, but they are ignoring or abrogating that final portion of their responsibility.

In the year 2000 the Delatite Shire in Victoria commissioned a study on the impacts of low water levels at Lake Eildon. I will quote to the House from the results of that study. Essential Economics Pty Ltd, who prepared this report, said, under the heading of ‘Business Revenue Impacts’:

We estimate that a total of around $16 million in direct expenditure is lost by businesses in Lake Eildon study area when lake levels decline to around 20-30% (compared to revenues when lake levels are high, at around 75%), and this represents approximately 17% of total business revenue in tourism-related industry sectors. An estimated $9 million in revenue is lost from the retail sector when lake levels are low … and $6 million is lost from the accommodation sector. We estimate that $10.4 million in direct expenditure is lost by tourist-related businesses in Delatite—

and that is just in Delatite—

and around $6.3 million is lost from the retail sector in Delatite … and about $4 million from the accommodation sector—

That is 30 per cent of total revenue in this sector. So there is over $20 million at risk here being lost when the lake levels are low, and that dramatically affects employment. They were talking in that report about a direct loss of about 185 jobs in the study area alone and 125 jobs in Delatite. It is true that these effects are being felt. The operators there are going through a terrible time. People who have paid money for access to a lake to be able to use the facilities of that lake are no longer able to enjoy the amenities. This has been going on for five years. It is not as though this issue has just crept up on us today. It is not the same as saying, ‘Well, we had a bad year. It is a bit of a drought and the water level is down.’ As I said today, the level is now down at 19.2 per cent and still falling. It appears, from statements made by the authority, that they do not care if the lake falls to zero.

We will have this great scar on the landscape of central Victoria, which is one of the most beautiful inland waterways in the nation, and it is an absolute shame. It could certainly be prevented and the authority need to get their act together. I urge the Minister for the Environment and Heritage, Dr Kemp, to consider these issues and to think about what the Commonwealth government can do to further enhance the national interest in terms of water management facilities for inland waterways. In particular, I commend to the House the petition, signed by all those users of Lake Eildon, which will be tabled on the next sitting Monday, and pray that somehow we can ensure that the water level in magnificent Lake Eildon—the once magnificent Lake Eildon—does not fall below 40 per cent. I thank the House.

Ms HOARE (Charlton) (12.51 p.m.)—While the government claims its savage cuts to health and welfare payments were justified by the war against terrorism and border protection, the people of Newcastle and Lake Macquarie will be paying the price. Treasurer Peter Costello has sent the budget into deficit, and families in our region will be paying the bill in higher mortgages, higher credit card rates and higher taxes. In the Treasurer’s own words—and in the decision yesterday by the Reserve Bank—a budget deficit means higher interest rates. This was a government that promised it could secure our borders without hurting families or going into deficit. Now it is telling us that families will have to pay for the government’s economic incompetence.

The Howard government has made large cuts to disability support pensions and the Pharmaceutical Benefits Scheme, which will result in a loss of income and higher costs for
many people already under great financial stress. The sickest and the poorest in my area will be under added financial pressure with an increase in the costs of medicine. If you have two or three kids sick at the same time, you will now be paying nearly $90 for three prescriptions, and that is not even counting the doctors’ bills. People on a disability pension will now be forced on to Newstart and, on this allowance, people with disabilities will have to survive on $52 less a fortnight and will lose other disability pension payments and concessions, which are needed to afford basic services.

Let me provide an outline of the Howard-Costello broken promises in the 2002-03 budget. The government proposes to tighten eligibility for the disability support pension by changing the work test rule from 30 hours a week to 15 hours, effective from 1 July next year. This decision will affect new applicants for the disability support pension and it will affect existing recipients who come up for review after 1 July 2003, but it will not apply to people receiving the disability support pension who are within five years of the age pension age. The government is also proposing that those aged 55 and over will no longer have their local labour market conditions taken into account in determining their eligibility for the disability support pension.

Labor will oppose these changes. Our argument is that the changes will not assist people with disabilities to move from welfare into work and, therefore, are just cost cutting. Up to 200,000 of the 650,000 people receiving disability support pensions will be forced on to Newstart if the government’s proposals are implemented. Those affected will lose $52.80 a fortnight, which is the difference between the single adult rate of the disability support pension and the single adult rate of Newstart. Those affected will also lose add-ons, like the pharmaceutical allowance, which is $5.80 a fortnight, the pensioner education supplement, which can be $68 a fortnight, and the pensioner concession card, which is worth up to $750 a year. The government will save $337 million over four years from this measure. This government’s decision breaks an explicit promise given by the Prime Minister during the election campaign. When he addressed the ACOSS congress in October last year, the Prime Minister said:

I re-state the assurances I have previously made: 

... ... ...

Nobody’s benefit will be cut as a result of changes to the social security system. That was obviously a non-core promise.

The government also fails to deliver on defence. Despite all its rhetoric, the budget delivers only $69 million in net additional funding to Defence for the war on terror, to deter illegal boat arrivals and for domestic security. Defence has to make $268 million in savings to cover the cost of current operations and increased security measures. The budget includes $150 million in savings by delaying capital projects and $97 million in savings on administration. The Howard government is actually cutting more in the areas of health and welfare, at $2.6 billion, than it is spending on the war against terrorism and on border protection, at $2.3 billion. Education is also missing from this budget. There is a paltry $12 million in new measures for the entire Education, Science and Training portfolio. This is an adjustment of just 0.1 per cent on a total budget for education and training of $12 billion.

As I mentioned before, the cost of essential medicines is to rise. Families will pay $28.60 for each prescription—up $6.20 per script—and up to a total of $190 extra each year for their essential medicines as the government safety net goes from $686.40 to $874.90. 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 more for their essential medicines as the concessional safety net goes up from $187.20 to $239.20. This is an increase of nearly 30 per cent in the cost of essential medicines. Labor will vote against these proposals to increase the co-contribution for medicines available under the PBS.

Under this government, foreign shipping crews will continue to have free rein in Australian waters because of the Howard government’s failure to clamp down on open access by foreign crews. The government’s
shipping policies encourage the use of foreign ships and crews on the coast, with a 51 per cent increase in their freight task in 12 months. After the recent CSL Yarra incident, Simon Crean promised to introduce a private member’s bill to plug a loophole which allowed CSL to transfer ownership of the Yarra, sack its crew and replace it with cheap foreign labour.

In this budget, environment programs were also felled. The Natural Heritage Trust had $24.7 million cut for 2002-03, and there is no ongoing NHT funding for programs such as the Murray-Darling Basin program. Greenhouse expenditure has been cut by $162.3 million over the coming three years. On the National Action Plan on Salinity and Water Quality, $49 million has been cut this year and $52 million has been cut from the year after—a total of $169.2 million cut over the first five years. The staff of the Department of the Environment and Heritage has been cut by 120.

The fact is that the draft third report by the Australian Greenhouse Office shows a massive blow-out in emission projections, and, although in last year’s budget the government promised $245.8 million for greenhouse gas reduction, only $119.2 million of this was actually spent.

The Prime Minister, in his election platform for aged care, said:
Vastly increased funding for Aged Care, more available places, additional and better trained staff and improved standards within residential homes are all key components of the Coalition’s plan to build a better system.

The fact is that, of the 14,102 beds that the Howard government has allocated since 1996, just over half are being used. Subsidies to nursing home operators were reduced by $152.1 million this year and will be reduced by a further $174 million next year. Greater public investment in home care service would ensure that fewer older Australians would need expensive aged care beds. Greater investment in preventative health care programs would reduce the need for expensive medical care treatment options.

I move now to workers’ entitlements. Under this government, workers in companies that go bust may have to wait four months for their entitlements to be paid. Last year’s budget set a target of 80 per cent of claims to be processed within 12 weeks. This year’s budget changes that target to 80 per cent of claims to be processed within 16 weeks. It is a disgrace. These are families which are struggling and cannot afford, if the main breadwinner has been sacked or made redundant when the company has gone bust, to wait 16 weeks to receive their entitlements.

The seventh Costello budget makes no effort to tackle the barriers to unemployment, and offers no additional support to our most disadvantaged job seekers. It has provided just $12 million in new spending for the entire Education, Science and Training portfolio. The budget also provides a shrinking commitment to legal aid. In this financial year the Commonwealth will spend just $120 million on legal aid. In real terms, it is a cut of 35 per cent since the coalition came to office. Export growth ambitions have been nobbled in this budget—$5.5 million has been slashed from the Austrade budget and the Howard government has delivered a meagre rise in funding, only $400,000 per year, for export market development grants. That is just one-third of one per cent of the annual EMDG budget.

Australia has also fallen behind in the international fight against poverty. The 2002-03 aid budget maintains spending in real terms, but Australia is still slipping down the OECD donor list. Unless action is taken to reverse the trend, Australia will fall from its current position of 14th out of 22 donors to near the bottom of the list by 2006.

In the Treasurer’s budget speech there was no mention at all of Indigenous Australians. The federal government’s 2002 budget contains no new ideas and no new funding for Indigenous Australians. In the budget, less than half the total funding for them goes to ATSIC, which has had no increase in real terms. Over 30 per cent of the budget for the Office of Indigenous Affairs was allocated to litigation against Indigenous people’s interests. Funds for dealing with Indigenous family violence were cut from $2 million last year to only $1.4 million. Only $470,000 has been allocated to Indigenous substance abuse
programs, through a petrol sniffing diversion pilot project, and funds for Indigenous education, through the Indigenous Education Strategic Initiatives Program, were cut by 13.4 per cent in the Northern Territory and 27 per cent nationwide.

At a glance: two years ago the Treasury predicted a $14 billion surplus for this financial year, and a $24 billion surplus for the next. Instead, the Treasurer has delivered a $3 million deficit. Even if no new funding requirements for defence and border protection had been required, the budget would still have been in deficit by more than half a billion dollars. The deficit is a gross breach of public trust. Howard and Costello panicked, they blew the budget and they lied during the election about whether such a deficit was possible. The budget policy was so lax in 2001 that it has increased upward pressure on interest rates, and this upward pressure is the biggest question mark over the current optimistic economic forecasts.

There is an almost total absence from the budget of any initiatives for regional Australia. My region’s hopes for funding in a range of areas were left unanswered by this harsh budget. There was no funding for the redevelopment of Energy Australia Stadium or for the much-needed Glendale Integrated Transport Centre, there was an inadequate commitment to breaking the region’s unemployment, there was no funding for the shipbuilding industry in the area or to support the city’s Landcare resource officer. I have supported the submissions for funding for the upgrade of Energy Australia Stadium. I have also written to the Minister for Regional Services, Territories and Local Government concerning funding for the Lake Macquarie Integrated Transport Centre.

The Lake Macquarie City Council has proposed an integrated transport strategy as an important infrastructure project for the Hunter region, and is seeking Commonwealth funding assistance. It is also proposed that funding of $26 million will come from the New South Wales government and $1.4 million from council. The project is a major infrastructure development for the Hunter region and will generate job growth, improve access to public transport and provide environmental benefits for Lake Macquarie.

In the past 10 years, in excess of 1,000 new employment positions have been created in Lake Macquarie, mostly within the Cardiff Industrial Park. It is proposed that the estate be expanded and further developed. The industrial area houses major transport firms such as John Farragher Transport and Logistics and Powerdown Australia, a major manufacturer and exporter of bus chassis. However, businesses are hindered by the treacherous and inefficient road links to the F3 Freeway. Lake Macquarie City Council’s proposed integrated strategy will alleviate this problem. As you would be aware, Mr Deputy Speaker Barresi, the Hunter region has suffered significantly with the closure of BHP and the downturn in our manufacturing industry. I believe this proposal will greatly assist in the maintenance and the extension of employment opportunities in the region. I am as disappointed as the council and my constituents that no funding for this project was allocated in the budget.

I have also recently written to the Minister for the Environment and Heritage, Dr Kemp, about Landcare. I understand Dr Kemp is overseas at the moment receiving some environmental award. He should be here in this parliament answering questions from members on both sides of this House on why there has not been any funding allocated in this budget to severe environmental concerns that exist right across the nation. The Lake Macquarie City Council has been seeking the continuation of funding to support the position of the Landcare resource officer. The position is vital to ensure linkages between the council and over 80 registered Landcare groups in Lake Macquarie. The council maintains that these linkages will be jeopardised if the council based officers are replaced in the proposed regional approach. Landcare groups in Lake Macquarie contribute volunteer hours worth in excess of $1 million each year. Landcare grants over the past three years have totalled $711,000.

The Landcare resource officer ensures that projects undertaken are appropriate, will benefit the community and are consistent with council’s objectives. The current Land-
care resource officer, John Hughson, who was New South Wales Landcarer of the Year in 1999, does a magnificent job training, co-ordinating and motivating local groups. The council also proposes support for a number of other Landcare support positions to ensure that the vital work undertaken by community groups to protect and repair our environment is properly managed and resourced. I will continue to support the council to ensure that that funding is allocated on an ongoing basis.

As the shadow Treasurer, the member for Fraser, has recommended, we will not be opposing the appropriation bills. The measures announced in the budget to which we are opposed are not contained in these bills. However, I support the shadow Treasurer’s second reading amendment, which states:

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; [start page 2538]
(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 $800m downpayment;
(8) its failure to recognise the GST as a Commonwealth tax and this Government as the highest taxing of all time;
(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.

The third term agenda of this government will be cruel for the sick and the disabled. *(Time expired)*

**The DEPUTY SPEAKER (Mr Barresi)—**Before I call the member for Boothby, I remind the member for Charlton that, while I was extremely lenient throughout her speech, she should be very mindful when drafting her next speech to refer to ministers by their correct title, position or seat. I also alert her to her reference to the word ‘lied’ in relation to the election campaign. I was extremely lenient during that speech, but I remind her that next time it will not be the case.

**Dr SOUTHCOTT (Boothby) (1.12 p.m.)—**I am always a bit confused about where the opposition stand on the budget and on their overall economic strategy. The government is condemned for having a budget deficit and then is condemned for not spending more. The Howard government has had a coherent approach to the budget over the last seven budgets—that is, a balanced budget over the economic cycle. We use budget surpluses to pay back Labor’s debt. That has reduced the amount of interest which the government pays and that has freed a lot more money to be available for families and schools. I am very confident that our record on things like interest rates, on unemployment and on budget deficits over the last six years and the last seven budgets stacks up extremely well against the record of the Labor Party.

The Australian population agree with this. Whenever we see polls showing which party is better able to handle things like interest rates and economic management and so on, generally we see the Liberal-National parties as much as 20 per cent ahead of the opposition. The Australian people have not forgotten the periods of high interest rates and of high unemployment that characterised the early nineties—and, of course, that recession. I am just amazed that the opposition
take part in these debates without any shame. They talk about interest rates and unemployment issues but they do not come with a clean slate. They come with a record, and most people remember it.

In 1996, the Howard government was elected to govern for all of us. Australians were sick of a government pandering to groups based on how much money they gave or how loud they were. This government is made up of parties that are able to make hard decisions which are in the national interest—not a party that stands on the sidelines heckling and making cheap statements just to get votes. In the budget address-in-reply, the Leader of the Opposition said that he is determined to modernise Labor, to make ‘a modern Labor for a modern Australia’. When you have a modern Labor that talks like old Labor—in which the vast majority are former trade union officials like old Labor—when it says it is going to spend like old Labor, when it acts like old Labor in having unions as its puppet-masters, it is old Labor. At least Tony Blair in Britain was willing to change some of the United Kingdom’s Labour platforms; the Australian Labor Party cannot and will not change to represent the whole community.

The shadow Treasurer and the rest of the ALP have heckled the government for spending money when the economy’s growth dipped at the beginning of last year. The shadow Treasurer has not said a lot about Australia’s economic growth, which is one of the highest in the developed world, while other economies were in recession. Last year, country after country—especially our major trading partners, the USA, Japan and Germany—fell into recession. In Australia, people kept their jobs. In Australia, the economy kept growing. In 2001-02, the Australian economy is expected to grow at 3.75 per cent. In fact, the GDP figures released yesterday show that economic growth from March to March is 4.2 per cent. It is the fastest growth by a long way of any of the world’s major developed economies.

This year, in 2002-03, the economy will again grow faster than the major economies, including those of the United States and Japan. We still do not hear much about this incredible performance of the growth of the Australian economy. The Australian economy is going well, but more needs to be done—this is not as good as it gets. We, on this side, are working to give job seekers the greatest support—a job. It has always amazed me that it seems that, for some members of the Labor Party and the Democrats, one of life’s great mysteries is where jobs come from. We often hear, in response to our budgets, that we should be spending more to give people meaningful jobs. Most jobs are created by the private sector. The best thing we can do to create more jobs is to have a long expansion, such as we have had, to have the economy growing strongly and to have good education and training in place but also to have a lot of flexibility in the workplace relations system, and we have always taken that approach. The unemployment rate is forecast to decrease to six per cent in the June quarter of next year. That is still too high but, for the first time since 1989-90, we hope to have an annual average unemployment rate with a five in front of it, and that is achievable. In addition to strong economic growth, what is needed is labour market and welfare reforms, and we have already introduced a number of bills which relate to labour market reform. I think the reforms to the disability support pension in the budget are a good step forward in welfare reform.

The budget does more than deliver the Liberal-National Party’s election promises in full, on time and on budget; it does something more important. It begins planning for the future. The Intergenerational Report looks into the future 40 years to see the challenges faced by the community. It is very hard to predict what Australia will be like in 40 years, but what the report does is make us think and help us lay the foundations for the future. Twenty years ago, governments of both complexions started this process in the area of retirement incomes and superannuation. They started to make the community think about how they were going to provide for their own retirement, and they started to give people the expectation that perhaps government was not going to be able to provide pensions for everyone and that those who could do so should provide for their
own retirement. What is expected over the next 40 years? The number of older Australians will grow but, with our low fertility rate, the number of younger Australians will not. This will be a challenge for the taxpayers in 40 years time. The challenge will be greater if we do not plan; the challenge will be easier if we plan for the future. If we do not take small steps now, drastic steps will have to be taken in the future.

The Pharmaceutical Benefits Scheme aims to improve the health of Australians by ensuring that they have access to necessary and life saving medicines at an affordable price. From 1 August this year, the cost of prescriptions for concessional cardholders will increase by $1 from $3.60 to $4.60 and, for general patients, it will increase from $22.40 to $28.60. Patients will pay $4.60 or $28.60 for medicines that sometimes cost hundreds or thousands of dollars. Spending on the PBS has increased from $1.23 billion in 1991-92 to $4.83 billion in 2001-02. Annual growth over the last decade has been in excess of 14 per cent. It is the fastest growing component of Commonwealth health expenditure, and the Intergenerational Report projects that this could continue. Continuing high levels of growth will affect the capacity of taxpayers to subsidise newer and more expensive medicines.

The budget changes have been consistently misrepresented by the Labor Party. For example, the member for Lilley, in his speech during the budget debate, said that families will now pay $28.60 for each script. That is wrong. That is not true. In fact, it will only be for the more expensive medications that this will apply. For many common medications, there will be no impact because they are already below the amount of the copayment. I want to also draw to the attention of the House the fact that, last year, patient copayments on the PBS accounted for 16 per cent of the total PBS cost of $4.8 billion. Back in 1990-91, patient copayments contributed 20 per cent. What we have seen is a decline in the amount that patients are contributing to the overall cost and an increase in the proportion that governments are contributing.

The PBS safety net arrangements protect Australians who need a large number of medicines. Concessional patients pay nothing for additional prescriptions after 52 prescriptions in a calendar year. After 31 prescriptions general patients and their immediate family pay the concessional copayment for additional prescriptions for the year. For general patients, if the cost of a drug is less than the present copayment of $22.40, there is no impact. Almost half of all medicines listed on the PBS cost less than the present general patient copayment. For these medications, there is no impact. Consequently, general consumers will pay no more for almost half of the medicines on the PBS. For example, there will be no increase in the cost of common medications such as Ventolin for asthma, Zantac or Ranitidine for peptic ulcer, Noten and Tenormin for high blood pressure, and Diaformin and Diabex for diabetes.

If you consider a family with one child who has asthma, for a first line treatment such as a Ventolin puffer there will be no increase in the patient copayment. If a family member has an infection requiring antibiotics, there will be no increase in the copayment for common antibiotics such as Amoxycillin, Cephalexin, Augmentin, Cefaclor, Doxycycline or Erythromycin. If a parent has high blood pressure, there will be no increase in the copayment for common medications such as Atenolol, Noten or Tenormin. Where they will pay more for the copayment will be if one parent is on one of the cholesterol lowering drugs known as the statins or other drugs which cost more than the current copayment of $22.40. On average, the cost of statins is approximately $60 to the taxpayer. If a person wants to give up smoking, they will pay $28.60 for a script for Zyban, which, on average, costs taxpayers $249.51. But it will cost the patient only $28.60.

A budget measure introduced last year was education of prescribers so that evidence underpinned their prescribing of statins. A number of algorithms are available which, using good evidence, show that, if you look at the risk factors for patients—including their history of things like diabetes, high blood pressure, family history, age and serum cholesterol—statins will have a benefit
for some people but not for others. That was an important budget measure which the government introduced last year. We need to do more prescriber education so that people have access to good, evidence based practice which they can access easily when they make decisions. There are also other measures in the budget to ensure medicines are used appropriately. Doctors will be required to provide additional information to ensure prescriptions are provided only to patients who meet the PBS restrictions. The pharmaceutical industry will also be required to provide information to doctors about the PBS restrictions. The government will facilitate the use of generic medicines in return for reduced prices from manufacturers. There will be further initiatives to prevent fraud of the PBS. Australians expect the government to continue providing access to newer and more expensive medications at an affordable price. This can only be achieved with responsible management of the PBS and the economy.

Another thing I want to talk about which is close to my heart is the automotive industry. This industry is very important to me because the Mitsubishi Tonsley Park plant, Monroe Australia, Henderson’s Automotive and other automotive component suppliers are in the electorate of Boothby, which I represent. A more important reason to talk about the car manufacturing industry is that tens of thousands of people are employed in this industry and many other people depend on this industry. At present, the Australian Manufacturing Workers Union is holding the industry to ransom. This is a topic which we never hear anything about from the Australian Labor Party. That is strange, considering how much noise they make normally. I wonder why they have been so quiet. Could it be that most of them are former trade union officials? Could it be because the AMWU has contributed $2.6 million over the last five years?

The Australian automotive industry is a great success story, now exporting $5 billion worth of cars and components to the rest of the world; but those exports are being put at risk. Over the last 12 months, we have seen the AMWU target key component suppliers to try to shut down the whole industry. Last year they targeted Tristar. Earlier this year they targeted Walker Australia. At the moment they are targeting BHP Billiton’s plant at Westernport. Industrial action by the AMWU since late last year is estimated to have cost the industry $400 million in lost production. Appropriately enough, on May Day, the secretary of the AMWU warned of further disputes in the car industry. The AMWU and Doug Cameron are hell-bent on waging their own private war for Manusafe. Unfortunately, they have forgotten about the people they supposedly represent, the employees in the industry.

As a result of the illegal strike at Walker Australia, Holden has said that it might obtain components from overseas if industrial action continues. If this happened, workers’ jobs would be lost. The illegal strike at Walker Australia occurred at the same time as Mitsubishi was considering its investment in Australia. That could have jeopardised Mitsubishi’s investment in its Australian operations and workers’ jobs could have been lost.

The campaign of union intimidation over the automotive industry needs to stop. The Howard government’s General Employee Entitlements and Redundancy Scheme pays workers all unpaid wages, accrued annual and long-service leave and pay in lieu of notice, and up to eight weeks redundancy entitlements if their companies become insolvent. The AMWU and Doug Cameron need to work in their members’ interests and not endanger jobs. Australia, 20 or 30 years ago, had a reputation for being a country where militant trade unions rode roughshod over the manufacturing industry. We cannot return to those days. This militant campaign needs to stop.

Finally, the question that needs to be asked is: what would have happened if the Labor Party had remained in government? Would we have survived the Asian financial crisis when we still had a $10.5 billion government budget deficit? Would we have survived the world going into recession, especially our major trading partners? Would we be growing at an annual rate in excess of four per cent if Labor were in government?
Would interest rates be 6½ per cent if Labor were in government? Would the unemployment rate be 6.4 per cent and approaching six per cent if Labor were in government? As I started my speech by saying, those who remember the days of Labor’s high interest rates and high unemployment, when questioned on these matters, have an intuitive wisdom which says that this government is best placed to manage the Australian economy, to provide jobs and to keep interest rates low.

Mr FITZGIBBON (Hunter) (1.30 p.m.)—Economics is an inexact science, but there are at least three things we know with great certainty following the most recent budget and economic news. The first thing we know is that the Treasurer has driven the budget into deficit. After 11 years of continuous economic growth, six under Labor and five under the coalition, the Treasurer has driven the Commonwealth budget into deficit. This follows years of lecturing in this place from the Treasurer about the merits of running budget surpluses and his constant reminders of the impact on interest rates of running a budget deficit. We concur: running a budget deficit does have an impact on interest rates, which brings me to the second thing we know. Interest rates have risen twice in the last two months. They are up 50 basis points. For people in my electorate I suspect that means around $50 per month added to the average mortgage. For those who have a mortgage and also operate a small business, it is a double whammy.

The third thing we have had confirmed is that the government has run out of ideas. I have been around for long enough to remember when budgets were not just an account of or a prediction about Commonwealth revenues and outlays. I recall when budgets were seen as an opportunity to articulate a vision—a vision for nation building, a vision for infrastructure development. I remember when the words ‘regional development’ were at the forefront of economic planning. This government no longer sees a role for the Commonwealth in regional development, but we should not be surprised, because it has got form. It has the runs on the board, if you like. Chifley was the first Prime Minister of this country ever to become serious about Commonwealth involvement in regional development. When Menzies came along it was forgotten. It took the election of the Whitlam government to again engage the Commonwealth in this very important area of economic and social planning. Malcolm Fraser showed no interest whatsoever. It took the election of the Hawke government to engage the Commonwealth once again in regional development policy.

I still lament the words of the former minister for regional development, I think in the first Howard government, Mr John Sharp. He publicly stated that he did not believe the Commonwealth had any constitutional role to play in the area of regional development. Ben Chifley was once challenged on that issue by none other than Sir Robert Menzies. Ben Chifley had a grand vision for the Snowy River power generation scheme. That issue had to be fought out in the courts as Ben Chifley sought to rely on the defence power in the Constitution to embark on what is one of the greatest resource projects in the history of this nation.

I remember when the annual budget contained at least one big picture initiative. The closest we came to that this year were some predictions about the future, the so-called ‘Intergenerational Report’—not ideas about the future; simply a set of predictions. I make the prediction now that the member for Higgins is ready to move on. He knows that he cannot rely on Labor’s legacy forever. As an article in the Australian Financial Review put it today, ‘Mr Good News has run out of spin.’ Tony Walker, the journalist concerned, made the point that the current Treasurer has enjoyed ‘a relatively charmed existence’. Indeed he has. For six years now the Treasurer has been basking in the sun of Labor’s legacy. He inherited an open and extremely competitive economy. Labor paved the way by producing record levels of productivity and by breaking the back of inflation. Labor raised savings levels and eased long-term pressure on the Commonwealth budget by extending superannuation to all Australians—not just a chosen few. We see in this budget another attempt to give a tax break to the big end of town on superannuation while
at the lower end of the spectrum people are still struggling to secure sufficient levels of superannuation savings to provide for themselves in the future.

I have listened with great interest to a number of the contributions by those on the other side. Day in and day out we hear, ad nauseam, the Prime Minister and the Treasurer relying on Labor’s record as a defence against their own economic mismanagement. Day in and day out we hear about the high interest rate regime which existed in the late 1980s and the early 1990s. Never do we hear what the international situation was at the time. Never are we reminded that at that point in our history interest rates were high internationally. All we hear is this carping reminder that for a period in the early 1990s and late 1980s we experienced high interest rates. That is very true, but economies all around the world ebb and flow and the standard of economic management fluctuates across all political parties, I suppose, when you consider the matter on a historical basis.

Let us look, if we want to rely upon history, at John Howard’s record when he was the Treasurer of this nation. In the last year in which he was the Treasurer of this country, economic growth was minus 2.6 per cent. Housing interest rates when John Howard was last the Treasurer of this nation were 12.5 per cent. Indeed, John Howard, as Treasurer under Malcolm Fraser, left Australians with double-digit unemployment, double-digit interest rates and negative growth. That was John Howard’s legacy. We are constantly reminded that Labor left the coalition government some debt in 1996—all true. Mr Deputy Speaker—but it was nowhere near the level of debt that John Howard left for Paul Keating when Labor came to office. In fact, I recall that, measured in 1997 terms, the debt left was around $20 billion.

Let me return to the point made by the Australian Financial Review, or, more particularly, the point I was making about the fact that the member for Higgins has decided it is time to move on. You cannot rely on Labor’s legacy forever. You have to have some initiatives of your own if you want to survive beyond six years as a Treasurer, and he has clearly run out of ideas.

I attended last night, like many in this House, the annual dinner of the Minerals Council. I would like to take this opportunity to congratulate Mitch Hooke on his appointment as the CEO of that body, and congratulate President Barry Cusack, and all concerned, for what was a very successful dinner and, no doubt, a very productive conference as it always is. The guest speaker at the dinner last night was none other than the Commonwealth Treasurer. There were a few interesting things to note about that speech, I thought. The first was that I did not think the Treasurer was looking as cocky as usual. He knows things are turning on him; he knows that he cannot rely on that Labor legacy forever. Again, Tony Walker made some good points in the Australian Financial Review about the national accounts and our overdependence on export prices, and how that is going to turn against the Treasurer if the dollar continues to rise.

The second point to be made about the Treasurer’s speech is that, as he is prone to do now, he brought out a few slides. This is now the Treasurer’s trademark when speaking at these big dinners. He has a bit of a slide show in case people do not find his own contribution interesting enough. What was even more interesting was the content of those slides. I did not take notes, nor do I usually when the Treasurer is speaking, because there is never anything new. But I am pretty sure, relying on memory, that there were four slides. The first was the contribution of the resources sector to the Australian economy—a nice little pie chart, colour and all. The second was a comparison of debt levels between comparable nations over the last six years or so—I think they were all OECD nations. The fourth was the most intriguing of all; it was about the PBS—at a mining industry dinner! I could see the looks on the delegates’ faces—the PBS at a miners’ dinner! No vision for nation building, no talk about a national energy strategy and what we could do if we got adequate—
Mr Kelvin Thomson—That would be a blank slide if it was on their national energy policy.

Mr FitzGibbon—The member for Wills makes a good point. If it was a slide relating to this government’s national energy policy, it would be very blank. There was no talk about nation building and the benefits of getting cost-effective sources of energy like gas to minerals projects around the nation; no sense of urgency, in terms of planning for a national energy strategy; no slides about the really important things to the Minerals Council—but we got the PBS. Why did we get the PBS, Mr Deputy Speaker? Obviously, the Treasurer could not think of anything else to say. He recognised the fact that the thing that got the biggest headline as a consequence of the 2002-03 budget was the PBS, the whack on pensioners. But it is intriguing that the Treasurer would choose to drag out a PBS slide at a minerals industry council dinner.

What was also very notable was the slide we did not see. The slide we did not see was the slide on interest rates. I would have thought that nothing would be more crucial to those in the minerals industry than projections on interest rates, including what has happened to interest rates over the past little while. Of course, the Treasurer was not going to go to interest rates. He was not going to, at the Minerals Council dinner, acknowledge that his poor economic management and the way in which he spent like a drunken sailor in the lead-up to the last election to secure another term have had an effect on interest rates in this country.

But there was one other interesting point about his speech last night. That was his reference to the Minerals Council’s theme for the conference. That theme was something like ‘the next shift’—implying a coal mining shift, for example—and then something about leadership. He drew a direct and deliberate relationship between that theme and the Liberal leadership tussle which is going on on the other side of the House. That was very deliberate and well worth noting.

In the short time available to me, I just want to mention a couple of things in my electorate which have some relevance to the budget. I have said before that this was a budget that made me angry for what was in it, and for what was not in it. Of course, the things that were in it were a bill for the war against terror, which we all support, and a whack on those with the least ability to pay. But there were a few other things that were not in it, and what was not in it was adequate funding to keep the extension or road link between the F3 freeway and the New England Highway north of Branxton running along at an acceptable pace. Just before Labor left office in 1996, we had a real commitment to what is known as the Kurri Corridor. It was on track and by now we should effectively be driving on it. And still we see a trickle effect from this government and still we wait for a sod to be turned with respect to that project. Of course, local roads in the Hunter were hit for six because of another broken election promise on the Roads to Recovery fund.

You have to remember that this was a compensation fund. This was compensation for the government’s own acknowledgment of the impact that the GST had had on fuel prices: realising they cannot give it back, they decided to put it into local road funding. That has cost councils in my electorate an average $150,000 this year and some of those councils have already entered into contractual arrangements for the construction of those local roads. Some of them have put on additional work gangs in readiness to construct those roads; but, of course, the arrangements will now need to be re-gigged.

I should say something very quickly about the insurance crisis. I have no doubt that this is an issue of concern shared by the government, but I cannot say that I have been thrilled with their response. I am sure they are trying, but there has been a real lack of initiative and drive. Just yesterday I had a call from the people at the Richmond Vale Railway and Historical Museum in my electorate, which has had to cancel an important function this weekend and had to cancel a function last weekend. That is just one small example of the impact of the crisis on tourism, on small business and, of course, on individuals. The government’s response to this issue has been all too slow and ineffec-
We saw Joe Hockey, the member for North Sydney—the new socialist on the government’s side—come out of the box very quickly only to be shoved back in, and we have not seen or heard much from him since. Bob Carr in New South Wales is showing a leadership role, as is Steve Bracks in Victoria, but we have seen too little from the Commonwealth.

I want to say something very quickly about roads, again, and also wine. As you know, wine and tourism are very much an issue in my electorate. I want to mention Bruce Tyrell, the Managing Director of Tyrell’s Wines in my electorate. He criticised the government allocation in the budget of more research into wine—something I am sure he would welcome under normal circumstances. But Bruce Tyrell indicated that they are researching what we already know and what we have already done. Bruce Tyrell made the point that the money would be better spent on roads in the wine country in my electorate. ‘The most significant barrier to growth in the wine country in my electorate,’ in the words of Bruce Tyrell, ‘is the inadequacy of the roads in that area.’ I support him on that issue.

I heard the member for Charlton mention Energy Australia Stadium. I join with her in appealing to the Howard government to have a look at Energy Australia Stadium, the home of the mighty Newcastle Knights, to understand the inadequacy of the facilities there. This is not just about sport; this is an economic project that will generate enormous economic growth in the Hunter in many ways, including, by virtue of our ability, post reconstruction, to attract some really big sporting events to the Hunter region. I appeal to the Prime Minister to have a close look at the issue. I know he has not had the submission very long. I accept that, and I do acknowledge that there was very little opportunity for him to make an allocation in this current budget. But he has got 12 months now to do the right thing by the people of Newcastle and the Hunter region.

Very quickly, I want to note with great joy the settlement of the long-running dispute between Rio Tinto and the CFMEU and those miners who were sacked almost four years ago from the Hunter Valley No. 1 Mine and the Mount Thorley Mine. It pleases me that commonsense has prevailed and Rio Tinto has acknowledged that it is pointless throwing more money at this issue, and it is time to put the issue to rest. I congratulate members of the mining and energy division of the CFMEU, who showed great and effective leadership. They stood by those men for almost four years at enormous financial cost and, in doing so, they reminded us all of the importance of collectivism and the important and ongoing role that the trade union movement has to play in the Australian economy and society. Where would those men have been after four years in the wilderness without the support of their union, including the financial support that the union gave throughout that period? Let us only hope that Rio Tinto will see fit to put to rest one other outstanding issue—and that is the 16 men who formerly worked at the Blair Athol Mine and who are still without work.

(Time expired)
ple, in other areas. We have now got that debt down to very manageable levels. Our interest rates are still very low, at 30-year lows, and are significantly less than was ever achieved by our predecessors.

Unemployment is currently at 6.3 per cent seasonally adjusted—a lot less than the 11 per cent that our predecessors were able to achieve. There is no doubt at all that, if there were some level of cooperation with regard to the unfair dismissal legislation that is currently in the Senate, levels of below six per cent would be very achievable.

There has been a necessary focus in this budget on defence and border protection. In the defence area we have an additional $1.3 billion in funding, bringing it to $14.1 billion. It is interesting to note that, whereas in the first week of August last year there were 1,212 unauthorised arrivals, since the introduction of our strategy to secure our borders there has been a dramatic slowdown in unauthorised arrivals. As the Minister for Immigration and Multicultural and Indigenous Affairs said recently, there have been no unauthorised boat arrivals in Australia since December 2001.

To all who wish to argue that the efforts have been ineffective, I would suggest that is absolute nonsense. Representing an area as I do in Far North Queensland and experiencing a situation where a boat ran up on the beach at Holloways Beach and a number of illegal immigrants attempted to move into the community, I can assure the House that we are very much focused on these issues. It is not just a matter of breaking the law and trying to bypass our immigration system; it is a very serious issue of public health, in that there is no scrutiny of such people when they arrive, and also a serious issue of quarantine. Our policies to deal with these issues do cost money. There is no question about it. But it is certainly money well spent, as an investment in our future by securing those boundaries. I totally support the minister’s stand on that.

We have major capital defence projects totalling some $6.4 billion to commence in 2002-03. These include a squadron of troop-lifting helicopters, deployable communications infrastructure, a new shoulder-launch guided weapon, new aerospace combat capability to replace the F111 and FA18 fleets, and replacement of patrol boats. I have a very strong interest in patrol boats, as Don Fry, from NQEA, in my home town of Cairns, built the current patrol boats. They have done a magnificent job and they are coming towards the end of their extended life. More recently, NQEA built two hydrographic vessels, the HMAS Leeuwin and HMAS Melville. These two very fine vessels have been commissioned and working for some time. There is no doubt that NQEA has the capability to build the patrol boats. We are currently considering the tender process, and I put on the record my very strong support and hope that NQEA is successful. It will certainly mean a lot for my region, particularly in relation to a diversification of industry and a great opportunity for a whole range of new jobs. We will be watching that very closely.

Another matter of border protection which I find particularly interesting is that Defence and Customs are looking at piloting a $12.8 million project in the Torres Strait. This project, earmarked in the 2002 budget, will test and roll out a new high-frequency surface wave radar technology which will provide Defence and Customs officials with over-the-horizon border protection. The radar will be able to detect surface vessels and low-flying aircraft beyond the visible horizon, unlike our conventional radars, which are limited to line-of-sight operation. The defence department proposes to have the transmitting and receiving towers erected in the Torres Strait by the start of the wet season. This would certainly be of immense comfort to the people living in the Torres Strait, who at times feel extremely vulnerable because of their geographic position. Any early warning systems that can be put in place to ensure the integrity of that area will be greatly appreciated, because over recent years a number of vessels have come through the Torres Strait and actually landed there. Health and quarantine issues are foremost in the minds of the Torres Strait residents, but this will go a long way towards alleviating their concerns.
A number of other initiatives in the budget were much welcomed by my constituency. Probably one of the most significant ones, particularly for the more remote areas of my region, is the expansion of the diesel fuel rebate scheme to include hospitality and retail businesses operating outside the electricity grid. That area represents a significant portion of the 151,000 square kilometres that comprise my electorate—about two-thirds of my electorate in the Cape York region. Most businesses in that area rely heavily on diesel fuel. It has been very unfair that people running businesses there have been unable to get the rebate. We had it in the New Tax System but, unfortunately, in their wisdom, the Democrats decided that they were going to remove that portion of it. Consequently, many people in my electorate have continued to pay the penalty. The rebate scheme will cost about $12.8 million in 2002-03 and about $21.4 million in each of the following three years. At the moment the rebate is equal to the excise on diesel—about 38.143 per cent in the dollar. It represents a tremendous saving. You can see by those figures—the $12 million and the $21 million—that a lot of extra money will be going back into businesses.

I spoke to a number of operators in my area. Terry Mays, who operates the Cow Bay Hotel north of the Daintree, uses about 4,500 litres of diesel every month. At 89c a litre that is a bill of about $4,005 per month just to generate power for his establishment. The rebate will be worth about $1,500 a month to him. For Terry, the expansion of the scheme to include businesses like the Cow Bay Hotel will mean the difference between keeping the hotel open and closing it down and packing up and leaving. It is very significant. John and Mary McDowall have been running the Musgrave Roadhouse for five years. They use about 2,000 litres of diesel a month. Their rebate, which is worth about $8,000 a year, will allow them to run their generators for a full 24 hours, instead of having to shut them down for extended periods, which affects their freezers, fridges and a range of other things. Mary tells me that the rebate will provide much relief during the wet season, when the number of tourists drops to almost zero. That saving will allow them to continue to operate. Sherril Mehonoshen from the Archer River Roadhouse—she has been there since 1983—uses about 2,500 litres of diesel per month. According to her, it will be a ‘godsend to get something back’. It is a significant amount. Before the rebate, it cost her about $10,000 to run the generators throughout the wet season. With no tourists, that is a hell of an impost. Phil Gerchow and Darren Holloway, who run the Hann River Roadhouse, use about 35,000 litres of diesel a year. The rebate will save them about $12,000. Again, that is a significant amount. They are just a few people who will benefit, and they are very appreciative of our endeavours.

Small business generally has been very appreciative of other initiatives—for example, the $60 million boost to the Small Business Assistance Program over four years. Out of that sum we have $26 million earmarked for skills development projects and $24 million for referral and support services for small business. Another fantastic initiative is the retention of the small business assistance officers, who play a great role, particularly in more remote areas and in Indigenous communities in Torres Strait in my area. They offer a tremendous service. Officers like Fred Marchant have assisted in putting together a submission. Without Fred’s expertise and efforts, a lot of new enterprises in those regions would certainly have gone belly up. It is great that we are going to be retaining those officers through this budget.

Tourism is another industry that picked up very well. The $45 million injection into tourism through the 2002 budget will certainly benefit Far North Queensland. About 40 per cent of our economy is reliant on tourism, as is a very large proportion of our employment. There is $24 million going into the Australian Tourist Commission over five years, and $8 million over four years for the very successful See Australia campaign, which encourages Australians to take domestic holidays. Domestic tourism represents about 75 per cent of the industry. About 30 per cent of Australians still do not take annual holidays. Encouraging them to take holidays will have a significant impact. Another initiative that is very much appreciated
in rural and regional areas is the $8 million over four years for the regional and rural tourism program. We will be announcing some successful ones in the next few days. It really gives a leg-up for people in regional and rural areas to provide new product for the tourism industry. On top of that, we have the 10-year strategic plan which will certainly give the tourism industry, in conjunction with government, an opportunity to really start to focus and get out there and plan for the future.

A number of projects that were also announced in the budget and that fulfil election commitments include the Cairns foreshore promenade development at a cost of $9 million. I congratulate Mayor Kevin Byrne on the excellent cooperative effort he has put into making it a reality. They have started work on the project with the allocation of the first amount of money—shoring up a 70-year-old sea wall and putting interpretive nodes along a boardwalk along the whole esplanade. It will be magnificent for the local people and for the business community.

Another initiative is the widening of the southern highway access into Cairns. Some $13½ million has gone into that. It desperately needs to happen. It is a dangerous bottleneck area, particularly at peak times. There have been 303 traffic accidents over the last 10 years in respect of which 51 car occupants required hospitalisation. It is good to see money going into that area. It will certainly be welcomed by those living south of the city. With regard to the road of national importance, the Peninsula Development Road, I know that there are those in the other house who, for some reason or another, are a wishin’ and a hopin’ that it will not occur, but the reality is that it has been announced and it will happen. Some $5 million has been allocated over three years for the first stage from Split Rock to Laura which will start the process. We are waiting at the moment for the state transport minister to put a plan in on that so the work can start.

All that was done without cutting back on the black-spot programs and on Roads to Recovery. There has been some minor deferment on that, but the full amount of money is still available. That has seen a huge amount of benefit for my region, as has blackspot funding for television and other communications. It has been an excellent outcome.

The member for Wills made some comments in his role as shadow minister for environment, including some comments about NHT funding in Cape York. I do not know where the honourable member gets his information from, but he clearly has no understanding of what has happened up there. If his understanding of what has happened there is any reflection on his knowledge of the environment portfolio, he has a lot to learn. The issue is not one of a lack of will to spend the money; it is more about the lack of cooperation by some of the proponents. There have been some serious efforts to get those people to come to the table. A large proportion of the money was allocated for property planning and it still has not been spent because we are having great difficulty in getting all parties to the table to negotiate. Nevertheless, we are committed to doing it. As for the suggestion that there was a large component for buying back property, the honourable member should go back and look at the original agreement. That was not quite the case.

In conclusion, the budget has been very responsible. I would like to refer to a lot of other areas, but, unfortunately, as I have limited time, that is not possible. I would have liked to refer to aged care and to education, another area where there has been a very significant amount of spending. I again congratulate the Treasurer on an excellent outcome and I commend the bill to the House.
on this occasion I turned to Ross Gittins to see what he had to say about the budget, and again he lived up to my expectations, explaining things very clearly and very simply. His two headlines say it all. One was ‘Taking the fudge out of the budget’s dodgy digits’ and the other was ‘Dodginomics goes bung’. Let me quote a little of what he says. I think he is an eminent authoritative writer on matters economic. He wrote:

Though he somehow forgot to mention it in his televised speech, Mr Costello’s Budget papers revealed that he’s now expecting an underlying cash deficit of $1.2 billion for this financial year. On the ‘less malleable’ accrual basis, it’s a fiscal deficit of $3 billion ... These are humiliating admissions for a Treasurer and a Prime Minister who’ve spent the past six years demonising the very notion of a Budget deficit.

He goes on to explain that in the midyear budget review in October last year when the Treasurer was then still projecting a budget surplus of $500 million, a brave journalist asked our Treasurer:

Are you saying ... are you giving a guarantee that there will be a surplus, and that you will do whatever it takes to keep that surplus?

The Treasurer’s response was:

We are giving a guarantee that we will keep the Budget in surplus, yes we are.

Mr Gittins goes on to say:

... it’s a mighty embarrassment and loss of credibility for this deficit for a Government that, during the campaign, tirelessly inculcated the two principles of its Dodginomics: good economic management means never running a Budget deficit—

and secondly and very importantly for the Australian people to understand, in the words of the Treasurer himself—

Budget deficits lead to higher interest rates ‘as sure as night follows day.’

Mr Gittins goes on to talk about what happened to the $500 million projected surplus and he says this of the Treasurer:

This time last year he was spending like a drunken sailor, hoping to buy the Government’s re-election. Now he’s ... sorrowfully penalising the disabled and the sick to pay for last year’s extravagance (and start a war chest for the 2004 election.)

Ross Gittins’s headlines might raise a few laughs but the budget’s dodgy digits are no laughing matter for the Australian families that I represent in the electorate of Throsby. The dodgy digits are no laughing matter for the most disadvantaged and vulnerable in our community.

Recent debates in this chamber that focused on the so-called reforms in the disability sector point to the callous and mean-spirited nature of this government. Fancy holding a gun at the heads of members in this chamber and saying, ‘Either you support cuts in the disability pension or the promises made about additional funds for the disability service providers will be put at risk.’ That is the kind of government we have: a government that goes around selling the virtues of its surpluses and ends up spending its surpluses, and then tries to get the vulnerable to pay for the shortfall.

I want to say a little about the impact of the budget on the families in my electorate. You need to understand that Throsby is ranked ninth in Australia on the index of relative socioeconomic disadvantage. In my first speech in this House I made reference to the struggling families in my electorate and to the growing numbers of the working poor. What concerns me, and should be concerning this government, is that these battlers are the ones who are going to be hardest hit by this budget. How will that happen? Let me begin with the interest rate issue.

A lot of young people have moved into my electorate, taking advantage of the First Home Owners Scheme, and I fear that many may now find themselves overcommitted. Already, we have about a $50 increase to the average home mortgage repayment and, in the words of the Governor of the Reserve Bank, this is just the beginning. I fear that the deficit budget that has been produced by this government will, in the Treasurer’s own words, ‘as sure as night follows day’ lead to higher interest rates. The people who will be hurt are those who are struggling to make ends meet.

We know that under this government there has been a massive explosion, both in credit card debt, which has trebled, and in household debt. The Governor of the Reserve
Bank in his talk the other day mentioned the fact that there has been this rapid expansion of household debt, which is obviously a worry for the nation. But what is very worrying is that the average family is now owing more than in many cases their annual income provides for them. The last lot of figures I looked at indicate that the average level of household debt is now around $77,000 and can only get worse. The families in my electorate will be struggling with the increases in their mortgage repayments, they are struggling with credit card debt and they are struggling with the burden of increasing levels of household debt.

If that was not bad enough, they are also being squeezed—by the impact of this government—by rising costs for the very basic necessities of life, rising costs for their phones, rising costs for their postal charges. For those who can afford it, for those who are in private health insurance—and only 30 per cent of Throsby families are covered by the private health system—the increased cost of private health cover is placing additional burdens on them. If the government gets its way, which we hope it will not, those families will be faced with rising prescription costs from August this year. In addition to increasing levels of debt, increasing levels of interest repayments on mortgages and rising costs—despite all the protestations of this government about tax reform—what we find is that this government has become the highest taxing government of all time—a government that is not returning to working families the benefit of bracket creep that it is amassing—will be the impact on families. I think they will understand that it is this government and this Treasurer who are responsible for the plight that a lot of them are in, and that plight can only get worse by the measures in this budget.

I also want to address the issue of unemployment. The Illawarra region suffers from an unemployment rate which is higher than the national average. In the Illawarra region there are 14,100 people who are unemployed. That is not just a statistic; these are real people—14,000 of them in the Illawarra. Our official unemployment rate is 7.1 per cent but, as we all know, the official statistics do not often tell you the whole story. But just take that rate of 7.1 per cent, which is higher than the national average. There is nothing positive in this budget for those 14,000 unemployed people. The budget offers them no new initiatives, no hope and no real jobs. I think this government has given up on the unemployed. Just look at its own projections. The budget papers project unemployment falling to six per cent by June 2003. So we are at 6.4 per cent now and a drop to six per cent is projected by June 2003.

The Treasurer is always up-beat about the economy—it is ‘going gang busters’. I tell you: it is going gang busters for some but for those who are unemployed there is no delight in this budget, because economic growth is taking place but in a way that is producing jobless growth. By the Treasurer’s own admission, the best he hopes for is to get the unemployment rate down by less than one-half of one per cent by June 2003. We hear a lot about the virtues of economic growth in this nation, about how we are leading the advanced economies, but we do not often
hear the Treasurer admit that this growth is in fact jobless growth. The budget does not offer hope to the unemployed. Beyond that, of course, there are cuts in assistance to those who are now among the long-term unemployed. So there is no hope for the future there—no jobs, no schemes that are going to lead to sustainable employment outcomes—and at the same time there are cuts to the assistance for those who are currently on the unemployment queues.

About 152,000 fellow Australians in this country have been out of work for more than 12 months; that is, about one-quarter of the total unemployed population have been out of work for more than 12 months. What hope is offered to them? None at all. In fact, what they will get is a cut of $64 million from employment assistance under the Job Network scheme over the next four years. It is amazing, isn’t it, that this government could cut $64 million from the employment assistance scheme, one of the schemes that are there ostensibly to find employment for the long-term unemployed. But we know about the failures of the Job Network. To see this you only have to look at the Productivity Commission inquiry, which highlighted the fact that, even before these cuts, 37,500 long-term unemployed were unable to access intensive assistance under the Job Network scheme. So before the $64 million gets cut out of the budget we have already had 37,500 long-term unemployed unable to access intensive assistance. If you couple that with the government’s projections about forcing people off the disability support pension and onto the unemployment queues, you can imagine what hope there will be for those people. None at all.

The inquiry into the Job Network conducted by the Productivity Commission showed that the most disadvantaged long-term unemployed people are being parked, rather than assisted, and continue to be churned from one labour market program to another. It is just not good enough. This budget does not have any vision in terms of assisting those who are unemployed. Youth unemployment in my electorate is a major matter of concern. It bodes badly for all of us to see the unemployment rate for young people rising to 25 per cent. Surely as a nation we can do better than that. In some of the suburbs in my electorate the youth unemployment rate is as high as 40 and 50 per cent. It is a national tragedy that in this country—the economy that is going gangbusters; we are leading the world—we have got people who are facing a daunting prospect about ever finding meaningful employment.

The government makes a lot of its Work for the Dole program, but I contend that it is not producing sustainable employment outcomes. The recent figures that we obtained through Senate estimates show that three months after completing a Work for the Dole program less than 12 per cent of participants are in full-time jobs. In my region, a region with extremely high rates of youth unemployment, as I have indicated, a miserable 7.6 per cent are actually in full-time employment three months after leaving their Work for the Dole program. Only Tasmania has a worse outcome, of 5.8 per cent. You can talk all you like about Work for the Dole—and I think there are some positive elements in that program in terms of young people having the connection with the labour market—but, let us not kid ourselves, it is not producing sustainable employment outcomes. In my region only 7.6 per cent of the people who were in the Work for the Dole program are in full-time jobs three months later. Come on! As a nation we can do a lot better than that. This budget offers no hope, no jobs and less assistance for the unemployed.

The last point I want to make about the budget is in relation to public education. As I indicated, Throsby ranks ninth on the index of relative socioeconomic disadvantage. For working-class children, education has always been the route to success and opportunity in life. We have got a minister now who is out there promoting Chopper Read’s book, acting as his literary agent, but is never out there promoting the virtues of public education and what it means to the people in our community. Education is a very important issue in addressing the plight of disadvantaged people and people from poor socioeconomic backgrounds, but this government has turned its back on the 70 per cent of
Australian students in government schools. This government continues to place the priority on the minority. It funds privilege at the expense of opportunity. There is no fair go in this budget for education. There are billions of additional dollars going to the non-government schools sector while effectively government schools have been given a zero increase in constant prices.

I will end my contribution by again suggesting to the Treasurer that he revisit some of the incisive analysis provided by Ross Gittins in the *Sydney Morning Herald*. Treasurer, look at the headline ‘Taking the fudge out of the budget’ s dodgy digits’ and admit that your ‘dodginomics’ has gone bung.

Debate interrupted.

**HER MAJESTY THE QUEEN**

Address of Congratulation

Mr HOWARD (Bennelong—Prime Minister) (2.30 p.m.)—I move:

That an Address of Congratulation be presented to Her Majesty Queen Elizabeth II, as follows:

Your Majesty

We, the Speaker and Members of the House of Representatives express to Your Majesty our warm congratulations at this time of celebration of the Golden Jubilee of your accession to the Throne. We express our respect and regard for the dedication you have displayed in the service of the Commonwealth and your deep and abiding commitment to Australia and her people.

Within the next month, the Queen will become the fourth longest serving monarch in British history after Victoria, George III and Henry III and, in just 13 years, if she is still with us, will become the longest serving sovereign in the history of the monarchy. On the occasion of the celebrations of the Queen’s accession to the throne 50 years ago, I think it is appropriate that this parliament for just a few moments pause and reflect upon that 50-year period and express our respect and gratitude for the dedication and service of the Queen over that period of time.

It is proper in a democracy such as ours that there should be debate about our constitutional arrangements. Whatever views people may have about our constitutional arrangements, even those who would seek radical change would have to acknowledge that the current occupant of the throne over the last 50 years has carried out her duties with remarkable dedication, great sincerity, high intelligence and quite extraordinary statecraft. Over the last 50 years, Her Majesty has dealt with 10 British prime ministers and also 10 Australian prime ministers. I daresay her capacity in areas of diplomacy and politics is not only considerable but also greater than most heads of state to be found anywhere in the world.

Over the past 50 years, the Queen has demonstrated a tremendous sense of loyalty and commitment to duty and an unflagging sense of occasion. She has seen enormous changes not only in the United Kingdom but in the nations of the Commonwealth. Over that 50-year period, the number of countries in the Commonwealth has dramatically expanded and there have been remarkable changes in our society and in the societies of all the member countries of the Commonwealth. It is fair to say that she has displayed an unflagging interest in the welfare, cohesion and stability of the Commonwealth, and I found that very evident in the great interest she displayed in the circumstances involving Zimbabwe’s membership of the Commonwealth only a few short weeks ago.

Over the past 50 years, she has visited Australia on a number of occasions. Once again, whatever people’s views have been about our constitutional arrangements, she has been received in this country with very great warmth and affection. It is a period of time that has seen an enormous change in the attitude of people all around the world towards institutions, tradition and custom. It is fair to say that all institutions have had to adapt and change, and the monarchy has been no exception. We have seen over the past years very significant responses and a very significant degree of flexibility towards changing attitudes and approaches to the role of the monarchy not only here but also in the United Kingdom and in the other members of Commonwealth.

I think all Australians would have been struck by the spontaneity of interest and par-
participation in, and the enthusiasm in support of, the Golden Jubilee celebrations that have taken place in London over the past few days. They are a fairly vivid demonstration that, whatever may be the changing attitudes, the capacity of that particular institution to remain relevant to the lives of many millions of people is something that ought to be remarked upon.

I on behalf of the government simply say that we thank Her Majesty for her commitment to the oath she took at the time of her coronation. We record our thanks and our respect for her constant interest in, and her support and affection for, the Commonwealth of Australia and the people of Australia. On this the occasion of the celebration of her Golden Jubilee, we convey our very warm good wishes and congratulation on 50 years of service to the people she took an oath to serve at her coronation. We wish her and her family well in the years ahead.

Mr CREAN (Hotham—Leader of the Opposition) (2.36 p.m.)—I join with the Prime Minister in support of this motion. It gives me great pleasure to congratulate Queen Elizabeth on her Golden Jubilee. On behalf of the Labor Party and its supporters, I want to pass on our congratulations to her for a job well done. I have had the opportunity to meet the Queen on a number of occasions, including during her recent visit to Australia to attend CHOGM. Australians of all political persuasions and constitutional preferences have great personal regard for her and the dignity and grace with which she has conducted her affairs. She has ruled at a time of great change and has ensured that the royal family has changed with the times, keeping it modern and relevant but also maintaining the traditions that underpin its legitimacy and popular support.

There have been many great successes over the last half century, not the least of which has been her part in the peaceful dismantling of the Empire. In most Commonwealth countries, independence has been achieved peacefully and democratically. Other colonial powers have not been as successful in achieving peaceful and democratic transitions. There has been nothing to compare, for instance, with the turmoil experienced by the French in Indochina or the Portuguese in Africa. Britain has managed to extricate itself from many parts of the Empire while, by and large, retaining the respect and goodwill of its former colonies, and the Queen has played an important symbolic role in this process. She obviously supports a continuing role for herself in the Commonwealth but has never been heavy-handed in that role as the head of state, including here in Australia.

She has overseen the development of CHOGM and its evolution from a relic of the Empire into an equal body of nations that pursues important political, developmental and environmental concerns. She has witnessed great constitutional change in the United Kingdom, including the growing importance of Europe and the establishment of new parliaments in Scotland and Wales. She has also deftly handled important constitutional crises in her own country, including the decision over who should replace Harold Macmillan as Prime Minister in 1963 when the tory party could not agree on a candidate. She has worked with 10 prime ministers of the UK and gained the trust and respect of all of them. She has also never wavered in the face of terrorist dangers that tragically took the lives of others close to her like Lord Mountbatten.

Fifty years in the same job would be enough to make anyone consider early retirement, but the Queen bats on. We thank her for it and we wish her well. She has fulfilled her duties for longer than that; her whole life has been lived under the spotlight. The death of her father, King George VI, at the age of 56 robbed the Queen not only of her devoted father but of the comparative freedom that she had hitherto enjoyed as a young married woman. Since then, half a century ago, her life has been filled with duty, and there have been hard times in it, as we know. We have expressed in this parliament our sympathy for her twice this year, as the result of the death of the Queen Mother and of Princess Margaret. Things seem to be coming good for her and we wish her health and happiness in the future.

One very positive feature about the Queen’s rule is that she has not interfered in
Austalian politics. The sacking of the Whitlam government in 1975 was done without reference to the Queen. Gough Whitlam himself likes and respects the Queen. In fact, after they met, he is reported to have said that he now knew what it must have felt like when Antony met Cleopatra. But, more directly, he apologised to her for appointing Sir John Kerr as Governor-General and for putting her in a very difficult political situation. We now know, of course, that the Queen was never consulted over the events of November 1975 and, if consulted, would have cautioned Sir John against the dismissal, which goes to prove that she possesses great political experience and wisdom.

The Queen is having a very successful Golden Jubilee year. There is something for everyone, from classical music to hard rock. Millions have lined the streets in London and the whole world has watched it on TV. One of the highlights was the concert in the grounds of Buckingham Palace a couple of days ago, one of the MCs being none other than Dame Edna. When I saw the Queen at CHOGM, I told her that, if the parliament had not been sitting this week, Prime Minister, I would have entered the ballot for a ticket to attend the concert. I wanted to see all those ‘young’ stars—Tom Jones, Cliff Richard, Ozzy Osbourne, Shirley Bassey, Rod Stewart, Eric Clapton, Sir Paul McCartney and, of course, Sir Elton John. The only one missing was Mick Jagger. We have had the Queen in the present role for a long time and we know how long it is when we recall that she started her reign before the Beatles and the Rolling Stones recorded their first record.

Once again, on behalf of the Australian people, I congratulate the Queen on her Golden Jubilee year. I wish her a successful and enjoyable continuation of the celebrations.

Mr ANDERSON (Gwydir—Deputy Prime Minister) (2.42 p.m.)—I rise to support the motion moved by the Prime Minister. Her Majesty The Queen has been Australia’s head of state and constitutional monarch for 50 years—half our history as a country. Australia has changed dramatically since 1952. We have become a self-confident, vibrant country with our own interests across the Pacific rim. As we look back over history, we see that during those 50 years the Queen has appointed no fewer than 11 Australian governors-general, starting with—it has to be said—British field marshals and nobles whose appointment would be inconceivable in the Australian context today.

Throughout all of the years, the Queen has been faithful to her coronation oath. She has always acted in perfect accordance with her rights as a constitutional monarch, which have been famously described as the right to be consulted, the right to encourage and the right to warn. The Queen, as has been noted, has handled moments of constitutional tension, such as Macmillan’s resignation in 1963 and the dismissal of the Whitlam government, with very great skill and propriety. The Queen has made a vital personal contribution, too, to the maintenance of the Commonwealth. There can be no doubt, for example, that her personal diplomacy ensured the success of the Lusaka conference in 1979 which led to the establishment of an independent Zimbabwe.

The Queen has had a long personal association with Australia. She has visited our country 14 times. She has an acute knowledge of Australia and Australian politics. My party, the National Party, believes that Australia has been well served by its existing constitutional arrangements, including the distinguished role played by the Queen. I do not agree with the suggestion that Australia should become a republic; nor do the Australian people. There are no convincing arguments for changing our present constitutional arrangements. Our system of government is not a legal contract that should be changed or renegotiated at whim. Our Constitution and its conventions work well. The role of the monarchy is familiar to us because of its long history. We understand the powers of the Queen. We understand the powers of the Governor-General. We do not know what powers a president might have, how they might affect us or how they might evolve.

The media and political commentators, I believe, generally underestimate the respect and the admiration that the people of Austra-
lia and the United Kingdom hold for the Queen. I note that on 7 February this year the Australian editorialised that:

Her crowd-pulling power has largely gone and so has her relevance.

I only hope that the Australian’s lead writer saw the broadcasts of the million people or so who crammed central London to celebrate this Golden Jubilee. Indeed I was fascinated, as the Leader of the Opposition has referred to, to see our very own Dame Edna Everage, having acknowledged that the lawn in her own backyard would not withstand the thousands of people who might come to a concert there, welcome Queen Elizabeth II to her own backyard at the same time as she warned that it could be rather noisy and that the Queen might have preferred to have been at Balmoral. Anyway, the Queen obviously enjoyed it and played a very great and constructive role in the evening.

I therefore join with the Prime Minister and the Leader of the Opposition in congratulating the Queen for her 50 years of distinguished service to Australia and the Commonwealth. I know that all of us wish the Queen a long and happy reign. I wholeheartedly commend this address to the House.

The SPEAKER (2.46 p.m.)—As Speaker, I join all previous speakers in this motion of congratulations on the Golden Jubilee of Her Majesty’s succession to the throne. We recognise our indebtedness to her, we express our great appreciation for the grace and courage she has shown in office and we wish her a long reign.

Honourable members—Hear, hear!

Question agreed to.

Mr Abbott—Mr Speaker, I might just, for the convenience of members, indicate that it is the government’s intention to give members an opportunity to speak in the Main Committee on this topic at a later time if they should wish.

The SPEAKER—I thank the Leader of the House.

DISTINGUISHED VISITORS

The SPEAKER—I welcome to the gallery Mr Jim Fouras, who is the Deputy Speaker of the Queensland Legislative Assembly and a former Speaker of the Queensland Legislative Assembly.

Honourable members—Hear, hear!

MINISTERIAL ARRANGEMENTS

Mr Howard (Bennelong—Prime Minister) (2.48 p.m.)—I inform the House that the Minister for Agriculture, Fisheries and Forestry will be absent from question time today. The minister is travelling to Indonesia to attend the ministerial roundtable on agriculture for food security and sustainable rural development, en route to the World Food Summit in Europe. The Minister for Trade will answer questions on his behalf. I also inform the House that the Minister for Veterans’ Affairs may be absent for a short period at the end of question time today as she is attending the wreath-laying ceremony at the Australian Hellenic Memorial with His Excellency the President of the Hellenic Republic. Any questions to the minister might best be addressed to her in the earlier part of question time.

QUESTIONS WITHOUT NOTICE

Foreign Affairs: Nauru

Mr McClelland (2.48 p.m.)—My question is to the Attorney-General. Can the Attorney confirm that the Secretary of the Asia-Pacific Money Laundering Secretariat has claimed that Nauru’s laws allow money laundering by organised criminals, people smugglers and terrorists, saying:

“Until Nauru has a full and comprehensive law in place and other anti-money laundering standards and measures ... it will be a vulnerable place for money laundering and it will be attractive to money launderers.”

Given that Australia provides substantial financial aid to Nauru, what action has the government taken since September 11 of last year to ensure that Nauru closes down these arrangements?

Mr Williams—The answer to the first question is no, I cannot confirm that. I will raise the matter with the Minister for Justice and Customs and respond to the member for Barton in due course. Australia is a very active member of the financial action task force and of the Asian group within it, and we
should be giving every support to that task force.

Commonwealth Games: Melbourne Cricket Ground

Mr BARRESI (2.50 p.m.)—My question is addressed to the Prime Minister. Prime Minister, I refer to the decision by the Bracks Labor government to refuse the $90 million grant offered by the federal government to assist in the upgrade of the MCG for the Commonwealth Games. What is the federal government’s response to this decision?

Mr HOWARD—I thank the member for Deakin. My response on behalf of the federal government is to say that the weakness of the Bracks government in the face of union power has cost the state of Victoria $90 million. That is my answer. Let me make it very clear—and I will table this letter at the end of this answer—that what the federal government has sought to do on this occasion is to apply in relation to the Melbourne Cricket Ground refurbishment precisely the same conditions as were applied in relation to the investment of federal funds in the Darwin to Alice Springs railway, which is a project that was initially contributed to by the CLP government of the Northern Territory and also the Liberal government of South Australia but continued and was supported with great enthusiasm by the Labor administration now in power in Darwin and the Labor administration now in power in South Australia.

What we have sought to do in relation to the Melbourne Cricket Ground is to apply federal law, and federal guidelines made under that law, to the expenditure of federal money, and that is a wholly legitimate and proper thing to do. What the Bracks government have done, because they do not have the guts to stand up to the building unions in Melbourne, is cave in. The people of Victoria are going to be $90 million poorer as a result of this absolutely pusillanimous decision taken by the Bracks Labor government—this absolutely pathetic decision taken by the Bracks Labor government. There is a very, very simple principle involved. This is the practical, costly hard edge of the union’s grip on the Labor Party all around Australia. This is the 60-40 rule which ripped $90 million from Victoria. Faced with a choice between agreeing to the stipulation of the Commonwealth government and standing up to the unions—

Mr Tanner—Didn’t you used to stand for states rights? Weren’t you the states rights party?

Mr HOWARD—I had several discussions with the Premier of Victoria—

Mr Tanner—What about states rights?

The SPEAKER—The member for Melbourne persistently interjects!

Mr HOWARD—and I made it perfectly clear that what we were seeking to do was to attach the same conditions to the refurbishment of the Melbourne Cricket Ground as we attached to the construction of the Darwin to Alice Springs railway.

It is also the case that the Victorian government has previously accepted application of the code and guidelines as well as the Workplace Relations Act. We were not endeavouring to impose any new unreasonable conditions; all the federal government were endeavouring to do was to say, ‘If you are going to spend federal money in Victoria, you spend it under federal rules and federal requirements and federal law.’ It was as simple as that. But, no, when faced with a choice between standing up for the public interest and standing up to the trade union movement, the Labor Premier of Victoria has scuttled and run. He has caved in to the unions. He has sabotaged the $90 million contribution to the Melbourne Cricket Ground and, in the process, he has robbed the Victorian people of $90 million they otherwise would have got.

Superannuation: Policy

Mr CREAN (2.54 p.m.)—My question is to the Treasurer. Is the Treasurer aware that Treasury officials yesterday admitted in Senate estimates that your costings of Labor’s fairer superannuation tax cut were wildly inaccurate? Hasn’t Treasury provided you with new advice on the cost of Labor’s proposal, which gives tax cuts to everyone, not just the top three per cent of income earners? Treasurer, when will you release this advice?

Mr COSTELLO—The Leader of the Opposition’s budget reply was a complete
failure. In addition, of course, to $6 billion unfunded tax credit promises, there was a new tax in relation to employee entitlements and a complete fiasco in relation to superannuation and his proposed policies. As this government put to the electorate before the election, it proposes to phase down the superannuation surcharge over three years by 1.5 per cent a year, from 15 per cent to 10.5 per cent. That was a policy which this government put to the electorate. This government was actually elected, and normally once you are elected you are entitled to put your policies into place. The Australian Labor Party believes that, having lost the election, it has the right to defeat the coalition’s policies which it put out to the electorate.

In a stunning piece of mathematical error, the Leader of the Opposition said that, in place of a proposal which over three years would cost $370 million, he was proposing a proposal which would cost, according to his costings, between $930 million and $1 billion—a $700 million hole.

Mr Crean—Are you going to release it?

The SPEAKER—Leader of the Opposition!

Mr COSTELLO—When he was picked up about that, he said, ‘Oh, well, there is another part of our proposal; I just forgot to mention it in my reply.’ The other part of the proposal—I do not know whether or not you are aware of this—was to abolish freedom of choice for superannuation and Commonwealth public servants. He just forgot to mention it in his budget reply. Rejection of choice and taking away public servants’ right to have funded superannuation takes around another $740 million out of public servants’ superannuation. That was the second leg he forgot to mention in his budget reply. We said during the election campaign that we support freedom of choice. We actually believe that public servants should have the right to have their superannuation funded, and this government will do it.

Mr Crean—My point of order goes to relevance, Mr Speaker. The question was very specific and said Treasury had ridiculed his costings and I asked whether he would release it.

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

Mr Crean—I ask you to require him to answer my question.

The SPEAKER—The Leader of the Opposition will resume his seat! I noted the question. The question referred to the costing of tax cuts or the alleged inaccurate costing of tax cuts. I believed that the Treasurer was talking about costings generally in order to indicate the accuracy or otherwise of them.

Mr Crean—Mr Speaker, the question specifically asked: ‘Hasn’t Treasury provided you with new advice on the cost of Labor’s proposal? When will you release this advice?’ I ask you to require him to answer that question.

Mr Tuckey—He doesn’t have to.

Mr Crean—Oh, he doesn’t have to!

The SPEAKER—I have already indicated that the Treasurer is in order. I call the Treasurer.

Mr Crean—Come on—come and answer it.

Mr COSTELLO—I have completed my answer.

Mr Howard—Mr Speaker, could I table a letter I wrote to the Victorian Premier on 28 May?

The SPEAKER—It is unusual but I will allow that to happen.

Economy: Performance

Mr PEARCE (2.59 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the labour force figures for May, released today by the Australian Bureau of Statistics? What do these figures indicate about the underlying strength of the Australian economy?

Mr COSTELLO—I thank the honourable member for his question. I think all members of the House will be pleased at the labour force figures which were released today. The labour force figures showed that the rate of unemployment remained at 6.3 per cent in the month of May after the creation of 44,000 additional jobs. This means that the total number of new jobs created
since the coalition government was elected in 1996 is now 972,000 new jobs.

Mr Sawford—How many? Nine hundred thousand—

Mr COSTELLO—I think that both sides of the House will welcome the fact that 44,000 new jobs were created in the month—

Mr Sawford—How many full-time jobs?

The SPEAKER—Order! Yesterday I had occasion to remind the member for Port Adelaide of the obligation he has, initially, not to interject—but I tolerated that. Persistent interjection is well and truly out of order.

Mr COSTELLO—the increase in total employment was due to a substantial rise in full-time employment.

Mr Sawford—you rewrote the guidelines for full-time.

The SPEAKER—the Treasurer has the call.

Mr COSTELLO—the increase in total employment was due to a substantial rise in full-time employment—75,300.

Mr Sawford interjecting—

The SPEAKER—the member for Port Adelaide is warned!

Mr COSTELLO—No, 75,300 full-time jobs in the month of May offset by a decline in part-time employment, a net increase of 44,400 jobs and an unemployment rate of 6.3 per cent. Let us make this clear. In Australia it is the private sector that creates jobs. We have never said that these are government created jobs; it is the private sector that creates jobs.

But our government can have economic settings which are conducive to private sector profitability and increases in employment. I would have thought that all Australians would welcome the fact that employment is increasing. I would have thought that even the Labor Party would welcome the fact that employment is increasing. The most recent peak in relation to unemployment in Australia was seven per cent during the economic slowdown of last year. It compares with the peak in 1990 under the Labor government of 11.3 per cent. In fact 10 years ago the unemployment rate was above 10 per cent for 28 consecutive months. For some of that period the now Leader of the Opposition was the minister for employment. He brought it down to nearly 10 per cent unemployment. What we say about the creation of jobs has somehow now become, in the Leader of the Opposition’s mind, that it is unfair to remind him of his own record.

Mr Crean—Just be accurate.

The SPEAKER—the Leader of the Opposition! The Treasurer will address his remarks through the chair.

Mr COSTELLO—I know the member for Port Adelaide is a supporter of the economic policy of the Leader of the Opposition, so I will just go over those figures again, because he seemed to be suggesting that full-time employment had fallen. In the month of May, as recorded by the Australian Bureau of Statistics, the increase in full-time employment was 75,300 offset by a fall in part-time employment, a net increase of 44,400 jobs and an unemployment rate of 6.3 per cent. Let us make this clear. In Australia it is the private sector that creates jobs. We have never said that these are government created jobs; it is the private sector that creates jobs.

But our government can have economic settings which are conducive to private sector profitability and increases in employment. I would have thought that all Australians would welcome the fact that employment is increasing. I would have thought that even the Labor Party would welcome the fact that employment is increasing. The most recent peak in relation to unemployment in Australia was seven per cent during the economic slowdown of last year. It compares with the peak in 1990 under the Labor government of 11.3 per cent. In fact 10 years ago the unemployment rate was above 10 per cent for 28 consecutive months. For some of that period the now Leader of the Opposition was the minister for employment. He brought it down to nearly 10 per cent unemployment. What we say about the creation of jobs has somehow now become, in the Leader of the Opposition’s mind, that it is unfair to remind him of his own record.
fact the Treasurer Mr Keating, some 10 years ago when he spoke of the unemployment rate above 10 per cent, said that it was the unemployment we had to have.

Mr Crean—No, he didn’t.

Mr COSTELLO—That is wrong, is it? It is reported in Neal Blewett’s book

Mr Crean interjecting—

Mr COSTELLO—So it is wrong, is it? Neal Blewett would be very interested to note that. He happened to actually be there when Mr Keating made the statement and I am not sure you were there. In any event I think it is very important that both sides of Australian politics recognise the importance of creating jobs and getting unemployment down. The unemployment rate currently stands at 6.3 per cent. It is a low rate by historical standards but we can do better, and both sides of this parliament ought to commit themselves to reducing the rate of unemployment.

There are three things which we need to do. One, we need to keep the Australian economy running strongly at a rate above 3½ per cent—and our budget forecasts it. Two, what Australia needs is more labour market reform. The best thing that the Australian Senate could do would be to pass the unfair dismissal laws so that one of the biggest brakes on new employment is taken away. Three, in Australia we need to reform our welfare system so that the interaction between welfare and work becomes unashamedly more pro work so that people that do have the capacity to work are encouraged to get work. This is the side of politics unequivocally interested in strong economic growth, labour market reform and welfare reform, with the end result for the people of Australia of a lower unemployment rate, more people in work and better opportunities for all Australians.

Budget: Disability Support Pension

Mr SIDEBOTTOM (3.07 p.m.)—My question is to the Minister for Children and Youth Affairs representing the Minister for Family and Community Services. I refer to reports that the Treasurer has entered into negotiations with the Democrats over the budget. Is the minister aware of evidence in Senate estimates which suggests that people currently working in business services, often known as sheltered workshops, will be pushed onto Newstart under the proposed changes to the disability support pension, despite your guarantees that they would be protected? Minister, what assurances have you sought from the Treasurer that a person with an intellectual disability working in a workshop in my electorate of Braddon for below award wages will not be sold out by another Howard government deal with the Democrats?

Mr ANTHONY—I thank the member for his question. What we do know is that we have a very competent Treasurer, just from the statements that were made before about the number of jobs that were created. What he did say and what this government says is that, particularly for those that are on a disability support pension, there is going to be encouragement for them to move into some form of employment in years to come—

Mr Sidebottom—Give us your details then.

The SPEAKER—The member for Braddon has asked his question.

Mr ANTHONY—and that is why we have contributed significantly more funding through this agreement. What we have done particularly in the employment assistance area, for which the Commonwealth is responsible, is to provide a significant increase in funding from $1.3 billion to almost $2 billion. What we need, though, is the Australian Labor Party to support those reforms to ensure that there is a lot more money going to assist people in employment assistance, whether it be through wage subsidies or through open employment.

Immigration: Detention Centres

Mr SECKER (3.09 p.m.)—My question is to the Minister for Foreign Affairs. What are the results of yesterday’s discussions with the United Nations Working Group on Arbitrary Detention regarding Australia’s border protection policy? Are there any alternative approaches to this situation presently available?

Mr DOWNER—First of all, I thank the honourable member for Barker for his ques-
tion and recognise the strong stance he has taken on these issues of dealing with illegal immigration. I know only too well, because Barker is adjacent to your electorate, Mr Speaker, and mine, that he is well supported there by the people of Barker, very few of whom vote for the Australian Labor Party. It is a good electorate.

Yesterday afternoon I had a constructive meeting with the members of the United Nations Working Group on Arbitrary Detention, Mr Joinet from France and Mr Ban from Hungary. The working group is undertaking a two-week visit to Australia at the invitation of the Australian government. During my discussion with in particular Mr Joinet, who did most of the speaking, Mr Joinet outlined the mandate of the working group and emphasised that its mandate was strictly confined to assessing whether or not Australia’s detention policy was imposed arbitrarily as defined by the relevant international conventions. Of course, it is not imposed arbitrarily; it is imposed by law.

I took the opportunity of stressing to the members of the working group that Australia’s detention policy would continue to be managed in full compliance with our international legal and human rights commitments. I emphasised that detention is essential to enable appropriate health, security and identity checks to be carried out and that we would be continuing with this policy also in order to stop the flow of illegal migrants coming to our country.

I was surprised to read this morning on the front page of today’s Sydney Morning Herald a suggestion that Mr Joinet thought Australian detention centres were the worst he had seen. I was surprised because those comments do not reflect either the words, or the tone of the meeting. I had with Mr Joinet and Mr Ban.

Mr Ruddock—Nor mine.

Mr DOWNER—The minister for immigration interjects, ‘Nor mine.’ So either the Sydney Morning Herald misreported the comments of the working group or alternatively they made these criticisms to someone else and they have been reported accurately. But I do know that when the working group had the opportunity to meet with Australian ministers these points were not made. I told Mr Joinet and Mr Ban that Australia had no intention of changing our border protection and detention policies because to do so would undermine the integrity of our orderly migration system.

I was interested to see this morning, though, during the doorstep period when members and senators came into the parliament, that a leading figure in the Australian Labor Party—

Mr Martin Ferguson—You were on your way to tennis.

Mr DOWNER—On my way to tennis indeed. A leading member of the Australian Labor Party, Senator Cook, had apparently said that ‘when the world body criticises us we are bound to straighten up our act’. I bring that to the House’s attention because this government is a government that, through our processes of democracy and our judicial system, works out the best way to handle these difficult problems and we pursue those measures in a constructive and a fulsome way. We do not run off to the United Nations asking how Australia should be run.

One of the great contrasts between the Australian Labor Party and this government is that we make our own policies. The Labor Party has no policies and goes to Geneva and asks United Nations officials in Geneva what its policies should be. It is, if I may say so, a stark contrast.

This also underlines the truth of the Labor Party’s position on illegal immigration and the issue of detention—that the Labor Party does not support the government’s position. It went to the last election on a deception saying that it supported the government’s position. I remind the House of what the member for Fremantle said straight after the election. The member for Fremantle, a leading member of the shadow cabinet, a former Premier, we remember, of Western Australia, said before the election:

On several occasions, I was reassured ... that we should simply ‘wait until we are in government’ to enunciate and implement policies consistent with our values.

If ever there was a giveaway, that was it. The Labor Party does not support the govern-
ment’s position; the public do. The member for Brand did at the time of the last election, and it is hardly surprising that he has already moved from the back bench to the interchange bench and it will not be long before he comes to the front of the front bench.

Howard Government: Human Rights

Mr CREAN (3.15 p.m.)—My question is addressed to the Minister for Foreign Affairs and it follows his last answer. It refers to a statement by the government that says the HREOC inquiry clearly shows Australia meets its duty of care to those in detention, including children. That is the quote that the government has put out. Minister, I refer you to the fact that, in the early hours of 19 December 2001, three ACM guards bashed Zihar Sayed, an unaccompanied minor in Woomera, that the bashing was witnessed by three people, that the boy’s injuries were photographed and that the guards were sacked by local ACM management and subsequently reinstated by ACM’s central management. Minister, why will your government not mothball Woomera and let the children out from behind the razor wire; and is it not any wonder that your policies are being criticised by the United Nations?

Mr DOWNER—Obviously the details of the question do not fall within my portfolio—

Opposition members interjecting—

Mr DOWNER—If you want to ask the right minister the question, you will get a more detailed answer. But I will make one point which does fall within my portfolio. Whatever the rights or wrongs of these issues, we will decide them ourselves, not have bureaucrats in Geneva decide them for us, unlike you who want to run off to Geneva and have a lot of United Nations officials decide these things for our country. That is the difference between you and us. You rush to Geneva and get your policies made in Geneva—we decide these things here.

Mr Ruddock—Mr Speaker—

Mr Crean—Let the bashings happen—

The SPEAKER—I will recognise the minister when the House has come to order.

Mr RUDDOCK—It is for the minister to add information where the relevant facts are known to him. I am aware of this matter. It has been the subject of some questions in the Senate. In relation to the particular issues, the matters were properly raised with the relevant state authorities—in this case the police, and the Australian Federal Police, for the purposes of investigating the matters that were raised. That investigation has not led to any charges being—

Ms Gillard—Yet.

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

Mr RUDDOCK—I simply make the point that the matters were referred and those inquiries have not led to any charges being brought.

Mr Crean—They have not decided not to.

Mr RUDDOCK—No, and they have not decided to prosecute. I make that point, and I am not going to try in any way to mislead the parliament in relation to that. It has been the subject of quite extensive comment in the Senate committees, where officers of my department have outlined fully what is happening in relation to that matter. But the issue of reinstatement of course arose because of the active role of the trade union movement.

Opposition members interjecting—

Mr RUDDOCK—That is quite clear. It was the active role of the trade union movement in taking up these issues—

The SPEAKER—The minister will resume his seat.

Mr McMullan—Are you sure that is right, Philip?

The SPEAKER—The member for Fraser! Throughout this week there has been a great deal of debate about who happens to get the most detailed attention from the Speaker. I would remind those particularly on my left that the minister has every right to be heard in silence.

Mr RUDDOCK—There is not much more to add, Mr Speaker, save to say that the reinstatement arose and this issue, as was mentioned by the Leader of the Opposition,
occurred back in December, and we are now almost six months later. In relation to those matters that have been in the hands of the police for investigation, no charges have been brought.

Indigenous Affairs: Disadvantage

Mrs DE-ANNE KELLY (3.20 p.m.)—My question is addressed to the Minister for Immigration and Multicultural and Indigenous Affairs. Would the minister inform the House of the progress the government is making on reducing indigenous disadvantage? Does the minister know of any alternative policy proposals in this area?

Mr RUDDOCK—I thank the honourable member for her question. I know that the member has a very strong personal interest in these issues, particularly in relation to Indigenous Australians and South Sea Islanders whom she has introduced me to in her electorate on other occasions. But since the election in 1996 the government has shown it is committed to reducing indigenous disadvantage, and we are focusing on building the capacity of individuals and families and communities to take advantage of the opportunities for improved economic, social and cultural participation in our society here in Australia. Indigenous specific expenditure will rise to a record $2.5 billion in the year 2002-03. Much of this is targeted at health, housing, education and employment, as members would expect. It means we are spending more than $800 million more in real terms than was spent when Labor was last in office in 1994-95. We are making headway, and it is important, I think, to acknowledge the runs that are being achieved. The proportion of students going into year 12 increased from 29 per cent to more than 36 per cent between 1996 and the year 2001. The numbers in vocational education have doubled since 1995. In the year 2000, 7,000 Indigenous Australians were in higher education compared with 2,000 in 1987. Again, in 2001, some 6,000 new apprentices were engaged compared with 800 in 1994. There has been a significant improvement in infrastructure—something of the order of 39 per cent of discrete communities now have access to electricity.

What we have seen is a government that is committed to raising the standard of living of Indigenous Australians so that we can have an inclusive society, one in which they are able to participate in our society as others are able to do. I read a speech last night, delivered by the Leader of the Opposition, in relation to Indigenous Australians. I very much regret that he seems to be focused only on those issues that are likely to cause division in the Australian community. Let me make it very clear. The opposition leader yesterday committed Labor to a new social justice package. What does he mean by this?

Mr McMullan—Well, read the speech.

Mr RUDDOCK—I did read the speech. Let me make it very clear: there is little to find in it about a social justice package. There was certainly some endorsement of the approach that the government is taking in relation to education, health and related matters. But the question I would ask is whether the indigenous social justice package that he is referring to is the sort of document that was proposed in the Labor Party’s 1995 package, because that was a vision for separate development in Australia—a proposition that I think the great majority of Australians would not support, very clearly. That was a package that proposed a treaty, indigenous seats in the parliament, constitutional reform and institution of customary law. Those are the issues and what we need to know is where the opposition stands in relation to them. He did not raise them last night in his speech. There he was, walking down both sides of the street, talking to those particular groups in the Indigenous communities in Australia who promote these issues and essentially leaving it up in the air so that no other Australians would know what he stands for.

Mr Crean interjecting—

Mr RUDDOCK—Yes, of course. I fronted the conference, and spelled out very positively the agenda that the government has outlined to deal with providing a decent job, good health and quality education for Australians.

Mr McMullan—That’s working well.
Mr Ruddock—Yes, it is, and it is improving very significantly. Instead of just advocating that you are following our lead, it is about time you gave active support to the initiatives that we have put in place and spent a little time working on developing policies and programs so that the Australian people know where you stand. Are you about giving indigenous seats in the parliament to Aboriginals? Are you about endorsing a form of treaty? Are you about putting separate arrangements in the Constitution for Indigenous Australians? Finally, I ask: when will you come up with a policy on these issues which all of us can read and understand?

The Speaker—Before I recognise the member for Griffith, the minister is aware of his obligation to address remarks through the chair and to avoid the use of the term 'you' in the process. I delayed interrupting him because the Leader of the Opposition had also extensively used the words 'your' and 'you' in a question. For that reason I had interrupted neither of them.

International Criminal Court

Mr Rudd (3.26 p.m.)—My question is directed to the Minister for Foreign Affairs. Minister, bearing in mind the attitude you have just articulated to Australia’s international obligations, do you recall making a solemn statement to the United Nations General Assembly in 1997 that Australia would ratify the statute for the International Criminal Court? Minister, do you recall providing an undertaking to this House on 31 May 2000 and 3 October 2000 that the government would ratify the statute for the International Criminal Court? Minister, do you also recall issuing a statement on 25 October 2000 in which you said:

The Commonwealth intends to introduce legislation by the end of the year—

that is, 2000—

to ratify the Statute of the International Criminal Court.

Minister, why have you so fundamentally misled the international community, the Australian parliament and the Australian people? Will you now apologise?

The Speaker—The member for Griffith is aware that an accusation of misleading the parliament needs a substantive motion.

Mr Downer—I thank the honourable member for his question, and I appreciate it. I have not rechecked those quotes but they sound familiar. The Prime Minister’s advice to me, as one of his ministers, would be to make sure the quotes were accurate. It has been the cabinet’s position that we would move to ratify the statute of the International Criminal Court. But I have said this for a long time: in this country there has not been an adequate process of consultation in treaty making.

Mr Swan interjecting—

The Speaker—The Minister for Foreign Affairs has the call. I will deal with the member for Lilley if he persists with his interjections.

Mr Downer—When this government came to office, we—particularly the Attorney-General and I—established the Joint Standing Committee on Treaties. It is our view that members of parliament—the democratically elected people of this country—deserve to be consulted before the executive moves to ratify treaties. That is a policy we have stuck to; we intend to continue to stick to that policy. That stands in stark contrast to what used to happen. I recall, in May 1995, my predecessor, former Senator Gareth Evans, saying, ‘I do not favour subjecting treaties to the vagaries of parliament.’ That was the view of the previous foreign minister. The view of the present foreign minister is that our parliamentary parties should be properly consulted before we move not to sign but to ratify treaties. Entirely relevant to this, I was browsing through Don Watson’s book Recollections of a Bleeding Heart, which I hope members have been reading. In that book, there is discussion about Mr Keating negotiating the secret treaty with Indonesia towards the end of 1995. I quote Don Watson’s words from that book:

When it was suggested on the way back that the Australian people might not see the significance of the agreement with Indonesia and might even
resent it, the Prime Minister snarled at their ingratitude.

If we had a government and a Prime Minister who snarled at the ingratitude of the Australian people when treaties were signed, that would undermine the credibility and the support of our international relations amongst the Australian people. We stand firmly behind our policy on treaty ratification.

Mr Rudd—The treaties—

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

Transport: AusLink

Mr LLOYD (3.31 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Is the minister aware of reactions to the AusLink transport reform agenda he announced last month? What alternative approaches to transport reform have been outlined in these reactions?

Mr ANDERSON—I thank the honourable member for his question. I note his real interest in these matters, particularly in relation to the F3, a very high-quality but now relatively old piece of Australian infrastructure that increasingly faces challenges in the future. There has been a very strong and positive response from the transport industry to the AusLink initiative. I am also aware of the Labor Party’s reaction to AusLink as a plan. It is a bit difficult to determine what these comments mean about opposition policy because they have been so totally confused. On 22 May, the day after I announced AusLink, the member for Batman welcomed it. He was quite glowing—he said, ‘At last I have seen the light.’ In fact, he said I had adopted a Labor Party policy. Those were his words. But on Monday of this week, while I was temporarily out of the country, in Samoa, representing Australia at the 40th anniversary of their independence—

Mr McGauran—They like you!

Mr ANDERSON—I like them. I think they are very kind and big-hearted people. While I was there, the member for Batman rose in the grievance debate and attacked AusLink as irresponsible and at odds with Labor policy. In the second last week of May, AusLink was a Labor Party policy, but in the first week of June the completely same policy was not Labor Party policy. The member for Batman needs to make up his mind about AusLink. He has probably been a little distracted lately. I note that he has been referred to in the media as one of the Leader of the Opposition’s key advisers. So, probably obeying the 60-40 rule, he has been spending 60 per cent of his time advising the Leader of the Opposition on how to do better in this place, and spending only 40 per cent on transport policy. With any good luck, he will support a move to the 50-50 group, because then he can spend 50 per cent of his time thinking about transport policy, and that might be a real improvement.

Ms O’Byrne—Mr Speaker, I raise a point of order under standing 145 which refers to relevance. I hardly think that that is relevant to the issue of AusLink.

The SPEAKER—The member for Bass is aware that, whether she thought the illustration appropriate or not, the minister was relevant in that he linked the analogy to transport.

Mr ANDERSON—It is relevant. The point is that Labor has missed the point about transport planning. That is the point. On Monday night the member for Batman said:

... the national highway system, by its very nature, is, and should be, a Commonwealth responsibility. In the same manner, the states and local governments have clear responsibilities. In other words, he is saying that the Commonwealth should be constrained to the current policy arrangements. The Commonwealth should have 100 per cent funding responsibility for the national highway systems, the states should accept responsibility for arterial roads, and local governments should look after local roads. That is not a policy for the 21st century; it is a policy for the last century. We know the member for Batman is very conservative. He is a very conservative ex-ACTU chief who believes in the 60-40 rule, who believes in the last century’s transport policies and who certainly believes in class warfare. But the fact is that what needs to be said at the moment is that we need a way to plan transport for the future. Last century’s plan will not work. The
member for Batman has rejoined us. His very proposal that we ought to stay with the old arrangement will entrench our inability to do what we need to do to develop—

Mr Martin Ferguson—Sit down, boof-head.

The SPEAKER—The member for Batman is well aware that only yesterday I was asked by the Leader of the Opposition to raise standards on interjections and on comments made from the dispatch box. Not only was his interjection—

Mr Barresi interjecting—

The SPEAKER—My remarks addressed to the member for Batman clearly apply equally to the member for Deakin. Not only was the member for Batman grossly out of order, had he been seated, but he knows that he was acting in a way that is not tolerated at all by any occupier of the chair. I ask him to withdraw the remark.

Mr Martin Ferguson—I withdraw, and I remind you I have sought a personal explanation to tell the House the truth—

The SPEAKER—No, you will remind me of nothing. You will resume your seat.

Mr ANDERSON—The fact is that the very proposition that the member for Batman puts forward, which in his conservative frame of mind is that we ought to stay with the old approach, precludes the very thing that is so needed for this country: the planning flexibility to develop a model that is going to work to help us to cope with the challenges of the future.

There are a couple of other points that need to be made. The member for Batman would have us believe that we have failed in terms of our responsibilities to the national highway system. It is worth noting that the 2001 infrastructure report card from the Institution of Engineers Australia gives a pass to just one major piece of road infrastructure in Australia. Which one is it? It is the one that runs around the nation, that we planned, built and fund. That is the one that passes. The state roads administered by his colleagues around the country are identified as failing right across the nation. They do not get a pass mark from that highly regarded body, the Institution of Engineers Australia.

They rate a failure for state roads and have a very poor rating for local roads. We of course are helping there because that is rightly recognised as a national transport priority. The member for Batman challenges me to be forthright. He claims that we are going to scrap and reduce funding for a whole range of road programs to which we have committed ourselves and I have repeatedly said that we are not going to do that. We will meet all commitments before the introduction of a new system. In conclusion, the institute’s report notes that:

The lack of a national integrated transport strategy has been recognised as inhibiting the efficient and equitable distribution of funding for and the prioritisation of roads.

That of course is exactly what Auslink is designed to do.

Insurance: Medical Indemnity

Dr LAWRENCE (3.39 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. Minister, are you aware that both Bourke and Walgett Aboriginal Health Services, primarily funded by the federal government, face imminent closure? Minister, are you also aware that neither service can insure their doctors as of 30 June and that the Bourke service faces an insurance hike for the remainder of their services which they cannot afford to pay? Minister, how are you going to remedy this urgent situation, especially since Aboriginal medical services provide an invaluable service to Aboriginal people who by any measure have the worst health of any group in Australia?

Mr RUDDOCK—I am sure that all honourable members will recall well that funding for Aboriginal health services was removed from the purview of ATSIC and handed over to the Department of Health and Ageing and I will seek from the Minister for Health and Ageing or her representative in this House a more detailed explanation in relation to the question asked.

Employment: Statistics

Mr HUNT (3.40 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of strong employment growth, notably
in full-time jobs, as revealed by today’s ABS figures? Are there any threats to continuing jobs growth, particularly in the car industry? Would the minister provide details of the jobs that are now at risk? Minister, are you aware of any alternative policies in this area, and what is the government’s response to them?

Mr ABBOTT—As today’s figures show, over the past five years 447,000 full-time jobs have been created. As today’s figures show, over the past five years 440,000 part-time jobs have been created. This is a great result for Australia which has come about in part because of the policies of this government, but largely thanks to the diligence of Australian workers and the drive of Australian managers. They deserve the gratitude of all Australians.

As the member for Flinders well knows, strikes cost jobs. Right now at Westernport, 228 members of the AMWU are jeopardising the livelihoods of 50,000 Australian workers in the car manufacturing industry. Holden have said that they will be forced to shop overseas for car components if this strike wave does not stop. The car component industry is at the heart of manufacturing in this country and there are car component companies in just about every electorate in Australia. For instance, there are 800 car component workers in the electorate of Bass. There are 500 in the electorate of Batman. There are at least 250 in the electorate of Ballarat. There are 750 in Calwell, 400 in Chisholm, 300 in Gellibrand, 200 in Greenway, 100 in Holt, 550 in Isaacs, 800 in Kingston, 850 in Melbourne Ports, 500 in Port Adelaide, 250 in Scullin and at least 50 workers in car component manufacturing in the electorate of Hotham whose jobs are now at risk because of the wildcat strikes of the AMWU.

All those members of parliament should be sending a very clear message to the AMWU: ‘Stop sabotaging the jobs of people in my electorate.’ I don’t think any of them are going to do that? Why? Because the Leader of the Opposition has never seen a strike that he did not support. Let’s face it: he cannot afford not to support the strikes. The AMWU has given $3 million to the Labor Party over the last six years. It has sent Senator George Campbell to Canberra to look after its interests and Senator Campbell has put the Leader of the Opposition on 12-months notice. He has put him on 12-months probation. Elements of the AMWU are now in cahoots with the Storemen and Packers Union to deny Bill Shorten the presidency of the Victorian ALP, and haven’t the phone lines been running hot between Greg Sword and Simon Crean—

Mr McMullan—Mr Speaker, on a point of order that obviously relates to relevance, the minister has strayed a long way from anything that could possibly be relevant even to this question.

The SPEAKER—I invite the minister to bring his remarks back to the car industry and the jobs that are at risk.

Mr ABBOTT—Fifty thousand jobs in the car industry are now at risk because of the rogue actions of this union; this union which is currently in cahoots to deny Bill Shorten the Victorian ALP presidency.

Mr McMullan—Mr Speaker, I rise on a point of order. The minister is blatantly defying your ruling. He is making exactly the same arguments to which I objected.

Mr Rudd—are you feeling intimidated by the Prime Minister, Mr Speaker?
Mr ABBOTT—If the Leader of the Opposition was serious about protecting jobs and creating jobs he would support measures like exempting small business from unfair dismissal laws, he would give up his obsession with the 50-50 rule and he would commit himself to the fundamental democratic principle of one vote, one value. This government is serious about jobs. Nearly one million of them have been created since 1996, whereas the only job that the Leader of the Opposition is interested in is the job of the Victorian ALP presidency and he is trying to rat on Bill Shorten.

The SPEAKER—Minister!

Government members interjecting—

Mr Swan—I rise on a point of order, Mr Speaker. The minister is defying your ruling. Bring him to order or there will be no—

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

Mr Rudd interjecting—

The SPEAKER—Remarks made by the member for Griffith are of no help to the chair at all. The answer is concluded.

Mr McMullan—What about his remarks?

The SPEAKER—The Manager of Opposition Business!

Trade: United States

Dr MARTIN (3.47 p.m.)—My question is to the Prime Minister. Has the Prime Minister seen media reports regarding his visit to Washington next week that indicate he intends to step up his government’s push for a free trade agreement with the United States and that he has vowed to protect the interests of Australian farmers in any trade deal? Does the Prime Minister agree with the Minister for Trade, who said on the Sunday program on 28 April that substance is the key to FTAs and that an FTA which excluded agriculture was an impossibility ‘because it wouldn’t be one—unless it was all encompassing’? If so, given the Bush administration’s recent decisions regarding the US farm bill, described by the Deputy Prime Minister as ‘outrageous’, and tariffs on steel that are clearly against Australia’s national interest, is it the Prime Minister’s intention to simply settle for an FTA minus with the United States?

Mr HOWARD—No.

Trade: Automotive Industry

Mrs DRAPER (3.48 p.m.)—My question is to the Minister for Trade. Would the minister inform the House of the contribution being made by Australia’s automotive sector to our country’s overall export performance? Are there any impediments to the auto sector’s continued export growth?

Mr VAILE—I thank the honourable member for Makin for her question and acknowledge her very strong representation in this place on behalf of the 500 auto workers that reside in her electorate. She takes seriously her responsibility of protecting their jobs—unlike those sitting on the other side—as do I, with the 300 or 400 auto workers that operate in my electorate whose jobs are now being put at risk by the Australian Labor Party and their friends in the ACTU and the AMWU in Victoria.

The member for Makin asked what contribution the auto sector makes to Australia’s overall export performance. I can inform the House that it is quite considerable. Last year, $4.9 billion worth of export earnings came from the Australian auto sector, in both fully built up cars that are exported to the world and components—an even split between the two sectors of the industry. They generate many thousands of jobs for Australians. Auto exports are now one of Australia’s top 10 exporting sectors. With the policies that have been implemented by our government the industry is set to grow dramatically, and we have seen significant growth over the last six years. Indeed, our auto exports are performing so well that last month Toyota Australia announced its 200,000th export of the locally produced Camry to the Middle East. Early next year, Holden, notwithstanding any more strikes in Victoria, will begin exporting the Monaro to the United States of America. Selling cars to America is like selling ice to the Eskimos. That is a clear indication of not only the relationship that exists between Australia and the United States but also the
high standards that the Australian export industry has achieved.

It was interesting to note yesterday that in a debate in this place the member for Rankin detailed his 2020 vision for industry in the future of Australia. He outlined what he wants to see in 20 years time—not just next year or the year after in Australia but in 20 years time—with regard to the economy being innovative, highly skilled, high waged and producing high value goods. But he left one thing out: we need to be internationally competitive, as we are today. We cannot expect the Australian auto industry to remain internationally competitive when it is being dogged with the burden of strikes that it has had in the course of the last 12 months. These strikes damage our international reputation. They threaten international investment in this industry in Australia. There is the opportunity for significant international investment in this industry in Australia, and they put that at risk. Most importantly, these strikes that have been referred to threaten the jobs of many thousands of Australians in our electorates as well as the electorates of the Australian Labor Party. It is a pity that the Australian Labor Party would not take their responsibilities more seriously in this regard. But this is not the first strike to hit the car industry. It is not the second strike. It is actually the third. It is the third crippling strike—

Mr Adams interjecting—

The SPEAKER—Member for Lyons!

Mr Adams interjecting—

The SPEAKER—The member for Lyons defies the chair!

Mr VAILE—that has been started by the AMWU—

Mr Adams interjecting—

The SPEAKER—The member for Lyons is warned!

Mr VAILE—led by Doug Cameron. All he is after is more control to the union movement, more control of the Australian Labor Party through this action. The minister earlier mentioned that Holden have indicated—and it was in this morning’s Herald Sun—that they may have to look for component suppliers offshore, because they cannot put at risk the export markets that they have developed for Australian products if these strikes continue. Peter Hanenberger said yesterday that it was not a path the company wanted to take but its manufacturing base and export push was under pressure. It is under pressure from the union movement in Australia, aided and abetted by the Australian Labor Party. It is about time the Australian Labor Party started reciprocating and exercising 60 per cent control over the union movement in the same way the union movement exercises control over the Australian Labor Party. There is a challenge for the Leader of the Labor Party: see if you can reciprocate that control that you stand from the Australia union movement.

Industry: R&D Start Program

Dr Emerson (3.54 p.m.)—My question is to the Minister for Industry, Tourism and Resources. Does the minister recall telling the small business program in speaking of the R&D Start program:

I opened the door and there was a dead body there.

Minister, have you frozen the R&D Start program or is it dead?

Mr Ian Macfarlane—The answer is no.

Immigration: Government Policy

Mrs May (3.54 p.m.)—My question is addressed to the Minister for Citizenship and Multicultural Affairs. Would the minister inform the House of the status enjoyed by migrants who come to Australia through the correct channels? Are there any alternative views on this issue?

Mr Hardgrave—I thank the member for McPherson for her question and acknowledge that we on this side realise most clearly that most people who come to this country through the migration system are, naturally enough, afforded the status they deserve. They have satisfied our reasonable requirements on their character, on their
health and on security matters, and they are afforded a great welcome. Australians are good at welcoming people from a diverse range of cultures into our community and we work hard at it. So it is astonishing always when we find some people in leadership roles in the community who go out of their way to create division, who make divisive comments, who try to highlight any passing difficulties in a way to try and make people feel most unwelcome.

This is all about leadership. It is all about the leadership of the Leader of the Opposition and trying to get him to bring his party ranks around the country into some form of reasonable, constant view on the matters to do with important issues such as detention policy. I have a letter sent by 53 members of the African refugee community in Brisbane, people who have not been in Australia for a long time but have been in Australia long enough to know troublemakers when they see them. This letter says, in part:

We wish to express our disappointment that certain state and council politicians used the African and Latin American festival at Annerley in Brisbane as a platform for pro-Labor political speeches.

These 53 African refugee community members also said:

We feel this was a contradiction of the spirit of the festival. The African and Latin American festival was meant to foster multiculturalism through a celebration of togetherness.

Ms Gillard interjecting—

The SPEAKER—Member for Lalor!

Mr HARDGRAVE—These people are rightly angry at the way the Australian Labor Party attempted to hijack this festival. They turned it into a pro-Labor political campaign rally. At this function, Anna Bligh—we have heard a lot about Anna Bligh this week—the Queensland Minister for Education; Matt Foley, the Queensland Minister for Employment, Training and Youth; and the Brisbane City Council Deputy Mayor, Councillor Quinn, politicised this community celebration by making speeches against the Commonwealth government’s policy on detention. This is a policy that is supported by the Leader of the Opposition, we think, and it is a policy that is also supported by the Queensland Premier, we think, but we have got two senior members of the Queensland government cabinet going against their Premier behind his back. Anna Bligh said that she was personally disgusted at the federal government’s failure to roll out a welcome mat to illegal immigrants. They are completely at odds with the public statements made by Simon Crean, the Leader of the Opposition, and also by Premier Beattie.

This is important because the six million migrants who have come to Australia legally through the correct channels understand clearly the need for the strong policies we have on national security and detention. This is important because even those who have come to this country as refugees, who have waited their turn and come through the system do not want their status—the value they have in Australian citizenship and participation in the Australian community—undermined by illegal queue jumpers. These people, rightly, expected some consistency and some leadership from the Labor Party, but of course the Australian Labor Party are completely out of control on this issue. They have seriously misjudged the sentiments of the nation-building aspirations of migrants through the various categories that have come to this country. They have completely misunderstood, and misunderstood in every possible way, the aspirations of emerging communities—

Mr Crean interjecting—

The SPEAKER—The Leader of the Opposition!

Mr HARDGRAVE—such as the African community.

Dr Lawrence interjecting—

The SPEAKER—The member for Fremantle!

Mr HARDGRAVE—The interjections from those opposite prove that division is rife. As far as the Labor Party are concerned, there are nine different policy positions on detention matters. They are totally irrelevant to modern Australia. They have no ideas. They went to the last election with no multicultural policy. Any wonder they cannot possibly keep up with what is occurring. They are divided and divisive.
The SPEAKER—The minister will resume his seat.

Mr Rudd—Mr Speaker, I rise on a point of order. Standing order 142 says that ministers may be asked questions in areas related to the public affairs for which they are responsible. The minister has been extending his remarks to both asylum seeker policy and statements of state government officials in city councils in Queensland, neither of which fall faintly within his portfolio responsibility.

The SPEAKER—The member for Griffith should be equally well aware that that is a standing order that covers questions. The question was entirely in order. The standing order covering answers requires only that the answer be relevant to the question.

Mr HARDGRAVE—The member for Griffith proves just how divided the Labor Party are on this issue.

The SPEAKER—The minister will come to the question.

Mr HARDGRAVE—Just last weekend, he was talking at the Labor Party state conference, and they now call him around Brisbane ‘Kevin Ruddock’ because he is apparently out there defending the policy. At the end of the day, as the Minister for Citizenship and Multicultural Affairs moving around cultural communities, I have no doubt in my mind that the greatest threat to community harmony which exists in Australia today, as evidenced by the refugee community in Brisbane, is the Australian Labor Party.

Mr Rudd—Mr Speaker, I rise on a point of order. I regard being referred to as ‘Kevin Ruddock’ in this chamber as unparliamentary, and I ask him to withdraw that remark.

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

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

Mr Tanner—Mr Speaker, I ask that the Minister for Citizenship and Multicultural Affairs table the letter that he was quoting from.

The SPEAKER—Was the minister reading from a document?

Mr Hardgrave—Mr Speaker, I was reading from a confidential letter.

Mr Latham—Mr Speaker—

The SPEAKER—The member for Werriwa will resume his seat just for a moment. I have not cleared this matter up. I indicate to the minister that, as was pointed out by the member for Brand yesterday, it is appropriate that two questions be asked. The first question is: was the minister reading from a document? I think he is right, but the intent is the same. The second question is: was the document confidential? The minister has, in fact, indicated that it was.

Mr Latham—I rise on a point of order, Mr Speaker. There is always a problem in the House when a minister as in this case fails to table the document. The House has no guarantee that this document is genuine or that he is quoting people who are real. I ask you to have a cup of tea with the minister later on and come back to the House—

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

Mr Latham—and assure us that this document is real and the people he quotes are real.

The SPEAKER—The member for Werriwa will resume his seat! As every member of the House is aware, the chair’s decisions are determined entirely by the standing orders. The standing orders require me to do just what I have done. If anyone seeks to amend the standing orders, they should make an approach to the Procedure Committee.

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

Honourable members interjecting—

The SPEAKER—I am very anxious to hear from the member for Banks. He will be as unimpressed as I am to discover that both ministers and his own frontbenchers are denying him the call.

Mr Melham—Mr Speaker, my point of order is that the minister by his own answer to you has basically said that it is a confidential letter. I suggest to you that a confidential letter is not a confidential document.
Documents in terms of cabinet documents and a whole range of other things are confidential, but a letter from a constituent to the minister, with the greatest respect, is not a confidential document. The minister himself seemed to infer that it was a confidential letter. By reading from the letter, I would say that he has now—

The SPEAKER—The member for Banks has made his point and will resume his seat. The member for Banks is well aware that my action is entirely consistent with that of my predecessors. For all the chair knows, a letter sent to anyone in this House could be marked ‘confidential’ by the person who signed it.

PERSONAL EXPLANATIONS

Mr CREAN (Hotham—Leader of the Opposition) (4.05 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, by the Treasurer.

The SPEAKER—The Leader of the Opposition may proceed.

Mr CREAN—In answer to a question that I asked of him concerning costings by the Treasury of proposals that I put forward associated with my budget reply, the Treasurer said that I had forgotten to mention them. On the night that I made the reply, I circulated a document which announced all of the superannuation savings measures, and I seek leave to table that document.

Leave granted.

Mr CREAN (Hotham—Leader of the Opposition) (4.06 p.m.)—Mr Speaker, I wish to make a further personal explanation.

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

Mr CREAN—I do.

The SPEAKER—The Leader of the Opposition may proceed.

Mr CREAN—It is in relation to a further comment made by the Treasurer about my record when I was the employment minister. He said that, whilst I was the employment minister, the unemployment rate had been brought down to only 10 per cent. In fact, in the two years that I held the portfolio of employment, I created, through the economic policies of the Keating government, 534,000 jobs and took the unemployment rate to 8.1 per cent.

The SPEAKER—The Leader of the Opposition has an obligation to indicate only where he was misrepresented and to outline the percentage. He has done that.

Mr CREAN—I seek leave to table a document that compares my record on employment over two years against his over six. Leave not granted.

Mr MARTIN FERGUSON (Batman) (4.07 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr MARTIN FERGUSON—Most grievously, Mr Speaker. The member for Batman has indicated where he has been misrepresented.

Mr MARTIN FERGUSON—In question time today, the Minister for Transport and Regional Services, the Leader of the National Party and the Deputy Prime Minister stated that I was a long-term advocate of 60-40 with respect to representation in the Labor Party. The record will show that right throughout my working career as a trade union official and a member of this House, including as President of the ACTU in the early 1990s, I have been a long-term advocate of 50-50 and I can produce speeches advocating that position as president in the early 1990s. I ask that the minister’s staff draw this to his attention.

The SPEAKER—I thank the member for Batman. The member for Batman has indicated where he has been misrepresented.

Mr MARTIN FERGUSON (Batman) (4.08 p.m.)—Mr Speaker, I wish to make a further personal explanation.

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

Mr MARTIN FERGUSON—Most grievously, Mr Speaker.
The SPEAKER—The member for Batman may proceed.

Mr MARTIN FERGUSON—In question time today, the Minister for Transport and Regional Services suggested to the House that I was opposed to the development of an integrated national land transport planning process in Australia. He then suggested to the House that I was on the record on Monday of this week arguing against such a plan. I refer the House to the Hansard of Monday, 3 June this year, in which I very clearly advocated the need for such a plan, as was the position of the Labor Party. This is in accordance with a report card on the nation’s infrastructure, prepared by the Institution of Engineers, Australia, which was referred to by the minister today. That report advocated not only—

The SPEAKER—The member for Batman has indicated where he was misrepresented and will resume his seat.

Mr MARTIN FERGUSON—a national land transport plan but also an infrastructure advisory council. I therefore clearly indicate—

The SPEAKER—Let me indicate to the member for Batman that I have extended to him all the tolerance available to me under the standing orders. He cannot comment further on those two points of order. If he has a further matter of misrepresentation, of course I will hear him; but I need to be aware that that is what he is seeking, otherwise he is obliged to resume his seat.

Mr MARTIN FERGUSON (Batman) (4.10 p.m.)—Mr Speaker, I wish to make a further personal explanation.

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

Mr MARTIN FERGUSON—Most grievously on a third occasion, Mr Speaker.

The SPEAKER—The member for Batman may proceed.

Mr MARTIN FERGUSON—In question time today, the Minister for Transport and Regional Services suggested to the House that I was opposed to the concept of developing a national AusLink plan and that I made arguments to that effect in this House on Monday of this week. I draw the attention of the House to my contribution in the grievance debate on Monday this week in which I did not argue against such a plan but pointed out the inadequacies of the minister’s announcements concerning the AusLink plan.

The SPEAKER—The member for Batman will be aware that that was a slightly less grievous misrepresentation but I let it stand.

QUESTIONS TO THE SPEAKER

Standing Orders: Application

Mr MARTIN FERGUSON (4.11 p.m.)—Mr Speaker, on a number of occasions in this parliament you have suggested to members of the House that with respect to, for example, the nature of answers to questions during question time and the difficulties with the standing orders in regard to them, members should refer potential changes to the Procedure Committee for consideration. For example, I refer to a statement by you in Hansard of 21 March this year when you said: I would if the standing orders allowed me to be a little more precise with the way in which questions are answered, and I invite the committee to give me that power.

Mr Speaker, in accordance with your request, as a member of the Procedure Committee I have raised this with the committee. At a meeting of the Procedure Committee held on Tuesday evening this week, attended by the Leader of the House and the member for Lilley, I invited the Procedure Committee to take up your request.

Mr Abbott—I rise on a point of order. Mr Speaker, this is a question to you which is becoming a speech. It would be much more appropriately given on the adjournment or at some other appropriate time.

The SPEAKER—I have an additional concern that I must indicate to the member for Batman—and that is the authority he has to report on activities of the Procedure Committee before the committee has formulated a report before the House. That would really make his present contribution outside the standing orders, and I ask him to consider what question he wants to ask me without reflecting on the proceedings in a Procedure Committee meeting.
Mr MARTIN FERGUSON—I deal not with a report of the Procedure Committee but seek to ask you a question for guidance as a member of the House. Mr Speaker—

The SPEAKER—Can I interrupt the member for Batman to ask whether the forms of the House and his request would be better facilitated if he raised it with me outside the House in order not to be in any way compromising—

Opposition members interjecting—

The SPEAKER—I am not in any mood to tolerate any interjections. I am simply seeking both to maintain the dignity of the House and to provide the member for Batman with an opportunity to ask me a question. I think he is aware of that. I want him to consider whether he would be better facilitated by speaking to me about this outside the House rather than in any way abusing the forms of the House or the Procedure Committee, which I do not believe he seeks to do.

Mr MARTIN FERGUSON—As a person who very much values his capacity to participate in the Procedure Committee, the last thing I want to do is interfere with the work of the committee. For that reason, I seek to pose this question to you. Mr Speaker, even if the Procedure Committee were to actually act on your request, the Leader of the House has indicated that he has no intention of changing the existing standing orders. I seek advice from you as to how I can best process your request to give you more power with respect to the nature of answers to questions posed in this House.

The SPEAKER—That is a very interesting question and I will talk to the Chairman of the Procedure Committee about the dilemma that the member for Batman faces. I remind the member for Batman, however, that my experience in 19 years in this House has been that there have been occasions when governments change and the enthusiasm for various facilities is no longer quite as passionate.

Standing Orders: Application

Mr TANNER (4.15 p.m.)—Mr Speaker—

The SPEAKER—I suspect I am currently asked more questions than ministers. I wonder how much longer this will continue but the standing orders allow it to happen, so the member for Melbourne has the call.

Mr TANNER—I think it is a fair while since I have asked you one, Mr Speaker, so I am sure you will accept the question. I refer again to the answer to the question given by the Minister for Immigration and Multicultural and Indigenous Affairs and his refusal to table the letter that he was supposedly quoting from in that answer. I draw your attention to the fact that in that answer he was using that letter as a basis to launch accusations against people who are not members of this House. I refer you to page 108 of the standing orders and the resolution of the House of 27 August 1997 with respect to the right of reply of persons who are referred to in the House and the powers of the Committee of Privileges to examine a complaint by somebody who is not a member of the House. I ask whether the Committee of Privileges would have the power to ask the minister to provide a copy of the letter that was the basis for his accusations should those people seek to raise them and seek a right of reply.

The SPEAKER—Given the nature of the member for Melbourne’s question, I would have thought the responsible thing, which I will do, would be to take it on notice and respond initially to him and, if necessary, to the House.

AUDITOR-GENERAL’S REPORTS

Report No. 54 of 2001-02

The SPEAKER—I present the Auditor-General’s Audit Report No. 54 of 2001-02 entitled Performance audit—Drug detection in air and containerised sea cargo and small craft: Australian Customs Service.

Ordered that the report be printed.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (4.17 p.m.)—I present papers on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Requesting that the House of Representatives support an increase in funding for Commonwealth State Disability Agreements—from the member for Canberra—3,889 Petitioners
Calling on the House of Representatives to abandon the detention of asylum seekers, end the ‘Pacific solution’ and end temporary protection visas—from the member for Warringah—240 Petitioners

Requesting that the Government establish a Post Office in the West Orange area—from the member for Calare—2,116 Petitioners

SPECIAL ADJOURNMENT

Mr Abbott (Warringah—Leader of the House) (4.17 p.m.)—I move:

That the House, at its rising, adjourn until Monday, 17 June, at 12.30 p.m., unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker fixes an alternative day or hour of meeting.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Economy: Performance

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

The failure of the Government to invest in the future living standards of Australian families.

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—

Dr Emerson (Rankin) (4.18 p.m.)—Labor has long recognised that productivity is the key to the future living standards of all Australians. We can boost productivity by working harder or by working smarter and I think it is pretty clear that Australians are already working very hard, so the key to future living standards and greater productivity in this country is working smarter. That is why Labor in government implemented a comprehensive program of micro-economic reforms. Those reforms included the floating of the Australian dollar, liberalising financial markets, liberalising trade, promoting competition and reorienting Australian industry away from a small, fragmented domestic market to global export markets. The Prime Minister agrees with Labor that productivity is the key to future prosperity because, in speaking about a Productivity Commission report, he told parliament on 9 June 1999:

This report demonstrates that today’s prosperity is a product of yesterday’s reforms. It follows from that that tomorrow’s productivity gains, tomorrow’s prosperity, will be a product of today’s reforms.

He is right in saying that. In fact, the Prime Minister set himself an exam by which his performance would be judged. He said in this parliament:

Of all the exams that the economic managers of nations must sit, none is more important and crucial than the exam paper entitled ‘Productivity’, because productivity is a measure of how intelligently a nation uses its resources.

So how has the Prime Minister fared in the exam that he has set himself? He will claim ‘brilliantly’ of course. Australian productivity growth has been rapid in the 1990s: it has been twice as fast as the productivity growth of the previous 30 years and it has been faster than those of almost all developed countries, including the United States. But while the Prime Minister is slapping himself on the back, it is widely recognised that most of the productivity boost of the 1990s was due to economic reforms implemented by Labor governments. This is a fact that has been acknowledged by Treasury. This is a fact that has been acknowledged by the Productivity Commission. Interestingly, this is a fact that has been acknowledged very recently by Holden. We have heard a lot about Holden recently. Two days ago in this parliament, the Minister for Industry, Tourism and Resources and the Minister for Trade were lauding Holden as a big contributor to Australian productivity and exports, so I guess Holden has some credibility on this matter. In its submission to the Productivity Commission review of the future of the automotive industry, Holden had this to say just a couple of weeks ago:

Concerning the internal efficiency of the national economy, it is evident that Australia is reaping the benefits of a very substantial economic reform program in the latter part of the 1980s … In total the signs of some improvement in economic dynamism that have been seen in the 1990s may have been mostly due to reforms adopted a decade earlier.

It goes on to say:
If this is the case, the outlook for the current decade must be viewed as disappointing.

What an indictment by Holden on this government’s economic reform program! The fact is that the biggest threat to future Australian living standards is a complacent government, and that is what we have—a very complacent government. The Prime Minister is happy to rely for future living standards on Australians effectively using innovations from overseas rather than developing our own innovations, our own technological breakthroughs. He said in parliament on 9 October 2000:

... the measurement of whether an economy is in the current language ‘old’ or ‘new’ is, in my view, overwhelmingly determined by the capacity of an economy to use the benefits of technology, particularly information technology.

So he believes that Australia does not have to produce its own innovations, it does not have to have its own home-grown technological breakthroughs; all it has to do is rely on overseas technologies. Australia does not have any productivity bounce from homegrown technologies as does the United States. In fact, the Productivity Commission has warned of a tapering off of productivity growth in this country, as the benefits from earlier economic reforms are being exhausted.

So how do we go about maintaining productivity growth in this country? The answer is: the government needs to invest now in new sources of productivity growth. What are the new sources of productivity growth in this country? They are: investing in education and training and investing in innovation through research and development. But the government is failing miserably on this front. Its failure to invest in the nation’s future over the last six years has led to an astonishing admission in its own Intergenerational Report. This report is an astonishing admission because the report, in setting out Australia’s future, the budget’s future, for the next 40 years, indicates that Australian productivity growth will lapse, will fall back, to its long-term mediocre 30-year average by the middle of this decade, which is just three years away. It says, in part:

Over the next four decades, economic growth is projected to slow relative to the outcomes achieved over the past decade, reflecting lower productivity and employment growth rates. Productivity growth is assumed to return to around its 30-year average, below the growth of the 1990s.

So here is the government’s own Intergenerational Report, its own vision statement, saying that in three years time Australian productivity growth will lapse back to its mediocre 30-year average. If that happens, it will mean lower living standards; it will mean that this government has not invested in the nation’s future. Instead of investing in the nation’s future, the industry minister has spent the first six months in his job apologising for the government’s failure. He told the Financial Review on 29 January this year ‘we’ve got the balance pretty right for R&D’.

What is balanced about business spending on research and development as a proportion of gross domestic product falling in each and every year of the Howard government? The minister says that that balance is pretty right. It has fallen in each and every year of the Howard government, at a time when business spending on research and development for the rest of the world has been rising. So, instead of staying where we are, we are slipping further behind. What is balanced about a minister cutting funding to his own department over the next four years by 30 per cent? That is the biggest cut of any spending department. What is balanced about freezing or killing off the R&D Start program? We asked him in question time whether it was frozen or whether it was dead, and he said no. Well, it is either frozen or it is dead. Everyone knows the R&D Start program has been frozen, but the minister will not admit it. He said on the Small Business program on 5 May:

... there is no freeze, the only thing that has stopped is new applications.

There you go: if there are no new applications, it is not a freeze. I would hate to see a
thaw. It reminds me of a Monty Python skit. Remember that one about the parrot? A customer, John Cleese, goes into a pet shop and he buys a parrot. He takes it home and the parrot is apparently dead. So he takes it back and Michael Palin, who is running the pet shop, has a bit of an exchange with him. When the customer complains that the parrot is apparently dead, the pet shop owner says, ‘It isn’t dead; it’s dormant; it’s temporarily paralysed; it’s pining for the fiords.’ The customer says, ‘No, no, it’s dead; it’s defunct; it is no more; it is a late parrot.’ And so it is with the R&D Start program. So is the R&D Start program a dead parrot? Is it a ‘polly gone’ or is it just frozen? The minister has given us a clue. He told the Financial Review—

Mr Stephen Smith—I thought he didn’t have a clue.

Dr Emerson—This is the only clue he has ever given us. He told the Financial Review on 28 May:

I opened the door and there was a dead body there.

In the commentary in the Financial Review it says:

Industry Minister Ian Macfarlane says the R&D Start debacle was as big a shock to him as it was to the 115 companies who thought they were in the running for it and were rejected in April.

The commentary goes on to say:

But instead of taking charge of the body and dealing with it swiftly, Macfarlane let it rot.

What we want to know is this: if the R&D Start program is frozen, when will the minister thaw it out? And if it is dead, who killed it? He is blaming the former industry minister, Senator Nick Minchin. We would like to know: if it is dead, was it Senator Minchin’s fault or was it the minister’s fault? Or is it just frozen?

But we have a second clue. This minister does not have a clue; he has two clues. He has given us a second clue in a media release on 26 April. I was wrong, Mr Deputy Speaker; I apologise to the House. I said he did not have a clue. He has two clues. He said on 26 April:

A new round of Start grants will be offered in the coming financial year, not mid-2003 as claimed. Minister, mid-2003 is the coming financial year! Companies have been told by the government not to apply until then, and 115 companies have been instructed to withdraw their applications. Why? So the government does not look so bad. It sounds like the economic reform parrot is at least frozen or may be dead under this government. It is the same parrot Prime Minister Keating was referring to back in 1992 when he said:

I guarantee you walk into any pet shop in Australia, the resident galah will be talking about micro-economic policy.

I do not think there are too many parrots squawking economic reform these days because there is nothing to squawk about! The minister does not believe in innovation. I know he does not believe in innovation because he told the Courier Mail, when we both got our portfolios, that he was perplexed about the inclusion of innovation in my shadow portfolio. ‘Why would you put innovation in an industry portfolio?’ he asked. We know his attitude—you do not have innovation in the industry portfolio. In fact, you kill it at every opportunity. You kill or freeze the R&D Start program. You cut departmental funding by 30 per cent over four years—the biggest cut of any spending department. You cut your own staffing by 10 per cent. You allow research and development as a share of gross domestic product to fall in each and every year of the Howard government. That shows that this minister has absolutely no commitment to innovation.

In fact the Intergenerational Report reveals that the government has no economic reform agenda at all—that is why there are no squawking parrots. The only Intergenerational Report the Treasurer is interested in is the one that the Prime Minister will be delivering on his 64th birthday. He will be fascinated with that one, but he is not very interested in the Intergenerational Report that he held up to the Australian people and said, ‘This is my vision. This is my future.’ We will find out about his future on the Prime Minister’s 64th birthday.

We know the real purpose of the Intergenerational Report. This report had one purpose and one purpose only—to justify cuts in support for disabled people in this
country. This report was used to justify increasing the cost of pharmaceuticals for Australian families. That was the purpose of this report. This report has a lapse in the productivity growth of this country, within three years taking it back to its long-term 30-year mediocre average. They put that in there because they are not committed to innovation, they are not committed to productivity growth, and they are using it to justify cuts to support for the most vulnerable people in this country. At the same time they are giving a superannuation tax break to the top three per cent of income earners in this country. I do not see in this report any justification for spending hundreds of millions of dollars giving a new tax break to the top three per cent of income earners in this country. If the government had an economic reform program then productivity would be rising. And if productivity were rising then living standards would be rising and there would be no need for savage cuts to support for the most vulnerable and Australian families.

Holden is right: the economic reform ga-lah has not squawked since Labor was last in office. Where is the minister? Minister, are you watching on the monitor? Where are you? Come back, Minister. Stop taking the chainsaw to your department, slashing its funding and slashing its staffing. You do not need a starring role in the ‘Toowoomba Chainsaw Massacre’. Stop being the Al Dunlap of Australian politics—remember ‘Chainsaw’ Al Dunlap? Remember what happened to him? I think he got the sack, didn’t he? Maybe that is a portent of what is coming for this minister—the Toowoomba chainsaw massacre. Start investing in the nation’s future and stop trying to impress your factional ally the Treasurer by taking a chainsaw to your own department. For the sake of Australian families breathe some life into that economic reform parrot before it finally falls off its perch.

Mr ANTHONY (Richmond—Minister for Children and Youth Affairs) (4.33 p.m.)—I am very happy to give the government’s response to the MPI and, as they are such rauous children, I think it is most appropriate that the minister for children give the government’s defence here. I was amazed when the member for Rankin referred to remarks made by an individual at Holden—that under the Labor Party’s stewardship there had been enormous amounts of reform, and almost looking nostalgically back on the days when Paul Keating and Bob Hawke were in leadership positions. And this on the very day when we hear we have an unemployment rate now of 6.3 per cent and that over 972,000 jobs have been created since this government came to power.

I would thought that one of the key ingredients for sustaining families’ living standards in this country would be to provide each and every individual with the ability to get employment and, of course, to prosper for their family. The member for Cowper is in the chamber. I know he is a keen advocate for small business and for employment generation—75,000 new jobs were created in the last month. This is a phenomenal record and, if nothing else, it demonstrates that the Howard-Anderson government has the best interests of Australian families at heart. Under Labor—that is when they were last in a position of power federally—we saw unemployment rates of over 8½ per cent increasing to 10 per cent at times, and interest rates reached 17 per cent. It is quite phenomenal how the member for Rankin should try to reinvent history.

This government has been one of the most reforming governments since Federation. What we have done with industrial relations has been phenomenal. We want to continue this with the reform of the unfair dismissal law, because it is this heinous law supported by the trade union movement which is a barrier for new employment generation. When it comes to the area of the waterfront the member for Rankin talks about productivity. The greatest productivity gain has come from the courage we had to undertake critical waterfront reform. The container rate, which was down to about 15 containers an hour, is now approaching not 25 but 30.

When it comes to the area of taxation, it was this government that reformed a ramshackle, wholesale sales tax regime and put incentive back in particularly for PAYE income earners—most importantly, middle Australia—to give them incentive not only to
work harder and to produce more but also to retain more income. If we had left, for instance, the wholesale sales tax system in place that would have been a far greater impediment on the secondary sector, and it was this government of course that removed those taxes and introduced a whole new taxation system.

One of the great success stories in exports—and the member for Rankin should know this—is that of exporting motor vehicles or motors, particularly from GM, to the Middle East. Why is that? This has been achieved because we have made industrial relations reforms which allow manufacturers more flexibility in the workplace; it is easier to ship motor vehicles since the changes to the waterfront; and the economic environment is substantially better in this country, demonstrated by the highest growth rate now in the OECD countries of 4.2 per cent. Where other countries are in recession, this country is forging ahead—not by accident but by very prudent leadership and policy making by the coalition government. Our children’s future is in safe hands with the Liberal-National Party government in power whereas the Labor Party are bereft of ideas, try to rewrite history and are totally dominated by 25 per cent of the workforce, the union movement; they cannot even control themselves.

The previous speaker, the member for Rankin, talked in his diatribe about the productivity vision of the Labor Party. I remember that not so long ago they talked about noodle nation. They rolled it out as their manifesto to the Australian public, and it went flatter than a pavlova. Noodle nation was an absolute failure. There are more noodles down at Portia’s that have more substance than the noodles coming out of the knowledge nation proposed by the then leader of the Labor Party, Kim Beazley. He talked about R&D. I emphasise that the biggest rorters of R&D were in the last couple of years under the program that we inherited, when many corporates were not using it for research and development but were using it for systematic minimisation of taxation which did not increase productivity at all. The new Minister for Industry, Tourism and Resources is doing a terrific job. Why? Because he is getting out there and speaking to business and finding out what their needs are. The role that he played as Minister for Small Business in the previous parliament was exemplary too.

When those opposite talk about the future of Australian families, aren’t interest rates one of the key ingredients? It is called prudent monetary policy and prudent fiscal policy. How can any business looking for productivity gain increase their capitalisation, how can they have more sales and how can they put on more people if interest rates are at 17 per cent? That is what they were at their zenith under the Labor Party government. Today interest rates are substantially lower. The inflation rate today is 2.5 per cent compared to much higher averages when the Labor Party was in government. Mortgage rates were as high as 17 per cent and small business rates were in excess of 23 per cent.

It is outrageous that opposition members should come into this parliament and preach the virtues of increasing productivity and improving the lifestyles of Australians when so many Australians suffered under the recession we had to have. We remember those words with great poignancy. They were said almost as a statement of pride. The recession we had to have for the highest unemployment we had to have. They did not care about the living standards of Australian people—the mums and dads, those on low incomes and those on middle incomes. All they cared about was the pursuit of power and holding office, and running this country into an enormous amount of debt: $96 billion. It was this government that had to correct that record. We have a proud record now. We have substantially reduced the Commonwealth debt that the Labor Party very fashionably increased.

Mr Hartsuyker—Great economic management!

Mr Anthony—Of course it is, and that is why we have such high growth—our economic management.

This MPI is partly about living standards. For the average mortgage back in 1996, the
variable interest rate was 10.5 per cent. Yes, we have seen a couple of rate rises of late, from the lowest levels historically since the early 1960s to around 6.5 per cent. Back in 1996, Australian families with a $100,000 mortgage were paying $330 more than they are today. Why? Because of our prudent economic management, both micro and macro.

Imagine what it would have been like back in the days when Simon Crean—who will be the leader for 12 months; we know that—was minister for employment and interest rates were at 17 per cent. You would be paying $1,100 more a month if Labor were in government today and interest rates were at 17 per cent—$1,100. That would mean that, if you are in the marginal tax bracket of 43c, you would have to earn $2,000 more a month to put yourself back in the position you are in today. How could the Labor Party say that they have the welfare of Australian mums and dads and ordinary families at heart when those people could not even pay their mortgage or keep a roof over their heads under a Labor government?

When it comes to wages, what a joke that is! The ALP represent the workers, and yet in the last six years that the ALP was in government real wages went down five per cent. No wonder the union movement is so upset with the Australian Labor Party. And there were over one million people out of work. That is hardly a recipe for improving people’s living standards.

When we came to government, we recognised that there was a role to help all Australian families. We did not put the new taxation system in place to be popular; we did it because it was right. In the area of family tax payments, which go to over 90 per cent of Australians, we put in a further $2 billion, which went to two million families and assisted four million children. That was a direct result of having a coalition government, because we are a family-friendly government and believe in giving families choice as well as giving them employment opportunities.

There have been unprecedented amounts of funding going into the area of child care to give families choice, particularly in a changing market. We recognise from the Intergenerational Report, which has been talked about, that we have to assist those young families and give them choices. Over 700,000 children are now in Commonwealth-funded child care who never were under Labor. Indeed, we have increased funding by over $8 billion for the next four-year cycle. There are a lot more places, there is a lot more choice and we are assisting a lot more families.

The member for Rankin also talked about those that are disadvantaged and said that we are not doing anything in the welfare sector. Through Australians Working Together, the government has shown that it is tackling the hard issues in respect of those people that need assistance, who need to be given new skills so they are not left behind in this globalised world in which we live. Members opposite do not represent the workers; they represent a minority of the union movement and they are ripping themselves apart.

Mr Slipper—But the unions run them.

Mr ANTHONY—They certainly do run them; there is no question about that. For those people who have been left behind it is this government, through investing and through welfare reform, which is providing the tools and assistance to get these people out of a cycle of welfare dependency where there are three to four generations stuck on welfare. We are quite deliberate about this and we make no apologies. It is about giving incentives; it is about changing policy for lone parents in particular who need that assistance.

We are making reforms in the area of disability support, which the member for Rankin said were unfair. Interestingly, the member for Lilley and the member for Werriwa, in particular, are the biggest advocates for disability support reform, but they tend to forget—they are totally opportunistic. They are not interested in the welfare of Australian families. They are not interested in further productivity gains. They are in a desperate power struggle at the moment (a) about relevance and (b) trying to shore up the position of the Leader of the Opposition about whom factional warrior George Campbell said at a doorstop only two days ago, ‘We are giving
him 12 months.’ The member for Rankin is practising the virtues of how they are going to be better managers and have a greater social conscience when they cannot even govern themselves in this parliament, let alone govern their parents—the union masters back in Sydney and, most importantly, in Melbourne.

It is this government that is looking after the welfare of Australian children. During our stewardship, we have created over 956,000 jobs. We have created more full-time jobs of late. We have reduced interest rates to levels which are still near 30-year lows, giving families an opportunity (a) to have a mortgage and (b) to pay off a mortgage. Most importantly, we made hard decisions while reining in the debt that we inherited. We must remember that, had Labor not gone into debt, those interest repayments could have gone into schools or hospitals or into assisting more programs that were relevant for creating wealth.

Mr Forrest—Hear, hear!

Mr ANTHONY—The member for Mallee is a keen champion for people in rural Australia. I want to put it on the record that it is the National Party—along with the Liberal Party—that has made a major contribution in these policies. (Time expired)

Ms CORCORAN (Isaacs) (4.48 p.m.)—I have a fear that future generations are likely to look back with amazement, if not disgust, on this period of our history. The focus of this government today is just that—a focus on today and what they can get out of it without any thought to the future. The government’s attitude to the future is to ignore it. Proper investment in our future means ensuring that we are a productive, high-income country. That means paying attention now to research and development to ensure that all Australians get a decent education now, and paying attention now to the creation of high-skill, high-paying jobs. The much flaunted Intergenerational Report does not say anything about future research and development, or about ensuring a decent education for all Australians—not just some—or about the creation of decent jobs. But it does say that productivity growth will be falling. My colleague the member for Rankin talked about innovation and research and development, but let me add a few more examples. This government constantly forgets that human resources—our people—are the most important resource of all. They must be cherished and encouraged and used to the best advantage to create a good future for all of us. Current education policies are not allowing this to happen. The present system of favouring wealthy independent schools at the expense of government schools is wasting valuable resources. This waste includes the potential of so many students who end up with a second-best career. Recent studies have shown that students from wealthy independent schools are overrepresented at our universities. Studies also show that these students drop out of university at a far greater rate than students from government schools. For every student who drops out of uni, there is another one who missed out on a place. The in-built systemic bias towards students from wealthy independent schools means that the student who missed out is probably from a government school and one who, statistically, had a better chance of seeing out the course at university. This is a terrible waste of human resource, quite apart from anything else.

Nowhere is this government’s attack on the living standards of Australians so clear and so patently obvious as when it comes to jobs. Under this disgraceful regime every facet of the labour market has its dark side in terms of impacts on living standards. Full-time permanent jobs, near tens of thousands, have turned into part-time casual jobs. High-skill jobs are being replaced by low-skill, low-paid jobs. Worker entitlements are being lost, and the government’s so-called protection scheme is failing. People are working longer hours, much of it unpaid work. Under this government, Australia is faltering in the global economy and being turned into an employment backwater. We are on a downwards spiral to a low-pay, low-value employment market. According to the ABS, in the last three years, 87 per cent of all jobs created have been in the low-pay, low-skill areas, paying less than the average wage. During this period the government could only conjure up a truly pathetic grand total of
about 600 new middle-income jobs, compared with 462,000 low-paid jobs. Our objective should be to create a high-skill, high-wage society with a job growth predominantly in the middle-income bracket, with some growth in the higher income bracket and the least growth in the low-income bracket.

What do we have under this regime? Exactly the opposite: quite a few high flyers scooting away from the pack; there are almost no middle-income jobs and hundreds of thousands of workers are sentenced to low-paid and often insecure jobs. This means there are fewer opportunities to move into knowledge based, high wage industries. If we are to lift, or even just maintain, our standard of living in the high skill, high wage economy, we need to increase, not decrease, skilled jobs. One in four jobs is now casual—more than double the rate of 20 years ago—and we have the longest working hours in the developed world, and many of them, as I said before, are unpaid. These alarming trends in the labour market must be reversed.

The government must start investing in education, skills development and employment to start generating smarter, high skill jobs for Australians. If we are to progress, we must learn from the mistakes of the past. One of the long-lasting consequences of the Great Depression was the gaps it created. For a generation, Australia had to struggle to try to catch up with the lack of basic public infrastructure necessary for services of all kinds. We had to struggle to catch up on the waste of so many people being unemployed for a long time and we had to cope with the waste of many young people growing up without learning working skills.

In so many ways, we are doing this again today. Just one example is the shortcuts being taken by Telstra in providing telecommunications infrastructure. I refer to the short-sighted, cost cutting use of pair gain technology. Pair gain technology involves splitting a single telephone line into two halves. Telstra has recently confirmed that, when many customers ask for a second line, the existing line is simply split into two. Telstra then, of course, charges for two lines. But putting ethics to one side, this practice is short-sighted in the extreme. The customer is now left with two substandard lines, each of which has half the available bandwidth. It does not matter what modem you use; the bandwidth is restricted because of the technology used to create the second line. It is time that pressure was put on Telstra to invest in a decent technology infrastructure that will meet community needs in the 21st century.

This government is also eroding living standards and failing to invest properly in our future through its mismanagement of Australia’s health system. The Treasurer has identified the growing cost of health as needing attention and he has focused his attention on the PBS. Again, using the findings of the Intergenerational Report, the government has come to the conclusion that the PBS will cost us too much in the future, and it has made decisions based on that conclusion.

To start with, this conclusion is based on a few questionable assumptions. One assumption is that current experiences can be projected into the future. The Intergenerational Report assumes that the health experiences of today’s 70-year-olds will be the health experiences of tomorrow’s 70-year-olds. There are questions about the validity of projections based on age because, statistically, the biggest costs are experienced in the 12 months just before death, not throughout the extended lifetime. People are living for a longer time but not necessarily in poor health; in fact, health is improving. It is wrong to assume that the level of health of today’s 70-year-olds will be the same for tomorrow’s 70-year-olds. Therefore, it is wrong to assume that health costs associated with today’s 70-year-olds will be the same for tomorrow’s 70-year-olds. It follows that it is also wrong to assume that these costs will therefore be in place for longer just because we are living for a longer time.

Having said all that and having cast some doubts on the validity of the conclusions of the report, I would like to look at the solutions proposed by this government and make a judgment about the usefulness of these solutions. The proposed solution is to increase the cost of medicines to the user. I will stay
away from the arguments about the social justice aspects of this move because I want to focus on the usefulness of the move itself in terms of addressing the perceived problem of increasing costs in the PBS.

The drivers of spending on pharmaceuticals are the manufacturers, the doctors, the pharmacists and the patients. In terms of the relative strengths of these drivers, the manufacturers are the strongest drivers, with doctors coming in second. The patients are the weakest drivers of cost. Patients, after all, do not choose to be sick and generally do not have the knowledge to make decisions about their medications. As a rule, patients take the advice given to them. Yet the big focus of the current move to control PBS expenditure is largely on the end user, the patient—the person with the least influence on the process. Due to a lack of planning and mistargeting by the government, the cost of essential medicines is to rise sharply and, once again, the living standards of Australians are further eroded.

In the short time available, I have identified just a few examples of how this government has clearly failed to invest in the future living standard of Australian families. If we do not turn this around very soon and start investing in our future, I fear for the future of the next and following generations of Australians.

Mr RANDALL (Canning) (4.57 p.m.)—It is my pleasure to speak on the MPI today because it gives me an opportunity to address some of the class war rhetoric that we have just heard from other side on this issue. The keywords in the MPI of the member for Rankin are ‘invest’, ‘future’ and ‘living standards’. They are the issues that I want to speak about today in terms of families—and ‘families’ is the most important keyword in his MPI statement.

There is no greater investment that a country can make than that of investing in its own people. Australia’s greatest investment is in its own people and their families. It is to that end that I will outline today how the Howard government has delivered to the families of Australia both now and into the future. This is in vivid contrast to Bob Hawke when he was Labor Prime Minister. On two occasions—if you remember—he made a famous statement. On the first occasion he said, ‘By 1990, no Australian child will be living in poverty.’ He restated it again when he said, ‘We pledge that by 1990 no child will need to live in poverty.’

Mr Slipper—That was a dud promise.

Mr RANDALL—Absolutely; the parliamentary secretary is quite correct. The fact is that the Labor Party could not deliver under Mr Hawke and it cannot deliver now. The Hawke and Keating Labor governments failed the families of Australia until the Howard coalition came along and threw a lifeline to them in 1996. What are the indicators of living standards? They include health—I will come back to how the government have delivered on health—wealth and real income. Real income is income less expenditure and costs. Again, this government have delivered in this area and will go further if given time. Education is another indicator of living standards that countries aspire to for families. I will comment further on education, given time. Vocational education is another indicator. Since this government came to office we have increased apprenticeships from 150,000 to 350,000. That is an absolute winner—200,000 more young people in this country now have jobs and are being skilled for the future. That is the future that we can deliver on behalf of Australian families. Security is another indicator of living standards—that is, security at home and security that the federal government are supporting through their Tough on Drugs policy and security on our borders, which we are addressing through the government’s border protection strategy.

Another indicator of living standards is employment. Today we heard the good news that Australia is currently operating at 6.3 per cent unemployment, which again is in vivid contrast to the Labor Party’s record—it took this country to an unemployment rate of above 11 per cent. Home ownership is another excellent indicator of living standards. We know that the government have addressed home ownership in this country. Today more people own their own homes than ever before, and that is largely due to the Prime Minister’s excellent initiative in recent
times. For example, the first home buyers grant, which was $14,000 before the election and is now reduced to $10,000, has really delivered on behalf of families of Australia. Young married couples can have their own homes in which to bring up children. They do not rent and they have something in which to have pride of ownership.

One of the greatest indicators is the government’s attack on inflation, which is currently less than three per cent and has been maintained at that level for a long time. I will also address that issue further in my remarks on this matter of public importance. What does the Labor Party want to compare our living standards with? Should we go back to the 1960s, as Pauline Hanson wanted us to do, with the white picket fence? No, we do not want to go back there; we want to talk about where we are going. We certainly do not want to compare Australia with other countries in the region. Who wants to compare themselves with people in certain parts of Indonesia, for example, where you go through their paddy fields and see them boiling sea water to extract salt to make a living? Those are living standards that we would not consider suitable. I am trying to get a benchmark on what living standards the Labor Party is talking about. Or do we compare ourselves with Argentina, where inflation is running at, I am told, over 100 per cent? People in Argentina cannot get money out of the bank, they are begging on the street and selling their own wares in the street to make ends meet. It is absolutely unbelievable. Australia has some of the highest living standards in the world, and that is partly due to the government, but it is certainly due to the fact that the Howard government’s policies have delivered such magnificent achievements on behalf of Australian people and their families.

I would like to outline just a few coalition policies that have increased support for families and provided parents with more freedom to choose the best way to balance work and family. For example, the $2 billion family tax initiative that was introduced in January 1997 increased the tax-free threshold for families with children and introduced additional benefits for single-income families with one child under the age of five—a fantastic delivery for the families of Australia. The introduction of the family tax benefit in July 2000 increased funding for Australian families by over $2 billion a year, an increase of 20 per cent in real terms. Increases in family tax benefit increased family assistance by $140 per child per year. In addition, single-income families with a child under the age of five were given an increase of $350. Those are all sensational gains for families in this country. Family tax benefits decreased the taper rates for family assistance from 50c in the dollar to 30c in the dollar, which allowed families to keep many more of the extra dollars that they earned. That is the incentive that we are providing and the quality of life to which, through good government policy, we are leading Australian families. The more they earn, the more they get to keep under this government—a low-taxing government compared with the previous high-taxing government.

Independent research by the National Centre for Social and Economic Modelling shows the gains that families have experienced under the coalition. Every family studied increased their disposable income. Sole parents are the biggest winners. A sole parent, two-child family who are fully dependent on government assistance have gained $59 a week—in other words, a 19 per cent increase in disposable income in the past five years. Lower-income families and single-earner families have fared better than higher-income or dual-earner families. That is another good story about the coalition delivering on their policies. We know that in the recent budget we delivered the baby bonus, which also goes to investment in future living standards for Australian families. It is up to $2,500 for newborn children in this country. What a magnificent achievement.

In the remaining moments available, I wish to address John Howard’s legacy to Australian families, which has been the growth of real income. As I have said, that growth in real income means that income is rising faster than costs and prices. That has been achieved by John Howard’s startling achievement in the control of inflation. We know that under Bob Hawke inflation was
approaching 10 per cent. I rest my case: the future living standards of Australian families are in very safe hands under the coalition. The only threat to living standards and to the quality of life of Australian families in future would be the election to power of a Crean Labor government.

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

PETROLEUM (SUBMERGED LANDS) AMENDMENT BILL 2002
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered forthwith.
Bill agreed to.

Third Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.08 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

NEW BUSINESS TAX SYSTEM (OVER-FRANKING TAX) BILL 2002
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered forthwith.
Bill agreed to.

Third Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.09 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

NEW BUSINESS TAX SYSTEM (FRANKING DEFICIT TAX) BILL 2002
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered forthwith.
Bill agreed to.

Third Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.10 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

STATUTE LAW REVISION BILL 2002
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered forthwith.
Bill agreed to.

Third Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.11 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

APPROPRIATION BILL (No. 1) 2002-03

Second Reading

Debate resumed.

Mr ANTHONY SMITH (Casey) (5.11 p.m.)—In my remarks on the Appropriation Bill (No. 1) 2002-03, I want to record my support for the budget and the measures within it and to take some time to reflect on the government’s broader economic agenda and the benefits it is providing to Australian families and businesses.

Every budget is an important document and an important road map for a country’s economy, but successful budgets do more than just look to the coming year; they look beyond the short term to ensure that the needs of future generations can be met and to ensure that the country is insulated as best it can be from any possible adverse international events into the future. In addition, successful budgets are part of an ongoing policy program of reform and improvement.

This budget is about delivering the critical things Labor could never deliver when it was last in government—economic stability, economic responsibility and economic security into the future. In great contrast to the rollercoaster rides under Labor, the ever-increasing debt burden and the narrow economic vision, this budget builds on the success of the past six years, but more importantly it builds for success into the future for future generations.

It is very easy for people to forget just how far things have come since those dark days in 1996 and before. Interest rates are at historic lows. Unemployment is lower. Budget debt has been more than halved from your $96 billion. Growth is high and stable and family budgets are stronger. Small businesses are stronger and more successful and people are more certain and confident about their futures. When you look around the world with economic uncertainty and economic downturn amongst our neighbours, Australia stands out as the success story not just here in the region, but right around the globe.

Can you imagine, with the massive budget deficits and the massive blow-out in government debt and the economic turbulence that epitomised the final Keating years, how Labor would ever have faced the international economic and security challenges that have faced Australia over the last three years? Can you imagine how the Keating government, with Ralph Willis as Treasurer and the member for Brand as finance minister, with their succession of budget deficits and escalation of government debt to $96 billion, could ever have funded Australia’s contribution to East Timor without yet further drastic and dangerous fiscal deterioration? Can you imagine in your wildest dreams how a party in government that thought 11 and 12 per cent interest rates were low, which delivered 17 per cent interest rates, took unemployment to 11 per cent and put one million people out of work could ever have coped with the international economic challenge of the recent Asian financial crisis and the downturn in the US and Japan?

This is why, as I said at the outset, an overall budget strategy that looks beyond the immediate short term—beyond the next 12 months—is vital. It would have been easy for the government in 1996 to look at the monumental fiscal task it faced and to decide to take years to wind it back. But it would not have been right or responsible. While we had those massive budget deficits of $10 billion a year and that massive level of government debt, our country was exposed to adverse international events. Without that fiscal repair and without the tough decisions that were taken to clean up Labor’s failure and to restore Australia’s fiscal credibility, we would have been perilously exposed to the Asian economic collapse of 1997 and we would not have had the budget resources to meet the more recent challenges.

Taking the right policy decisions and taking the responsible budget decisions is not just part of a debate. It has real bearing on people’s lives and the way their families live their lives. It is all too easy for members opposite to think of these figures and statistics...
as just part of a meaningless debate; the truth for families across Australia and in electorates like Casey and electorates like Aston, which adjoins it, is that good economic management makes all the difference. Good economic management can be the difference between getting a job and not getting a job, or between keeping a job and losing it. Good economic management can be the difference between being able to buy your first house or between keeping a house and losing it, as many did when interest rates were 17 per cent. For a small business owner, good economic management can be the difference between success and failure, between expansion and contraction, between employing an additional person and having to lay off an existing employee.

To see just how important an impact economic management has on the average family in an electorate like Casey, it is worth breaking down those statistics to look at how responsible economic stewardship of the economy has provided tangible benefits to average families on the ground where it matters. Take an average family in the heart of my electorate of Casey. It could be a family in the outer suburbs of Kilsyth or Montrose or Croydon or Lilydale or in the heart of the Yarra Valley in Wandin or Seville or Monbulk. While many families have been in the area a long time, the recent population burst that we have seen is the result of new families moving into the area for the first time to build a house and a home and their future. Latest census figures show that Casey has an above average number of families raising children, whether they be single or dual parent families. In fact, around 25 per cent of the population in the electorate of Casey is aged under 15 years.

Around 40 per cent of homes are being purchased—in other words, under mortgage—way above the Australian average of 25 per cent. Given its location in Melbourne it is not surprising that 60 per cent of households have two or more cars. Again, this puts Casey nearly at the top of the ladder in terms of car ownership compared with other electorates. It is your quintessential outer suburban seat: Mum, Dad and a couple of kids, a couple of cars, a home and a mortgage.

Mr Slipper—And a pretty good member.

Mr ANTHONY SMITH—And a pretty good member; that is right. Thank you. It is the story of the average Australian family; the story of the average family in neighbouring electorates like Aston and Deakin. It is the story of families that run tight family budgets and who battle to get ahead. That is why it is worth taking a snapshot of how those families fared in the dying days of the last government in a practical sense.

In 1996 an average family with a mortgage of $100,000 was paying $875 a month in interest alone, based on what was then their standard variable interest rate of 10.5 per cent. Today, even with the two small rises in recent weeks, they will be paying $546 a month in interest on a standard variable rate of about 6.5 per cent. That is a saving of around $330 a month, every month. That equates to around $4,000 a year every year. But just as importantly, they are now paying much lower income tax than they were six years ago. If a family was earning $50,000 through a single wage earner, they now pay income tax rates of no more than 30c in the dollar, compared with a top rate of 43c in the dollar under Labor. In total that tax saving is $2,700 a year. When you add that to the mortgage savings that they have experienced since 1996, that is a real, tangible financial benefit for families. For families with young children the government has also directly provided additional assistance by way of the family tax initiative, which is providing some $2.5 billion a year every year.

In other areas of government policy, reforms are making a real difference in improving the economy and in increasing opportunities. One area I particularly want to mention in the context of this debate is employment policy. In 1996, unemployment was higher but just as importantly the opportunities for those without work were more limited. The ability to gain skills and training in a genuine workplace were next to non-existent.

The introduction of work for the dole, a concept so often and so vigorously opposed by those opposite, has been a massive breakthrough in terms of opportunity and
genuine outcomes. When you visit a successful work for the dole program or see the confidence and sense of worth and accomplishment that the participants have you realise what a huge difference good policy can make on the ground to people’s lives. Work for the dole is lowering one of the great barriers to employment and that barrier has been a lack of skills and a lack of knowledge about workplaces. It is giving many who have fallen out of work a new chance and many younger people who have been unable to gain their first job their first chance.

But the other great barrier that remains and prevents employers taking enough people into employment is the current unfair dismissal laws and their effect on small business. Those opposite have a blanket ideological opposition to exempting small business from the unfair dismissal laws, just as they do with work for the dole. But they have to realise it is an approach which is holding back the futures of thousands of Australians who want work. There are more than 6,000 small businesses in Casey and the number one issue for them is the current unfair dismissal laws.

Those opposite who represent electorates with small business operators would know the facts on this. They would know in their hearts that their determination to block reform in the Senate is costing jobs every day. I have lost count of the number of small business operators who have said to me that because of those laws, and because of the time involved and because of the cost and because of the horror stories they have heard from other small business operators, they will not hire a new person. They will hold their work force where it is and make do with overtime or lower production because the risk of taking on someone is just too great. Unfortunately, it is this attitude from those opposite which characterises their approach in so many areas of policy and particularly on this budget and in this debate.

Their strategy, as it has been since 1996, is to oppose every measure necessary to improve the budget and to oppose every step necessary to strengthen our economy. The response of those opposite in this debate has been like a tired re-run of their responses in appropriation debates over the last six years. Every step needed to provide for the platform of economic stability we have today and every measure and every difficult decision necessary to get our country there has been opposed. In 1996, they opposed the budget and the measures within it to correct their own failure and mismanagement. When it became necessary to reform the taxation system they opposed that as well. They opposed it for more than four years.

From 13 August 1997, the day the Prime Minister announced the government’s intention to reform our tax system, Labor announced they would oppose the reforms. For a year while the reform package was being developed and written they opposed it, without having ever read it or knowing what was in it. Then they opposed it at the 1998 election. Then, after losing that and with it any mandate to continue to oppose tax reform, they went on and opposed the legislative package in 1999. Then they went to the last election, in 2001, again opposing tax reform. Only then, and only recently, in a speech hardly reported, the new opposition Treasury spokesman—their third in six years—announced that they had abandoned roll-back. This was reported in the weekend papers on 5 May. He announced it four years, nine months and 21 days—a total of 1,681 days—after they first announced that they were opposing tax reform. What a boast members opposite will be able to make in the future—that for four years, nine months and 21 days of their political lives they spent every minute and every ounce of political capital on a failed cause to hold Australia back!

There are some opposite, indeed many opposite, who would have a bizarre sense of pride about their conduct in opposing budgets and opposing reform. For some, it would be an ignorance of what is required to run a successful macro-economic or fiscal policy—after all, we saw this in their last five budgets—but for others it is a mindless opposition based on the hope that opposing good reform and good policy might be to some cheap political advantage. While those opposite may happily oppose the government’s agenda in a range of important areas, they have to realise that their opposition has
consequences for them, because their opposition to every measure and every reform has a flip side, and that flip side is that they are equally opposed to the benefits that have flowed from those responsible decisions.

So when Labor oppose responsible budgets, they also oppose strong and stable economic growth, they also oppose low interest rates, they also oppose greater employment opportunities and they also oppose greater small business success. When Labor proudly say they oppose tax reform, the public knows that this means that they also oppose low income taxes. These facts are not lost on the public. They know that if Labor opposed the government’s reforms every step of the way, then Labor are equally incapable of delivering any of the benefits that those reforms have brought. Further, they know that if Labor ever got the chance to govern again they would take those benefits back. They know this because they know that if Labor were returned they would only be capable of doing and delivering what they did and not what they now say.

In their early days in government, the Labor Party and some of those opposite did take some tough decisions in the national interest. They engaged in some important reforms to the financial system, they lowered tariff barriers and they engaged in some important privatisations. None of those decisions were easy and none of them were particularly popular. But they were in the national interest and they were in the interests of future generations of Australians. When they sought to implement those reforms they did not have an opposition like we have today in those opposite. They faced an opposition in the coalition who also put the national interest first and supported their reforms in the Senate. All of your reforms were voted through the Senate with coalition support—every single one. The opposition to the Labor government’s reforms to the financial system and to tariffs came from inside the Labor Party; it did not come from the coalition in the Senate. Having lost three elections, you would think that those opposite would come to the conclusion that they should try and take a more positive approach. They have their chance in this budget. It is the chance to put aside cheap politics and to support the measures they know are in the national interest.

In the time remaining, I will mention just one area where there is a great opportunity for those opposite to do something in the national interest and do something they have not done in the last 6½ years—that is, to support economic responsibility and support reform of the Pharmaceutical Benefits Scheme. The PBS is the fastest growing item of expenditure in the health portfolio. Government spending—for the benefit of those opposite, that is taxpayers’ money—on the PBS has grown significantly. In 1990, the average cost to the taxpayer for each script was about $12. This has increased in the current year to about $26. The PBS has grown at an average of 14 per cent each year over the last 10 years. In 1990, it cost about $1.1 billion. In the current year, it will exceed $4.5 billion. This budget continues to increase spending on the PBS but at a more sustainable level. In opposing these changes, Labor are playing a very serious political game. They know only too well the implications of not making necessary changes to the PBS. As they consider this appropriation bill and as they consider their position on this budget, they would do well to remember the words of their own former Prime Minister, who in 1990 on exactly this topic said:

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.

These are the words of former Prime Minister Paul Keating when he sought to make a small reform to the PBS. I would urge those opposite to keep them in mind and consider the future of Australians and not their own cheap political interests.

ADJOURNMENT

The SPEAKER—Order! It being nearly 5.30 p.m., I propose the question:

That the House do now adjourn.

Stirling Electorate: Police and Citizens Youth Clubs

Ms JANN McFARLANE (Stirling) (5.29 p.m.)—Tonight I want to talk about the posi-
tive contribution made by the Police and Citizens Youth Clubs, affectionately called PCYC’s, in my electorate of Stirling. Police and Citizens Youth Clubs are joint partnerships between the Western Australian Police Service and the community to provide services to the youth and adults of Western Australia. In the electorate of Stirling there are two PCYC clubs, one in Balga and one in Scarborough.

The Scarborough PCYC is located at 173 Gildercliffe Street, Scarborough. The club’s activities include adult badminton, girls gym, boys gym, weightlifting, powerlifting, boxercise, adult indoor soccer, aikido, toddler gym, rhythmic gym, police rangers, trampolining, tae kwon do, judo, air rifles, table tennis and junior basketball. The Balga PCYC is located in the Balga Recreation Centre, Princess Road, Balga. The club runs a wide range of activities including gymnastics, indoor soccer and a drop-in centre for teenagers.

On Tuesday night the Stirling City Council agreed to provide $85,000 to the Scarborough PCYC to go with $30,000 donated by the Scarborough Rotary Club to extend the facilities at the centre. This has been a three-year project. I would like to thank some people who were instrumental in driving the project. Councillor Bill Stewart, who was recently elected Deputy Mayor of the City of Stirling, needs to be congratulated on his hard work on this issue. Bill is a selfless worker for our community and a fine man. The Scarborough and Districts Progress Association and its president, Rosina Smallwood, supported the project from day one. Special mention needs to be made of John Foley, the former president of the association, for his tenacity in lobbying the city in support of the PCYC. My state colleague Mr John Quigley MLA, member for Innaloo, and his electorate officer Lisa Wallis have put an enormous amount of effort into working with the council to identify the needs of the local community and to work out how the Scarborough PCYC extension would be able to meet these needs.

Special thanks must go to the Scarborough Rotary Club. Without their generous donation of $30,000 there would be no extension. This type of donation that leads to a partnership between the local council and the community organisation is extremely proactive and should be applauded. The extensions include a dedicated gymnasium, a specialist weightlifting area, an aerobics area and much needed storage space. The existing facilities are in an area that used to be a storeroom. PCYC manager Senior Constable Rob Smithson was quoted in the 4 June edition of the Stirling Times community newspaper as saying, ‘We’re falling over gear at the moment because it’s all over the floor; storage is badly needed.’

The Scarborough PCYC is not the only PCYC which is undergoing change. The Balga PCYC is currently revamping its operation. The centre has a new supervisor and is currently working in conjunction with the Balga Action Group to regenerate the PCYC. Balga Action Group president, Alan Stafford, and his committee now have their office at the PCYC building in Balga. New initiatives, such as the Battle of the Bands competition, have been organised to attract participation at the centre.

The City of Stirling has been very supportive of the local PCYC clubs, with Mayor Tony Vallelonga recognising the need for quality youth services in the local community. Tony was elected mayor again this year, and I would like to congratulate him on his election. Tony puts a tremendous amount of energy and time into the local Stirling community, and I would like to take this opportunity to publicly recognise Tony’s service to our local community. I would also like to congratulate Tony and his wonderful wife, Mary, on becoming grandparents at Christmas. It is their first grandchild and it will add another dimension of delight to their life. The Scarborough PCYC will be a potential recreation venue for that grandchild when it grows a bit older to make friends and network in.

Leader of the Opposition

Mr NAIRN (Eden-Monaro) (5.34 p.m.)— Much has been said in this House in recent times about the standards of the House, the language and those sorts of things. I have felt a bit sorry for you, Mr Speaker, having to make judgments about those matters, be-
cause you have to take into consideration precedents and those sorts of things that have occurred with previous speakers. There are standing orders, but often it is very difficult to implement them, given some of the precedents that have occurred over many years.

That is why I found it quite surprising yesterday that the Leader of the Opposition suddenly became quite thin-skinned in his attitude to some of the things that were being said, particularly given some of things that he has said in this House over the last 6½ years. If you recall, he cried foul when the Minister for Industry, Tourism and Resources pointed out a connection between him and the union movement. The minister was making the point that funding from the union movement goes to the Labor Party, and that therefore there would be an obligation, in many respects, for him as the leader of the Labor Party to listen to the union movement. Nobody really disputes these facts at all or the facts that the minister threw in about the AMWU putting $2.6 million towards the Labor cause and the Miscellaneous Workers Union putting in something like $3 million between 1995 and 2000. The AMWU, the same union that we heard about today, are holding up car manufacturing and many jobs are being put at risk in various parts of the country.

The words that the Minister for Industry, Tourism and Resources used in relation to the Leader of the Opposition were that he was ‘at the beck and call’ of the union movement. The Leader of the Opposition demanded that they be withdrawn. The Manager of Opposition Business then quoted standing order 76. You, quite rightly, Mr Speaker, went on to say that, if that was applied literally, scarcely any question or answer would survive. Unfortunately, it is a shame that it has got to that particular point. But there is also standing order 78, which says:

When the attention of the Speaker is drawn to the words used, he or she shall determine whether or not they are offensive or disorderly.

It is appropriate that the Speaker does decide that. I think this attitude coming from the Leader of the Opposition is strange because last year, on 23 August 2001, he incorrectly accused the now Minister for Industry, Tourism and Resources of condoning and covering up a fraud in an effort to get re-elected. I will quote his particular words at the time. He said:

It is a fraud condoned and covered up by the minister seeking funds to get himself re-elected ...

Having used those sorts of words in the House, for him to come in yesterday and have this thin-skinned attitude was a bit rich. I wanted to point out those sorts of inconsistencies. Maybe all of us should look at those inconsistencies so that, when accusations are made, we remember what the individual said at another time. I will repeat my point for the benefit of the Leader of the Opposition. In August last year, he made accusations against Minister Macfarlane which were proven totally incorrect, yet the opposition leader has failed to come back into the House and apologise for them. He is so quick to point the bone, but he certainly has not been very quick to come back and acknowledge that the quite severe allegations he made back in August were totally incorrect. The member for Groom was shown to be totally innocent, and the Leader of the Opposition should have apologised for his remarks.

It is unfortunate that those sorts of inconsistencies occur. I am really only raising them this evening because I think it is an opportunity for people to think about these things. I am not the golden boy by any means; I am sure I have made the odd interjection that was probably inappropriate. But, by the same token, I do not think that I am a repeat offender either, compared to many others in this House.

Environment: Western Australia

Ms JACKSON (Hasluck)  (5.39 p.m.)—This evening I want to address an issue concerning the environment and, in particular, the National Action Plan for Salinity and Water Quality. In question time last week, the Minister for Agriculture, Fisheries and Forestry, in answer to a question from the honourable member for Pearce, strongly criticised the state Labor government in Western Australia for a lack of commitment to the national action plan and to combating salinity problems in my home state. He went
on to urge opposition members from Western Australia to demand that the state Labor government ‘put up their share of the money so that Western Australia can participate fully’ in the program. Perhaps because I am still a relatively new member in this place, I accepted the minister’s information and decided to follow up on his request. You can imagine that I was very distressed to learn that the minister had actually not provided correct information to the House about Western Australia’s involvement in the national action plan. I will quote from Hansard what the minister said:

I guess chief amongst my disappointments is the fact that, even though the Commonwealth has offered Western Australia $158 million under the national action plan, Western Australia are only prepared to put up $60 million. As a result, instead of $316 million being available for essential salinity and water quality projects in Western Australia, only $122 million will be provided.

I want to take this opportunity tonight to set the record straight. The Western Australian Labor government will in fact be spending $165 million, not $60 million, over the next four years—a record amount and certainly significantly more than the $60 million claimed by the minister—on salinity and water quality issues. This is far in excess of the Commonwealth’s offer of $158 million, which is not for one year but is over seven years.

There is a fundamental problem with the Commonwealth’s approach on this issue. The Commonwealth are refusing to recognise the full $165 million that WA has allocated over the next four years. Most people who are concerned about the problem of salinity understand that Western Australia has some of the biggest problems. WA was the first state to recognise salinity as a problem and the first to allocate significant funding. Indeed, it was the coalition government—the Liberal Party and National Party—in Western Australia that first allocated that funding. So it is a great irony that, because of that early action, my state, Western Australia, is now being penalised by the Howard government. This means that, if the state had ignored the problem of salinity up until now, the Commonwealth would be offering their full matching amount. Yet again, the Howard government are playing politics in a key area of government funding, withholding well over $100 million for no good reason.

Frankly, my state is being ripped off. The Commonwealth is allocating money not according to where the salinity problem is but where the votes are, and it seems that the National Party in Western Australia are supporting them.

Mr Hunt—Shame!

Ms JACKSON—That is right. The reality is that the Commonwealth does not want to recognise the WA state government expenditure on salinity because it will not be able to take the credit for what is being done. What this government is really doing is demanding that Western Australia pay for the federal government’s promises and propaganda. Yes, my state has delayed signing the intergovernmental agreement while trying to get the Commonwealth to acknowledge its existing funding commitment to these issues. As I said, not only the Labor state government but also the previous state government—a coalition of the Liberal and National parties under Richard Court, which also resisted this attempted blackmail—have attempted to get the Commonwealth to be reasonable on this matter.

The minister’s own department has acknowledged the work being done in WA to combat salinity. I refer members to page 15 of an article in the winter 2002 issue of AFFA News titled ‘Western Australia group wins first National Salinity Prize’. It is clear from that article that Western Australia is involved in combating salinity. Rather than the minister urging WA members of the opposition to assist him in the effective blackmaling of the state government, all WA members, including government members, should stand together and demand that the Commonwealth recognise the WA state government’s significant expenditure on salinity and not punish WA farmers and rural and urban communities, who are working hard to combat salinity and repair our environment, by denying them millions of dollars of funding because the Howard government cannot claim the credit for the projects. Please, Minister—or should I say, ‘Yes,
Minister—stop playing politics with our environment.

**Flinders Electorate: Public Liability Insurance**

Mr HUNT (Flinders) (5.44 p.m.)—I rise to talk on the issue of public liability insurance—the problem of obtaining it and the impact it has on significant community groups, voluntary organisations, sporting clubs and adventure tourism operators within my electorate of Flinders. I wish to address this question in three stages: firstly, by looking at the problem; secondly, by examining some of the clauses; and, thirdly and perhaps most importantly, by examining the actions that can be taken to help groups on the ground. The problem is very simple and I believe it is Australia’s No. 1 issue facing community life in the country today. Let me give you some examples. The Arthurs Seat chairlift, which has never had a claim against it in its 30 years of operation, almost closed down earlier this year because it was denied public liability insurance. After a very active effort, it was ultimately able to find public liability insurance. The Ace High Ranch, the Balnarring Pony Club, the Mornington Pony Club and the Westernport Marina Yacht Squadron have all faced dramatic difficulties in not only obtaining public liability insurance but, in many cases, meeting the costs which have become exorbitant for that insurance.

If that is the problem—and I stress that I believe it is the biggest single problem facing communities on the ground in Australia today because it was denied public liability insurance. After a very active effort, it was ultimately able to find public liability insurance. The Ace High Ranch, the Balnarring Pony Club, the Mornington Pony Club and the Westernport Marina Yacht Squadron have all faced dramatic difficulties in not only obtaining public liability insurance but, in many cases, meeting the costs which have become exorbitant for that insurance.

If that is the problem—and I stress that I believe it is the biggest single problem facing communities on the ground in Australia today because it was denied public liability insurance. After a very active effort, it was ultimately able to find public liability insurance. The Ace High Ranch, the Balnarring Pony Club, the Mornington Pony Club and the Westernport Marina Yacht Squadron have all faced dramatic difficulties in not only obtaining public liability insurance but, in many cases, meeting the costs which have become exorbitant for that insurance.

Significantly, the Commonwealth is taking nine actions of its own. The first is to bring in the ACCC to oversee the insurance industry. The second is to provide protection for volunteers associated with Commonwealth agencies. The third is to amend the Trade Practices Act to allow people to assume responsibility for their own actions when choosing to participate in inherently risky activities such as adventure tourism and sports. This is an extremely important measure because without it—as the Commonwealth says—public liability waivers simply have no value. This enforces that basic notion of personal responsibility. The fourth issue is about assisting badly affected groups to develop risk management standards. The fifth action is about establishing the basis for long-term structured settlements providing tax concessions for periodic payments to seriously injured people. There is a series of other actions which the Commonwealth is taking, but the outrage in all of this is that, whilst the state government has taken some worthy actions—and I commend those—at the end of the day state sales tax in Victoria on public liability insurance is, as I am informed by the office of the Minister for Small Business and Tourism, the highest in the world. That is a condition which should not be allowed to stand and which the Victo-
Bendigo Electorate: Book-Printing Industry

Mr GIBBONS (Bendigo) (5.49 p.m.)—I rise in this adjournment debate to highlight the most deceitful action undertaken by the Treasurer in the case of the book-printing industry in Maryborough. I would like to read a letter received by my office a few days ago from one of the industry’s sectors. It says:

The recent decision by the Federal Government to abandon its commitment to continue the PICS—
the Printing Industry Competitiveness Scheme—
until the end of June 2003, and the EPICS—
the Enhanced Printing Industry Competitiveness Scheme—
until the end of June 2004, is a substantial and unexpected blow to the book printing industry in Australia.

The decision was made without warning or consultation and is a clear indication that the Federal Government has little understanding of the way in which the book printing industry and printing businesses within it operate and rely on written commitments made to it by Government. In such swift implementation of the decision to cut the PICS and EPICS programmes, there has been a total disregard for book manufacturing in Australia and the development of the industry in regional areas such as Maryborough in Victoria. The McPherson’s Printing Group employs approximately 1,000 people in book manufacturing operations in Maryborough, more than one quarter of that community’s total workforce.

The PICS programme was originally introduced to offset the tariff on imported paper—that tariff still exists. EPICS was introduced as part of a written commitment given by the Government to the—

Australian Democrats to offset the impact of GST on books, which were previously tax free.

The McPherson’s Printing Group made a heavy commitment in 2001 to double the size of its business in Maryborough by purchasing another printing operation and investing in new plant and equipment. Integration of the two plants has increased the workforce from 270 to 600 employees and has enabled the company to position itself competitively for long term growth and to bring work back to Australia from offshore printers. The decision was not taken lightly and the commitment by the Government to continue supporting the book manufacturing industry was paramount in McPherson’s evaluation of this significant investment.

The Federal Government’s decision to abandon these programmes not only represents a broken promise but, more importantly, is a retrograde step in an industry that is vital to Australia’s knowledge base. Communication and education are key factors in this knowledge base and damaging Australia’s book industry by withdrawing Government support to programmes already in place undermines the significant efforts made in this area.

It is grossly unfair for the Government to create an environment of uncertainty and is a slap in the face for an industry that has been working diligently with the Government to improve its competitiveness and sustainability. Indeed, this retrograde step directly encourages publishers to print offshore, an outcome all in the industry have worked tirelessly to prevent.

The industry will be lobbying fiercely to reverse this injustice and would appreciate your support.

Yours faithfully,
George V. Gatehouse
Divisional General Manager
McPherson’s Printing Group

I have also been contacted by the Maryborough Chamber of Commerce and the Central Goldfields Shire Council. They have also registered their very grave concerns about the treatment dished out to their printing industry by the Treasurer in the budget. I remind people that the Goldfields Shire Council and the Maryborough Chamber of Commerce are not normally widely regarded for their radical views. But they are very, very angry about this decision—as well they might be. I have some grave fears for the industry. With just a few short strokes of a budget pencil by the Treasurer, this major program for this industry has disappeared into a cloud of smirk. That is one aspect of the danger that this industry is in.

The Copyright Amendment (Parallel Importation) Bill 2002, which is scheduled to come back into this House later this year, will actually devastate the industry. That will
allow a flood of books from overseas publishers to be dumped onto the Australian market and will cause enormous damage to our own printing industry. I am not opposed to overseas companies accessing our markets. They should be able to do that, because that is the nature of competition these days. But they should be able to do that within 30 days of the initial publication run. After that, as is Labor’s policy, they should be prevented from accessing that market. So, if the government wants to take a leaf out of the Labor Party policy book and implement its policy, it may well save the printing industry in Maryborough. I will be saying a lot more about this particular issue and this industry in my address-in-reply when we come back in the next week or so.

Ryan Electorate: Small Business

Mr JOHNSON (Ryan) (5.53 p.m.)—It gives me pleasure this evening to inform the House of one of the many successful small businesses in Ryan which excel in their chosen industry. This business is known as HRM Consulting Pty Ltd and is located in the suburb of Toowong. HRM specialises in computer consultancy services in relation to human resource management. The story of the success behind HRM Consulting is one shared by many Australian businesses. The values that it holds which help make it very successful are hard work and persistence, mixed with that wonderful entrepreneurial approach to business. It is that flavour which the Howard government supports very strongly with its policies. HRM Consulting was established as a business in 1982, with a view to developing human resource information systems. This business began with three staff. Today it employs over 32 staff members. The majority of those staff members joined the company in the last five or six years. Of course, this coincides with the term of the Howard government. I am told that this figure continues to increase and the firm is looking to employ more people in the next six months.

I want to take the opportunity this evening to praise the principal of the business, Mr Peter Howes, who has been with HRM Consulting since its beginning in 1982. HRM Consulting has worked with many Australian organisations. Significant ones in our country are BHP, the Department of Defence, Telstra, Westpac and the National Australia Bank. The reasons HRM Consulting has been successful are varied, but essentially the company provides a very important service to local, national and international business based on their needs. HRM Consulting has taken the common problem most organisations face with regard to human resource management and it offers innovative solutions to their clients’ problems. HRM Consulting offers online services that allow human resource professionals and management to access HRM reporting and benchmarking systems. This large database allows organisations around the world to access important human resource management information which is directly relevant to their organisations. The firm’s motto is ‘Solving the HR information puzzle’, and it is a truly unique and innovative way to go about business.

What is particularly relevant at the moment is that the Commonwealth government has recognised HRM Consulting’s potential. HRM Consulting received a $120,000 grant under the Export Market Development Grants Scheme to further develop its business overseas. As the House is aware, exports are vital to our national prosperity, vital to job creation and vital to placing Australia in a very strong economic position. More than 1.7 million—or one in five—Australian jobs are dependent on exports. Research by the Australian Trade Commission and the University of New South Wales in the year 2000 shows that exporters on average pay their staff more, offer better training and career opportunities and provide healthier and safer workplaces. Having visited this very successful Ryan small business, I would like to inform the parliament that HRM Consulting certainly does that. It is housed in a tremendous building and the opportunities for its staff are second to none. That is why it is important that our exporters, like HRM Consulting, receive all the necessary support to help their businesses grow. These are the businesses that provide jobs.

I take this opportunity to congratulate the Commonwealth government, the Howard government, for very strongly supporting small business. HRM Consulting is one such
small business that is flourishing under this
government’s policies. I congratulate HRM
Consulting on its achievements and certainly
encourage it to continue to support the poli-
cies of the Howard government and to con-
tinue employing the good people of Ryan
and indeed the good people of Brisbane and
Queensland.

Banking: Homebush Community Bank

Mr MURPHY (Lowe) (5.58 p.m.)—To-
day I wish to pay special tribute to a local
hero in my electorate of Lowe, Mrs Marlene
Doran, President of the Homebush Main
Street Committee and Chair of the Home-
bush Community Bank. As you know, Mr
Speaker, on many occasions I have spoken
forcefully in this House about the arrogance
and the greed of the four big banks and the
impact that the 14 bank branch closures have
had on my constituents in my electorate of
Lowe. You will also recall that, within those
speeches, I have spoken many times about
Mrs Doran and her campaign to open a
community bank in Homebush since West-
pac and the Commonwealth Bank deserted
the people of Homebush. I also undertook to
keep you informed of Mrs Doran’s cam-
paign.

It is my happy duty to let the House know
this evening that, on 5 May 2002, I had the
pleasure of participating in the opening of
our first community bank in my electorate in
Homebush. But for the initiative, the very
hard work and the sheer determination of
Mrs Doran and the able assistance of her
husband, Graham, this event would not have
come to pass. There was a very large gath-
ering of grateful local residents who wit-
tnessed this historic occasion. I wish Mrs Do-an and the local branch manager, John
Keppo, and his staff all the best for the fu-
ture. With the help of Bendigo Bank, may
many more people throughout Australia fol-
low the example of Mrs Doran. Bendigo
Bank is putting people first, before profits,
and I am happy to say that I too switched my
business from Westpac to the Homebush
Community Bank. Well done, Marlene Do-
ran.

House adjourned at 6.00 p.m.

NOTICES

The following notice was given:
Ms Ellis to move:
That this House:
(1) condemns the Howard Government for its
refusal to negotiate with the NSW Govern-
ment regarding the impact of the SACS
Award on services for people with disabili-
ties;
(2) notes that our community recognises that
people with disabilities must be treated with
respect and dignity;
(3) notes that a decent wage for service providers
is essential if people with disabilities are to
receive appropriate support;
(4) notes that unless the Howard Government
puts a new wages mechanism in place, a
funding deficit in NSW will occur as salaries
are reviewed in each State and Territory; and
(5) calls upon the Government to establish fair
and reasonable guidelines for the funding of
award increases which exceed the CPI.
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Telstra: Telecommunications Infrastructure

Mr WINDSOR (New England) (9.40 a.m.)—I would like to read a letter from a constituent of mine which I think encapsulates the problems that a lot of people have had. Mrs Joyce Prowse, from Kingstown Road, Uralla, wrote this letter to the Minister for Communications, Information Technology and the Arts, Richard Alston, and I hope that the minister will reply and answer some of her questions:

Dear Sir,

I wish to acquaint you with the fact that the service Telstra provides the rural area of Kingstown Road Uralla is appallingly inadequate. Our telephone connection is frequently OUT OF ORDER due to inadequate installation of PHONE LINES.

In this area the telephone lines lie on top of the ground rendering them easy prey for dislodgement or chewing by cattle, sheep, kangaroos, rabbits and foxes.

This area also has the highest incidence of LIGHTNING STRIKES, making it essential that lines be placed UNDERGROUND. Before the sale of TELECOM, digging and relaying was the preferred practice by repair linesmen who took pride in their ability to trace and repair breaks and re-lay wires underground.

The so-called restructuring and cost saving methods of TELSTRA removed the portable locally stored digging equipment to NEWCASTLE approximately 250Kms. Away across the mountain ranges. In consequence the linesmen are unable to dig the ground with spades and are forced to leave the lines laying above ground, thereby being easier targets for lightning strikes. I have been struck whilst lying on my bed and both the bedside telephone and electric bedside lamp were blown apart and burnt. Had I been standing on the floor I would have been blown off my feet. The linesman who came to expect stated that the strike was often running along the telephone lines and they would cross into the electricity and that had I been standing on the floor I would have been blown off my feet. The digging equipment should be stored locally so that telephone lines can be placed underground. It takes about a week for a truck to arrive from Newcastle with the necessary tools for repair and relaying. This is absolutely stupidly archaic and far more costly both in terms of manpower fuel and dollars ...

There is quite a bit more to the letter but what I have read out highlights some of the problems. This lady goes on to say that her family gave her a mobile phone but they cannot get a signal there; they have to drive 22 kilometres away to get mobile phone reception. It demonstrates the inadequacy of the current Telstra infrastructure, particularly for those who live in remote and country areas. (Time expired)

Agriculture: Wool Industry

Ms LEY (Farrer) (9.43 a.m.)—Yesterday, 5 June, was ‘Wear Wool Wednesday’. I rise this morning to speak up and speak out for the Australian wool industry. I pay tribute to the farmers who have gone through so many long, lean years following the collapse of the wool floor price, and for the shearers and shed hands whose job is surely one of the hardest there is. I have seen the industry from both sides. After marrying a shearer and travelling around western New South Wales, outback Queensland and South Australia for several years, working in
all manner of shearing sheds and on numerous sheep stations in the full range of climatic conditions, I have experienced life about as real and raw as it gets.

Shearing was recently described as the most physically demanding job there is. Of course, it has to be: dragging a 60-kilogram wether across the board 120 to 220 times a day in a shed where temperatures easily reach 40 degrees Centigrade, bent double, with the noise of the overhead gear loud in your ear, and knowing that if you slow down, so does the money; it is a tough working environment. Australians readily associate with the romance and imagery of the outback shearing shed, but I wonder how many have seen it for themselves. I urge all our city colleagues, if they have not yet visited a shearing shed at shearing time, to avail themselves of this opportunity to see, hear and smell something that is uniquely Australian.

And let us not forget the pain that wool growers have experienced. Yesterday my colleague the member for Hume, who has been a tireless advocate for the rights of farmers experiencing ovine Johne's disease on their properties, spoke again about the plight of these farmers as they battle an enemy that they can scarcely understand. They face quarantine, loss of income and loss of heart. Wool producers have suffered enormously, but wool is a fantastically versatile product. Wool is grown all over the 100,000 square kilometres of my electorate of Farrer, from the high rainfall country in the east to the western lands division in the west. That area is now feeling the effects of an oncoming drought.

Earlier yesterday our Minister for Trade spoke about the significant contribution that wool makes, as our ninth largest export earner, to the national income, and mentioned that something like 98 per cent of the wool that we produce is exported. Wool is a fantastic export earning industry. But this only happened because our wool growers hung in there, as they did through 15 tough years of high interest rates, low commodity prices and poor seasons. In the western lands division in the late 1980s, interest rates increased in a ridiculous manner. Banks were simply raising them willy-nilly, sometimes to 27 per cent. My family farm has depended on the wool industry for four generations and I have experienced the highs and lows firsthand. I would like today to pay sincere tribute to the wool growers and shearers, whose persistence, faith and heart deserve the highest praise and recognition.

Griffith Electorate: Health Services

Mr RUDD (Griffith) (9.46 a.m.)—One of the many issues raised with me by my local constituents in the southern suburbs of Brisbane is the impact on them personally of the health system, and another issue is the impact on them personally of the proposed increase in the cost of pharmaceuticals. I was recently approached, for example, by Mr and Mrs Bernie Smith of Carina, who took me through prescription by prescription the 14 scripts which they currently need between them. This will result in increased money which they will have to pay if the proposed changes to the pharmaceutical system are brought about as a consequence of the announcements in the budget.

But it does not stop with pharmaceuticals; it goes on to the availability of bulk-billing. Bulk-billing is another very important, emerging concern in my electorate, and it is for that reason that I would like to bring these concerns to the attention of the Main Committee and the parliament. If we look nationally at the bulk-billing provision, we have seen year by year the decrease in the provision of bulk-billing across Australia. When the Howard government was elected, there was 80 per cent bulk-billing provided across Australia—that is, 80 per cent of all medical services provided by GPs were bulk-billed—and that figure has now declined
to 75 per cent. In other words, now there are about five million GP services per year not bulk-billed which were bulk-billed five years ago. As a consequence of that, Australians collectively are now paying some $60 million more to visit their doctor than they were, and that is before we take into account what they are paying in addition through the increase in private health insurance premiums.

If I look at my electorate, I see evidence of this over the last several years. In the September quarter of the year 2000, the bulk-billing provision rate within my own electorate was something like 74.3 per cent. That has now decreased to 69.7 per cent in the December quarter 2001. Let us look at what is happening today. My office recently contacted a number of doctors’ surgeries across the electorate and found that the figure is getting worse and worse. In fact, of 39 clinics surveyed, we had 11 with an absolutely clear-cut policy of non bulk-billing. This is causing great concern on the part of my local constituents, who are finding it increasingly difficult to find ready access to a doctor who bulk-bills.

Of course, when you go to the causes of this, they are complex. But if there is an overarching cause, it is simply this: there is declining public provision of funding to our national health system. It also lies in part, based on the discussions I have had with my own local doctors, on the increased cost of their own medical indemnity insurance. It is as a consequence of that that they feel in many cases that their ability to bulk-bill becomes more and more difficult. Of course, a cause of all of this is the absence of a fundamental commitment on the part of this government to a universal health care system. We on our side remain committed to the restoration of a fair health care system and a fair society. (Time expired)

Herbert Electorate: Health Services

Mr LINDSAY (Herbert) (9.49 a.m.)—The member for Griffith might be surprised but I intend to follow on from his comments and ask a question: why is it that sometimes you cannot get a doctor at all? That is the most significant problem I find in my electorate, where it can take up to three weeks to get an appointment to see a doctor. I ask myself: why is that happening? When you ask the doctoring fraternity, the Australian Medical Association say in a very shrill manner, ‘We want more provider numbers.’ That is their solution: they just want more provider numbers. They do not think about what impact that has on the Australian taxpayer. They say, ‘Give us more doctors.’ But that is not the solution because it is not addressing the problem, which is that in metropolitan cities you can get a doctor on every street corner because that is where the doctors want to be. If you add more provider numbers into the system you will just get more doctors in Sydney and Melbourne. That will not benefit regional Australia, in particular my city of Townsville and Thuringowa.

I think there is a solution. It is pretty radical and when I announced it recently at home the AMA called me some kind of neo-Nazi or something. That was fairly reactionary. I think we should be looking at the model we use for chemists. With chemists, we license the chemist shops. If we licensed doctors’ surgeries and said that they could only practise in a licensed doctors’ surgery, they would not be telling doctors where they had to practise, we would just be saying that they would have to practise in a licensed surgery. That would result in a proper distribution of doctors across the Commonwealth of Australia.

I know the doctors might not like it but they are not addressing the problem as it is now. It is up to the government to be proactive in this regard and to have a look at how we might get a better distribution of doctors across the Commonwealth. There are certainly constitutional
problems which prevent us from having location specific provider numbers. I know doctors
do not want to be told where they are going to practise but we have to do something about it.

I too received a letter from one of my constituents who said exactly that: he was a new pa-
tient and when he went to a doctor he could not get in for three weeks. When he got in and
said, ‘What’s the problem?’ the doctors just said that they could not get sufficient doctors. We
can get more doctors around the country but we have to be proactive in having a mechanism
which makes sure that there is not a mal-distribution of doctors in the country. That way the
people of regional Australia will be properly looked after.

Franklin Electorate: Community Workers

Mr QUICK (Franklin) (9.52 a.m.)—Today I wish to talk about community groups and
their often unnoticed and recognised work. At a time when less support is coming from gov-
ernments it is often left up to these groups to deal with the problems common in Australian
society—problems such as youth unemployment, drug abuse, homelessness, the breakdown
of families, and crime. Community organisations are providing services and solutions at a
micro level within their own communities, doing their part to prevent these problems occur-
ing. To demonstrate the work of such community groups I want to mention some examples
from my electorate of Franklin.

Jordan River Services is not all that far from my electorate office and comprises a neigh-
bourhood house and family support program. The neighbourhood house provides a variety of
educational programs and social functions that result in people gaining self-esteem, confi-
dence and life skills. The programs are accessible and cost neutral and are often the stepping-
stone for people to enter formal training. The family support program assists families in times
of crisis and stress. The service focuses on the family unit at times when it is exposed to risks
of breaking down and therefore in need of greatest taxpayer support. There are dedicated staff
within both the neighbourhood house and family support programs. The Jordan River Serv-
ces board of management consists of volunteers from the local community. The ongoing suc-
cess of this service and others like it is thanks to the volunteers who sacrifice time without
expecting accolades.

Risdon Vale Primary School and local volunteers run a breakfast club that provides a
wholesome breakfast for students twice a week. They also invite guests to sit and talk with the
students so that they can gain access to information from people they would not normally
meet in day-to-day life. Not all children in Australia have a sit down breakfast with the fam-
ily. This club offers a nutritional breakfast and the opportunity to mix and mingle with people
from various walks of life. The breakfast club has successfully modified the children’s be-
haviour and is now a model for other schools in my electorate.

The Clarendon Vale Social Heart runs a homework group for students. Sadly, many Aus-
tralian homes are not amenable to homework study. Once a week this group provides a quiet
working space for students to complete their homework. Like the breakfast club, the Social
Heart also invites guests to challenge and inspire these students. In this place, I wish to thank
all those involved for their dedication: you are making a real contribution to our community.
We would not operate as successfully as a community without your dedicated support. I salute
you in this place.
Mr Lindsay (Herbert) (9.55 a.m.)—I would like to encourage all my colleagues on both sides of the House to participate in the Australian Defence Force’s parliamentary program. This is an opportunity available to all members and senators to join a relevant service for a period of a week, to be at the coalface, to be able to mix and match from the very lowest levels of the Australian Defence Force to the very highest levels. It is a fantastic experience. When I went to RAAF Edinburgh, the base commander simply said to all of his people, ‘Treat Peter Lindsay just as you would treat anybody else. Whatever he asks you, tell him—don’t hide anything; speak the truth.’ I came away from Edinburgh thinking what a marvellous group of people we have in our Australian Defence Force.

Something I never realised is the management ability that is in the Defence Force. I reckon the way they manage themselves is actually better than in private enterprise—and it goes from corporal upwards. Most people would not think that corporals were managers in the Defence Force; they would think that squadron leaders, wing commanders or whatever were the managers, but it starts from corporal level upwards. They are truly mighty managers and do a fantastic job.

RAAF Edinburgh is a particularly important base for the Royal Australian Air Force. It has so many scientific elements, with DSTO, AvMed, aircraft research and development. There are a number of private contractors on base. There are a number of simulators on base. And as to the technology that is there, I just wish the people of Australia could see how technologically advanced we are. Some of the science we do at RAAF Edinburgh leads the world. Last night I was with one of the defence contractors. They were telling me that they are now working very closely with DSTO in commercialising some of the things that we develop here in Australia. That is a win for Defence, because we can make dollars from the commercial entity, developing new science and new projects for Defence, but also it is a win for the country because we turn that into export dollars. We make the things here and export them to all sorts of countries all over the world.

In conclusion, I would like to encourage anyone who thinks that they might like to have a career in the Defence Force to go to it. There are some mighty careers available now in all sorts of vocations. And you can go in as a mature age recruit—you do not have to be 18, 19 or 20.

Mr Fitzgibbon—Do they take former MPs?

Mr Lindsay—They do. The Australian Defence Force: we can be mighty proud of it.

The Deputy Speaker (Hon. I.R. Causley)—In accordance with standing order 275A the time for members’ statements has concluded.

PETROLEUM (SUBMERGED LANDS) AMENDMENT BILL 2002

Second Reading

Debate resumed from 15 May, on motion by Mr Entsch:

That this bill be now read a second time.

Mr Fitzgibbon (Hunter) (9.58 a.m.)—The Petroleum (Submerged Lands) Act is the primary legislation for the administration of Australia’s offshore petroleum resources. The amendments before the House in the Petroleum (Submerged Lands) Amendment Bill 2002 are driven by two imperatives: first, to reduce the complexity of the act and associated com-
pliance costs; and, second, to rid the act of any anticompetitive provisions in keeping with the competition principles enshrined in the 1995 COAG agreement. The opposition supports the amendments. Now 35 years old, the act is due for review and amendment and is unacceptably complex. It contains within it unacceptable compliance costs which are a burden to Australia’s energy companies. Likewise, the opposition agrees that it is unacceptable that the current provisions in the act allow precious and major sources of energy to be locked up for such extensive periods of time—including the Bills Digest, for up to 26 years.

Not long before the Petroleum (Submerged Lands) Act was enacted, Australia imported 100 per cent of its petroleum, and natural gas was virtually unknown here. Today, petroleum and gas represent Australia’s most valuable commodities, and we are a net exporter of energy. Of course, none of these energy sources which underpin the Australian economy are renewable and, while further discoveries will be made, Australia’s energy reserves will not last forever. The government has an important role to play in ensuring that these reserves are exploited in a way which maximises the benefit to the Australian people, the people who own them. This bill will assist in that process, but much more needs to be done.

The President of BP Australasia has made this point. Greg Bourne says that Australia is in an energy policy vacuum. I agree with Greg Bourne. Australia lacks a forward-looking, comprehensive and visionary energy policy. We would not be having the debate about whether gas from the Sunrise field in the Timor Sea should be exported from a floating facility or brought to an onshore facility and also used for domestic gas purposes if we had a comprehensive energy policy in this country.

Some would argue that government intervention in the market would cause a flight of capital and leave some of our important reserves unexploited. I think not. These are finite and nonrenewable reserves. Whether they are exploited this year or the year after or in a decade’s time is, in many cases, irrelevant and certainly not the key point. We can rush in, or we can plan. We can plan in a way which maximises the benefits of our natural resources for all Australians. With respect to Sunrise, I am not suggesting for a moment that the exporting of gas from a floating LNG facility is a bad thing for Australia. Indeed, it is a good thing. The million dollar question is whether it is in the national interest, whether it will return a maximum benefit to Australians, and whether exporting from a floating facility is a better proposition for Australia than bringing that gas to an onshore LNG facility and using it for domestic gas.

It is good to see the member for Solomon in the Northern Territory here this morning. The Northern Territory has long struggled, in an industrial sense; it has long relied on the Commonwealth to keep its economy humming along. But the Northern Territory would prefer to be self-reliant. It would prefer to be industrialised and in a position to attract major investment, infrastructure and manufacturing to itself. Domestic gas would facilitate that process. I do not believe that the government is doing enough to ensure that the national interest has been focused on with respect to the Sunrise gas fields and I call upon the government to do more. At the end of the day, if it is proven that domestic gas from Sunrise is not commercially viable, I will accept that, as I am sure the opposition will. But we are not convinced that enough has been done or that enough encouragement has been given to joint venture partners in the Sunrise project to look sufficiently closely at the prospect of bringing that gas onshore—and not only for the purposes of the Northern Territory but, because there is some doubt over the PNG gas proposal, for the purposes of fuelling areas like Mount Isa, where considerable amounts can be done in terms of value adding to our product there that cannot be...
done without a reasonably priced source of energy. They are the additional things that can be done. This bill is a small step in the right direction but it goes nowhere near far enough. On this occasion, the opposition is happy to give its support to the amendments as proposed in the bill.

Mr TOLLNER (Solomon) (10.04 a.m.)—I thank the member for Hunter for his comments and I endorse everything that he said. The Petroleum (Submerged Lands) Amendment Bill 2002 is a good bill and I support it. It will reduce the number of times a permit can be turned over, and turn-over acreage. The companies involved in the gas market in the Northern Territory are happy with this bill. I am told that the re-evaluation to once in five years will reduce costs for those companies.

This week, the energy market review, headed by Warwick Parer, met in Darwin and looked at a number of things in the Territory. There is a great need for energy in the Territory. The Macarthur River project will require 25 petajoules of gas. The Nabalco project will require 40 petajoules of gas. A government department, the power and water authority, requires 20 petajoules of gas. There are two projects at Batchelor—Compass and the magnesium project—which will require between three and five petajoules of gas per annum. The speculative Pechinet project, which is an aluminium smelter, will require around 150 petajoules of gas. This is a lot of gas, Mr Deputy Speaker; we have a great need for onshore gas in the Northern Territory.

Currently, the Timor Sea Bayu-Undan project is being developed by Phillips. That is being piped onshore into Darwin, where it will be liquefied and it will then supply Japanese markets. None of that gas from the Bayu-Undan project will come onshore to service the needs that I have just mentioned.

In the Territory, we are looking at the Greater Sunrise Troubadour project to deliver the gas that we require for our energy needs. Currently Shell, the major developer of that project, are saying that that will not be possible; that they want to build a floating platform to convert the gas to liquids in order to supply US markets. They say that this would be $2 billion cheaper than bringing the gas onshore.

My sources tell me that this differential of $2.1 billion is all based around the construction of a liquefied natural gas plant in Darwin. Our argument in the Northern Territory is that this gas will be used for domestic purposes and there is no need to transform the gas into liquids. Of course, gas is transported in liquid form. It is brought onshore, turned into liquid, put into containers and carted around the world. If we are using it for domestic purposes, there is no need to liquefy it; it can stay in gas form and be transported around the country.

I welcome the announcement in the budget regarding the capped life of gas plants and pipelines. That has been welcomed in the Northern Territory. Of course, there are other smaller fields that can be developed—Blacktip, Petrel and Tern—but these are marginal, to say the least, and no definite times have been put on them. I am very happy to support this bill, and I am happy to hear that the opposition is also supporting it.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.09 a.m.)—in reply—I thank both honourable members who have contributed to the debate on the Petroleum (Submerged Lands) Amendment Bill 2002. The member for Hunter mentioned that the act was unacceptably complex. I say to the honourable member that we totally concur. That is why, as the government or industry identify complexities, we
are rewriting those parts of the legislation in order to reduce that complexity, as we have in the amendments that are before us today.

The member for Hunter suggested there was a vacuum in energy policy. Maybe he is not aware of the Parer review. This is the energy market directions review, which I am sure will give significant direction in this area of policy. I am sure ex-Senator Parer and his team are going to give us very sound advice on where we should move ahead in this sector.

The member for Hunter raised the issue of Sunrise gas and suggested the government was not doing enough in this forum. I congratulate the member for Solomon for his contribution and his very strong commitment to the gas industry and I suggest to the honourable member for Hunter that in the member for Solomon we have a very strong proponent for encouraging the Sunrise gas to come onshore in Darwin. In a recent visit there I had the opportunity of meeting with Phillips and other groups and I also expressed a very strong interest. However, at the end of the day it is a commercial decision. We can certainly express a strong desire to have it brought onshore. We are very much aware of the benefits of that. Hopefully, at the end of the day that may well prevail. I can assure the member for Hunter that both the member for Solomon and I, and others in government, are very actively encouraging that to be considered.

Both the policy amendments in the bill are economically desirable developments. The reduction in the maximum number of renewals of a petroleum exploration permit will prevent exploration acreage from being tied up for long periods. This reform will therefore encourage increased exploration for petroleum in Australia’s marine jurisdiction. The other policy amendment in the bill is to reduce the number of times the holder of a retention lease can be required to re-evaluate the commerciality of the discovery. This change will reduce potential compliance costs for the industry. With these amendments, we can say that Australia’s main offshore petroleum legislation is made compliant with national competition policy principles. As I mentioned when introducing the bill, the government’s focus has now turned to reviewing the presentational aspects of the Petroleum (Submerged Lands) Act. The government expects to introduce a rewritten act for the parliament’s consideration later this year. I thank honourable members for their support for the bill and I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

NEW BUSINESS TAX SYSTEM (IMPUTATION) BILL 2002

Cognate bills:
NEW BUSINESS TAX SYSTEM (OVER-FRANKING TAX) BILL 2002
NEW BUSINESS TAX SYSTEM (FRANKING DEFICIT TAX) BILL 2002

Second Reading

Debate resumed from 30 May, on motion by Mr Slipper:
That this bill be now read a second time.

Mr LATHAM (Werriwa) (10.14 a.m.)—The New Business Tax System (Imputation) Bill 2002 and related measures simplify the franking or imputation of tax paid on dividends to shareholders. Labor supports the principle that the tax system should be simple to apply, consistent with fairness and other objectives. For this reason we support the bill.
Aside from the general principles underpinning the bill, I want to address two important related issues. The first is this government’s contempt for proper parliamentary processes. The first draft of the bill was released in late 2000. Then we heard nothing. The bills were not contained in the forward programs for this winter session of the parliament. Then the bills were introduced last Thursday, 30 May, and here we are debating them today, 6 June, seven days later.

The government knew that the bills were to come into effect on 1 July 2002. The government’s inability to manage a program of legislation led to its failure to bring on the legislation during the last six parliamentary sitting weeks. This is an unrealistic timetable for the scrutiny of the legislation. The Labor Party finds it unsatisfactory; nonetheless, and despite the short time available, we are doing our best to make possible the passage of the legislation. I would urge the Parliamentary Secretary to the Minister for Finance and Administration, who is in the chamber, and the government to get their tax and economic legislation program together.

Yesterday, we had an abuse of the parliament. On a day on which interest rates rose, the Treasurer would not face the MPI in the House of Representatives. He left it to a National Party reject to do so. Billy Hughes always said that he would join any party but the Country Party. The parliamentary secretary was tossed out of the National Party. That is how badly he was doing. And he was left to answer the MPI yesterday: the Treasurer would not face up in the chamber to the vital matter of monetary policy.

The DEPUTY SPEAKER (Hon. I.R. Causley)—I fail to see how these remarks have anything to do with the bill. The member for Werriwa will come back to the bill.

Mr LATHAM—Now we have the abuse in this process where a bill that sat there at draft level doing nothing for two years was introduced into the parliament last Thursday, and here we are debating it today, just seven days later, without a proper opportunity for honourable members to scrutinise this detailed legislation. I note once more that it is not the Treasurer who is here to carry the legislation; it is a parliamentary secretary who has responsibilities outside the Treasury portfolio.

The second issue related to this bill is the revenue neutrality of business tax reform. The explanatory memorandum contains the bland statement that it has no revenue implications. That may well be, although the government’s recent record of costing accuracy is not at all impressive. More broadly, the Labor Party is concerned that the government is walking away from its commitment that business tax reform should be revenue neutral. The Leader of the Opposition made this clear in his letter to the Treasurer agreeing to the business tax reform package. He said:

Labor is willing to pass the business tax package if it pays for itself. Labor will hold the Government to its promise on revenue neutrality. We cannot accept a reduction in business taxation at the expense of individuals and families who will bear the brunt of a GST, or the use of a Budget surplus to fund business tax reforms.

The opposition’s position has not changed. We will continue to scrutinise the government’s proposals for business tax reform on that basis. Business tax reform should not compromise the revenue of the Commonwealth.

This condition does not apply only to the proposals the government chooses to designate as new business tax system measures; the stated purpose of the government’s reform was to achieve greater neutrality of tax treatment between sectors by replacing special concessions.
offered to particular companies and projects with a lower corporate tax rate. I have said before that there is a difference between the opposition being pro market and the way in which the government regards itself as pro business. In this case, the distinction is between the opposition, which wants what is good for all Australian businesses, and the government, which wants what is good for particular business interests, those interests that are close to the Liberal Party for a variety of reasons. The opposition supports Australian businesses which want only to benefit from their own enterprise and the lower corporate tax rate. We do not support particular business interests who want the lower rate and still continue to stroll around the corridors of this place seeking to retain their special concessions and special deals.

The bill has four key aspects: a flexible franking and new antistreaming rule, permission for private companies to frank retrospectively, a simpler franking account structure and, finally, consistent treatment of franked dividends received by entities. The proposed new antistreaming rule also involves some simplification as to requirements that all distributions of dividends made within any franking period—that is, generally within six months—be franked to the same extent and that the ATO be notified if the level of franking varies between franking periods by more than an amount of 20 per cent. This notification provision replaces an earlier proposal for penalties to apply automatically to such franking variations. This obviously involves a loosening of the rules, and thereby potentially costs revenue. We are surprised to see that this particular provision is uncosted in the explanatory memorandum to the bill.

Under the permission for private companies to frank retrospectively, companies will be allowed to frank dividends up to four months after the declaration date so that they can finalise their financial position before finalising their franking amount. This will make compliance with the antistreaming rules easier. Importantly, it also normalises what is a fairly widespread practice at the moment. The simpler franking account structure provisions allow a corporate tax entity to align its franking year with its income year and to maintain its franking account on a tax paid basis. This in turn should reduce the need for complex conversions to accommodate changes in the company tax rate or for the maintenance of different classes of franking accounts. This appears to be a genuine simplification, one that the opposition welcomes.

The new consistent treatment of franked dividends received by entities will remove the present distinction between companies that receive an intercorporate dividend rebate for franked dividends and individuals and other entities that apply a gross-up and credit imputation. This is a technical simplification which provides for greater integrity and consistency at law. Again, it is something that the opposition welcomes. Finally, some provisions in the bills are shifted from the Income Tax Assessment Act 1936 to the Income Tax Assessment Act 1997, achieving further simplification.

The opposition thinks the parliament deserves better than to have complex measures such as this dumped on it at a week’s notice. We deserve better than having a spokesperson on the government side who has no direct responsibility within the Treasury portfolio. That said, and our grievances having been noted by the chamber, we support the principle of revenue neutral changes for a simpler tax system for business, and accordingly we support the bill.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.21 a.m.)—in reply—At this stage I usually thank honourable members for their contributions. I think the member for Werriwa was being a little precious when he said that
I would also, of course, like to welcome the honourable member for Werriwa back to the parliament. In the debate on the superannuation legislation yesterday he was supposed to lead the opposition debate but he was elbowed aside by the member for Fraser, who is currently shadow Treasurer—I suspect it will not be too long before we see the honourable member for Werriwa in that position. The member for Werriwa spat the dummy and refused to participate in the debate. So it is nice to see the member for Werriwa return to parliament and return to his responsibilities. We were starting to wonder whether indeed the member for Werriwa was going to run away from debates in relation to financial matters in the parliament.

As I pointed out earlier, we are considering three bills: the New Business Tax System (Imputation) Bill 2002, the New Business Tax System (Franking Deficit Tax) Bill 2002, and the New Business Tax System (Over-franking Tax) Bill 2002. These bills are a package of measures which are designed to introduce a new, simplified imputation system to replace the current imputation system.

The first bill, the New Business Tax System (Imputation) Bill 2002, contains the core imputation provisions as they apply to companies and their shareholders. The measures form part of the government response to the review of business tax recommendations to reform the imputation system and simplify the franking process for corporate entities. The measures will apply from 1 July this year and simplify the mechanics of the current system. That said, the new provisions will broadly maintain the same outcome as the current system and will not impact on the tax treatment of dividends received by individuals. Simplification of the franking process will result in reduced compliance costs for all stakeholders as the simpler rules will be easier to understand and apply. Mr Deputy Speaker, you would be aware that the measures give more flexibility for entities’ franking dividends and will enable them to provide more certainty to members about their likely franking policies in relation to future dividends.

Most importantly, we ought to recognise that this measure has been developed in consultation with representatives of the tax profession, and business has indicated that it also supports these measures.

The New Business Tax System (Franking Deficit Tax) Bill 2002 is another one of the package of three bills, and measures contained in this particular bill provide a mechanism to ensure corporate tax entities make good any over-imputation of franking credits on distributions to members. The third bill, the New Business Tax System (Over-franking Tax) Bill, contains measures which impose over-franking tax where distributions are franked to a greater extent than the maximum allowed.

The member for Werriwa referred to revenue implications of these particular bills and I am pleased to reassure the honourable member that the new imputation system will have no impact on government revenue. The member for Werriwa will no doubt be pleased to see that this is in fact the case. The member for Werriwa also referred to the fact that I addressed the
matter of public importance on behalf of the government yesterday, as indeed I did on the day before. I pointed out in the MPI debate yesterday that apparently the member for Werriwa submitted the MPI proposal yesterday and on the day before but the member for Fraser, who is feeling quite insecure these days, essentially pushed the member for Werriwa aside and said that he was going to maintain the debate, and the member for Werriwa failed to participate in either of those debates on the matters of public importance. It is a bit, shall we say, facile for the member for Werriwa to criticise the fact that, as the Parliamentary Secretary to the Minister for Finance and Administration, I am addressing these matters on behalf of the government when, as the shadow minister for the opposition, the member for Werriwa simply was nowhere to be seen. He just ran away from parliament. It is reassuring that the Leader of the Opposition or perhaps someone else has spoken to the member for Werriwa and he has now decided that enough is enough and he ought to participate once again.

The differences between the member for Werriwa and the honourable member for Fraser go very deeply in relation to a range of economic issues. The issue of the day is, of course, how long the opposition can sustain itself as a viable force. The interesting point is that the Leader of the Opposition might well be replaced by the honourable member for Brand, his predecessor, and the member for Werriwa and the shadow Treasurer are having some important differences on economic policy.

Mr Quick—Mr Deputy Speaker, I raise a point of order. I do not usually get up and interrupt a speaker but I would ask that you bring the parliamentary secretary back to the bills at hand, and not let him continue with the discussion about the potential change of roles of the member for Werriwa and the member for Fraser.

Mr Slipper—I thank my friend and colleague for his intervention at this time. These are important bills and it is interesting that the member for Werriwa has decided to participate. It is interesting that on this occasion the member for Fraser has not chopped the member for Werriwa out of this particular debate. It is pretty clear that the uncreative tensions in the Australian Labor Party continue to bubble to the surface, and indeed the member for Werriwa has on this occasion been able to keep the shadow Treasurer out of the debate.

Mr McClelland—Mr Deputy Speaker, I raise a point of order. I do not think I need to remind the honourable member that this chamber exists with the goodwill of both sides. Indeed, it would be relatively easy for the opposition to withdraw support and hence withdraw a quorum. I note that fact from the point of view of the government’s business on the agenda.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—I draw the attention of the parliamentary secretary to the bill at hand.

Mr Slipper—Thank you, Mr Deputy Speaker. I was only tempted to make those comments because of remarks made by the honourable member for Werriwa in his speech. Having said that, I have made my point. I stand by what I said. I commend the bill to the chamber, and I thank the opposition for their support.

Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.
NEW BUSINESS TAX SYSTEM (OVER-FRANKING TAX BILL 2002
Second Reading
Debate resumed from 30 May, on motion by Mr Slipper:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

NEW BUSINESS TAX SYSTEM (FRANKING DEFICIT TAX) BILL 2002
Second Reading
Debate resumed from 30 June, on motion by Mr Slipper:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

STATUTE LAW REVISION BILL 2002
Second Reading
Debate resumed from 16 May, on motion by Fran Bailey:
That this bill be now read a second time.

Mr McCLELLAND (Barton) (10.32 a.m.)—I will be quite brief in giving the opposition’s response to the Statute Law Revision Bill 2002, which we fully support. In so doing, I note the presence of the Attorney-General and the fact that invariably he makes an effort, where possible, to attend this chamber—unlike the instance in respect of the previous bills. The Statute Law Revision Bill is accurately described as one which is of a technical nature. It continues the important exercise of correcting errors in the statute book on a regular basis. That was originally begun by the Attorney-General in 1981.

The bill rectifies 20 principal acts and 23 amending acts. The government has quite properly undertaken that the bill does not alter the law in a substantive way, and for that the opposition are grateful. We, too, have done our revision of the wording of this bill and are satisfied that it does not make substantive changes but corrects errors—typographical errors and the like. For instance, the bill updates a reference in several acts to the Standards Association of Australia, which changed its name to Standards Australia International Ltd when it incorporated in 1999. Another notable change is to the Environment Protection and Biodiversity Conservation Act 1999, which incorrectly referred to the Framework Convention on Climate Change as ‘done in Rio de Janeiro on 5 June 1992’. It was of course the Convention on Biological Diversity that was open for signature at Rio de Janeiro on 5 June 1992. The climate change convention was done in New York on 9 May 1992. We are quite satisfied that that was an innocent mistake, but never let it be said that in terms of the environment all treaties look the same to the Howard government.

On the other hand, I must confess that a previous Labor government bears the blame for missing out a relevant ‘l’ at an appropriate time in the Special Broadcasting Service Act 1991. Hence, the legislation in section 53(2) refers to the ‘Australian Public Service’. We must take
responsibility for that. I am advised by my adviser that an electronic search of that term brings up substantially different web sites from the phrase ‘Public Service’.

Certainly we do live in an age where there is growing public access to the laws. The development of information technology and the imagination and hard work of organisations such as AustLII have transformed the statute book from a set of dusty volumes strewn around a lawyer’s cramped office to a public database accessible through any computer connected to the Internet. I note that those responsible for maintaining SCALEplus, the web site in the Attorney-General’s Department, have recently said that they hope later this year to achieve legislative backing to make SCALEplus the first authoritative store place of Commonwealth legislation in electronic form. The opposition would support legislation to that effect.

These developments make the decision in 1981 to begin a regular process of statute law revision more far-sighted than perhaps the then Attorney-General could have foreseen. As even more people without any legal training consult the statutes, the task of statute law revision becomes more important. It is hard enough to make sense of the law without having to contend with drafting errors. While I suspect many in the community are wondering whether it is too much to hope for any government to be tidy and well constructed, they at least are entitled to expect, as far as possible, that the statute books will be in order. We commend the government for continuing the process which began over two decades ago on a regular basis, and the opposition fully support these measures.

Mrs BRONWYN BISHOP (Mackellar) (10.37 a.m.)—The words that were used in 1981 by the then Attorney-General, Senator the Hon. Peter Durack, in introducing the first bill of this type were these:

The Government has decided to introduce Statute Law Revision Bills into the Parliament on a regular basis, at least once in each year and, if required, once in each sitting. This will enable the prompt correction of mistakes and errors and removal from the statute book of expired laws. In the absence of the regular passage of Bills of this kind, the correction of an error in an Act can only be achieved by having a special Bill passed for that purpose or waiting until the Act needs to be amended for some other more important purpose.

The then shadow Attorney-General, one Senator Gareth Evans, said:

The Statute Law Revision Bill is a fascinating Bill, for the contents of which the Government is to be much congratulated. ... The first innovation is the very existence of the Bill as a vehicle—for tidying up oversights, errors and oddities that creep into even the best laid drafting plans and also to accommodate minor changes that become necessary because of changing circumstances. The Opposition notes that it is the Government’s intention to introduce housekeeping Bills of this kind at least once each year, and perhaps every sitting. I, for one, certainly applaud that as a rational legislative measure aiding in the avoidance of the unnecessary cluttering of the parliamentary process with what are on any view small issues most of the time.

The bill that is before us has two schedules. Schedule 1 amends errors in 20 principal acts, and schedule 2 amends misdescriptions in 23 amending acts. The commencement date of each item is tied to the commencement of the provision that created the error, and the effect of this process is that the error is taken to have been corrected immediately after it was made. According to the explanatory memorandum, none of the amendments proposed by either schedule will alter the content of the law.

An amending act which was of particular importance to me in the previous parliament, the Aged Care Amendment Act 2000, act No. 158 of 2000, is in the category of ‘amendment of
the principal act’. I am very pleased to see it being dealt with. That was a most important reform. I am also delighted that in that case the error being corrected is a result of the Senate passing an amendment that rendered redundant the phrase ‘regulations made for this purpose’.

These are the nature of the errors, omissions, misspellings and such things that happen in the passage of legislation. I commend the bill to the House.

Mr WILLIAMS (Tangney—Attorney-General) (10.40 a.m.)—I would like to thank the members for Barton and Mackellar for their contributions to this debate. It seems to have aroused no contention whatever. The Statute Law Revision Bill 2002, as has been pointed out, is to correct minor errors in existing acts. It is the second Statute Law Revision Bill under this government. The first was in 1996. The expectation that there should be an annual bill or a bill every sitting has not been realised, perhaps because the number of errors and mistakes that need to be corrected is not as great as was first thought. The corrections will improve the statute book in a number of ways. Spelling, numbering, lettering and punctuation errors will be corrected. The quality of the text of some acts will be improved, making the law more accessible. With misdescribed amendments corrected, clearer consolidations will be able to be prepared in order to avoid confusion to users. Apart from correcting mistakes, the bill also updates references to organisations. The member for Barton gave the instance of what is now known as Standards Australia International Limited.

There are no policy changes. No amendment will result in any change to the substance of the law. The bill should be well received by those with a passion for the correct placement of commas, quotations and parentheses. In fact, there will probably be shouting in the streets and bells will be rung. The managing director of SBS will have particular interest in this bill. He will now be able to exercise the powers of a secretary in the Australian Public Service as distinct from the Australian Public Service. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

ADJOURNMENT

Mrs DE-ANNE KELLY (Dawson) (10.43 a.m.)—I move:

That the Main Committee do now adjourn.

Throsby Electorate: Paid Maternity Leave

Ms GEORGE (Throsby) (10.43 a.m.)—I take this opportunity to say a few words about a very important issue for working women in my electorate of Throsby—the long overdue need to enshrine in this country access to paid maternity leave for all working women. Historically, women in the public service areas such as my own, in teaching, in nursing, and in the state and public sectors have had access to paid maternity leave but the overwhelming majority of women have been behind the eight ball. Less than a third of women who currently work have any form of paid maternity leave.

When I talk to women in my electorate, particularly younger women who are embarking on home ownership for the first time and are thinking about having families, they often say to me that there is a real problem: the cost of having children is becoming increasingly a burden on working class families. I think the lack of access to paid maternity leave is one of the factors that is reflected in Australia’s declining birth rate. It is not the only reason but it is a signifi-
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cant reason—that there is this decided lack of balance between work and family life. A lot of
women who want to be mothers are paying a heavy price in making that judgment about how
best to balance their desire to have a family with their need to continue to work to supplement
the family income.

I want to say something about the declining birth rate because it is an issue for the whole
nation. We have now got a birth rate of 1.7 babies born per woman on average in the year
2000—a marked decline from 3½ babies in the early sixties. Looking at the news clips yester-
day, I noticed that the ABS in its recent social analysis of the nation projected that the 1.7
figure may well drop very shortly to 1.3. So it is an issue of major national importance and it
is an issue that affects the quality of life of many working women.

One of the problems we have had is that maternity leave, where it has been introduced as a
result of industrial negotiation, has usually been in workplaces that are heavily unionised. But
women in my electorate, many of whom work in the retail and hospitality area, in shops, cafes
and factories, because they do not have the industrial bargaining power to have paid maternity
leave as part of their enterprise agreements, are reliant on people here in Canberra under-
standing their predicament and forcing the issue onto the national agenda.

I commend Pru Goward, the Sex Discrimination Commissioner, on her wonderful research.
I think her document is well worth studying. She has not come down in favour of one specific
form of paid maternity leave—there are a number of options based on overseas experience—but
she clearly says that Australia is really dragging the chain on the international stage. Only
Australia and the United States of America currently do not meet the ILO convention provi-
sion which is for a minimum of 14 weeks paid maternity leave. We are a very wealthy and
affluent nation, yet when you look at the scorecard, a lot of developing countries have done
the right thing and, as I say, only Australia and the United States still trail behind the rest of
the world.

I am very pleased that my party has committed itself to the introduction of paid maternity
leave, recognising, of course, that it could potentially be a disincentive to the small business
sector. While we have not worked out the details of the model that we would introduce, nev-
ertheless we are saying that it is a national issue of importance; we will do our homework and
make sure that we introduce a scheme but one that does not act as a disincentive to the em-
ployment of women in the small business sector.

In that regard, I express my concern about statements recently made by Senator Minchin,
describing paid maternity leave as ‘middle-class welfare’ and my disappointment that in
question time on Monday both the Treasurer and the employment minister evaded the ques-
tion about their views and what they would do. In conclusion, it is an issue of great concern
and I am pleased that my party is committed to it. (Time expired)

State and Local Government: Cost Shifting

Mr Baldwin (Paterson) (10.48 a.m.)—In my first speech to the parliament earlier this
year, I raised the issue of cost shifting that has occurred between state and local government. I
raised the fact that many councils are facing a financial battle because many of them are being
forced to provide services that were previously the responsibility of state government but they
have not been compensated for providing that service. As a councillor in Port Stephens my-
self, I have seen the trend of state governments to slowly push more responsibility on to local
councils but give nothing, or very little, to back that up. So I am delighted that this govern-

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ment has announced an inquiry into the financial position of local governments in this country. It follows an election promise to review the incidence of cost shifting from state to local government and to revisit the issues surrounding constitutional recognition of local government.

The evidence of cost shifting has been placed on the public record before. This evidence came to light in the review by the Commonwealth Grants Commission of the Local Government (Financial Assistance) Act 1995. Submissions to that review gave examples of how this cost shifting is occurring and how councils have been hit with increased obligations and compliance costs under state legislation. Take for example the fact that laws have been passed in New South Wales that require councils to take responsibility for reducing pollution in catchments and waterways. When it comes to littering laws, these have been upheld by health officers of councils, but the laws are actually set by the state governments. There are examples of councils paying to keep doctors in their towns, paying for health and welfare services, and paying for extra security on their streets because state governments are not doing their job and opening more 24-hour police stations. This is despite the fact that the state governments still receive substantial funding from the Commonwealth of $50 billion each year.

The Commonwealth Grants Commission found that state assistance given to local government had actually decreased from 15 per cent in 1974-75 to seven per cent in 1997-98. In comparison, the Commonwealth has increased funding from 10.5 per cent in 1974-75 to 12 per cent in 1997-98. These are exactly the issues that need to be addressed by this inquiry. It involves the question which I raised in my first speech in this parliament and that is this: do our structures of government provide us with an efficient distribution of services? The duplication and overlapping of responsibilities between governments is a constant frustration to our communities. The bureaucratic red tape that comes with three levels of government leads one to suggest that we need to clearly define the responsibilities of local government under our Constitution. I will also mention that it was a Labor government that undermined the effectiveness of local government by stifling innovation, by seeking to impose new layers of regional bureaucracy. It was Labor that set up the many regional development organisations, in competition with long established local groups, and duplicated the capacity of local government organisations.

I took the new Minister for Regional Services, Territories and Local Government, the Hon. Wilson Tuckey, to meet with local councils in my electorate, which all gave their support to such an inquiry. These councils are struggling to pay for the roads that are a shared responsibility with state governments—roads such as the Bucketts Way, Lakes Way and Medowie Road—and they included Port Stephens Council, Dungog Council, Gloucester Council and Great Lakes Council. All of them were receptive to the idea of an inquiry such as this, and I will be encouraging those councils to make a submission.

The House of Representatives Standing Committee on Economics, Finance and Public Administration will examine local government’s current roles and responsibilities; the current funding arrangements for local government; the capacity of local government to meet existing obligations to take on an enhanced role in developing opportunities at a regional level; local government expenditure and the impact on local government financial capacity as a result of changes in powers, functions and responsibilities between state and local governments; and the scope for achieving a rationalisation of roles and responsibilities between the levels of
government, better use of resources and better quality services to our local communities. This will make for a very interesting inquiry, and I will be encouraging all of the councils in my area to participate, because they deserve a fair go and a fair distribution of resources and finances. At the end of the day, one of the main responsibilities of government is to provide services to their local communities and so I hope that, as a result of this inquiry, local councils will be given the recognition they truly deserve. I hope that it will help to define the role of local councils and that it will draw attention to the problems in cost shifting from the states, while providing some solutions as to how local government can be better supported.

**Health: Pharmaceuticals**

Mr MURPHY (Lowe) (10.53 a.m.)—The recent dramatic advances in medicine and medical technology have been at the forefront of public interest and concern. There is much confusion in the minds of the general public—and, dare I say it, in the minds of the ministers of this government, who seemed generally confounded by the implications of the new technologies. For instance, in the budget, the Treasurer quite ridiculously tried to justify his attack on the disabled, the sick and the elderly by claiming that the overall cost of drugs would grow exponentially. He thereby underlined his failure to understand the nature of the changes that are currently under way in the development of new medicines.

It is true that the current prices of these complex drugs are very high. Developing new drugs has been an expensive exercise and, to recover costs, the companies charge higher prices for their products. For example, in the year 2000, while the pharmaceutical industry spent $US30 billion on research and development, only 30 new drugs were approved. The drug development process is expensive, in large measure because of the need to do very extensive tests before a new drug is released. No-one wants a thalidomide disaster.

The development of new drugs has until now been a hit and miss affair, with only 10 per cent of candidates reaching the market. While biochemists have a good understanding of the way in which drugs work in the body, even now a scatter-gun approach is often used in searching for substances with useful characteristics. For example, researchers have for years scoured the traditional pharmacopoeias for plant and animal extracts with novel properties. Once a substance is found, the chemical constituents are isolated and tested for activity against a pathogen or for effectiveness in treating a particular disease. Derivatives of the original substance may be produced by chemical modification, and these variants are also tested for activity and side effects. Developing new drugs using these methods is of course very expensive, time consuming and can still occasionally result in a drug being released with serious unintended side effects. The Treasurer is not the only person concerned about these matters. The pharmaceutical companies recognise that unless better methods for identifying new drugs are developed quickly their future looks bleak, not least because people like the Treasurer are restricting their sales by pushing up the price of their products.

We have all heard of the human genome project, now virtually complete. The purpose of that project was to read the genetic code that our cells use to construct the proteins that form the structures and run the biochemical machinery of our bodies. While the text of the human genome has now been described, much remains to be done to understand the nature of the instructions that that code contains. Scientists are now elucidating the details of the proteome, the set of protein molecules that our cells produce in response to the operating instructions issued by the genome. The instructions issued by the genome are in turn influenced by various
environmental factors, including the effects of drugs. It is the characterisation of the proteome produced in response to drugs that has the potential to provide relief from the Treasurer’s nightmare of ever growing Pharmaceutical Benefits Scheme costs. What researchers are now starting to do, using these new methods, is to understand how a drug interacts with the whole system rather than isolated organs or tissues. Side effects are far easier to identify and the effects of the intended target of the drug in question are also much easier to determine. Incidentally, the term ‘proteome’ was coined by an Australian researcher, Marc R. Williams, the head of bioinformatics at Proteome Systems in Sydney in 1994.

Finally, perhaps if the Treasurer were to expend more effort on trying to understand these key developments in the pharmaceutical industry, he would be able to produce a budget that did not rely on attacking the benefits of the most disadvantaged members of our community.

Middle East: Israeli-Palestinian Conflict

Mr HUNT (Flinders) (10.58 a.m.)—I rise in response to events in the Middle East yesterday. In particular, I wish to express my strongest condemnation for the suicide bombing in Megiddo which occurred overnight Australian time, yesterday morning Israeli time. What occurred was that a suicide bomber drove a car into a bus in Megiddo. Megiddo is on the plains of Armageddon; and the bombing occurred on the 35th anniversary of key events within the Middle East.

I wish to express my unequivocal, absolute and total condemnation of suicide bombing in any form in any place. I particularly wish to condemn this bombing which has occurred at a sensitive time in the peace process. More broadly, I want to make a statement condemning two things. The first is the general notion of the use of terror against the population. This has been used by Hamas and Islamic Jihad and has occurred with either the consent or the failure to act of certain members of the Palestinian leadership. That, I think, is a critical failure which has to be acknowledged and condemned.

A second element I wish to condemn absolutely and outrightly is the systematic training of children, from an early age, in hatred and in disaffection towards those who are simply of another belief, persuasion or tribe. They are trained in such a way as to develop a disregard for their own lives and a disregard for others. That systematic abuse and training of children can only occur with the consent and knowledge of the leadership. So I call on Chairman Arafat of the Palestinian Authority to stop this systematic training and to take every step in his capacity and within the capacity of the Palestinian Authority to safeguard the people of Israel and to reduce the level of hatred.

Not long ago, the then Israeli Prime Minister, Ehud Barak, and Chairman Arafat met at Camp David during the later stages of the Clinton presidency. An offer was made, which was a genuine offer, to try to establish peace in the Middle East. That offer was rejected by Chairman Arafat and it has contributed to the subsequent calamity within the Middle East.

I and the Australian government believe that there are three key steps which must be taken. The first is for both parties to contribute to a cease-fire. That means actions by Israel and actions by not only the Palestinian Authority but those groups which operate either with tacit support or due to inaction by the Palestinian Authority. The second action is the ending of terrorism, immediately, absolutely and without any equivocation whatsoever. The third action was outlined in an article in the Age on Saturday, 13 April 2002 by the Minister for Foreign Affairs:
... the Israelis must withdraw from Palestinian-controlled areas. Only then can the vision endorsed again in recent days by the United Nations Security Council of two states, Israel and Palestine, living side by side within secure and recognised borders be realised.

That quote comes from the foreign minister and sets out the Australian position.

I want to reaffirm my support for the notion that there is a democratic state of Israel which has a right to exist and that at the same time there is a future for the Palestinian people. If there is a cease-fire, there must be continued incentives to create peace, and that means that it has to address the circumstances of people within both countries. That is why the Australian government has a significant aid program to help establish long-term peace. It takes a number of actions, and all up it contributes approximately $11.9 million to Middle East aid, aimed primarily at establishing the conditions for peace and developing a harmonious society for Palestinian people. These activities include preschool. They work towards the elimination of domestic violence and towards development of food security.

That is the Australian government position. It is about establishing the conditions for peace, ending the terror, protecting the democratic state of Israel and also providing incentives and hope for the people of Palestine so they can move beyond the cycle of violence to a condition where people on both sides live together in harmony. (Time expired)

Tasmania: Settlement

Mr QUICK (Franklin) (11.03 a.m.)—I will fill in until the Deputy Speaker and member for Scullin comes from the other chamber. The date of 12 September 1803 is a very special day in Tasmania’s history. It was the day when Lieutenant Collins settled in Risdon Cove. I will resume my speech later. I hand over to the Deputy Speaker.

Scullin Electorate: Medicare Office

Scullin Electorate: Janefield

Mr JENKINS (Scullin) (11.03 a.m.)—I thank the Main Committee for its indulgence. This is one of the dangers of having two chambers going at the same time. The role of members is to be a legislator, representative, advocate, lobbyist and simply a champion for the community he or she represents. In that context I wish to raise two matters of importance to my constituency.

The first is the continuing need for a Medicare office in the western area of my electorate in the southern suburbs of the city of Whittlesea. I was first involved in raising this issue back in 1986. Since then, governments of different political hues have not satisfied the community’s aspirations on this issue. The justification for not opening an office in the growth end of my electorate was that there was an office in Reservoir. In 1997, this government’s decision to close the nearest office in Reservoir exacerbated the problem and motivated 3,000 residents to petition the House for the establishment of an office in the suburb of Epping.

The government’s justification for closing down the Reservoir Medicare office was that pharmacy based Easyclaim outlets would be established. At the time, no outlet was established, and that remains the position at the moment. Residents are still travelling up to 10 kilometres to the nearest office to lodge their Medicare claim and receive cash refunds. The demand and need expressed by residents for an office closer to their home is greater than that first expressed 15 years ago, and it will only get greater with the forecast population estimated
to increase by 16 per cent over the next decade. I call upon the Health Insurance Commission and the government to reconsider that decision and open a Medicare office to properly serve the people living in suburbs such as Epping, Thomastown, Lalor and Mill Park.

The second issue which I wish to raise is the future development of the Janefield land. Janefield was a former—in the quaint terms of the time—‘colony’ for people with intellectual disabilities. As part of the Building Better Cities program, that institution was closed and people were put out into the community. This then left the opportunity for the further development of that land. At first it was considered that perhaps it had residential opportunities, but over time it was decided that that land should be considered for the employment opportunities that it represented. I raised this matter earlier in this year and, as a result of my remarks in parliament in March, I have now been informed by RMIT that they have decided to cease efforts and activities to develop and implement RMIT Technology Estate as a separate facility on the Janefield site. They did this late last year.

I can only say that this decision was made without fanfare—no consultation with the local community or authorities. This is in sharp contrast to the manner in which the university announced the original decision to commence the development. The development would have allowed for some high technology types of employment in biotechnology, the automotive industry and the like. It was exciting because it would have given a range of employment opportunities that do not exist.

Based on this advice now, I will be seeking further discussions with RMIT to emphasise the need for the wide range of employment opportunities in the local region that this project would have enabled. I will also be looking for assistance from the local community in further discussing the possibilities. I will be writing to the ministers for industry at both federal and state level to seek their assistance. The Janefield development is too important an opportunity to be allowed to fail. If RMIT are not going to go through with their commitments, a further developer must be found, preferably public—a developer that can realise the commercial and industrial potential of the project, while at the same time fulfilling the undoubted potential community benefits that the proper development of the Janefield site could achieve.

Environment: World Environment Day

Mrs DRAPER (Makin) (11.08 a.m.)—I would like to take this opportunity to talk about World Environment Day. World Environment Day on 5 June is a reminder of the shared responsibility we have for helping our environment—and, as the recent state of the environment report says, ‘the environment is everybody’s business’. It is possible to feel overwhelmed by the environmental issues we face, but in many cases we can act as individuals to make a difference. Every positive action, no matter how small it may seem, is very important. In Australia, the focus for World Environment Day 2002 is on what each one of us can do to protect Australia’s unique environment by ensuring the way we live is sustainable. Tens of thousands of Australians are already working in community based groups to protect and conserve their local environment, with the help of the Howard government’s $2.5 billion Natural Heritage Trust. Many businesses and governments are also implementing measures to use resources more efficiently, to reduce waste and to integrate environmental considerations into their operations.

The United Nations General Assembly established World Environment Day 20 years ago at the Stockholm Conference on the Human Environment. This year, World Environment Day
will be celebrated in the lead-up to the World Summit on Sustainable Development—an international gathering to assess how progress towards the goal of sustainable development has gone during the past 10 years and to develop a plan for the next decade.

In 2002, the Commonwealth government’s Natural Heritage Trust and Cadbury Yowie are again joining forces to offer primary school children a great opportunity to help Australia’s threatened species. Under the Hands on for Habitat Awards 2002, children research their favourite threatened species, answer questions and draw their chosen species in its native habitat using an array of fact sheets, posters and CD-Roms provided in the free resource kit which has been sent to the various primary schools. I have written to all of the primary schools in my electorate of Makin, encouraging them to get involved in this fantastic event.

The Para Hills West Primary School has already established a marvellous record of achievement in relation to environmental awareness and activities. Encouraged by their teacher-librarian Stephanie Spurrier, the students of Para Hills West Primary School have been actively involved in Trees for Life, Murraylinks, Waterwatch and tree planting projects in their community. I had the very great pleasure of meeting Stephanie in May to congratulate her on winning a 2002 Commonwealth government Australian Teachers Prize for Excellence. Stephanie is a fine example not only to the students at Para Hills West Primary School but also to other staff and parents in our community.

It is important for young people to realise that they can do something to help protect and improve their environment. Too often we hear the doom and gloom side of the debate, which can sometimes lead young people to believe that all is lost and that nothing can be done. The recent federal budget allocated further vital resources to projects to deal with the serious salinity problems throughout the country, and the mighty Murray is to be rejuvenated as a result. Animal conservation programs within my home state of South Australia, such as the program to protect the Cape Barren geese, have been highly successful and further such programs are achieving equally successful results.

To the many thousands of volunteers involved in Natural Heritage Trust projects around the country, I say thank you. Just like the students and teachers at Para Hills West Primary School, you are helping to make Australia the environmental envy of the world.

Flinders Electorate: Community Prison

Mr HUNT (Flinders) (11.12 a.m.)—I rise to express my clear and absolute opposition to the Victorian government’s plans for a community prison in either Carrum Downs or Cranbourne on the boundary of my electorate. This notion of a community prison is, I believe, ill-founded, inappropriate, improper and utterly unworkable. I express my absolute opposition to it, and I join with my state colleagues—Gary Rowe, the member for Cranbourne, and Andrea McCall, the member for Frankston—and my federal colleague Bruce Billson, the member for Dunkley, in setting out our clear, absolute and unequivocal opposition to any plan whatsoever for a community prison within the towns of either Carrum Downs or Cranbourne.

The local Victorian government representative in the area, Mr Matt Viney, set out a position that it would be acceptable because, if there were an escape, escapees would not stay around in the community. This to me is an extraordinary position and one which shows (a) a contempt for the people and (b) a complete misunderstanding of what is important in terms of security—both actual security and the perception of security. Both of these elements are de-
nied in a plan such as this. I set out my opposition in the clearest way and thank the chamber for its time.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—Order! The time allowed for the debate has expired.

Main Committee adjourned at 11.14 a.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Trade: United States
(Question No. 345)

Mr Martin Ferguson asked the Minister for Trade, upon notice, on 14 May 2002:

(1) Does the Government accept that whilst the administration of President Bush pays lip service to free trade, the steel tariffs represent the beginning of what seems to be a strategy to protect US jobs to the detriment of Australian workers and their families.

(2) Since the decision to impose a 30% tariff on some steel products, is he able to say (a) what the US Administration has done on tariffs with respect to Canadian lumber and (b) whether the Congress is considering a Bill to give US farmers an extra $US172 billion ($A332 billion) over the next decade.

(3) If the US Administration grants the extra $US172 million to US farmers, does the Government accept this activity may serve to drive global farm prices lower, which will potentially have a deleterious effect on Australian and other producers.

(4) Is he able to say whether US oil refiners have asked President Bush to impose tariffs to protect them from gasoline imported at lower costs.

(5) With these developments in mind, does the Government accept that the US Administration may lose the high moral ground needed to prod countries to open their markets.

Mr V aile—The answer to the honourable member’s question is as follows:

(1) No.

(2) (a) The US made final anti-dumping and countervailing duty determinations on imported lumber on 22 May 2002. These orders require Canadian exporters to make cash deposits on shipments of softwood lumber to the US, based on subsidy and dumping margins found in the final determinations of subsidy and dumping. Canada is challenging the US under NAFTA and the WTO.

(b) The US Congress has set aside an estimated $US182 billion for total farm spending over the next ten years. The new US Farm Bill, signed into law by President Bush on 13 May 2002, is initially for a period of six years and will account for around US$105 billion of the ten year total.

(3) Yes.

(4) The US Congress is considering an Energy Bill, but I am not able to say whether US oil refiners have asked President Bush to impose tariffs on imported gasoline.

(5) Yes. The Government has called on the US to renew its commitment to the Doha Round and demonstrate the necessary leadership for an ambitious outcome to these negotiations, including agriculture. The US Administration has said it remains committed to such outcomes.

Rental Assistance
(Question No. 370)

Mr Danby asked the Minister representing the Minister for Family and Community Services, upon notice, on 16 May 2002:

What is the rationale for people who are sharing accommodation with people who are not their partners, to be paid significantly less Rent Assistance than single people paying the same amount of rent.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

The Government introduced the Sharers Measure in July 1997. The new maximum rate for certain single people who share their accommodation was set at two thirds the maximum rate for singles living alone. This was to address inequities in rates of payment between couples and two singles sharing a dwelling. It also reflects the fact that singles who share accommodation have the opportunity to benefit from economies that are not available to singles who live on their own, ie through sharing expenses and pooling resources.
However, some people are exempt from being assessed as sharers. This is because it is recognised that those who share accommodation are not always in a position to enjoy these economies of scale. Customers who are exempt from the sharers rules are:

- customers in receipt of Disability Support Pension or Carer Payment;
- customers who live alone in a caravan park or boat marina and share facilities with other park/marina residents;
- boarders and lodgers;
- customers with dependants;
- customers who live in nursing homes or aged hostels;
- partnered customers;
- single parents who share accommodation with their independent child in receipt of income support, but not Rent Assistance; and
- customers living in exempt accommodation e.g. boarding and guest houses, hostels and hotels.