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FIRST SESSION—THIRD PERIOD

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Thursday, 26 September 2002

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

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (SPECIAL BENEFIT ACTIVITY TEST) BILL 2002

First Reading

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

Second Reading

Mr Anthony (Richmond—Minister for Children and Youth Affairs) (9.32 am)—I move:

That this bill be now read a second time.

As part of the 2000-01 budget, the government announced a range of measures addressing the issue of unauthorised arrivals in Australia. The Family and Community Services Legislation Amendment (Special Benefit Activity Test) Bill 2002 gives legislative effect to one of these measures.

From 1 January 2003, certain recipients of special benefit who hold a visa of a type that has been issued for temporary protection, humanitarian or safe haven purposes will be subject to an activity test regime that is similar to the one that currently operates in relation to Newstart allowance.

Under the new special benefit activity test, nominated visa holders will be required to search for work, to participate in vocational training, the Work for the Dole program and other prescribed activities, and to enter in Special Benefit Activity Agreements. They will also be subject to compliance testing, including fortnightly reporting requirements, and to penalties for noncompliance with the activity test or with the terms of their Special Benefit Activity Agreement.

Nominated visa holders will also be subject to other conditions relating to industrial action, seasonal work, and moving to an area of lower employment prospects. These conditions are all comparable with conditions that apply to Newstart allowees.

The activity test and these other conditions will only apply to nominated visa holders who, from 1 January 2003, apply for special benefit and are of work force age, or who reach work force age after that date.

The new conditions will not apply to people who are permanently incapacitated for work. Provisions in this bill also provide for exemptions from the activity test where a person has caring responsibilities, is temporarily incapacitated for work, and in special circumstances and other prescribed situations, similar to Newstart allowance.

The measures contained in the bill aim to encourage social and economic participation by treating work force age holders of visas issued for temporary protection, humanitarian or safe haven purposes in a similar way to Australian nationals of work force age; that is, they will be required to be self-reliant and to fulfil a mutual obligation to the Australian community. The measure also reinforces community support for the humanitarian immigration program.

I present the explanatory memorandum to this bill.

Debate (on motion by Mr Zahra) adjourned.

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (BUDGET INITIATIVES AND OTHER MEASURES) BILL 2002

First Reading

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

Second Reading

Mr Anthony (Richmond—Minister for Children and Youth Affairs) (9.35 am)—I move:

That this bill be now read a second time.

The Family and Community Services Legislation Amendment (Budget Initiatives and Other Measures) Bill 2002 will enable the implementation of one budget initiative and one non-budget measure.

First, the bill provides for a 2002 budget initiative relating to nominees. The amendments form a part of the measures being undertaken to give effect to the government’s commitment to implement a simpler and more coherent social security system.
In terms of the day-to-day administration of the social security system, nominees are very relevant to youth allowance, age pension and disability support recipients who have difficulty managing their own financial affairs.

Currently, the law only provides for a payment nominee and arrangements relating to correspondence are dealt with administratively. Similarly, the current law does not clearly set out the duties and obligations of nominees. With an ageing population the use of nominees is likely to increase so it is considered appropriate to address these issues now.

This bill repeals the current nominee provisions in the social security law and the family assistance law. It inserts new part 3A in the Social Security (Administration) Act 1999 and new part 8B in the A New Tax System (Family Assistance) (Administration) Act 1999, which addresses the deficiencies in the current law.

The provisions in the bill distinguish between a correspondence nominee and a payment nominee and set out the duties of the payment nominees in relation to the payments they receive.

The bill also consolidates within the framework of the social security law a number of administrative practices relating to nominees.

The Privacy Commissioner will be consulted in relation to the implementation of the nominee amendments because of privacy issues that are involved.

Finally, the bill also includes amendments relating to profoundly disabled children, aimed at allowing more people caring for certain terminally ill children to qualify for a carer payment. The need for these amendments was identified in the government’s response to the review of the measures to extend carer payment eligibility to carers of children with profound disabilities. I present the explanatory memorandum to this bill.

Debate (on motion by Mr Zahra) adjourned.

TRADE PRACTICES AMENDMENT (SMALL BUSINESS PROTECTION) BILL 2002 [No. 2]

First Reading

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

Second Reading

Mr HOCKEY (North Sydney—Minister for Small Business and Tourism) (9.38 a.m.)—I move:

That this bill be now read a second time.

The Trade Practices Amendment (Small Business Protection) Bill 2002 [No. 2] proposes amendments to section 87 of the Trade Practices Act 1974 to allow the Australian Competition and Consumer Commission, the ACCC, to bring representative actions in respect of contraventions of sections 45D and 45E of the act.

Members will be well aware of the content and intent of this bill. It is the same bill that was set aside on 19 August 2002 by most opposition parties.

Section 45D of the act prohibits secondary boycotts undertaken for the purpose of causing substantial loss or damage. Section 45E prohibits certain contracts, arrangements or undertakings with organisations of employees which affect the supply or acquisition of goods or services.

At present, section 87 of the act allows the ACCC to bring representative actions in respect of contraventions of all of part IV of the act, except for sections 45D and 45E. The proposed amendments will not give the ACCC new powers in a new area. Rather, they will make it easier for affected businesses to gain advantage of the secondary boycott provisions of the act.

This government recognises that Australia’s 1.2 million small businesses lack the economic power of large corporations to take action when they experience unfair treatment.

This is particularly so in relation to secondary boycotts.

Without these amendments, small business will be effectively denied the full protection offered by the act and will continue to
bear the costs incurred as a result of restrictive trading practices.

Since becoming minister for small business, I have heard from a number of businesses who have been the victims of secondary boycotts.

In particular, one business reported that after negotiating a particular workplace agreement with employees the relevant union declared the agreements to be unacceptable. The company went on to lose a number of contracts as a direct result of their industrial arrangements.

Other businesses reported one or a number of unfortunate economic circumstances as a result of unlawful union secondary boycotts. These circumstances can include the refusal of employee access to workplaces and lost savings or cumbersome overdrafts required to cover the costs of lost trade.

Worst of all is the news that many businesses are afraid to speak out about the impact of secondary boycotts for fear of further union reprisals.

Since 1996, the government has implemented reforms to improve protection for small business against restrictive or unconscionable trading practices.

The Workplace Relations and Other Legislation Amendment Act 1996 restored the secondary boycotts provisions to the act.

The Trade Practices Amendment (Fair Trading) Act 1998 prohibited unconscionable conduct in business to business transactions.

The Trade Practices Amendment Act (No. 1) 2001 enabled the ACCC to take representative actions for breaches of the restrictive trading provisions of the act—excepting, of course, the secondary boycott provisions of sections 45D and 45E.

Buoyed by support from the opposition, the government attempted to pass these secondary boycott amendments through the parliament in the Trade Practices Amendment Act (No. 1) 2001.

At that time, the then shadow minister for small business, the member for Hunter, stated on 9 November 2000 in this House:

The ACCC already has the power to take representative action under Parts IVA and V of the act, and it makes sense to extend that to Part IV.

This is a sensible amendment.

The member for Wills, now the shadow minister for the environment, went further on 28 November 2000 when he said:

... this change will help make the act more consistent and help to protect small business people. Let me also indicate that I think these changes are very modest and that more action is needed in this area generally.

When the government put this amendment before the House, the opposition dropped its support and forced the government to sacrifice these amendments for the sake of the remainder of the bill.

Small business is a significant contributor to the Australian economy, accounting for more than 95 per cent of all businesses and employing close to half of the Australian workforce. This contribution is built on the wealth of the owners, who often invest their personal savings in their business. Small businesses also operate on tight margins and with limited cash flows. They are less able to afford disruption to their trade and costly legal action.

It is important that the ACCC can seek compensation in cases of unlawful secondary boycotts, as it can with other restrictive trading practices. The ACCC undertakes preventative as well as enforcement action. Allowing the ACCC to bring representative action can act as a deterrent to unlawful activity and provide redress for victims.

The proposed amendments are therefore necessary to enable the ACCC to bring representative actions in regard to unlawful secondary boycotts in order to provide adequate protection for Australian small business.

While this legislation is directed at protecting small businesses, it does not limit the ACCC to taking matters only on behalf of small businesses. In the government’s view, the ACCC is well positioned to make judgments about those cases requiring its intervention to enforce the secondary boycott provisions of the act.
In reintroducing this bill, the government is continuing its commitment to help small businesses to grow, to employ and to trade in an environment free from illegal secondary boycott activity. I present the explanatory memorandum to this bill.

Debate (on motion by Mr Zahra) adjourned.

TELECOMMUNICATIONS COMPETITION BILL 2002

First Reading

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

Second Reading

Mr McGauran (Gippsland—Minister for Science) (9.45 a.m.)—I move:

That this bill be now read a second time.

The Telecommunications Competition Bill 2002 introduces a range of measures to enhance the level of competition and improve the investment climate in the telecommunications sector. The measures will ensure that consumers continue to enjoy lower prices and improved services from a competitive telecommunications industry.

The objectives of the bill are to:

• speed-up access to ‘core’ telecommunications services;
• facilitate investment in new telecommunications infrastructure;
• provide a more transparent regulatory market, particularly in relation to Telstra’s wholesale and retail operations; and
• enhance accountability and transparency in tackling anticompetitive conduct.

The Telecommunications Competition Bill makes amendments to part XIB of the Trade Practices Act 1974, which deals with anti-competitive conduct in the telecommunications industry, and part XIC of the Trade Practices Act, which deals with interconnection and access to telecommunications services. The bill also makes some amendments to the Telecommunications Act 1997 and consequential amendments to the Telecommunications (Carrier Licence Charges) Act 1997.

The bill implements the government’s response to the Productivity Commission’s inquiry report on Telecommunications Competition Regulation and builds upon amendments introduced by the government last year to streamline the Australian Competition and Consumer Commission’s (ACCC) arbitration process for telecommunications access disputes. The provisions in the bill have been developed following extensive consultation with industry and other key stakeholders.

It is important that the telecommunications regulatory regime provides timely, efficient and transparent outcomes for all involved. The Telecommunications Competition Bill will deliver these benefits and provide a boost to competition during a period when external factors, such as access to capital, are providing new challenges for the telecommunications industry.

The Productivity Commission’s report confirmed that the underlying regulatory philosophy of the current telecommunications competition regime is appropriate. Since the introduction of open competition in the telecommunications market in 1997, the government has made a number of amendments to the regime with a view to ensuring that it operates effectively and continues to promote the long-term interests of end users.

The proposed amendments in this bill will further improve the operation of the access regime and the anticompetitive conduct rules. The key measures in the bill include:

• encouraging further investment in the telecommunications infrastructure required for broadband and other key communications services, by enabling potential investors to obtain up-front certainty, through undertakings to the ACCC about access prices and terms and conditions that will apply to their future investments;
• providing greater certainty and more timely access for access seekers, by removing merits review of ACCC arbitrations, requiring the ACCC to produce model terms and conditions for ‘core’ telecommunications services, encouraging voluntary under-
takings and ensuring the effective operation of the standard access obligations;

• improving the operation of the anti-competitive conduct regime under part XIB by enabling the ACCC to issue advisory notices before a competition notice is issued and requiring the ACCC to consult with affected parties before issuing a competition notice; and

• requiring the preparation and publication of regulatory accounts to provide greater transparency of Telstra’s wholesale and retail operations, particularly in relation to the ‘core’ interconnection services provided over Telstra’s network.

The Productivity Commission’s report noted that the telecommunications access regime does not enable potential investors in a telecommunications service to receive an exemption from the standard access obligations or to lodge an access undertaking until they supply an active declared service. This acts as a disincentive for new investment because it means potential investors cannot obtain certainty as to whether or not their service will be declared and, if so, on what terms they would be required to provide access before making their investment.

The government recognises the need to provide investment certainty. To achieve this outcome, the bill extends the existing provisions in part XIC to enable the ACCC to grant ex-ante exemptions and approve access undertakings for services that are not yet declared or supplied. The access provider will be able to enter into a regulatory compact with the ACCC that takes into account the benefits to the access provider, potential access seekers and consumers.

In recognition that ex-ante exemptions or undertakings could relate to nationally significant telecommunications infrastructure, the ACCC will be required to have regard to any views of the minister specified in a disallowable instrument.

A major initiative in this bill that will facilitate more timely access is the repeal of merits review of ACCC arbitration decisions by the Australian Competition Tribunal (ACT).

ACCC arbitration hearings involve a detailed and exhaustive assessment of access pricing and other issues. Repeating this process before the ACT can be costly and unnecessary, leaving access seekers to bear the contingent liabilities, given that final prices can be backdated by the ACT to the time of the access dispute. Lengthy delays in finally resolving access disputes impose costs on industry participants and create uncertainty for investors, particularly in a telecommunications industry that is subject to rapid technological change.

Parties to an arbitration will still be able to appeal the decision of the ACCC on a point of law to the Federal and High Courts.

The bill assists parties to reach commercial agreement on fair terms and conditions of access by requiring the regulator to publish model terms and conditions of access to ‘core’ fixed line network services that are supplied over the Telstra network. In the first instance, these model terms and conditions will cover the:

• domestic public switched telephone network originating and terminating services;
• unconditioned local loop service; and
• local carriage service.

There will also be flexibility for regulations to prescribe other declared services that should be subject to the requirement to publish model terms and conditions if this becomes necessary.

Publication of model terms and conditions for ‘core’ services will signal to the industry the price and non-price terms and conditions that the ACCC would be likely to determine in an access arbitration. This will in turn encourage parties to reach agreement through commercial negotiation rather than relying on arbitrated outcomes.

In keeping with the underlying philosophy of the regime, the bill incorporates a number of provisions to encourage timely access through industry-wide voluntary undertakings. Because of their voluntary nature and
industry-wide application, the bill retains merits review by the ACT of access undertakings.

Express provisions will enable the ACCC to defer consideration of an access dispute in order to consider a voluntary undertaking. In exercising this power, the ACCC will be required to have regard to the industry-wide application of undertakings compared with the bilateral operation of arbitration decisions. While the ACCC will be given the flexibility to consider other relevant matters that could outweigh these industry-wide benefits, it will be required to publish transparent guidelines on the exercise of its deferral power.

The government’s view is that, in most cases, the commission should seek to consider a voluntary undertaking in advance of an arbitration. There may be, however, circumstances, such as in relation to the timing of the lodgment of an undertaking or in relation to the content of an undertaking, where it is appropriate to deal with an arbitration in advance of an undertaking.

The bill also ensures that a voluntary undertaking overrides any previous arbitration decisions from the date that the undertaking is accepted by the regulator—or by the ACT following merits review. This amendment will supplement existing provisions in the Act that prevent the ACCC from making an arbitration decision inconsistent with an accepted undertaking.

The bill imposes time limits on ACCC or ACT consideration of voluntary undertakings, subject to extensions of time where necessary, and limits ACT review to evidence that was put to the ACCC by relevant parties or otherwise identified by the ACCC for the purpose of its inquiry process.

The government has previously announced that it will encourage a more transparent regulatory market by requiring accounting separation of Telstra’s wholesale and retail operations, particularly in relation to the ‘core’ interconnection services provided over the Telstra network. Accounting separation will address competition concerns arising from the level of vertical integration between Telstra’s wholesale and retail services and substantially improve the provision of costing and price information to the ACCC as regulator, access seekers and the market.

The broad objective of accounting separation is to provide transparency to the ACCC, competitors that access the Telstra network and the market generally. Accounting separation will assist in identifying whether Telstra is discriminating between itself and its competitors in relation to price or non-price terms and conditions of supply.

Publication of an enhanced level of transparent cost information together with mechanisms for release of more detailed information to access seekers on a confidential basis will result in a better informed market. It will also assist Telstra’s competitors in commercial negotiations about access prices and in participating in matters before the ACCC.

Accounting separation will be implemented by giving the minister a power to direct the ACCC to prepare or publish reports using its existing broad record-keeping rule powers under Part XIB. It will not constrain the ACCC in the use of its existing powers. Rather, it will ensure that these powers, which have been underutilised in the past, are better used to provide improved transparency of Telstra’s wholesale and retail operations. The ACCC will be directed to ensure that:

(a) Telstra prepares current (replacement) cost accounts (as well as existing historic cost accounts) to provide more transparency to the ACC about Telstra’s costs as an ongoing sustainable business;

(b) Telstra publishes current cost and historic cost key financial statements in respect of ‘core’ interconnect services;

(c) the ACCC prepares and publishes an ‘imputation’ analysis based on Telstra purchasing the ‘core’ interconnect services at the price that it charges external access seekers; and

(d) Telstra publishes information comparing its actual performance in supplying ‘core’ services to itself and to external
access seekers in terms of key non-price terms and conditions.

Use of the directions power will enable the introduction of an accounting separation framework without the complexity of specifying detailed regulatory accounting rules through ‘black letter’ law. The proposed framework incorporates best practice elements of overseas regulatory accounting models without interfering in Telstra’s internal business operations or reducing Telstra’s capacity to realise bona fide economies of scale and scope.

Part XIB of the Trade Practices Act provides an important regulatory tool for the ACCC to deal with anticompetitive conduct. The accounting separation framework will supplement these regulatory powers by assisting the ACCC and industry to identify whether there is an industry pattern of unfair price discrimination, ‘price squeezes’ or other anticompetitive conduct. At the same time, the accounting separation rules will also provide Telstra with the opportunity and the incentive to demonstrate that there are no systemic problems.

There are also specific measures in the bill to improve the effective operation and accountability of decision-making under part XIB. The ACCC will:

• be required to issue guidelines on the circumstances in which it will issue a competition notice as opposed to taking other action under the Trade Practices Act;
• be required to consult with a carrier or carriage service provider before issuing a part A competition notice; and
• be able to issue advisory notices before any competition notice has been issued and therefore possibly before any anticompetitive conduct has occurred.

The bill also contains a number of more minor amendments to the Trade Practices Act which adopt recommendations of the Productivity Commission.

The bill also includes competition related amendments to the Telecommunications Act 1997, such as moving the responsibility for determining which services should be subject to preselection from the Australian Communications Authority to the ACCC and removing the legal requirement for carriers to have, and to report on, a current industry development plan.

In conclusion, there is a range of specific measures in the bill each of which will improve the operation of the telecommunications competition regime. The package of measures will also combine to make the telecommunications competition regime more timely, effective and accountable.

Despite the appearance of complexity, as detailed in this second reading speech, in actual fact, especially for those who are in charge of the regulatory oversight as well as those who are required to adapt to it, it is a fairly straightforward but not entirely simple matter—all of it directed at the principle of making the industry more competitive so that benefits flow through to consumers.

Importantly, the combination of the ex-ante undertakings, model terms and conditions for key interconnect services, ACCC power to defer arbitration hearings and the removal of merits review of individual disputes will strongly encourage a greater emphasis on industry-wide undertakings in preference to drawn out individual arbitrations.

While this bill implements substantial regulatory reform, the government recognises that the changing and dynamic nature of the telecommunications industry will require ongoing monitoring to ensure the regime continues to meet the needs of an open and competitive telecommunications market. However, it is important that regulatory change is demonstrated to be necessary, targeted to specific practical problems and implemented within a consistent regulatory philosophy. The measures in this bill meet these tests and are broadly supported by the telecommunications industry. I commend the bill to the House and table the explanatory memorandum.

Debate (on motion by Mr Zahra) adjourned.
AUSTRALIAN CRIME COMMISSION
ESTABLISHMENT BILL 2002
First Reading
Bill presented by Mr Williams, and read a first time.

Second Reading
Mr WILLIAMS (Tangney—Attorney-General) (10.03 a.m.)—I move:
That this bill be now read a second time.

This bill will implement the most significant refocusing and restructuring of Australia’s national law enforcement effort since the National Crime Authority was established in 1984.

During the election campaign last year the Prime Minister announced that he would convene a summit to focus on producing an enhanced national framework to deal with terrorism and transnational crime. The summit was duly convened in Canberra by the Prime Minister on 5 April and was attended by the premiers of the states and the chief ministers from the Northern Territory and the Australian Capital Territory. The communique announcing the outcomes of the summit sets out 23 resolutions—23 initiatives unanimously agreed to by all leaders—which do indeed constitute an enhanced national framework for dealing with terrorism and transnational crime. This government, under the leadership of the Prime Minister, has delivered, yet again, much needed reforms in the national interest.

The National Crime Authority (NCA) was established in 1984 as a national law enforcement agency whose purpose is to combat serious and organised crime. It was designed to overcome the barriers to effective law enforcement caused by jurisdictional boundaries in the Australian federal system. The NCA, the Office of Strategic Crime Assessments (OSCA) and the Australian Bureau of Criminal Investigation (ABCI) will be replaced by the ACC, which will provide an enhanced national law enforcement capacity through:

- Improved criminal intelligence collection and analysis;
- Setting clear national criminal intelligence priorities; and
- Conducting intelligence led investigations of criminal activity of national
significance, including the conduct and/or coordination of investigative and intelligence task forces as approved by the board.

**Intelligence**
The ACC will:

- Provide a coordinated national criminal intelligence framework;
- Set national intelligence priorities to avoid duplication;
- Allow areas of new and emerging criminality to be identified and investigated; and
- Provide for investigations to be intelligence driven.

**Governance**
The intergovernmental committee of the NCA (IGC-NCA) will be renamed the IGC-ACC and it will comprise eight state and territory representatives and be chaired by the Commonwealth representative. It will monitor the work of the ACC and the board and provide broad direction.

The parliamentary joint committee (PJCNCA) overseeing the operations of the NCA will continue its current role and function in overseeing the operation of the ACC.

**Board and Chair**
The new ACC board shall consist of 13 voting members and the chief executive officer as a non-voting member. The chairman of the board shall be the Commissioner of the Australian Federal Police.

The voting members of the board will be:

Eight state and territory police commissioners (New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania, Northern Territory and the Chief Police Officer of the Australian Capital Territory) and

Five Commonwealth agency heads—Commissioner of the Australian Federal Police, the Director General of Security, the Chair of the Australian Securities and Investments Commission, the CEO of the Australian Customs Service and the Secretary of the Attorney General’s Department.

**Chief Executive Officer**
A chief executive officer to manage the ACC will be appointed by the Governor-General on the recommendation of the Commonwealth minister and federal cabinet. Before recommending an appointment, the Commonwealth minister will accept nominations from members of the board and consult with members of the intergovernmental committee.

The CEO will be an individual with a strong law enforcement background.

**Staffing**
Initially the ACC will maintain the current combined operational staffing levels of the NCA, ABCI and OSCA. Over time this will be reviewed by the board to meet operational requirements.

The ACC will have a standing in-house investigative capacity. The mix and composition of in-house and task force intelligence and investigative capabilities will be determined by the board and CEO in accordance with operational priorities.

**Offices**
Initially ACC offices will remain in all current NCA locations at current operational staffing and funding levels. Over time this will be reviewed by the board to meet operational requirements. The ACC headquarters will be located in Canberra.

**Powers**
The ACC will have in-house and task force access to all coercive and investigatory powers currently available to the NCA. The board will need to specifically authorise those investigations or operations which are to have access to coercive powers.

The powers will be the same as those available to the NCA. However, having regard to the focus of the ACC on criminal intelligence, the bill expressly provides that the coercive powers are also to be available for intelligence operations. It clearly sets out the matters the board must take into account before making those coercive powers available to an intelligence operation or an investigation.

Coercive hearing powers will be exercised through independent statutory officers, to be called examiners. In order to guarantee that
statutory independence, examiners will be appointed on either a full-time or permanent part-time basis.

Investigations

Investigative and operational priorities will be determined by the board in accordance with operational priorities.

The first priority task force for the ACC will be illegal hand gun trafficking, both into and within Australia.

Operational Expenses

The ACC will fund all in-house resources and operational costs (including salaries, staff overtime and travel allowances) under the same arrangements as currently apply to the NCA and the ABCI. The ACC will fund current NCA references as budgeted for in the Commonwealth forward estimates and during that time will maintain its commitment to in-house investigations, subject to the operational requirements as assessed by the board.

Decisions regarding the composition of task forces and the contributions of jurisdictions to these task forces will be determined by agreement between the board, the CEO and relevant jurisdictions on a case-by-case basis.

This includes a commitment by Commonwealth, state and territory police forces to cover salary, salary related and other costs of secondees to additional ACC task forces that they participate in, as agreed by the board and CEO.

After three years of operation, a review will be conducted by the IGC into the balance and mix of the in-house investigative capacity by the IGC.

Budget

Almost all of the funding of the ACC is to be provided by the Commonwealth.

The current levels of funding provided for the agencies as stipulated in the forward estimates by the Commonwealth will be provided to the ACC.

Future funding levels will be subject to the normal budgetary processes.

This, then, is the agreement reached with the states and territories, and the bill amends the National Crime Authority Act 1984 to give effect to that agreement.

The ACC will significantly enhance Australia's national law enforcement effort. For the first time, there will be a focus on national criminal intelligence and investigations and operations will be intelligence driven. It will be under the direction of a board comprising the heads of the key Australian law enforcement agencies. Between them they are collegiately responsible for Australia's law enforcement—and who better to set national law enforcement priorities. The ACC will significantly enhance law enforcement coordination and cooperation at the national level. It will complement rather than compete with existing law enforcement agencies. The ACC will be a key player in the fight against organised crime in Australia well into the 21st century.

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

Debate (on motion by Mr Melham) adjourned.

Reference to Committee

Mr WILLIAMS (Tangney—Attorney-General) (10.14 a.m.)—by leave—I move:

(1) That:

(a) the Australian Crime Commission Establishment Bill 2002 be referred to the Parliamentary Joint Committee on the National Crime Authority for consideration and an advisory report by 6 November 2002; and

(b) the terms of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing and sessional orders.

(2) That a message be sent to the Senate acquainting it of this reference to the committee.
Question agreed to.

TRADE PRACTICES AMENDMENT BILL (No. 1) 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) (10.16 a.m.)—I move:

That this bill be now read a second time.

The purpose of this bill is to amend the Trade Practices Act 1974 to better protect consumers and to ensure that the act remains relevant to business and consumers alike.

The reform contained within this bill will assist the community to better understand the law prohibiting the undesirable practice of pyramid selling and the distinction between pyramid selling and totally legal multilevel marketing schemes.

The plain English rewrite of the law banning pyramid selling is an initiative developed through the forum of the Ministerial Council on Consumer Affairs and reflects a bipartisan approach to ensuring that consumer protection laws work effectively for the Australian community.

The pyramid selling provision in this bill was drafted by the Parliamentary Counsels Committee, which comprises representatives of all jurisdictions, in a manner which will permit its adoption by states or territories in their fair trading laws.

When this bill is passed, businesses and consumers will no longer be able to claim that they failed to understand the law in this area because it was too complex. And to aid the community and the courts in their interpretation of this law, a simple readers’ guide with basic examples of how the provisions operate has been included in the bill’s explanatory memorandum.

The final amendment comprises the correction of a drafting oversight which occurred when amendments to the act were passed last year and restores a sanction which was never intended to be removed. However, decisions by the courts have made it necessary for the act to be amended to spell out the defences more clearly. Again, this change can be adopted by jurisdictions which mirror the Trade Practices Act in their fair trading laws.

The amendment will ensure that the ACCC can seek an appropriate sanction from the court if individuals deliberately resist the proper efforts of the ACCC to acquire information, documents or evidence necessary for its investigatory functions. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Zahra) adjourned.

EXCISE LAWS AMENDMENT BILL (No. 1) 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) (10.20 a.m.)—I move:

That this bill be now read a second time.

The Excise Laws Amendment Bill (No. 1) 2002 contains amendments to the Excise Act 1901, as well as consequential amendments to the Spirits Act 1906 and the Distillation Act 1901.

The proposed alterations contained in the bill were announced in the budget and will take effect retrospectively from 7.30 p.m. on 14 May 2002, by legal time in the Australian Capital Territory.

This bill amends the Excise Act 1901 to provide that excise duty on excisable alcoholic beverages is payable on the higher of the labelled alcohol content or the actual alcohol content.

Currently, excise duty is imposed on the actual alcohol content, not the labelled content, of excisable alcoholic beverages.
The Australian New Zealand Food Standards Code allows for a discrepancy between labelled strength and actual strength for alcoholic beverages consumed in Australia. This bill arises from the government’s concern that certain manufacturers were gaining a competitive advantage by deliberately labelling their products at a higher alcohol content than the actual alcohol content, while paying excise duty on the actual content.

Amendments to the Excise Act 1901 will also allow the CEO (Commissioner of Taxation) to determine, by instrument in writing, rules for working out the percentage by volume of alcohol in the beverage. These rules will be able to take into account that, in some classes of alcoholic beverage, there may be natural variations in the alcoholic strength of batches of product which are beyond the control of the manufacturer.

Amendments to the Spirits Act 1906 and the Distillation Act 1901 are consequential to changes to the Excise Act 1901. The amendments remove a previous reference to how the volume of alcohol should be physically measured and substitutes references to the new sections in the Excise Act 1901. The new references provide that excise duty on excisable alcoholic beverages is payable on the higher of the labelled alcohol content or the actual alcohol content, or ascertained in accordance with the rules (if any) for working out the percentage by volume of alcohol in the beverage. These rules may be determined by the CEO, by instrument in writing.

Full details of the measures in this bill are contained in the explanatory memorandum, which I have already presented.

I commend the bill to the House.

Debate (on motion by Mr Zahra) adjourned.

NEW BUSINESS TAX SYSTEM (CONSOLIDATION AND OTHER MEASURES) BILL (No. 1) 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) (10.24 a.m.)—I move:

That this bill be now read a second time.

The Excise Tariff Amendment Bill (No. 2) 2002 contains amendments to the Excise Tariff Act 1921 that are consequential to the amendments to the Excise Act 1901 contained in the Excise Laws Amendment Bill (No. 1) 2002.

The amendments remove a previous reference to how the volume of alcohol should be physically measured and substitute references to the new sections in the Excise Act 1901. The new references provide that excise duty on excisable alcoholic beverages is payable on the higher of the labelled alcohol content or the actual alcohol content, or ascertained in accordance with the rules (if any) for working out the percentage by volume of alcohol in the beverage. These rules may be determined by the CEO (Commissioner for Taxation), by instrument in writing.

Full details of the measures contained in this bill are included in the explanatory memorandum, which I have already presented.

I commend the bill to the House.

Debate (on motion by Mr Zahra) adjourned.

Second Reading

Mr Slipper, and read a first time.
Consolidation Regime

The consolidation measure is an important business tax reform initiative that allows wholly-owned corporate groups to be treated as single entities for income tax purposes. The consolidation regime will promote business efficiency, improve the integrity of the Australian tax system and reduce ongoing income tax compliance costs for those wholly-owned groups that choose to consolidate.

The majority of the rules for the consolidation regime were contained in two earlier tranches of legislation. The first, contained in the New Business Tax System (Consolidation) Act (No. 1) 2002, received royal assent on 22 August 2002. The second, contained in the New Business Tax System (Consolidation, Value Shifting, Demergers and Other Measures) Bill 2002 was introduced on 27 June 2002. For the reasons of convenience, I will refer to these as the May act and the June bill, respectively.

The measures contained in this bill deal with outstanding matters necessary for the implementation of the consolidation regime, which applies from 1 July 2002. For most corporate groups the measures contained in this bill will complete the legislative package required for them to enter the consolidation regime. Further legislation scheduled to be introduced later this year relates to remaining discrete and specialist areas of the consolidation regime such as the special rules for the life insurance industry.

The consolidation cost-setting rules align the cost of membership interests in an entity joining a consolidated group with the cost of the net assets of that entity. This then allows assets to be transferred within the consolidated group without income tax consequences, and for the group to be treated as a single entity for income tax purposes.

This bill adds to the cost-setting rules contained in the May act and the June bill by introducing the cost-setting rules for the further scenarios where one consolidated group joins another consolidated group and where multiple related entities simultaneously join an existing consolidated group.

The bill also contains modifications to the cost-setting rules that remove unintended tax benefits to groups during transition to consolidation as foreshadowed by the government on introduction of the June bill. It also contains measures that ensure the cost-setting rules in the May act and June bill apply appropriately to trusts within consolidated groups and multiple entry consolidated (MEC) groups.

MEC groups are consolidated groups that, instead of being headed by a single resident head company, are headed by a non-resident company. Although the consolidation regime will apply to MEC groups in the same way as other consolidated groups, this bill contains a number of measures that recognise the special structure of an MEC group.

The bill provides that, in certain circumstances, the head company of a consolidated or MEC group may be replaced without the group’s overall tax position being affected. This amendment supports the regime’s underlying policy rationale that an election to consolidate is irrevocable.

The consolidation regime, by ignoring intragroup transactions, structurally removes the need for grouping rules in the current income tax law. The bill contains amendments to remove the grouping rules for foreign tax credits, thin capitalisation, the intercorporate dividend rebate and capital gains and losses. Foreign bank branches will be able to continue to group with related companies as they are not able to become members of a consolidated group. The bill also contains additional rules and amendments of a consequential or technical nature.

Other measures

Simplified imputation system: this bill will also make a number of amendments to the new simplified imputation system that commenced on 1 July 2002. As such, the amendments will generally apply to dividends paid on or after 1 July this year.

The bill will amend the Income Tax Assessment Act 1997 to extend exemptions from the benchmark rule for publicly listed companies. The benchmark rule requires that all dividends paid by a company in the same period be franked to the same extent. These
changes will recognise additional situations where dividend streaming is not possible.

This bill amends the Income Tax Assessment Act 1997 to replicate provisions in the former part IIIA of the Income Tax Assessment Act 1936 relating to distributions on non-share equity interests that are still relevant to the new regime. The bill will also amend the Income Tax Assessment Act 1936 to remove the intercorporate dividend rebate for franked dividends paid after 30 June 2002. The rebate has been replaced by the imputation tax offset.

Finally, the bill amends the Income Tax (Transitional Provisions) Act 1997 to provide transitional rules for the new simplified imputation system in relation to early and late balancing companies.

I commend this bill to the House and present the explanatory memorandum to the New Business Tax System (Consolidation and Other Measures) Bill (No. 1) 2002 and also to the New Business Tax System (Franking Deficit Tax) Amendment Bill 2002.

Debate (on motion by Mr Cox) adjourned.

NEW BUSINESS TAX SYSTEM (FRANKING DEFICIT TAX) AMENDMENT 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) (10.33 a.m.)—I move:

That this bill be now read a second time.

The New Business Tax System (Franking Deficit Tax) Amendment Bill 2002 makes consequential amendments to the New Business Tax System (Franking Deficit Tax) Act 2002 that are required following the commencement of the new simplified imputation system on 1 July 2002. These amendments facilitate the transitional determination of franking deficit tax liability for late balancing companies.

Full details of the measures in this bill are contained in the explanatory memorandum, which I have tabled.

I commend this bill to the House.

Debate (on motion by Mr Snowdon) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 3) 2002
Second Reading
Debate resumed from 21 March, on motion by Mr Slipper:

That this bill be now read a second time.

Mr COX (Kingston) (10.35 a.m.)—The Labor Party will be supporting the Taxation Laws Amendment Bill (No. 3) 2002. It contains amendments in the following areas: it clarifies the GST treatment of certain transactions involving a government body during land development; it allows special GST credits for car rental companies in respect of certain vehicles; it removes GST from transfer of tax losses, net capital losses and foreign tax credits between grouped companies; it clarifies the amount of deduction allowed by general insurance companies in respect of future claims; and it widens the eligibility for intercorporate dividend rebate.

I will briefly discuss the changes proposed in each of these areas, starting with land development. Labor supports the amendments to the GST act so that GST does not apply to either a supply made in return for a supply by an Australian government agency of a right to develop land or the corresponding supply of the right to develop land. The principle here in relation to real estate development is that where a developer provides infrastructure that is transferred to public ownership that transfer should not attract GST.

The second issue addressed by the bill relates to GST on rental cars. The GST Transition Act is amended to provide a special one-off input tax credit to businesses that held rental cars on 1 July 2000. The amendment will allow rental car companies to claim a special input tax credit for cars that were held at the start of 1 July 2000 and disposed of before 1 July 2002. The amount of special input tax credit will be equal to the amount
of GST paid by the purchaser on the sale of the car after 1 July 2000.

Generally a business is entitled to an input tax credit for GST paid on items used in the course of carrying on a business. The input tax credits are then offset against the total GST collected by the business to work out the total GST owed to the government. Here, as a transitional arrangement, rental car companies are given a special input tax credit in lieu of the credit on wholesale sales tax paid on the initial purchase of the rental car. It is compensation to rental car companies for wholesale sales tax paid on the initial purchase of the rental car, and it has been reported in the Financial Review that lobbying by rental car companies and motor industry groups was originally rejected by the Treasurer’s office; however, the government has now accepted their legitimate concerns. This was a failure and resulted in a fleet buyers’ strike. It compounded the private buyers’ strike. Together, the loss of these sales brought the local car makers to their knees. I am absolutely appalled by the member for Boothby’s suggestion that this was not a problem. He does have the Mitsubishi assembly plant in his electorate and he would well recall that Mitsubishi had losses of $182 million which were caused by those buyers’ strikes, and it had to be recapitalised to that extent by the parent company. It is absolutely appalling that he is pretending that the government’s callousness and incompetence in this area did not contribute to those losses and the requirement for that recapitalisation. The Treasurer was eventually forced to back down and allow access to input credits, but not before great damage was done to the car industry. More than two years later, this bill is cleaning up another aspect of the debacle of the GST transitional arrangements for the car industry.

The third area of the bill relates to income tax related transactions. Labor supports the amendments in part 3 of schedule 1 of the bill which allow companies to transfer tax losses, net capital losses and excess foreign tax credits without attracting GST. These transactions are not the type of transactions that should attract GST. However, we note that we received amendments to this bill earlier today. The tax law is so complex that the government cannot even get its own amendments right to fix the original problem. Schedule 1, item 11, is one of the provisions that was amended. The amendments to item 11 remove the requirement, as stated in the original bill, that the transfer of tax losses, net capital losses and excess foreign tax credits relate to the 2001-02 income year or a later income year. I also note that item 19 has been amended such that the amendments are taken to have applied in relation to net amounts for tax periods starting on or after 1 July 2000—that is, when the GST commenced.

It has now been 2½ years since the GST commenced, and here we are in September 2002 still trying to make the system work. When the GST was brought in, the government made a promise that our tax system
would be simplified. The tax laws have gone from 3,000 pages to 8,500 pages. The reality is that complexity has increased, large tracts of the new tax system are unworkable and the cost to business and individuals to manage their tax affairs has skyrocketed. In addition, the government has consistently ignored the community’s calls for a better tax system. To get any response, the usually conservative professional organisations of chartered accountants and tax agents had to stage a revolt to get the government’s attention. Their ultimatum appears to have worked—at least in getting the government to notice the serious issue of tax administration faced by everybody in this country.

Senator Coonan’s idea that the Inspector-General of Taxation, with a budget of $2 million, will be able to solve the current crisis is total fantasy. It reads like a fairytale: Dorothy—Senator Coonan—knew she had a crisis on her hands following the debacle over the mass marketed tax schemes. She knew she could not fix it by clicking her heels, so she grovelled to the wicked witch of the west for a spare $2 million so she could set up a new office with a new name and pretend to the munchkins that she was actually making an attempt to fix the crisis in tax administration. Improved tax administration by the Howard government is a fairytale that only children would believe.

The fourth area of the bill relates to the treatment of general insurance companies. Item 9 of schedule 2 of the bill inserts a new schedule 2J into the Income Tax Assessment Act 1936. The amendments ensure that the provision for outstanding claims is worked out on a present value basis; gross premium income is included in assessable income in the year it is received or receivable; and net premium income that relates to risk exposure in subsequent years is appropriately deferred. These amendments have arisen as a result of the Federal Court’s decision in Commissioner of Taxation v. Mercantile Mutual Insurance (Workers Compensation) Ltd [1999] FCA 351. That decision effectively overturned taxation ruling IT 2663. Following the High Court’s refusal to grant leave to appeal the decision, the government announced that the law would be amended to maintain the effect of IT 2663 and that the amendments would apply from the 1991-92 income year when IT 2663 first came into effect. This amendment ensures that contingent liabilities of insurance companies will be deductible at their net present value. The court has ruled that they were deductible at their face value, which would provide a significant tax concession.

Finally, the changes in relation to the intercorporate dividend rebate maintain the effectiveness of the provision without hindering the efficient disposal of subsidiary companies by holding companies. Labor supports the bill.

Dr SOUTHCOTT (Boothby) (10.44 a.m.)—I welcome the opportunity to speak on the Taxation Laws Amendment Bill (No. 3) 2002. Firstly, I will respond to some of the comments by the member for Kingston. The member for Kingston has never been able to convince me that the 1995 decision by then Treasurer Ralph Willis to increase the wholesale sales tax on cars from 15 per cent to 22 per cent was a good one for the automotive industry. The member for Kingston, when he was then working for Ralph Willis, presumably supported that decision to apply a 22 per cent sales tax to cars. I have never been convinced that a 22 per cent wholesale sales tax is better for the car industry than a 10 per cent GST. About five years ago I saw a figure in the Bulletin which said that almost a quarter of the wholesale sales tax revenue came from cars and automotive components. Such a situation clearly was unfair. For an electorate like mine, the electorate of Boothby, which contains significant clusters of the automotive industry and component manufacturers, it was unfair to have a tax that was falling disproportionately on manufacturing, especially on automotive manufacturing. So, whether we talk about the sales strike of early 2000 or the measures which are included in this bill, these are essentially transitional measures. In looking to the long term, I will always back a 10 per cent GST on cars against the member for Kingston’s 22 per cent wholesale sales tax on cars. A kindergarten student could tell you which is better.
This bill contains a number of measures, and the measure I wish to speak on is the provision of some transitional relief for rental car businesses. Quite contrary to the comments from the member for Kingston, I found the Treasurer very receptive to the arguments being raised by the rental car companies. In fact, I took this issue up with the Treasurer—as did the member for La Trobe and the former member for Aston, Mr Peter Nugent—and we found him to be very receptive. I am sure that the others—certainly the member for La Trobe—were delighted with the 2001 budget announcement that we would give transitional relief to the rental car companies. I know that the rental car companies appreciated that as well.

Many rental car companies were adversely affected by the changes to the new tax system. The introduction of the GST meant that they could pay sales tax on the purchase of a vehicle before 1 July 2000 and collect GST on the sale of the vehicle after 1 July 2000. GST input tax credits on the purchase of cars were unavailable until 23 May 2001 on the purchase of replacement vehicles. Rental companies pay the 10 per cent GST when purchasing vehicles. Like other businesses, they could claim no input tax credit for the first 12 months until 1 July 2001 and then only 50 per cent for the next 12 months—1 July 2001 to 1 July 2002. Many businesses were able to avoid this problem by simply not buying vehicles or by buying fewer vehicles during this period. The specific point about those in the rental vehicle industry is that they need to turn over vehicles every nine to 12 months.

Another effect of the tax change is that, when rental car companies sell their vehicles, they are required to charge GST on the sale of used cars while not being able to claim input tax credits for their purchase. This amendment deals with that situation. I am sure it is welcomed by the industry, and I hope that it has a speedy passage through the parliament once we conclude this debate. The tax change also saw a reduction in value of the rental car fleet for rental companies. The change from a 22 per cent wholesale sales tax to a 10 per cent GST resulted in a reduction in car prices. It was good for the car industry, but it had an impact on rental car businesses in that it reduced the value of the cars that they held.

As a result of these problems, a measure in this bill will allow a special input tax credit for rental car companies in relation to rental cars on hand on 1 July 2000 and disposed of before 1 July 2002. The amount of the special credit will be equal to the amount of GST payable on the sale of the car. The special credit will compensate rental car companies that previously were adversely impacted. This special credit can be claimed in any tax period ending on or before 7 January 2003. This measure has been welcomed by the rental car industry, which forms a vital part of the nation’s tourism industry. The Car Rental Association of South Australia states that, nationally, the franchisees of the four major car rental companies totalled 150, with a fleet in excess of 15,000 cars, plus commercial vehicles and four-wheel drive vehicles. I know from contact with constituents in my electorate of Boothby that rental companies wanted these changes, and I thank the Treasurer for giving those companies, the member for La Trobe, the former member for Aston and me a good hearing on this issue.

Needless to say, the Car Rental Association of South Australia and the rental car industry throughout Australia will very warmly welcome this measure of the Taxation Laws Amendment Bill (No. 3) 2002, which will provide much sought relief for the rental car industry. This is another example of the government listening to and acting on the concerns of the community, and it is a good example of where government MPs have been able to effect changes that make good commonsense to the new tax system. I support the bill.

Mr PRICE (Chifley) (10.51 a.m.)—I, too, wish to comment on the Taxation Laws Amendment Bill (No. 3) 2002, as this legislation applies significantly to something in my electorate. The provisions of the bill also apply to land development. The amendments deal with the treatment of GST in situations where, as part of the development approval, a developer provides infrastructure or other works to a landowner. Such situations may
arise where, for example, a developer provides roads and sewerage for an estate and these are transferred to public ownership. As the GST rule stands, it is likely that, for GST purposes, the supply of the right to develop the land and subsequent return of infrastructure would be considered to be a taxable supply and so subject to GST.

In my electorate and also in the adjoining electorate of Lindsay, we have the proposed development of the former munitions shell filling factory, the ADI site, of some 1,545 hectares. The proposed development of this site has now been going on for more than a decade and of course it would have been caught up in the application of GST for the handing over of parks, roads and other infrastructure, so I am quite pleased to see this particular provision in place. In fact, the development of most of the former ADI sites—and there have been a number in your own state, Mr Deputy Speaker Jenkins; Maribyrnong and Footscray, for example—have proceeded quite smoothly and are now often shown to people as model developments of such sites.

However, the one in St Marys has proved to be much more controversial. The original proposal was that some 630 hectares out of the 1,545 hectares would be preserved as open space. In that 630 hectares, all the high-value and medium-value conservation areas were going to be preserved. During the last federal election, that Penrith council, particularly Councillor David Bradbury, commenced a campaign to preserve an additional 250 hectares, which had been listed on the Register of the National Estate. During the election, the member for Lindsay also picked up this issue and the then minister for environment, Senator Hill, committed the government to preserving this additional 250 hectares, which had been listed on the Register of the National Estate. During the election, the member for Lindsay also picked up this issue and the then minister for environment, Senator Hill, committed the government to preserving this additional 250 hectares, which had been listed on the Register of the National Estate.

Mr Baird—Is this cheerio calls?

Mr PRICE—That is right, as the honourable member for Cook says. It is a matter of public record that I had a different view. I felt that any development that preserved 630 hectares out of 1,545 hectares was a great win for the community, a great green win. I cannot say that I examined in detail every bit of this low-value conservation area, but I can inform the House that I have a marvellous photo of a bare patch with a sapling that reaches to my hip and a concrete bunker in the background—and this was what the Australian Heritage Commission said had to be preserved in the national interest. That is an extreme example; there were other strands that I saw. I do not quibble with preserving them; it is obviously a good thing.

I am a bit surprised to see in answers to questions on notice that the Heritage Commission was able to identify in one day a 250-hectare site as needing to be preserved. The rigour of that leaves me a little bit bewildered. I think the reality is that the Heritage Commission used an aerial map to identify this remaining 250 hectares of what is described as a low-level conservation area. As it stands, as a result of this decision, we have approximately 60 per cent of the site being preserved. Again I think this is a spectacular outcome. It is also true to say that this does not satisfy a lot of residents, particularly the political party that was formed at the last election, the Save the ADI Site Party, or the residents action group, which was the mother organisation. They want the whole area preserved.

I believe that the government ought to—and I invite the Minister for Trade, who is at the table, to do so—come clean about the actual costs of this decision. His colleague Senator Hill has estimated that the decision will cost $150 million. I ask the Minister for Trade: is this the precise cost of the decision to the government; is that $150 million in any way revealed in the forward estimates of the Commonwealth; or is, as speculation suggests, the cost a lot greater than that? I would also ask the minister at the table, my colleague the Minister for Trade, if he could put on the public record the amount by which the proposed $120 million of external works will be reduced as a result of the decision?

I do not do that in any sense of unhappiness. I do believe that, given the government’s strident calls and commitment to budget honesty, if a government decision is
made then we ought to put on the public record exactly what the costs of those decisions are. What is the cost to the Commonwealth of having this additional 250 hectares excised? Is there a loss in forgone profits? Does he agree with Minister Hill, who actually does not have carriage of this project, that it is $150 million? Is it closer to the $300 million that is rumoured? And then there are the external costs.

Not unnaturally, both Blacktown and Penrith city councils feel that with the scale of this development, which is still the largest proposed for Sydney, there are a lot of pressures on the infrastructure that surrounds this site. To what extent, then, has the assistance that these councils would look for by way of provision of new or enhanced infrastructure been scaled back as a result of that commitment? I think that these are not unreasonable questions to ask in the context of this debate. This is, after all, a taxation measure. It does deal with the last remaining significant land development by ADI—now of course Com-Land—in Australia. I think we are entitled to have the whole picture painted for us.

At the time I cannot say to this House I was an avid supporter of this area being excised. I certainly was not. But for the public record I again state that the Penrith City Council, particularly Councillor David Bradbury, led the charge on this. The government did pick it up and we have even more open space, which I am pleased about, being preserved in the site—more than 60 per cent of the site is now being preserved as open space.

But what has been the real cost to the Commonwealth, to the taxpayers and to the citizens of Australia—to your constituents, Mr Deputy Speaker, and to the constituents of the honourable members for Rankin, Lingiari and Cook? What have we all paid? That should be as a matter of probity, as a matter of transparency, as a matter of accountability, on the public record. I invite the minister at the table, a senior cabinet minister, the Minister for Trade, to respond to these questions that I have put in my speech this morning. Perhaps the honourable member for Cook will on his behalf pick them up.

I support the measure. I particularly support the way it affects land development. I think it is an absurd thing for a developer, Commonwealth or otherwise, dedicating land to public ownership—whether it be roads, open space, parks or whatever—to be subject to the GST. That should not be subject to the GST. This is what this bill in part picks up. I strongly support it and I commend the government for bringing it forward. But I do believe that we need the total answers to the questions I have raised about the ADI development.

Mr BAIRD (Cook) (11.03 a.m.)—It is my pleasure to follow the member for Chifley. I regret that I cannot answer his questions specifically. I am sure the Parliamentary Secretary to the Minister for Finance and Administration will address them in his reply. I commend the Taxation Laws Amendment Bill (No. 3) 2002 to the House. It is another progression in terms of the TLAB and it is about making the tax system fairer and more equitable and providing real incentive.

This bill is about continuing the government’s commitment to improving the taxation system in the country. When the government took office in 1996 we set ourselves three goals: to get the budget back into surplus, to halve the ratio of net debt of the economy and to do both of these things without increasing the taxation burden on Australia. In fact, we lowered the taxation burden by some $11.5 billion. We have clearly met all these goals and Australia now benefits from a strengthened economy and an improved taxation system. Good economic management has been the hallmark of this government and it has helped us weather the last two global economic storms better than most countries. I refer to the Asian economic crisis and the current September 11 related downturn.

Let us look at the key indicators. The IMF’s annual article 4 report on Australia’s economy was released last Thursday and it stated that Australia’s economic performance in recent years was impressive. It also said that in the 2002 year the Australian economy would continue to be the strongest growing of all the world’s developed economies—quite an achievement. It will be very interesting to listen to the shadow minister
when he replies as to how he can find his way around to saying it is not an impressive performance. The IMF said that it was the strongest economic performance of any developed country. This government, this country, and I think it is something that we should all be very proud of in terms of the achievement—

Dr Emerson—On the back of Labor reforms.

Mr BAIRD—The shadow minister said, ‘On the back of Labor reforms.’ Let us go through your achievements when you were in government. For a start let us talk about the $85 billion debt you left. One of your great achievements was $85 billion in debt. The interest payments servicing that were about $4.5 billion a year, money that could have been put into schools, roads, bridges, hospitals, teaching staff, universities, defence equipment or whatever. But you simply squandered that. In terms of selling off assets, as you did with Qantas and Australian Airlines, you put it to your recurrent expenditure. The member for New England, sitting on the crossbench, would be very aware of what the Labor Party did when they were in government and racked up debt.

The shadow minister talks about riding on the back of Labor’s achievements. I just want to know what those achievements are. Do they include the amount of debt that you racked up, or the interest rates that you gave Australia? It was a fantastic achievement when rates rose to 17 per cent in this country! That caused a very significant economic decline in Australia. ‘It was the recession we had to have,’ said the then Treasurer, Paul Keating, who then became the Prime Minister. That was your legacy to the people of Australia. Now we have the lowest interest rates this country has seen.

When we introduced the GST, where were you guys? In with your packs of lettuce and pyjamas, and saying what a disaster it would be. Of course now we find in surveys that 80 per cent of the business community accept the GST. Small businesses in my electorate say, ‘Yes, there were some implementation problems, but in the long run this is good for the country.’ In terms of economic management, it is very clear where this government stand—it is a very proud record which they can point to. In fact, the national accounts for the June quarter show that the national economy grew by 0.6 per cent during that time and by 3.8 per cent in the year to June 2002. This growth figure is far higher than that of all other developed countries. I hope the shadow minister is listening to this: of the G7, Canada is the only country that comes close to Australia, with growth at just over three per cent. Business investment also

for the government was that they did not want to see a return of the 17 per cent interest rate days under the Labor government.

Do we want to talk about the inflation rates that you achieved, which were basically halved under this government, or do we want to speak about some of the other areas which you considered to be important, such as employment? Under this government, one million new jobs have been created—versus one million jobs lost during your period in government. I find it very interesting that the shadow minister would interject about Labor achievements. Let us look at a few of the key indicators—the types of indicators that any economist would use to assess the strength of the economy. Let us look at what was achieved under your government. What were the high points in interest rates, inflation, employment and government debt? And then let us measure the achievements of this government. What will we find? We know the shadow minister has an economics degree, and that is great. But in all honesty he knows that the period in which the Labor government was in power was not one he should be very proud of. There are areas in which you can claim some credit, like the floating of the dollar—but the opposition supported you as well.

When we introduced the GST, where were you guys? In with your packs of lettuce and pyjamas, and saying what a disaster it would be. Of course now we find in surveys that 80 per cent of the business community accept the GST. Small businesses in my electorate say, ‘Yes, there were some implementation problems, but in the long run this is good for the country.’ In terms of economic management, it is very clear where this government stand—it is a very proud record which they can point to. In fact, the national accounts for the June quarter show that the national economy grew by 0.6 per cent during that time and by 3.8 per cent in the year to June 2002. This growth figure is far higher than that of all other developed countries. I hope the shadow minister is listening to this: of the G7, Canada is the only country that comes close to Australia, with growth at just over three per cent. Business investment also
grew by an impressive 8.1 per cent in this quarter.

If the shadow minister wants to say that we are down there with Botswana, Swaziland or the former Congo, fine. But we are leading the world in economic growth. The Westpac consumer sentiment survey released two weeks ago showed that consumer sentiment rose by 2.7 per cent. These positive figures are being reached against the backdrop of increasing uncertainty in the US and on the world markets.

Dr Emerson—Mr Deputy Speaker, I rise on a point of order. I seek your guidance. I am not objecting to the wide range of the debate that is occurring here, but the member for Cook has made no attempt, to this point, to relate any of his remarks to Taxation Laws Amendment Bill (No. 3) 2002 or to the amendments to the amendment bill. Indeed, he has made very little attempt to relate any of his remarks to taxation issues at all. I am not objecting to that, but I seek your guidance on whether that is going to be the tone and the nature of the debate that is going to proceed here in relation to the Taxation Laws Amendment Bill (No. 3) 2002.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Rankin might look at the title of the bill, which says: A Bill for an Act to amend the law relating to taxation, and for related purposes.

That does give a little bit of scope. I remind the member for Cook that the debate should always be relevant.

Mr BAIRD—I am sure that the shadow minister does not want us to prolong the discussion about the overall economic parameters into which this bill is introduced. As I said, the taxation system sets the economic parameters in which we operate. The response by the business community leads to the degree of confidence. The Westpac survey highlights the fact that people have confidence in this government’s economic management—they have confidence in the reforms that have been introduced by way of taxation measures and they have confidence in the interest rate level and the employment level in this country. The TLAB is part of the overall economic management of the country. By all means, if the shadow minister is concerned about raising these issues in the House—and I can understand why he would be, because the opposition fare so badly by comparison—then I am perfectly happy to stick to the confines of the bill itself, if that is what he wishes. But of course he sets the parameters for himself as well if he does not wish me to traverse the area.

The mechanics of this bill are related to a number of technical amendments. The first is transitional GST credits for rental car companies; the second is the GST-free status of the transfer of losses with an entity for taxation purposes. Some of the other issues were traversed by the member for Chifley, who immediately preceded me. The bill allows a special input tax credit for rental car companies that had rental cars in stock on 1 July 2000 and had disposed of those cars by 1 July this year. The tax credit will be equal to the amount of GST payable on the sale of a car. This change recognises that, compared with other businesses, rental car companies were adversely affected by the transition to the GST. This is due to a combination of two factors—they rapidly turn over their stock, usually selling cars within 18 months; and the GST input tax credits for new vehicles were only gradually phased in from 1 July 2000 through to 23 May 2000. The combination of these factors meant that rental car companies were unable to claim input tax credits for any GST paid on new cars after 1 July through to May last year. Industry analyses found that rental businesses were effectively paying up to 30 per cent GST on vehicles bought during this time, which obviously reduced their competitiveness. This bill is about removing those problems for rental car companies.

Rental car companies are an important part of the tourism industry and were affected by the dual impact of the Ansett collapse and September 11. With the impact of the GST and paying up to 30 per cent, this was a real issue for them. We want to see them as an integral part of the tourism industry, which is one of the major industries in the country. The tourism industry delivers about $60 billion to the Australian economy. Rental cars play a significant part in that, so I
am very pleased to see these changes made. Some 3,650 Australians are employed by rental car companies and the turnover for these companies is just over $1 billion a year. The value of the refund to the rental car companies is estimated to be around $50 million, so it goes back to the start of the implementation of the GST when the companies were losing a significant amount of their bottom line. The share price and market share of Avis both dropped by 10 per cent as a result of losing their agreement with Ansett and the Ansett Frequent Flyer program, so they were suffering from several directions.

The next significant issue is the transfer of losses. This legislation provides a GST exemption to the transfer of capital losses, tax losses or foreign tax credits within a wholly owned group of companies. I know the member for Mitchell, who is an expert accountant, will touch on this issue in his own address. We will look forward to his outline of the benefits of this scheme or the changes. Many companies have wholly owned subsidiaries that are unprofitable or make major losses, but are unlikely to be able to offset these losses against any future tax as they do not expect to turn a profit in the near future.

This bill allows the transfer of losses within a wholly owned group of companies. This is appropriate and recognises the appropriate incentive where companies are not able to write off the costs within their own corporate structure in the group of companies that were able to do it—again, a real incentive to business and another reason why the corporate community and the business community have such confidence in the economic management of this government.

There are many positive benefits in the proposed changes. The changes also relate to the general insurance industry, supplies by land developers to government agencies and the intercorporate dividend rebate. TLAB 3 is another significant step forward in improving the incentives for business and addressing some of the problems with rental car companies and the general insurance industry. Again, it is about providing the right input to ensure that the Australian economy continues to perform at such an extraordinary level. The performance by comparison is: we are now the strongest growing developed country in the world with some 3.8 per cent growth per annum. Some of the best indicators are interest rate levels, the one million jobs that have been created and low inflation rates. A significant group of reforms have been introduced by this government, and TLAB 3 continues that reform program. I commend the bill to the House.

Dr Emerson (Rankin) (11.19 a.m.)—The Taxation Laws Amendment Bill (No. 3) 2002 amends the GST legislation and the Income Tax Act. We support the bill, but it adds yet further complexity to the GST legislation and the Income Tax Act. Before commenting on that, I wish to address a few of the comments made by the member for Cook. It is disingenuous of members of parliament not to recognise any of the policy changes made by the previous government so that we have made this country better. The member for Cook indicated that he was struggling to identify any economic changes that were made by the previous Labor government that led to greater prosperity in this country. In acknowledging your liberal interpretation on the breadth of debate, Mr Deputy Speaker Causley, you pointed out that this is 'a bill to amend the law relating to taxation and for related purposes'. I will, however, not wander very broadly outside that arena.

It is clear that the previous Labor government has been applauded around the world for its far-sighted economic reforms which included the floating of the dollar; the liberalisation of financial markets; the internationalisation of the Australian economy so that businesses had a much stronger export focus; a series of important tax reforms; and double taxation agreements, which were very important in encouraging foreign investment in this country and investment by Australian companies abroad. I could go on in terms of industry plans—the programs that were implemented by Labor to make our industries far more globally competitive; and the research and development tax concession. If the member would like to receive correspondence from me on the nature and breadth of the economic reforms that were implemented by the previous government, I would be happy to do that. I also point out that those...
reforms and their value to Australia have been acknowledged by his leader, the Prime Minister of Australia, most recently in a speech in Germany to a German business group. I acknowledge that the Prime Minister has done that. The member for Cook might have a look at that speech as well.

Returning to the specifics of the bill, it adds further complexity to the GST legislation and to the Income Tax Act, and that of itself is a problem. I would like to comment on the process by which government decisions are made. This amendment bill contains a host of amendments to the GST legislation and the Income Tax Act, but in the course of the parliament’s consideration of the amendment bill, we now have amendments to the amendments. I have just counted them: there are 17 amendments to the amendment bill. I do not understand the process by which this government makes decisions. Did the Treasurer go into the cabinet room and say, ‘I’m putting forward Taxation Laws Amendment Bill (No. 3) 2002 and I’d like to obtain cabinet approval of that’? He would then, presumably, have needed to explain what was in the bill—cabinet approved something—but ‘on the way to the forum’, 17 more amendments came into this parliament, scarcely giving any serious-minded parliamentarian an opportunity to have a look at the amendments to the amendment bill. This has been standard practice for this government.

It is very instructive to recall the commitments that this government made in relation to simplifying the red tape burden on business and in relation to simplifying the tax system in particular. It was back in 1996 in a press release of 30 January when the current Prime Minister said:

It is time to get government off the back of small business and to unlock their true job-creating potential. A coalition government will slash the burden of paperwork and regulation on small businesses, with our aim being a 50 per cent reduction in our first term of office.

Here is the Prime Minister setting an aim of reducing red tape on small business by 50 per cent in three years. It is a matter of fact that the red-tape burden on small business under this government has increased many-fold—far from being cut by 50 per cent.

Then on 24 March 1997, the Prime Minister said:
The volume of tax legislation has become a tidal wave which threatens to overwhelm small business.

If it was overwhelming small business in 1997, they have been deluged in the five years that have passed since then. It is very difficult to remember any government legislation which has simplified the tax system. Remember, this is supposed to be a ‘streamlined new tax system for a new century’ and all we get is additions to the complexity of it. If they were being overwhelmed in the 1997, I cannot imagine their state now; they must be well and truly under water—many of them are, as we know.

In 1998 the Prime Minister was asked by a journalist, ‘Will the number of pages in the tax act be reduced by the introduction of the GST?’ The Prime Minister said, ‘Yes, it will.’ The Income Tax Act will be reduced in size, he was saying. On 22 September 1999 the point was put to the Treasurer that the tax act was unreadable and unintelligible, with the interviewer continuing, ‘There’s a massive GST program that’s going to overtake us.’ In response to that the Treasurer said: Well I think that’s right. And that’s why we’ve got to get the number of pages of the Tax Act down. That’s what we’re working on right at this moment.

That was in 1999.

Mr Snowdon—What’s it like now?

Dr Emerson—The size of the tax act, in response to the member for Lingiari, has grown exponentially. You do not have to rely on just me, though I have done a fair bit of analysis of the size of the tax act. On 24 March last year, Anna Carrabs of the chartered accountants firm William Buck indicated that the tax act will soon run to 8,500 pages compared with 3,000 pages in 1996—when the Prime Minister John Howard was elected with the promise to cut red tape.

Mr Cadman—I rise on a point of order, Mr Deputy Speaker. I draw your attention to the subject of the bill, which deals with goods and services tax relating to land. It also deals with car rentals and other issues
and tax changes. The debate has been confined by people drawing your attention to the subject—

The DEPUTY SPEAKER (Hon. I.R. Causley)—I have the gist of the member for Mitchell’s point of order. I ruled earlier that the bill talks about related matters and the member for Rankin is in order.

Dr EMERSON—This bundle of papers is not the Income Tax Act as it currently stands; this is only one-quarter of the Income Tax Act. I did not want to burden the member for Lingiari by asking him to assist me in bringing in the other three-quarters of the Income Tax Act. This, supposedly, is ‘the streamlined new tax system for a new century!’ This is the Income Tax Act and it does not include the GST legislation. Here we have a government saying that it is going to cut red tape by 50 per cent, it is going to reduce the number of pages in the Income Tax Act—and what has happened? The Income Tax Act has grown from 3,000 pages to 8,500 pages—with a few more pages today as a result of Taxation Laws Amendment Bill (No. 3) 2002. We were told that the ‘streamlined new tax system for a new century’ was pretty well right and did not need any more amendments. We were told that by the Treasurer when he was asked in January 2000—more than two years ago:

Does that mean no more changes?

That is, to the GST legislation. The Treasurer’s response:

Well, it does mean that we’re not changing the legislation, that we’ve got it right.

In January 2000 the Treasurer said we do not need to change the GST legislation. What is Taxation Laws Amendment Bill (No. 3) 2002? Yet another set of changes to the GST legislation. As of June last year, I had counted the number of amendments made to the GST legislation at 1,865. Since then there have been further amendments and we now have in excess of 2,000 amendments to the GST legislation, which, in January 2000, the Treasurer said required no further amendments when he said, ‘We’ve got it right.’

The member for Cook, who spoke before me, said that the accounting industry and the small business community are now happy with the GST. Surely he is aware that accountants have indicated that they have had enough. They supported the introduction of the GST. They have set a deadline for 28 October, by which time if there is not a better outcome and a better performance by the tax office and the government in terms of the administration of the GST they will cease to cooperate with the tax office.

It was supposed to be a simple tax system—the streamlined ‘new tax system for a new century’ that was going to replace the outmoded wholesale sales tax system replicated in the systems of Botswana and Swaziland. I do not know if members of the parliament are aware that the GST, far from being a simple tax—it has already been amended 1,865 times and has given rise to about 80,000 private binding rulings—because of the way it operates, means that the government needs to raise more than $5 to end up with $1 of revenue. That is because of the complex way the GST is constructed. That is a lot of churning, a lot of gross revenue to raise to pick up $1 in net revenue.

There are solutions to some of these complex GST issues. Labor put forward at the last election—and have subsequently reaffirmed—our commitment to the ratio method for the GST. This would dramatically simplify the GST burden on small business. The government is not interested in the slightest. We have brought the ratio method into this parliament as a private member’s bill on the basis that it would dramatically simplify GST for small businesses, and the government has done nothing but criticise it. Yet the small business community has said it is a very good system; accountants have indicated that it is a workable system. We have developed the ratio method to a point where there need be no revenue losses. It would dramatically simplify GST for small businesses, allowing them to do what they need to do, and that is grow their businesses, instead of being unpaid tax collectors for the government. But the ratio method has been rejected time and again by this government.

I have great difficulty in remembering any occasion in the time that I have been a member of this parliament upon which the In-
come Tax Act has been significantly simplified by this government. Every time the government comes into parliament with one of these TLABs—taxation laws amendment bills—it makes the Income Tax Act more complicated, to the point now where Australia has a massively complicated personal income tax system. Concessions are being offered that are unrelated to the notion of expenses incurred in the earning of income. One consequence of that has been the whole debacle of mass marketed schemes, where favourable private binding rulings were issued by the tax office. Promoters of mass marketed schemes were up and running, and convinced thousands of Australian taxpayers that these schemes were worth pursuing. The government has had to engage in costly and lengthy court processes to crack down on tax abuse through mass marketed schemes, all because the government supported changes to the Income Tax Act which opened the loopholes in the first place.

The member for Cook, in barracking for the government and saying how terrific it has been on the economic front, had the temerity to say that this government has cut the tax burden on Australian families. Nothing could be further from the truth. This diagram shows the true tax burden on Australian families. It shows that taxation as a proportion of GDP under this government is the highest it has been in Australia's history. The government knows this to be true, but what does it do? It says that the GST is not a Commonwealth tax. The GST is collected by the Commonwealth of Australia. That is a fact, as recognised by every Australian and as recognised by the Australian Bureau of Statistics. When the GST, a Commonwealth tax, is added, it is quite clear that this is the highest taxing government in Australian history. More than that, we indicated at the time that the so-called historic income tax cuts—the biggest income tax cuts ever seen in Australia, that were implemented upon the introduction of the GST—would soon disappear, and so they have. They have been swallowed up through bracket creep. As a result, the income tax burden is more than back to where it was before these so-called historically great income tax cuts. The government is trying to hide the fact that it is the highest taxing government in Australia's history by seeking to convince the Australian people that the GST is not a Commonwealth tax. Its argument is that the revenue goes to the states, so it is not a Commonwealth tax.

The Minister for Foreign Affairs has applied for the position of Treasurer. He hopes that when the Prime Minister is 64 and racks the cue, he will be replaced by the Treasurer. The foreign minister is now jostling for position and wanting to show off his economic prowess. Just yesterday in the parliament he even used the term 'elasticity of demand'. We were absolutely impressed by that.

Mr Snowdon—We were gobsmacked.

Dr EMERSON—We were gobsmacked. ‘Elasticity of demand’ is a fantastic phrase to prove the minister’s economic credentials in his aspiration to get out of Foreign Affairs, where he is doing very poorly indeed—and that is the consensus view of the Australian people—and into Treasury. He said, ‘I know all about elasticity of demand.’ He was asked, ‘With the oil price going from $US23 to $US30, isn’t it true that the government will get a windfall gain out of that?’ He said, ‘No. The GST goes to the states, so there will be no windfall gain.’

We were not talking about the GST; we were talking about the petroleum resource rent tax—which he has never heard of. In working out his application for the job at Treasury, he had better do a bit of homework on the petroleum resource rent tax, because Labor has consistently indicated that is a source of windfall revenue. Why? Because it is a windfall profits tax. It is meant to be. We just wanted to know the extent of the windfall. He said, ‘Oh, I don’t think the GST is going to generate too much extra revenue. Anyway, the GST goes to the states.’ Again he proved that he does not know what he is talking about, because all the states are in the red in relation to the GST compared with the previous tax system. That is why they have balancing adjustments.

If the revenue from GST goes up as a result of increased oil prices, he says it goes to the states. It does not. It just means that those balancing adjustments are smaller, so that all
of the benefit accrues to the Commonwealth. The Treasurer did not know that, and he did not know that the petroleum resource rent tax existed at all, but he had looked in a textbook before he came into this place and found the term ‘elasticity of demand’. He thought, ‘Here’s my big chance. You beaut! I’ll go in and I’ll say “elasticity of demand” and they’ll say, “He’s our man! That’s who we want! We want Alex for Treasurer! We want Alexander Downer for Treasurer!”’ My goodness. As foreign minister he has wrecked Australia’s international reputation, and he would wreck the Australian economy as Treasurer but, when he does a press conference, they will say to him, ‘Mr Treasurer, could you tell us why you have wrecked the Australian economy?’ and he would say, ‘Well, it’s all related to the elasticity of demand.’ Well done, Mr Treasurer. I think he had better dig a little bit deeper into the textbook and have a look at what petroleum resource rent tax is all about, have a look at the balancing adjustment in relation to GST, and, most of all, if he is going to become Treasurer—and heaven forbid that he ever does—he should get serious about simplifying the income tax system and the GST. If this is supposed to be a streamlined new tax system for a new century, people like me should not have to come in here and break our backs, put the member for Lingiari at risk—

Mr Cadman (Mitchell) (11.40 a.m.)—The Taxation Laws Amendment Bill (No. 3) 2002 imposes a number of changes on tax laws. They appear to be straightforward until one looks at some of the changes that are being made to the application of the GST with respect to land development. I think most members would be aware that the Commonwealth government is not involved in land development, but state and local authorities are often involved in the development of their land or in changes of land values.

This bill seeks to cover the Commonwealth with regard to the goods and services tax and land development. The short summary of the new law in the explanatory memorandum states:

… a supply, by an Australian government agency, of a right to develop land, is not treated as consideration for the supply of an in kind developer contribution, if the supply of the in kind developer contribution complies with requirements imposed by, or under, an Australian law. Therefore, the supply of an in kind developer contribution will not be a taxable supply;

The second part states:

… a supply, by an Australian government agency, of a right to develop land, is treated as a supply that is not made for consideration to the extent it is made in return for the supply of an in kind developer contribution that complies with requirements imposed by, or under, an Australian law. Therefore, the supply of the right to develop land will not be a taxable supply.

The explanatory memorandum then has various tables which indicate what the old and new law mean. In summary, as I understand it, if an Australian government agency provides a right to develop land, it will not be taxable, whereas under the current law it is.

This affects the ADI sites around Australia; hence the interest of the member for Chifley in this issue. Whilst I reject the hyperbole of the previous speaker, the member for Rankin, the need to express things with clarity adds reams and reams of paper to the tax act, and what I have read out does need explanation. The detail in the explanatory memorandum does make clear what is intended by this particular change.
The memorandum provides the example of an imaginary council, the Rushmore Council. I will summarise that example as best I can. The Rushmore Council is an Australian government agency. It provides planning approval in the form of a right to develop land under a state planning act. The state planning act allows Rushmore Council to require developers to provide capital works either to itself or to somebody else in return for the provision of a right to develop land. A private company—a local land developer—comes along and is provided by Rushmore Council with a right to develop land. The company is required to supply the council with capital works. It has to put in kerbs, guttering and all sorts of things that go along with the supply of land. Under the goods and services tax, that is classified as a supply and is therefore taxable. The supply by Rushmore Council of the right to develop land will not constitute a consideration for the supply made by a company doing capital works. Therefore, in this process, the company doing the capital works has not made a supply to the council. So it relieves Australian agencies of the need to fork out goods and services tax for some land development processes.

The bill goes on to define what the right to develop land may include, such as:

- a re-configuration with no change in use (subdivision);
- no re-configuration, but a material change in use (rezoning);
- re-configuration with use as a right (permited subdivision); and
- re-configuration with change in use (subdivision and rezoning).

A number of factors apply to Commonwealth land and the way it may be used.

I refer the House to the St Marys site in Sydney, an ADI site that I believe this legislation may apply to. I would like a number of questions answered by the Parliamentary Secretary to the Minister for Finance and Administration or the details provided in writing at a later stage. The library, in good form, have prepared a digest on this bill that mentions the applicability of these amendments to the ADI site. They obviously gained their information from somewhere.

Mr Deputy Speaker Mossfield, I know that you are familiar with the circumstances. Just to refresh the memory of members of the House, the Bills Digest states:

The St Marys site covers approximately 1,545 hectares (ha) and was rezoned for urban and other uses by the NSW government in January 2001. It was envisaged that approximately 8,000 homes would be constructed on the 867 ha available for urban development, 630 ha would be set aside for a regional park to preserve flora and fauna and approximately 42 ha will be used for regional open space. Not included in the regional park area was approximately 178 ha of Cumberland Plain woodland which was listed on the Register of the National Estate …

This is a most controversial decision in that area. Some of the land has been despoiled and is therefore not capable of being kept, but it covers a large area of Western Sydney, one in which no development or activity has taken place. It is the old munitions facility at St Marys, so blockhouses and ammunition dumps cover the site at various places. Kangaroos, emus and some sheep roam on this land and have roamed on this land for as long as I can remember. The area is probably in a very similar state to when it was first explored by Captain Phillip.

There is a strong link between the residents of Western Sydney and the ADI site or the St Marys munitions factory area. When it was proposed that this land be sold or redeveloped, locals, including the Penrith Council, came out strongly in opposition. There was a strong move for that land—all of it; the whole 1,545 hectares—to be preserved as a park. It would be similar to Centennial Park in Sydney and would give Western Sydney its own Centenary of Federation park covering a huge area. Forever available to the public, it would preserve the great value of the woodlands, flora and fauna there and it would allow a regional park, a national park, of great value to be retained.

However, some development was proposed. Gradually this government has clawed back land that was for further park use, and this became a matter of controversy during the last election. The preamble about this land relates to the fact that it appears that this legislation will relieve all payment of GST in regard to development of or changes
to this land. There is no requirement for the developer, which I think in this instance is Lend Lease, to pay the goods and services tax. That is an interesting process that I would like clarification on: to what extent is the developer relieved; to what purposes will that relief be put; and can we have details of that relief? The explanatory memorandum to the legislation spells out some of the prospective uses of the land by a developer which will be relieved of the goods and services tax, but let us have clearly stated and in detail exactly what is proposed here.

I want to talk about this site because I agree with the residents—I know that the member for Lindsay also has very strong feelings about this issue—that the site ought to be retained. I do not believe that it should be developed at all. The cost to the community in Western Sydney of extra infrastructure will be massive. The roads are already choked in Western Sydney; this new development site of 8,000 homes raises the prospect of getting people to and from work. The member for Chifley is unbelievable. First of all he backed the government's decision 100 per cent to put an airport in the middle of Western Sydney, after first opposing it for a number of years, and now he is saying that the St Marys site is a good development. There are a lot of things that ought to happen in Western Sydney rather than covering the place with extra houses. People in Western Sydney deserve a lifestyle.

I believe this park offers a memorial to federation and to the bicentenary of the establishment of Australia that will last for many years. People will say, 'You've got a wonderful section of land set aside for a park.' Some of it has been set aside for a park, but I think the whole lot ought to be set aside. Extra road and rail infrastructure, hospitals and schools—all those extra services—are not accounted for in the sale and proposed use of this land for additional housing.

I am aware of the need to provide additional industrial development because, in the west, the demand is for jobs. We all know what the unemployment rate is and that something ought to be done about decreasing it. This government has done a massive amount of chopping into the legacy of high unemployment left by the Labor Party. That is one of the reasons I believe we have been so successful as a political organisation in Western Sydney: we are providing the services that Labor failed to produce. But increasing the population of Western Sydney—as the New South Wales government would have us do, with more and more houses—is the wrong approach, the wrong plan, and it will have many downstream costs to do with infrastructure charges and infrastructure inconvenience. It will exacerbate—with poor roads, not enough schools, not enough preschools, not enough rail services and an inability for people to find sufficient work—a situation that should be carefully managed. Therefore, I believe this land ought to be preserved in its entirety.

I read with great interest the press release of 19 January 2001 from the member for Chifley, in which he welcomed the development of the ADI site and said that it reminded him of Bob Hawke's visit to his electorate some time before. But, during the last election campaign, this government made a commitment that additional land would be used for parks. Two weeks before the election the announcement was made and the commitment was signed by John Howard. The local Labor candidate, Mr Bradbury, said that you could not believe a politician; he made the same promise a week later, but did not put it in writing or anything like that. Immediately after the election we delivered on our promise, as per the press release by Senator Eric Abetz of 12 March 2002. He did the right thing: he moved in and set the land aside. This bill applies to the remainder of that land, where further development may or may not take place. Does it apply to the park areas? Who is going to develop those? Is this a deal between state and federal governments? Where is the goods and services tax being removed, how is it being removed, and who is going to benefit from its removal? That is what I would like to know.

I turn to the remainder of the bill. I noticed, at the time, that the introduction of the GST on rental cars was a matter of controversy and concern among hire purchasers. They were concerned that there was a hangover value beyond the date of com-
mencement. It meant that they paid the wholesale sales tax for the purchase and, in some instances, a portion of the goods and services tax as well. Then, upon sale of the cars, they were not able to recover the funds they expected to recover. This legislation seeks to set right that problem. I regret that the government has delayed this decision. I think it is a good decision. It would have been much better to have announced it—and thereby provided the relief—at an earlier stage, but I am delighted that it has now happened. The changes to general insurance picked up in this legislation are also welcome. The impact of the changes for general insurance companies allows an averaging of the process of insurance. Many other industries have these benefits; therefore, this is a logical change to the legislation.

Far from being new tax law, these changes—as with so much of what this House does, initiated by the government—improve and finetune the legislation. The issues we are dealing with today—the rental car change and the general insurance change—are improvements and modifications that have long been wanted by various industries. When the government examined them it found them perfectly reasonable, and they have been carried out promptly and carefully. I commend the government for its willingness to listen to the need for change in the tax system, and I press it to go further in modelling our tax system—being, as it is, the best and most effective in the world, particularly with regard to the cost of compliance. I encourage the government to look at a scoping study, perhaps carried out by the Productivity Commission, to see where we can further improve. Australia must be the best at production and we must have the best figures as far as costs and export capacity are concerned, but we must also be very good on our administrative costs.

I look forward to further information with regard to the goods and services tax and its relationship to land development as linked to the Commonwealth. In particular, I make the plea for more land in the ADI site to be set aside for park use and for careful consideration to be given to the provision of jobs by having some neat, clean secondary industry—of the type I am fortunate to have in Norwest Park in Mitchell—in the area instead of more houses. I know the member for Lindsay is anxious to encourage industry of the right type into the area to make sure there are great job opportunities on the site—close to where people need them, close to an intelligent and well-educated work force and which will be beneficial to the school leavers of the Lindsay electorate and surrounding districts.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.00 p.m.)—in reply—It goes without saying that the government appreciates the contribution made by the honourable members who participated in the debate on the Taxation Laws Amendment Bill (No. 3) 2002. As those members who have been listening to the debate would be aware, this is an omnibus bill, which continues the government’s program of finetuning the tax law.

There are a number of measures in the bill and I will shortly deal with those individual measures. However, I would just like to take this chance to refer to some of the remarks made by members in the course of the debate. Some of them tend to go on and on and make the same statements every time there is a debate in relation to the taxation law of Australia.

Mr Brough interjecting—

Mr SLIPPER—The member for Longman draws to my attention the contributions made by members of the Australian Labor Party. The member for Rankin is a serial offender. He claimed that the complexity of the tax law has led to action by accountants. The government does admit that the accountancy profession has raised issues concerning tax administration with the Australian Taxation Office. I would think that that is a normal and reasonable contact. The ATO is working with the accountancy profession to solve their concerns. The record ought to note that the government has made significant simplification reforms to the tax laws. Mr Deputy Speaker, I draw to your attention the simplified tax system, the simplified imputation system and the simplified reporting require-
ments with respect to the business activity statement.

The member for Rankin also made the amazing claim that the bill increases complexity. The changes in this bill are supported by business. The additional amendments are a result of further representations from business since the bill was introduced in March this year. The government will continue to make legislative changes to improve the Australian tax system as necessary. The opposition presided over an outdated and inequitable tax system during all of their time in office, and it was only this government which was prepared to make the real, meaningful and difficult decisions to bring about a new tax system as we enter the 21st century.

The member for Chifley spoke about the St Marys land—I think the member for Mitchell also referred to that. The member for Lindsay has been an outstanding representative for Western Sydney and she certainly has shown a very keen interest in the St Marys land. For a period while the member for Lindsay was away, I relieved her in her ministerial responsibilities as Parliamentary Secretary to the Prime Minister. I know she has taken a keen interest in the welfare of the people of Lindsay and a keen interest in the proposed development of that land at St Marys. It ought to be recognised that the member for Lindsay has played a key role in saving the environment of Western Sydney. There is no doubt that the people of Western Sydney appreciate the sterling performance of the member for Lindsay when we saw that incredible swing she got in the election last year, which saw the ALP sent back to the opposition benches for yet another term.

The member for Kingston claimed that the GST implementation has damaged the car industry. Nothing could be further from the truth. The GST transitional arrangements for motor vehicles were designed to minimise the disruption to the industry. The delay in providing full input tax credits prevented a buyers’ strike in the lead-up to the GST. The budget decision in 2001 to provide full input tax credits recognised that this buyers’ strike had been averted and that GST provisions for vehicles could be put on a normal footing. The reform package is delivering benefits to the motor vehicle industry due to lower taxation.

The member for Kingston also claimed that the GST has caused problems for business and that the government is still trying to make it work after 2½ years. That suggestion on the part of the member for Kingston is just laughable. Members opposite would appreciate that business has adjusted very well to the most significant taxation reform that this nation has ever undertaken, and it took the courage of this government to undertake it. You would expect that with such a major reform there would be some minor finetuning required. This finetuning has affected only a relatively small number of businesses. It demonstrates, incidentally, that the government does consult with the community and it demonstrates our responsiveness to issues that have been raised—for example, the car rental industry.

The member for Kingston referred to motorhomes and he said that motorhomes would not be assisted by the one-off credit for car rental companies. I want to advise the member for Kingston that the measure applies to cars because they are turned over every six months or so. This occurs because of the large secondary market for cars.

Mr Cadman—that is right.
Mr SLIPPER—It does not apply to other vehicles because they are held for longer periods and the impact of the GST on the subsequent sale of the vehicles is not as great. I do thank the member for Mitchell for his supportive interjection.

The member for Cook always makes a thought provoking contribution to the debate in this place. He pointed out that the economic indicators are showing that the country is performing well under the new tax system. That is a very objective comment by the member for Cook. It is a pity we do not get a bit more objectivity from those honourable members opposite. I think the Australian public has had an absolute gutful of the constant stream of negativity flowing from the other side of the chamber, and it is about time the ALP did give the government rec-
ognition and credit for our outstanding tax reforms. I want to endorse the remarks made by the member for Cook. The member for Cook is a fine, outstanding representative in the Sutherland Shire.

The member for Cook also pointed out that it is appropriate that tax losses can be transferred without GST. It is appropriate that wholly owned groups be allowed to transfer losses between companies. This ensures that groups pay tax on their net income. The GST should not impact on these transfers, particularly where input tax credits are not available.

The member for Boothby made what I thought was a very obvious statement: that the 10 per cent GST is better for the car industry than the 22 per cent wholesale sales tax. He also welcomed the decision on rental cars.

Mr Sidebottom—Excellent!

Mr SLIPPER—The member opposite at the table did in fact admit that the member for Boothby is an excellent member.

Mr Sidebottom—Brilliant; unstoppable!

Mr SLIPPER—He is in this place publicly endorsing the very positive comments made by the member for Boothby. I do not know what the faceless men in the ALP are going to say when they look at this speech and realise that the member opposite is endorsing the member for Boothby. But occasionally it is good to see a glimmer of commonsense on the other side. He continues to interject—

Mr Sidebottom—Name me.

Mr SLIPPER—You just want to go home early, my friend. He continues to interject in a very supportive way with respect to the member for Boothby. It ought to be recognised that there are major benefits to the car industry from the lower rate of tax of 10 per cent. Of course, Mr Deputy Speaker, as you would know, there is no tax on business users of vehicles. Motor vehicles fell in price by some six to eight per cent, there is now enhanced competitiveness in the motor vehicle industry and hidden taxes have been removed.

Referring to the detailed provisions of the bill, the first measure makes supplies in return for the right to develop land tax free. Local authorities often require land developers to undertake some form of capital works in return for the granting of planning or development approval. Under the GST laws, this gives rise to two taxable supplies; however, a corresponding entitlement to input tax credits may not arise for some time, if at all. To deal with these difficulties it has been decided to make both supplies of capital works by developers and supplies of planning or development approvals GST free.

The second schedule to the bill gives effect to a special transitional credit for car rental businesses in respect of rental cars on hand at 1 July 2000 but sold after that date—car rental businesses that paid sales tax when they leased or bought the vehicles pre 1 July 2000 and paid GST when the vehicles were sold post 1 July 2000. They were not the only businesses in this position, but they suffered from the additional disadvantage of not being entitled until 23 May 2001 to full input credits on replacement cars, which they turned over rapidly. I alluded earlier to the importance of this reform to the car rental industry.

The third measure exempts from GST transfers of tax losses, net capital losses and foreign tax credits under the income tax law between members of company groups. It was never intended that such transfers should be subject to GST. To give proper effect to this policy, I foreshadow that in the consideration in detail stage I will be moving further amendments to the bill.

The fourth measure concerns general insurance. Basically, what this bill does in relation to general insurance is to reinstate the longstanding view of the tax law agreed to by both the Australian Taxation Office and the insurance industry. The amendments do this by ensuring that deductions for future claims are worked out on the basis of the amount set aside in the present year to cover those claims. Insurers will also be required to apportion net premium income over the period of risk. In a related measure, self-insurers will be treated on the same basis as general insurers with respect to workers
compensation. I will also be moving amendments in the consideration in detail stage to clarify the operation of these provisions.

Finally, the bill also extends access to the intercorporate dividend rate. The rebate is only applicable to unfranked dividends paid within the same wholly owned group when the two companies have been members of the same group for the whole of the income year. This whole of income year requirement is sometimes a disincentive to efficient disposal of subsidiaries or group restructures. It is therefore proposed to change the requirement from the whole of income year to the whole of the preceding 12 months. The 12-month test, which is a safeguard against abuse of the grouping provisions, will be retained but groups will have more flexibility in restructuring. This has been a long and interesting debate in the House of Representatives, and I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.13 p.m.)—by leave—I present a supplementary explanatory memorandum and correction to the explanatory memorandum to this bill and move government amendments (1) to (17) together.

(1) Schedule 1, item 11, page 9 (lines 18 to 26), omit subsection (1), substitute:

1. A supply is not a *taxable supply if the supply is:

(a) the transfer of a *tax loss in accordance with Subdivision 170-A of the *ITAA 1997; or

(b) the transfer of a *net capital loss in accordance with Subdivision 170-B of the ITAA 1997.

(2) Schedule 1, item 11, page 10 (lines 4 to 14), omit subsection (1), substitute:

1. A supply is not a *taxable supply if:

(a) the supply is the transfer of an initial excess credit, or an opening excess credit balance, referred to in paragraph 160AFE(1D)(c) of the ITAA 1936; and

(b) the transfer is in accordance with section 160AFE of the ITAA 1936.

(3) Schedule 1, item 12, page 10 (lines 17 to 20), omit the item.

(4) Schedule 1, item 13, page 10 (lines 21 to 24), omit the item.

(5) Schedule 1, item 17, page 11 (lines 5 to 8), omit the item.

(6) Schedule 1, item 18, page 11 (lines 9 to 12), omit the item.

(7) Schedule 1, item 19, page 11 (line 16), omit “1 December 2001”, substitute “1 July 2000”.

(8) Schedule 2, item 9, page 16 (line 8), after “applied.”, insert “to assessments”.

(9) Schedule 2, item 9, page 16 (line 30), after “applied.”, insert “to assessments”.

(10) Schedule 2, item 9, page 18 (line 25), after “income”, insert “the current year of income”.

(11) Schedule 2, item 9, page 19 (lines 16 and 17), omit “the year of income”, substitute “the current year of income or an earlier year of income”.

(12) Schedule 2, item 9, page 19 (line 26), omit “the year of income”, substitute “the current year of income or an earlier year of income”.

(13) Schedule 2, item 9, page 20 (line 2), after “applies”, insert “to assessments”.

(14) Schedule 2, item 9, page 21 (line 26), omit “This Subdivision applies, and is taken to have applied,”., substitute “This Division applies, and is taken to have applied, to assessments”.

(15) Schedule 2, page 21 (after line 28), before item 10, insert:

9A Section 10-5 (after table item headed “franked dividends”) Insert:

General insurance

gross premiums 321-45 of Schedule 2J

reduction in value of outstanding claims liability 321-10 and 323-5 of Schedule 2J

reduction in value of unearned premium reserve 321-50 of Schedule 2J
Amendments (1) to (7) amend the measure relating to income related transactions. The bill currently applies to transfers of certain income tax amounts made by a member of a wholly owned group to another member of the wholly owned group. However, in some circumstances a transfer may occur in relation to the 2001-02 income year between companies that satisfy the transfer requirements within the income tax legislation but are no longer members of the same wholly owned group at the time the transfer agreement is entered into and the supply occurs. In these situations, the transfer would inadvertently be subject to GST. The amendments will ensure that entities are able to transfer tax losses, net capital losses and excess foreign tax credits without attracting GST, even where they are no longer members of the same wholly owned group at the time of the transfer. Further, following representations from industry, the bill is being amended to apply the measure from 1 July 2000.

Amendments (8) to (17) of schedule 2 to the bill remove concerns that the bill does not appropriately spread net premium income if a single up-front premium is paid in respect of a general insurance policy that covers a period of risk extending over several years. This situation typically arises, for example, in the case of mortgage insurance policies and credit insurance policies. The amendments ensure that, in these circumstances, net premium income is effectively spread over the relevant period of risk. The amendments also ensure that the measures in schedule 2 to the bill apply to all companies that carry on general insurance activities. I commend the amendments to the House.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.16 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2002

Second Reading

Debate resumed from 25 September, on motion by Mr McGauran:

That this bill be now read a second time.

Mr MOSSFIELD (Greenway) (12.17 p.m.)—When I was speaking last, I voiced my opposition to the Broadcasting Services Amendment (Media Ownership) Bill 2002 and made the point that two radio stations that had long serviced the Western Sydney community, 2KA and 2WS, had moved their premises to a new building in Ryde, with a rationalisation of staffing positions and a loss of employment. The regions these stations were set up to service have been ignored, and jobs have been lost. Some might say that the area still has three stations, all very different, all catering to different people and different tastes, and maybe that is diversity. That is true. That is diversity in music, if not in news. But the important thing is that the geographical focus has been lost. I will show that the geographical focus is incredibly important in building communities and creating a distinct identity for local regions. I am pleased to note that Radio 2, a new commercial broadcaster operating out of Blacktown, is now calling itself the new voice of Sydney’s west and it is trying to position itself in the marketplace to fill the void left by WSFM—but the mountains are still forgotten.
I would like to talk a little about WS-FM and its betrayal of the area it was licensed to cover. WS-FM used to be a great source of Western Sydney news. It had a large newsroom and a good number of reporters. Sadly, this is not the case any more. The New South Wales Rural Fire Service went so far as to single WS-FM out for its poor performance during the Christmas-New Year bushfire crisis. John Winter, Director of Communications for the New South Wales Rural Fire Service, when asked about radio’s performance during the crisis, said:

There was one most notable problem from my point of view—WS-FM. Despite what seemed to be the best efforts of their journos to get the information from us, the station was unwilling to interrupt programs to get emergency information to the people of the western suburbs on the days when it was most dangerous.

In the past we used to tell people to listen to 2WS, but we were so disappointed with their response this time that we told our people to give other stations priority. They really dropped the ball.

Mark Day, in the Australian of 24 January, wrote:

This would be a devastating critique if WS-FM maintained any pretence that they cared about news or service to the community it was licensed to cover. Obviously it doesn’t any more.

Further in the same article he writes:

I have been told WS-FM was broadcasting automated, pre-recorded programming on Christmas Day when the first fire outbreaks occurred, and again when fires were burning in the Sydney suburbs of Pennant Hills and Turramurra, several days later.

A news reporter is credited with visiting the station and preparing information for broadcasting, but no-one with sufficient technical knowledge was available to interrupt the automated system and put it to air.

The issue of emergency service announcements formed a major part of a recent report called Local voices: an inquiry into regional radio, which was compiled by the House of Representatives Standing Committee on Communications, Information Technology and the Arts, and new guidelines have been established by the Australian Broadcasting Authority. While there might be hundreds of radio stations across Australia, there is increasingly less and less diversity as programming is automated and networked from a central location. During the conduct of the inquiry we visited a number of rural and regional areas, and the issue of networking and the loss of the ‘local voice’ was a topic that many people were concerned about. Tamworth, for example, the home of country music, a town dependent on country music for its tourism and livelihood, lost the country music radio program which had been broadcast from 6 p.m. to 6 a.m. seven days a week over 35 years. Why? Because the broadcast operations group, the station owners, decided to dispense with local programming in favour of centralised single programming emanating out of 2SM in Sydney being used on its entire New South Wales network.

We are losing media diversity with the increase in concentration of ownership and the centralisation of programming. This legislation will only hasten this process. Cross-media ownership can only lead to loss of diversity and loss of jobs. Make no mistake about this: what we are talking about today is giving Rupert Murdoch a TV station and Kerry Packer a Fairfax newspaper. We are talking about giving the strong and powerful more power and taking the power away from the smaller players in the industry. There will not even be the initial burst of increased competition that we usually see in a newly deregulated industry.

The day after the laws come into effect, if they do come into effect, Packer will make his move and Murdoch will make his also. Packer and Murdoch are the reasons we have cross-media ownership laws in the first place. They are also increasingly the reason we are discussing this legislation today. Competition is at its most even and exciting when we have strict rules governing the engagement of players and have independent umpires, referees and controlling bodies with real power to enforce these rules. Only regulation can create a level playing field; without it, the field quickly becomes lopsided in favour of the already powerful.

This government is rapidly becoming famous for its use of Orwellian newspeak. Unfair dismissal laws have been magically transformed into fair dismissal laws and so on. This debate on media ownership is no
different. In an amazing piece of black is white and day is night rhetoric, the Minister for Communications, Information Technology and the Arts, Senator Alston, in an article in the Age newspaper on 12 April, actually argued that the further concentration of media ownership would in fact lead to greater diversity. What rubbish! Interestingly, he did not challenge the argument that his laws would not lead to further concentration of ownership but rather argued that concentration was a good thing. He argued that fewer larger media companies would have the economies of scale and the commercial flexibility to provide a wider variety of content. While this may be true of entertainment, it cannot possibly be true of sources of news, current affairs and opinion.

I would like to read a quote about this issue of media ownership and sources of information. It states:

… legitimate public interest lies in maximising the diversity of news and current affairs so that the population can be exposed to a wide range of competing news sources, facts and opinions—the essential prerequisites for an informed citizenry in a modern democracy.

That quote comes from none other than the minister himself, in the same article, calling for greater concentration of media ownership. To use that quote as a reason to reduce competition and increase concentration is as false an argument as there ever was. It is truly Orwellian in scale and grandeur—four legs good, two legs bad and some pigs are more equal than others, so the saying goes. Poor old Eric Blair would be turning in his grave to know that his prophecies have come true in the actions of this government.

This is a government that spies on its citizens and manipulates language in the most base of ways. For example, ‘the asylum seekers had nothing to do with the election victory’ is a line peddled by the Prime Minister and Lynton Crosby; ‘the fact is that in a liberal democratic society like ours you cannot put fences around people’ is a quote from the immigration minister, Philip Ruddock. On and on, the misuse of language by this government to say one thing and mean or do something else entirely staggers the imagination.

Finally, this is a bad piece of legislation. It will lead to a loss of diversity, a loss of competition and a loss of jobs. There is no other way to put it, and to add insult to injury you have a minister who seems to think that the loss of competition is a good thing. I am here to say that I see through the newspeak tactics used by this government, and I am sure the public do too. You can only treat them as fools for so long. I am happy to support the Labor speakers in this legislation in strongly opposing what is being put forward by the government.

Mr WAKELIN (Grey) (12.27 p.m.)—I rise to speak on the Broadcasting Services Amendment (Media Ownership) Bill 2002. There is no doubt that we live in a very powerful time of dramatic change and increased technological capacity. This is certainly no more clearly identified than within the digitisation technology for production and transmission. There is some irony for me in that the region that I represent has one paper per community. It is owned by the one proprietor, Rural Press. So, in all the discussion around and excitement about making sure that there is proper balance between ownership in the metropolitan areas, it is worth remembering that in all of my electorate there is just one owner with one paper in each major community—‘major’ being, by rural standards, a population of 3,000 or 4,000. I just offer that in passing.

There is a concern in my regional areas about the potential loss of regional news. I met with media owners in this place only last week, although a division actually interrupted my opportunity to talk about what localism meant and what it could do in the future. But, if I were talking to those media owners again—and the backbench committee hopes to do so again—I would suggest to them that the balance between localism and the national program and, indeed, international news is much closer now than perhaps it was in the past. Perhaps the set type of programming for regional news is something about which we could be a little broader with our definitions and a little more innovative in bringing to regional communities.

There is no doubt about the advances in technology and the cost-effectiveness of
journalists with their one-man band, if I can put it that way. The journalist comes with his or her little camera—it is mainly young women these days in the journalistic field, particularly in regional South Australia and regional Australia—and you do not have to have three people there: one with a big camera, one with the microphone and the journalist asking the questions. You have one person. The efficiency that has occurred is quite profound in terms of what is actually happening out there in regional Australia. This legislation to me marks that stark contrast between regional Australia and urban Australia.

But to come to the legislation itself—and this comes from the second reading speech—I want to highlight the three mandatory prescribed tests that must be passed for the objective of editorial separation to be met. They are the existence of (a) separate editorial policies; (b) appropriate editorial charts; and (c) separate editorial news management, news compilation processes and news gathering and interpretation capabilities. In all of that it is important that it be remembered that that is a requirement of the act, and that will no doubt be very closely watched by the Australian Broadcasting Authority. We should never forget that we have the Trade Practices Act 1974 to keep an eye on this and we have the ACCC in whatever might be considered to be anticompetitive practices. So we have a fairly comprehensive regulatory process, which strikes appropriate checks and balances.

In all of this we should not forget the ABC—the Australian Broadcasting Corporation. It is totally independent. We in this place on either side of the House may from time to time wonder about that independence and whether there is always fairness and truth prevailing, but the Australian Broadcasting Corporation has a reputation second to none in the world as far as I am concerned. If anyone just takes a small sample when they are in an overseas country, has a look at the type of programming that is there and then sits next to that the Australian Broadcasting Corporation—whether it be in television, radio or its other mediums—then, no matter whatever criticism I may have from time to time of the Australian Broadcasting Corporation, it will be clear that the independent broadcaster funded by the taxpayer is yet another protection that we have in this country.

In supporting the legislation it is important to remember that the world is becoming a much smaller place. For Australia—with our 20 million people alongside Western democracies of hundreds of millions of people in a population of the world of billions of people—it is important that we integrate, that we work with the world and that we understand what is happening in the wider world more than at any other point in our history. I do not feel too intimidated by any external forces or whatever you might want to call them because I believe that, though it is important to protect and to celebrate our culture, it is also equally important to be outward looking and to be integrating with our international community in a whole lot of ways.

When I look at the international media, particularly in the newspaper area, whether in the UK or the US—but particularly the UK—the quality of the writing and the diversity in those newspapers I find quite refreshing. That can only be supported by the sort of population that the United Kingdom has, one much larger than our own. But I must say that I do come back to Australia sometimes and lament the narrowness of view and the narrowness of the writing of the best writers that we have because I really do enjoy that breadth of writing and breadth of opinion that is in countries like the UK.

I conclude as I began with the irony of this legislation, legislation which is endeavouring to move media ownership forward—indeed, endeavouring to match the demands of the 21st century and not look backwards but look forwards. The irony is that opponents are worrying about the appropriate balance. I remind people that in regional areas we have one owner and one paper and in most areas one television station. I want to simply congratulate the government for the modest black spots program, which now gives my small community—my home town—five television channels where before they had two. So here is the dynamic of the modern technological capacity. In my region
it is more about getting access to the com-
communication, let alone the message that is
coming through—it is actually getting ac-
cess. But now we celebrate, through the poli-
cies of this government, the delivery of five
television channels. It is quite an event when
you consider that my community has only
ever had two.

With those few words, I support the leg-
islation. We have some issues in regional
news services that many of us will be
watching very carefully, but for the future of
this country and the future of the dynamism
of media it is important that we move this
legislation on.

Ms HOARE (Charlton) (12.36 p.m.)—
The purpose of the Broadcasting Services
Amendment (Media Ownership) Bill 2002,
which was introduced into this place on 21
March this year, is to amend the Broadcast-
ing Services Act 1992 to remove controls on
the foreign ownership of television; provide
for exemptions to the cross-media rules in
certain circumstances; and ensure that local
news services are maintained in regional ar-
eas, subject to exemptions from cross-media
rules. As has been pointed out already in this
debate, this proposal has been around since
the election of the Howard government in
1996. We have been watching very closely
the proposals that the government has put
forward for public discussion. While we
welcome that the government has finally
produced legislation in relation to previous
election commitments, we will still be op-
posing this bill in the House—and we call on
the minor parties in the Senate to support us
in that.

The coalition’s cross-media ownership
legislation seeks to enact many changes to
the existing regime. It would empower the
Australian Broadcasting Authority to issue a
certificate exempting a media proprietor
from the need to comply with the cross-
media ownership laws if that proprietor
could demonstrate that certain criteria re-
garding editorial separation were met. These
criteria would require that the proprietor
maintain separate editorial decision making
responsibilities in the different parts of his or
her organisation which, if not exempted,
could not be owned by the one company un-
der the cross-media ownership laws. The
criteria would include a requirement to pro-
vide: evidence that separate editorial policies
are maintained; organisational charts outlin-
ing editorial decision making processes; and
evidence that news management, news comp-
ilation, news gathering and news interpre-
tation processes are separate, consistent with
the full separation of editorial decision
making processes.

Under the new legislation, the media pro-
prietor will have an obligation to continue to
comply with the conditions in his or her ex-
emption certificate. Where a proprietor who
is granted an exemption certificate acquired
a commercial television or radio licence in a
regional area, he or she would have to pro-
vide a minimum of five daily local news and
weather services per week and a minimum
level of community service announcements.
The specific restrictions on foreign owner-
ship of television networks would be re-
pealed, there would be no restrictions on for-
eign ownership of radio stations, and the re-
strictions on foreign ownership of newspa-
pers would be the Treasurer’s guidelines
only. The provisions of the Foreign Acquisi-
tions and Takeovers Act and the Trade Prac-
tices Act would continue to apply.

I want to take up the third purpose of this
legislation, which I mentioned before: the
provision of local news services and region-
alism in media in this country. The linkage
between local news obligations on regional
television and radio stations and cross-media
exemption certificates in this legislation is
highly peculiar. The Australian Broadcasting
Authority is currently inquiring into this is-
ue. It seems it would be much more appro-
priate for the authority to develop a com-
prehensive solution to the delivery of local and
regional news services and media provision.
This legislation seems to be pre-empting an
inquiry which is currently being conducted
into local news services and regional media
provision. It would have been more appro-
priate if the government had held off intro-
ducing this legislation until such an inquiry
had been completed and comprehensive so-
lutions to the provision of local news serv-
ices had been found and tested.
In relation to local news services, the Chairman of the Australian Broadcasting Authority, Professor David Flint, has been reported as saying that it was unclear whether the authority had the power to force broadcasters to provide local news services, the ABA having received conflicting legal advice on the subject. However, at the time, he also noted that the authority could always approach the government and recommend legislative changes. This bill imposes the requirement to maintain local news services only on broadcasting licensees in regional areas that have the benefit of an exemption from the cross-media rules. The reason I particularly wanted to concentrate on the issue of provision of local news services and regional news is that it relates to a situation which happened in my local area just last year, which I will detail further.

Labor’s communication spokesperson, the member for Melbourne, yesterday outlined the most recent amendments which the government has circulated on this bill. The three amendments are the reinstatement of a relaxed version of cross-media ownership in regional Australia; increased disclosure of cross-media holdings in certain circumstances; and the prohibition of contracts and arrangements which restrict the program format of commercial broadcasting radio services. As I have already indicated, I will be discussing the first one: the reinstatement of a relaxed version of cross-media ownership in regional Australia; increased disclosure of cross-media holdings in certain circumstances; and the prohibition of contracts and arrangements which restrict the program format of commercial broadcasting radio services. As I have already indicated, I will be discussing the first one: the reinstatement of a relaxed version of cross-media ownership in regional Australia. This most significant amendment would mean that a cross-media exemption in regional areas could apply to two of the three types of media—television, radio and newspapers—covered by the cross-media rules. The previous amendment bill allowed common ownership of a newspaper, television station and radio station in any market in Australia. Under the current act, ownership is limited to only one of these three media types in a single market. I note that the previous speaker in this debate, the member for Grey, talked about having only one newspaper for each of the communities in his electorate. But he concluded by saying that most of the communities in his electorate have access to five television stations—so they do have more than one media outlet. I do not think that having just one newspaper is a valid argument in support of this amending legislation.

The government amendments limit this exemption to two out of the three types of media in regional areas only. Cross-media ownership of all three media will still be allowed in metropolitan Australia under the amended bill. We in the opposition ask why there is this difference between metropolitan and regional media. Do you not think all Australians should have the same access to a diverse media, whether or not they live in a metropolitan area or rural and regional Australia? This government puts too much emphasis on the differences between Australians living in metropolitan areas and in rural and regional areas and does not provide the same access to services for these two different groups of people.

The issue of regional television services hit my area hard in 2001, as it did in a number of regional areas. I refer specifically to the Prime News services provided in my region around the Newcastle-Lower Hunter area, which in July last year were cut, cancelled, and workers were sacked when the Prime executive decided that they were no longer going to provide a local news service in our region. The Prime studio is located in my electorate of Charlton.

To highlight this issue, I want to refer to some correspondence that I received. There was a lot of correspondence between members of parliament and the community. There were community meetings with the Prime executive television organisation, with the community expressing its extreme disappointment that the executives had decided to cancel local news services in our region. One young woman, Rebecca Dodds, who was in year 11 last year so she would now be in year 12, wrote regarding the closure of the Prime newsroom service. This young woman anticipates a career in journalism, so she has quite a keen interest in the provision of regional news services and regional journalism. She said of the Prime staff:

They did a great job and I greatly miss watching them of a night.

For a year 11 student, to say this about a news service, has to mean something. Most kids my age are not ‘into’ watching news/sport, but my
interest in journalism has made me interested in Prime because of the emphasis they placed on bringing a quality service to the people of Newcastle.

The effort put in by the Prime news team was great and they deserve to be rewarded not sacked!!

Please help me to help them. I have written to the Chairman of Prime, the ABA, the ACA, the Herald, the Star & am considering a petition but my help is limited, I can’t do much else but I want to.

Yours sincerely
Rebecca Dodds

From that and other correspondence, I made representations. Prime local news had been an active participant in the Hunter region through sponsorship and promotion of local events and its coverage of regional issues. A local news service is a fundamental sign that a network is committed to a region. It was disappointing that Prime Television was not prepared last year to continue that commitment.

I was also extremely concerned that Prime’s decision had seen a loss of 14 staff. The decision represented a terrible blow to media diversity for Newcastle and the Hunter. At that stage, I made representations to Senator Richard Alston, the Minister for Communications, Information, Technology and the Arts, and to Mr Brad Jones, the general manager of Prime Television (Northern). However, the responses which I received from the minister and Mr Jones did not indicate any willingness to reinstate a local news service out of the Prime studios in the Newcastle region.

The response I received from the general manager of Prime talked about it being a commercial decision due to the size of the audience in the Newcastle region. It is not the size of the audience that counts; it is the quality of the service that an audience appreciates in a local region like ours. In his response, Mr Jones said:

We are now broadcasting Seven news at 6 p.m. each week night followed by Today Tonight at 6.30 p.m.

Any of the free-to-air stations provide this service. The people of Newcastle wanted a local regionalised news service from Prime. In the response from the minister in September last year, he said that he recognised the importance of local news services to regional communities. At that time, he publicly stated his disappointment with Prime’s decision. The minister wrote to Paul Ramsay, the Chairman of Prime Television, expressing his strong concern at the announced closures. Unfortunately, the minister’s representations did not make any difference and the Prime decision has not been reversed.

The minister identified a range of measures which had been introduced by the government in support of the ongoing viability of regional television services. Obviously, those measures introduced by the government were not enough. In this legislation, the government had the opportunity to strengthen those measures to ensure that viable, profitable, committed news services are provided to regional areas right throughout this country, so that those who live in regional areas do not have to rely solely on city-centric news bulletins when we want to know what is happening in our local region.

Earlier this year the Australian Broadcasting Authority came to Newcastle during its investigation into the adequacy of news and information programs in regional and rural Australia. I provided Rebecca Dodds’s letter as a submission to that inquiry. I referred to that inquiry earlier, saying that the government should have waited until its completion so that any recommendations from that investigation could have been included in this legislation. I heard that the hearing held in Newcastle was quite successful. At the time—in February this year—parliament was sitting, so, although I was able to lend my support to the people expressing their views to the inquiry, I was unable to be there.

Just last month the Australian Broadcasting Authority released a partial report on the issue of news and information programs in regional and rural Australia. As I said, the investigation commenced in November last year following the closure of local TV news and news bulletins in the ACT, Northern Territory, Newcastle, Wollongong and Northern Queensland. So the inquiry began last November and in late August this year a partial report was released. We do not know what
the time frame is going to be for the full inquiry to be completed and the final report released and recommendations made but, as I said earlier, maybe the government should have held off on this legislation until that inquiry was completed so that its recommendations could have been included in this legislation.

Labor is opposing this legislation as it represents a serious threat to ongoing media diversity in Australia. A diverse and pluralistic mass media is fundamental to the effective functioning of a modern, democratic society. The effect of the bill would be to allow the number of major commercial media organisations in Australia to fall to as few as three. The government’s proposal to protect editorial separation is cumbersome and complex and is likely to be completely unenforceable. It will be administered by the ABA and Professor David Flint, who has recently called for media proprietors to be completely unshackled from the cross-media ownership laws. (Time expired)

Mr CIOBO (Moncrieff) (12.56 p.m.)—It certainly is a delight to be able to have the opportunity to speak to the Broadcasting Services Amendment (Media Ownership) Bill 2002. What I just heard from the member for Charlton was typical of the Labor Party. All I heard was a litany of reasons why the government should stop acting, why the government should not display leadership in this area, why the government should continue to wait for yet another committee report and why the government should not take the baton and run with it. It is typical of the state of policy paralysis that the Australian Labor Party continues to be in, not just with regard to media policy but across the board. The member for Charlton needs to take into consideration the fact that the people of Australia expect and demand of their government leadership when it comes to policy issues and leadership when it comes to tackling the big, difficult issues.

Most certainly, I recognise that media ownership is a contentious issue. It is an issue on which, if you speak to 100 people in the community, you will get 100 different points of view about the best way to tackle the problem. Notwithstanding that, this government has taken the time to consult broadly with the community, the stakeholders and the consumers of media and to determine the best course of action to adopt with respect to media ownership restrictions and liberating media proprietors, at all times thinking of what is in the best interests of the consumers of media—that is, the men and women of Australia.

In speaking to this bill, I thought it would be prudent to outline the current provisions in regard to foreign ownership and cross-media laws and to contrast those with the proposed provisions. With respect to the current provisions in relation to foreign ownership, there are a number of issues that I would highlight. At present, the bill before the House would repeal restrictions that exist in the Broadcasting Services Act on foreign ownership and control of Australian commercial television broadcasting and pay TV licences. No restrictions currently apply to the foreign ownership of radio licences.

The government has stated on a number of occasions that it will discontinue restrictions in accordance with the Foreign Investment Review Board guidelines on foreign ownership of newspapers, if the reforms that are contained within this bill are passed. The current restrictions that exist within the Broadcasting Services Act pertaining to foreign investment hinder local industry’s access to capital and to new technology. It is also important to recognise that, as a result of the current restrictions on foreign investment as contained within the Broadcasting Services Act, there is also a distinct reduction in the level of competition that exists between media outlets, not only internally in one form of media but also between modes of media.

As a result of this reduction in competition, there is a reduction in the diversity available to the consumer and there is also a very significant brake put on opportunities for new entrants into the media marketplace. Under the Broadcasting Services Act, a foreign person cannot be in a position to exercise control of a commercial television broadcasting licence. Further, two or more foreign persons must not have company interests greater than 20 per cent in such a licence. No more than 20 per cent of directors
of each commercial television licensee may be foreign persons. All of these restrictions work to reduce competition, to limit diversity and to limit opportunities for new entrants.

The foreign ownership limit for subscription television broadcasting licences is currently 20 per cent for individuals and 35 per cent in aggregate. These provisions apply in addition to the Foreign Acquisitions and Takeovers Act and the operation of Australia’s foreign investment policy. The Foreign Acquisitions and Takeovers Act provisions have the ability to address the national interest concerns that might arise in regard to a particular investment.

Approval of foreign acquisitions of newspaper interests is the responsibility of the Treasurer in accordance with the Foreign Acquisitions and Takeovers Act and its regulations. Presently, the foreign ownership limits for a national metropolitan daily is limited to 25 per cent for individuals and 30 per cent in aggregate. Australia’s foreign investment policy, which provides the guidance the Treasurer requires in making determinations with respect to foreign investment under the Foreign Acquisitions and Takeovers Act, contains specific provisions with respect to media assessments.

Under the current Foreign Acquisitions and Takeovers Act, any proposals that are put forward for foreign investment income of 15 per cent or more for individuals or 40 per cent or more in aggregate for companies—that is, a total value of $50 million—are notifiable and are then considered by the Treasurer who has the power to ultimately reject them if he determines that control would change and that the proposal is contrary to the national interest. This is a very significant brake imposed in the media marketplace. It is a significant hindrance to entrants coming into the Australian media market and a significant brake on capital being invested in the Australian media market.

I also highlight that investments that raise competition issues with respect to the concentration ratio in particular media markets are currently subject to the relevant provisions of the Trade Practices Act. However, what we have proposed in this bill are a number of reforms with respect to foreign investment that are absolutely crucial if we are going to liberalise the media market to promote greater diversity to consumers, to promote increased competition among media operators and to promote the investment of new capital to further enrich the media marketplace.

The bill, as it presently stands before this House, removes media specific restrictions on foreign ownership and control of commercial free-to-air and subscription television broadcasters that currently exist in the Broadcasting Services Act. There are no specific limitations on foreign ownership or control of commercial radio broadcasting licences contained within this bill. Similarly, foreign ownership and control of newspapers will not remain the responsibility of the Treasurer and these provisions will be discontinued if this government reform proceeds.

The reforms that are introduced by the bill are legislatively simple to implement and will deliver substantial benefits to the Australian media sector. Foreign acquisitions of foreign ownership media will continue to be subject to the foreign investment laws and foreign investment policy as well as the general competition law. It will remove the absurd situation where Australians were shackled to a specific code pertaining just to media. We have removed the framework that was there and introduced the general laws that apply to all industry so that it is, no longer, the poor second cousin to the rest of industry in Australia. If these changes are accepted, effect will be given to the government’s election commitment as well as to the recommendation of the Productivity Commission report into broadcasting. In essence, what we have with respect to foreign media and contained within this bill is the government upholding its election commitment—a commitment that the member for Charlton and the member for Melbourne would not recognise and seek to prevent us from implementing.

With regard to cross-media ownership restrictions, it is important to recognise what currently exists and what we are proposing to implement as part of the reform. The cross-media ownership rules that are presently
contained in the Broadcasting Services Act prohibit a person from being in a position to exercise control of commercial television or radio licences and a newspaper in the same licence area. Further, a newspaper is deemed to be associated with a commercial television licence area if 50 per cent of the circulation of the newspaper is contained within that one licence area. A newspaper is deemed to be associated with a commercial radio broadcasting licence area if at least 50 per cent of the circulation of the newspaper is within that licence area and the circulation is at least two per cent of the licence area population.

Limitations on control and directorship of commercial television broadcasting licences, commercial radio broadcasting licences and associated newspapers also apply. The Australian Broadcasting Authority also requires that licensees regularly report the names of the directors of a licensee and the persons who, to the knowledge of the licensee, are in a position to exercise control of the licence. Licensees are also required to notify the ABA, of any changes to the control of a licence. This cross-media regime applies in addition to the general competition law. You have both layers applying at the moment. It is currently monitored and enforced by the ABA.

The limits that apply with respect to these controls are contained within the Broadcasting Services Act, and it limits commercial television broadcasters to 75 per cent of the national viewing audience. This ensures and results in at least 25 per cent of the market being available for other broadcasting groups such as Prime, Southern Cross TV, WIN and so on. In addition to that, a person must not be in a position to exercise control of more than one commercial television broadcasting licence in the same licence area or more than two commercial radio broadcasting licences in the same licence area. All of these control limits will be retained under media ownership reform.

The provisions contained within this bill will amend the Broadcasting Services Act to reform the cross-media ownership regime as it presently exists in Australia. It is an exciting reform. It is a reform that many Australians would recognise as being long overdue, and it is a reform that implements the policy commitment made by this government in the lead-up to the last election.

This bill authorises the ABA to grant cross-media exemption certificates on application. Holders of exemption certificates are not in breach of cross-media rules in relation to media entities that they control, provided that the conditions of the certificate are satisfied. In other words, if a company seeks to breach the current rules as they apply with respect to cross-media ownership, they can apply to the ABA for an exemption certificate. If that exemption certificate is authorised, obviously subject to certain conditions, they will not be held in breach of the cross-media ownership restrictions.

As the bill stands before the House, the certificate must be issued if the ABA is satisfied that the conditions included in the application will meet the objective of editorial separation for the set of media operations concerned. This is a very important point. It is important that we do maintain that standard of editorial separation. The member for Charlton and other members opposite—indeed, on both sides of the chamber—have highlighted the need for editorial separation. I am delighted to state for the record that this bill most certainly ensures continued separation of editorial policy. The objective is that separate editorial decision making responsibilities must be maintained in relation to each of the media’s operations. I stress that point.

Three mandatory tests are prescribed in this bill for the objective of editorial separation to be met. They are objective tests. They are that there be, firstly, separate editorial policies; secondly, appropriate organisational charts; and, thirdly, separate editorial news management, news compilation processes and news gathering and interpretation capabilities. Once a certificate becomes active, holders of the certificate must ensure that the certificate requirements are continuously met for the certificate to remain active. This is an important qualifier. In addition to that, the ABA may direct the person, in accordance with section 70 of the Broadcasting Services Act, to take actions—for example, to sell
shares—if there is a breach. That way they will no longer be in breach. Meeting the objective of editorial separation also becomes a condition of a licence so that the ordinary mechanisms for enforcement of licence conditions will apply.

The ABA has the power to investigate complaints in relation to breaches of licence conditions. This is an important and specific power. The government recognises, and I certainly have been advocating, that there is public concern about declining levels of local news and information programs on both television and radio in regional Australia. These services are important for maintaining community identity—that is recognised—and they are also important in ensuring that information that is local and that is important to the local community is relayed in a timely fashion. This bill provides that regional broadcasters, subject to an exemption certificate, will be required to meet or exceed prescribed minimum levels of locally relevant news and information. The prescribed minimum levels include at least five prime time news bulletins per week, each containing adequate coverage of matters of local significance, as well as broadcast of local community service announcements and the ability to broadcast emergency warnings if and when required. So the concerns that the member for Charlton and the member for Melbourne have raised are most certainly addressed within this bill.

The question can be posed, as a result of the introduction of this new bill, whether the Trade Practices Act will prevent cross-media mergers in cases where competition may be an issue. As you would be aware, in accordance with part 4 of the Trade Practices Act—the part of the act that pertains to restrictive trade practices—media mergers and acquisitions remain subject to the same section 46, section 47 and right through to section 51, which deals with restrictive trade practices. The act currently regulates those restrictive trade practices and prohibits acquisitions that would have the effect, or be likely to have the effect of, substantially lessening competition in the marketplace. Because each of these assessments is conducted on a case by case basis, it is impossible to predict at this point in time what the outcome of a cross-media merger assessment may be. That said, it does exist within the Trade Practices Act for it to apply as a result of the introduction of this new media ownership regime.

In its inquiry into broadcasting, the Productivity Commission considered repealing cross-media provisions in favour of sole reliance on general competition law under the Trade Practices Act but subsequently rejected that option on the grounds that it would not address the social objectives of the Broadcasting Services Act and would not have the ability to necessarily prevent cross-media mergers.

The question needs to be asked: why is it necessary to reform foreign ownership and cross-media ownership restrictions at the same time? The government, as I outlined, committed to simultaneous reform of cross media and foreign ownership restrictions in its election policy. This bill before the House today demonstrates the leadership of this government and its commitment to ensuring that our election policies are followed through and are followed to the letter. Simultaneous reform will enhance diversity and competition by increasing the potential pool of media ownership while, at the same time, allowing greater flexibility in business structures. This, in turn, will encourage the delivery of innovative new services and will ensure that all media markets are catered for. Lifting only the foreign ownership restrictions in isolation would restrict the ability of Australian companies to generate sufficient domestic size and scope to compete on an international basis. It certainly goes without saying that we live in a globalised world today, and we need to be able to compete on an international basis.

In addition to that, if we did not follow through and if we lifted only foreign ownership restrictions, it could have implications in terms of companies having limited access to capital in comparison with other foreign competitors. Likewise, there would be less incentive for foreign companies to invest in Australian media if limitations on cross-media control remained. As foreign owners are also subject to the cross-media ownership
restrictions, retaining the cross-media rules while repealing foreign ownership restrictions would still limit the capacity of foreign owners to invest in convergent business models. This may act as a disincentive for investment and place Australia at a competitive disadvantage in relation to other countries with more liberalised laws. Another reason for simultaneous reform is that domestic broadcasters would be placed at a competitive disadvantage against foreign competitors who may have only limited holdings in Australia and therefore would not be constrained by the cross-media regime. So what we are talking about is one rule for all to ensure that Australian media proprietors and media operators have the same opportunities as foreign media proprietors and foreign media operators.

I turn for a moment to what I expect the impact to be on a place such as the Gold Coast. We have a very good operation there, with RG Capital Radio, the Gold Coast Bulletin and Channel 9—local media that all make a significant contribution to the Gold Coast. This was highlighted most recently by RG Capital’s initiative in flying an American flag to help commemorate September 11. Under this new regime this commitment to the community could be ongoing and would be sustainable into the future. I commend this bill to the House, and urge all members to support it.

Mr ANDREN (Calare) (1.16 p.m.)—As an almost 30-year participant in the media industry, both in Sydney and in the bush, I think I might have something to contribute to this debate. Among the welter of information that has been issued in recent months around this contentious legislation, the Broadcasting Services Amendment (Media Ownership) Bill 2002, one letter, from the Communications Law Centre, stands out. Director Dr Derek Wilding asks the very pertinent question:

We can see the benefits to media owners in removing cross-media restrictions, but where is the benefit for the Australian public?

There is much talk about increased diversity being provided by this legislation. We have one of the most concentrated media ownerships in the world already, and nothing in the legislation suggests that the removal of the cross-media rules would do anything other than exacerbate that situation. The government’s viewpoint, instanced in its own explanatory memorandum, is highly subjective, leaning heavily to the interests of the existing owners of media outlets. Certainly if the government were to claim that its approach is an exercise in objectivity, then the views contained in the explanatory memorandum and expressed in the second reading speech delivered by the Minister for Science on behalf of the Minister for Communications, Information Technology and the Arts are both confusing and contradictory.

The government states that there is a ‘need for ongoing diversity of opinion and information’ because of convergence in the communications market, but diversity of ownership is not necessary to achieve this. Convergence in the communications market refers to technical convergence: all sources of information are becoming interchangeable and you can have your news on your TV, in your newspaper or on the Internet; or you can have your TV news on your computer, in your newspaper or on the Internet. If you are very lucky and have an Internet fridge, you can get your news on that too. But, as the ABA has shown, for me and for the majority of Australians the traditional media—newspaper, TV and radio—are still the main sources of news and information. As the Bills Digest reported, the ABA survey revealed that 88 per cent use free-to-air TV for their news and current affairs, 76 per cent use radio, 76 per cent also use newspapers, 10 per cent use pay television and 11 per cent use the Internet.

Even though the source or the medium might be slightly and slowly changing, information and editorial opinion remain largely the same. Why? Because the new media that the minister points to as having changed Australia’s media landscape and therefore having made ownership restrictions obsolete—the pay TV and Internet news sites—are also dominated by the same conglomerates that own the traditional media. It is the same information and editorial that you get in your newspaper and on your radio and TV. They are independent sites out there, but
the truth is that the only sites attracting the big league audience numbers or hits are those associated with traditional media. So convergence in the market due to advances in technology still delivers basically the same source of information from largely the same directions. The government wants to allow the owners to buy more outlets through which they can deliver the same information and opinion via more media, which will diversify opinion and information in the public arena. It just does not make sense. To me, it means the same message delivered louder and stronger.

This bill will facilitate a concentration of ownership and the associated influence that goes with it. It risks the homogenising of opinion and debate in this country. If anything, in the face of the emergence of media giants—the massive transnational media companies such as AOL Time Warner and Vivendi Universal, which are both noted in the explanatory memorandum; Pearson in the UK; and News Ltd—any government really concerned about diversity of opinion should be saying that not only do we need to retain the cross-media ownership regime but also we should include new media in it. Indeed, the dissenting report of Democrat and Labor members of the Senate inquiry into this legislation concluded that a plausible outcome of the passage of this bill is Australia ending up with as few as three main commercial media companies, they being News Ltd, John Fairfax Holdings and PBL. Further, the Communications Law Centre points out that residents of capital cities such as Brisbane, Adelaide and Perth receive only one local daily newspaper and that, under this bill, the owner of those newspapers in those cities would be able to control a commercial television station or radio station. In evidence to the Senate inquiry, Fairfax argued that this would be beneficial, giving Australia four pillars of media, including the ABC. It is a bit like the four bank pillars, and we can see what influence they have had—particularly on regional services—in that sector of the economy.

Let me share with the House some of my media experiences that go back to the late 1960s, when I first joined Channel 7 Sydney, which was then owned by the Fairfax organisation, along with 2GB. For much of my time as a reporter, I was not based at the Epping studios; I was working out of the Channel 7 office in the herald building on Broadway in downtown Sydney. Next door was the office of 2GB. Part of my duties was to wander around to the Sydney Morning Herald or the Sun news desk and pick up the ‘blacks’, as they were called—the carbon copy of the Sun or herald news copy that had been filed by the Fairfax reporters. This was taken back to the office and sent by an early version of the fax machine to Epping, where it would become the basis for the reporter or news-reader voiceover of television stories. Other stories were rewritten and used as read-only TV stories. The same process was followed by the 2GB reporter next door; the only difference was that the bulletin was read from a radio studio within the Macquarie news office in the herald building. The Sydney Sun’s lead story became the Macquarie news lead story on the hour during the week, with the Sun-Herald and herald providing the stories at the weekend. Not only was the Fairfax editorial material being used by the other two media but there was a direct and daily link between senior Fairfax executives and the news editor at Channel 7.

The minister might refer to this sort of information sharing as an economy of scale but, in real terms, it is called a homogenous editorial opinion. A few years later I worked at Channel 9, where Kerry Packer exerted a direct and at times hands-on influence on the content of news bulletins, particularly at politically sensitive times—almost invariably sensitive to conservative political interests. I can remember several occasions when Mr Packer exercised direct influence over editorial policy. It is a nonsense to suggest that that sort of influence would not be exerted across a stable of media interests if it were deemed politically expedient, as was the case during the 1975 federal election campaign.

Later, when I joined Channel 8 Orange, there was no management interference from the locally based and essentially locally owned operation—in this case, Country Television Services. It was only after the
local station was subsumed into the Prime Network that management interference from head office—now in Sydney—became a common feature in both the editorial and the production components. There has been a steady trend towards generic stories able to be spread across the whole regional market, which have very little relevance to particular local audiences. As well, the local news service often becomes a vehicle to promote national network programming, particularly AFL, racing and programs such as that.

Apart from management influence over news policy, the further concentration of media ownership is therefore likely to further diminish rather than expand the variety of viewpoints available. The ABA survey and interviews with news producers referred to in the Bills Digest recognised that it was:

... broadly accepted that news producers will be influenced by their proprietors’ commercial interests ...

Ownership interference was sometimes explicit, but more often described as a subconscious pressure which led to self-censorship ...

As a news producer in both the city and country areas, I can very closely identify with those sorts of pressures. In my early days, in a regional sense, there was very little pressure when you had eyeball contact with the management. But with the absentee ownership and the phone line communication, I can tell you that, with more young producers and editors—particularly in regional centres—they do not dare question the word of head office if a particular editorial line is required. To relax the current ownership restrictions would see these self-censorship pressures in favour of the interests of a particular proprietor applied to a greater number of journalists and opinion makers.

I notice that the legislation has picked up on recommendation 3 of the Senate inquiry—at least, of the coalition members of that inquiry. Cross-media exemptions will only be allowed in regional markets to the extent that a media company has cross-ownership of no more than two of the three generic categories of newspaper, radio and television. Regional, for the purposes of the act, is non-metropolitan—the area around the GPO of a mainland state. This, I presume, leaves Tasmania and the territories, along with major regional centres like Newcastle, Wollongong, Orange and Bathurst, subject to this ‘two out of three only’ ruling.

Let me further set out why I believe it is highly dangerous for our democratic way of life to reduce the current cross-media ownership rules, even to the extent proposed for regional media. Should Rural Press, which operates every newspaper in the central west bar the independent Molong Express and Oberon Review, choose to take up the option of a cross-media exemption certificate and gain control of a local radio station—or two, or three, or a network across the state—then it defies belief to think it would not use its widespread editorial resources to provide the news material and, directly or indirectly, the editorial policy to that station or those stations.

New section 61P of the bill before us requires broadcasting licensees who are the subject of cross-media exemption certificates to ensure the objective of editorial separation is continuously met. This can be achieved—in fact, guaranteed, as the minister stated in his second reading speech—by a number of mandatory tests prescribed by the government. They are separate editorial policies, appropriate organisational charts and separate editorial news management, news compilation processes, and news gathering and interpretation capabilities. But the explanatory memorandum says:

These requirements do not prevent the sharing of resources or other forms of cooperation between jointly-controlled media operations.

This is where editorial separation goes out the window. While a single proprietor could in theory maintain the newsrooms for each of its media outlets, it stretches the imagination of one who has worked in the media in such circumstances for so long to believe that, say, the owner of an Orange newspaper and radio station would not seek the most cost efficient way of operating those news services—and that would invariably be a sharing not only of resources but of editorial copy.

I note that, under section 61F, each entity under common ownership must have separate editorial policies. It sounds great, but it is an absolute nonsense. To begin with, we
do not have licence renewal hearings any-
more to examine breaches in other areas of
localism and so on. If we cannot police this
or have no will to police this, and if we hold
licensees accountable for their localism and
for meeting adequate and comprehensive
requirements—they currently have to con-
tribute only in a quaint way to meet their
localism requirements, which means the guy
down the road can be doing the localism—
you can argue about whether adequate serv-
ices are being provided. The inquiry of the
ABA has made certain recommendations, but
from a closer reading of those—regarding
the 90 points that are going to be required for
regional television stations—I would suggest
that Prime and WIN in my own area are up
at around 120 points, based on what they do
already, which is essentially a five-day a
week service. Many points are given per mi-
nute, so they could, under the suggested re-
quirements, cut back on what they are doing.

Really, the ABA has suggested a very be-
nign regime to inject localism back into these
places. There is no way in the world that,
unless you have a forensic licence renewal
hearing process, you could hope to trace the
editorial processes that would arise from a
relaxation of cross-media ownership in re-
gional towns. It has happened in the past,
and it will happen in the future, that the local
newspaper copy is provided to the local radio
station, either in a nudge-nudge, wink-wink
manner or boldly faxed for the journalist to
read. In a broader media sense, that leads to
common editorial policies, particularly in
times of state or national elections and so on.
Quite frankly, I am amazed that the National
Party can begin to contemplate this particular
piece of legislation. They have had it very
good out there, in a regional sense, for so
many years, with a very benign media own-
ership. They run the risk down the track of
someone moving in from overseas or else-
where, taking over their blessed regional
media, and bringing in a completely different
set of editorial standards which may not offer
the sort of succour that the National Party
have enjoyed from regional media in years
past.

The bill says that the sharing of resources
and other forms of cooperation between en-
tities is permitted, provided the other condi-
tions are met. I tell you that this sharing will
happen, irrespective of other conditions, as it
has in the past, whatever the regulations. In
the old days, the radio station manager was
made the news editor or B grader for award
purposes, which enabled the station to run a
cadet journalist as the one and only reporter.
He or she was hanging out for the copy that
was provided by the local newspaper or tele-
vision station. So we have already seen the
swapping of copy, whether it be with News
Ltd or Rural Press, with their stable around
the countryside. The same thing would cross
over to any other media that happened to
come under the banner of a particular media
operator. The term 'editorial policy', by the
way, is not defined anywhere in the legisla-
tion that I can see.

I am also concerned at the government’s
view, raised in point 103 of the explanatory
memorandum, that a public interest test spe-
cific to media acquisition and mergers should
be established, to be administered by the
ACCC and the ABA to ensure that such
transactions will be in the best interests of
the Australian public. Like editorial separa-
tion, this is a difficult thing to gauge at all,
let alone with any specificity. Further, the
EM recognises the difficulty of measuring
concepts like public interest and media influ-
ence. It points to the difficulty with the cur-
rent cross-media ownership regime in de-
ciding the appropriate levels of restriction.
Yet, to support its proposals to grant exemp-
tions to this regime as its guarantee to protect
the public interest, the government can only
offer the same tests and measures that it al-
ready recognises as inconclusive at best.

In point 95, the EM states that 'there are
no generally accepted methods for measuring
diversity or plurality or related parameters'
and that these criteria should become a mat-
ter of the subjective judgment of the regula-
tor. Reference is made to the UK, where the
subjectivity of their public interest test was
criticised. There were arguments to do away
with the test in the UK—which maintains
cross-media ownership rules—yet the gov-
ernment wants to introduce this type of test
here and rely on it to safeguard the public
interest. Australia’s media industry were
critical of the public interest tests on the
grounds that there was no adequate means of measuring the influence of different types of media. They are basically saying it all. The criteria and guidelines will always be subject to interpretation and therefore cannot protect editorial separation and public interest to the same degree as the current cross-media rules do.

There is much that I could say on this, but time is running out. The Leader of the National Party said:

Diversity of ownership should in theory encourage diversity of views.

That suggests he should be arguing against this bill. As I pointed out, with a relaxation of these cross-media rules there is a greater likelihood of a reduction in the diversity of views that would be available regionally. Cross-media restrictions in fact encourage a divergence of views in those typical regional markets that predominantly have a choice of several radio stations plus the ABC, three free-to-air television stations and one newspaper. The Minister representing the Minister for Communications, Information Technology and the Arts said:

The government is committed to the need for ongoing diversity of opinion and information in the Australian media. It does not believe that diversity of ownership is necessary to achieve this. I do not know how anyone, other than the minister or the bureaucrat who wrote that drivel, can really believe that. (Time expired)

Mr Pearce (Aston) (1.36 p.m.)—I rise in the House today to support the Broadcasting Services Amendment (Media Ownership) Bill 2002. This bill has been introduced by the government, in line with our commitment at the last election, to achieve two key goals: firstly, to provide Australian consumers with greater media diversity; and, secondly, to help build and strengthen the media industry here in Australia. For those of us who have been following this debate, it has been interesting to hear from the other side. As in all debates, we quite often hear the other side trying to meld into their various speeches different messages that they want to try to get across. With regard to this bill, we have been hearing the idea that, all of a sudden, the government has done a shock thing and that the government did not go to the election with such a commitment. I think it is important to put the record straight in that regard. As a matter of fact, the Liberal Party’s election commitment policy paper ‘Broadcasting for the 21st century’ said quite clearly:

The Coalition is committed to reforming Australia’s anachronistic media ownership laws. Without reform, the current media ownership laws will consign the Australian media sector to an outdated structure, little or no capacity for new players, an absence of further competition, and an inability to respond to a rapidly evolving and converging international media environment.

The policy went on to say:

The Coalition supports a system of granting exemptions from the cross-media rules ...

It also went on to say:

The Coalition also believes that the media specific foreign ownership restrictions in the Broadcasting Services Act in relation to free-to-air television and subscription television should be abolished.

So we did go to the election with this commitment, and the government’s decision to introduce this bill follows the recognition of the real need for reform.

The act which contains the current media ownership regulations is 10 years old. In fact, the provisions relating to cross-media ownership and control were first introduced in 1987, some 15 years ago. Over the last decade, the basis and circumstances that the original legislation was based on have changed dramatically. There has been a clear and rapid technological evolution in the global media environment. This change has involved the development of new and exciting platforms for the delivery of information and entertainment. In Australia, this is demonstrated by changing patterns of media consumption. If we look at research, it shows growth in the penetration of pay TV into Australian homes and increased access to the Internet.

As a result of these innovations, the actual traditional forms of media no longer enjoy a sole monopoly in the market. With these new mediums playing an increasing role in the media, with the advantage of less regulation, Australia’s media ownership laws increas-
ingly provide an unfair impact on existing traditional media organisations. Australian media outlets face a new commercial market reality in the increasingly globalised environment in which they operate. In the modern corporate market in which the Australian media organisations do operate, there is an increasing trend towards the use of flexible business strategies such as joint ventures, mergers and acquisitions in order to remain competitive. However, the current regulations impede the flexibility of media businesses and give rise to potential organisational inefficiencies and, most importantly, limitations on competition.

Australians are aware of the cost of modern technologies, particularly in the area of digitisation, and this leads to the very real need for significant capital. The impact of these changes to the globalised media environment on media ownership laws was cited by the US Federal Communications Commission in their recent announcement of the most comprehensive review of media ownership regulation ever undertaken in the USA. Another issue raised by the US Federal Communications Commission as an area for reform that is relevant to Australia is that of specific ownership regulations for each of the various types of media. This bill addresses the current regulatory discrimination between the different mediums of Australian media and between the media industry and other industries in Australia. Currently, the television, radio and newspaper sectors all face different restrictions on foreign ownership.

In the face of the convergence trend in the media industry—and, for that matter, the whole information and communications technology industry—the concept of sector-specific legislation has become increasingly obsolete. These flaws in the current ownership regime clearly indicate that it is time for change and time for new legislation. This bill amends the Broadcasting Services Act 1992 by, firstly, reforming the current regulation of foreign ownership of Australian media; and, secondly, introducing a new regime or regulation for cross-media ownership.

I have noticed during the debate that the opposition seems to have raised questions about why the government is doing this, should the government be doing this and what right the government has to be doing this. In doing some research on this particular bill, I came across some comments that were made when the Broadcasting Services Bill 1992 was first introduced. They were made by Senator Collins, who was the then Minister for Transport and Communications. In the second reading speech by Senator Collins, he said:

We need new legislation capable of allowing the broadcasting industry to respond to both the complexities of the modern market-place and the opportunities created by technological developments. Continuing to inhibit the natural development of this industry through outdated and cumbersome regulation will disadvantage consumers and be detrimental to the longer term prospects for Australia.

That was back in 1992, and here we are now with 15-year-old legislation. Continuing to inhibit the natural development of this industry through outdated regulation will disadvantage consumers and the industry, and that is why the government is making these changes.

I would like to focus my remarks initially on the area of foreign ownership. The bill proposes to remove restrictions on foreign ownership and control of free-to-air and pay television under the Broadcasting Services Act. The bill also proposes to discontinue newspaper-specific regulations and restrictions under the federal government’s general foreign investment policy. Under these proposals, foreign ownership of Australian media assets would be regulated in the same manner as foreign investments in many other industries. This would mean that free-to-air and pay television would face the same regulation as commercial radio and newspapers. Under the new foreign ownership proposals, the government will have the ability to address national interest concerns through the Foreign Acquisitions and Takeovers Act 1975. So this is an important area. We are not saying that there will not be any controls over foreign ownership. The government will still have the ability to address this area through the Foreign Acquisitions and Takeovers Act. Yesterday when we heard from
the opposition spokesperson on this area he made these remarks in his speech:

On the foreign ownership question, we indicated very early on in the debate that Labor was comfortable with the idea of relaxing the very restrictive foreign ownership rules at the moment. We do not support open slather, but we do not have a problem with some degree of foreign ownership of our media. But we did indicate that there was a need for protection on some fronts. The irony of the government’s legislation is that it has chosen to abandon the foreign media ownership controls altogether and has put in place no protection.

Clearly, having the protection of the Foreign Acquisitions and Takeovers Act 1975 does put in place some protection. There is protection; it is protection that the government can use in all other areas of industry and it will be able to use it in this area as well.

The bill brings fairness and consistency to the media industry. It helps to provide the Australian media with the necessary resources to thrive and grow by providing greater access to the world’s capital markets. It enables Australian broadcasters to create alliances with foreign media organisations, to improve their competitiveness and efficiency and, most of all, to provide better products and services to their customers. It will enable the Australian media to learn more from overseas experience and to more readily export our local expertise internationally.

Those opposing the bill claim that greater foreign ownership will diminish the level of local content available to consumers. This is untrue, as existing licensing requirements of the Australian content standard will be retained, and these ensure that local production is available to consumers. In addition to this, the competitive necessity for media organisations to meet the demands of local consumers will force media outlets to provide local offerings. Like all businesses, foreign media proprietors need to gain and retain market share in order to be successful. Clearly, what this means is that content will be determined by audience taste. To be successful, there is no other choice than to provide what the audience wants. But, even if you did not accept this proposition, it is clear that direct content regulations, such as the current Australian content standard, are a better option than ownership laws, which distort the industry structure. The current regulatory framework also discriminates between mediums by establishing different rules and requirements for free-to-air television, pay television and commercial radio. This unfairly places greater burdens on some media organisations and acts to distort the market.

As I said earlier, this is a worldwide trend. In the UK the government there is also looking at changes to this area, and the current UK draft communications bill proposes to remove foreign ownership restrictions. The Blair government has done this because it recognises the significant potential benefits of access to new ideas and technological advances. The aim of the current—or, if you like, the old—restrictions on foreign ownership of Australian media assets is to prevent foreign control of free-to-air or pay television. But control can be determined by voting shares or by majority composition of the company boards. In this debate, it seems an often overlooked fact that media organisations are like all organisations and companies—they too face generic corporate pressures and corporate realities. It is with this in mind that we consider the challenges facing Australian media organisations in this increasingly globalised world.

For businesses to grow and thrive, access to capital and innovation is crucial. Reviewing and updating our foreign ownership laws and removing inappropriate barriers is part of the government’s drive to improve and ensure diversity in the Australian market. In its broadcasting inquiry report of 2000, the Productivity Commission found no reason why foreign ownership in the media should not be regulated in the same way as other industries. This is a very important point. The Productivity Commission said that there was no reason why media should be regulated in any other way.

I now turn to the cross-media ownership area of the bill. When considering the issue of cross-media ownership, it is important to consider one thing that ties and, if you like, links together the various forms of media—and that is the area of content. It is content which has become the focus of media or-
organisations. In a world of increasingly diverse media technologies and platforms, consumers are, more and more, choosing providers based on their content. When we talk about diversity of views and opinions in the media, we are not only talking about the proprietors, we are talking about the journalists and reporters. That is an important element of these reforms and, in fact, of the need for reform. The reality is that, when we evaluate the media industry on a day-to-day basis, what we are looking at is the content—at what is said and written—and not necessarily the corporate structure. Cross-media mergers and acquisitions are currently regulated through provisions in the Broadcasting Services Act, which is administered by the Australian Broadcasting Authority. The bill proposes to introduce the granting of exemption certificates based on a new public interest test. The public interest test has key criteria which ensure its robustness.

Those who oppose this bill claim that reform of media ownership would lead to excessive market domination. I think it is worth having a closer look at that. Even in the extreme scenario of the merging of Australia’s largest commercial television, radio and newspaper companies, the degree of influence would actually still remain a minority. It is important to remember that general competition law, in the form of the Trade Practices Act, will continue to apply to all media mergers and acquisitions in Australia. Therefore, consumers will be protected from media organisations seeking to misuse any area of market power or dominance.

To ensure that the community can have confidence in these new measures, the bill introduces strong monitoring, compliance and enforcement elements. These measures will be administered by the Australian Broadcasting Authority. As members would be aware, the government has proposed three amendments to this bill. The first amendment is a requirement that media companies holding a cross-media exemption disclose their holding in certain circumstances. This requirement is designed to ensure that the public is aware of the cross-media relationship, and can take that into account when considering opinions and other such aspects of any given material. There are different ways proposed in the amendments that the media organisations can divulge their cross-media relationships or interests. The second amendment is to restrict cross-media exemption in regional areas to only two of the three types of media—that is, television, radio and newspapers. This acknowledges that people in regional areas frequently have comparatively fewer media choices than those in metropolitan areas. The third amendment prohibits contracts and arrangements which restrict the program format of commercial broadcasting radio services. So the government’s bill proposes a very comprehensive, thorough and robust range of new legislation that will in fact protect the interests of the Australian people.

We have heard a lot from the other side. We have heard a lot about how the 10- to 15-year-old legislation is good enough and how we should not change it. The reality is that for years and years Labor did very little in this area. For years and years Labor really did nothing to promote Australia’s media industry and did nothing to fix what has become outdated and cumbersome legislation. In conclusion, the debate on media ownership laws—the industry—is becoming an increasingly global debate. While this government is providing the necessary leadership on the issue in Australia, as I mentioned earlier, the debate is also taking place overseas. Australia cannot be insulated from that. We are part of the world and we need to be part of these global trends. I mentioned earlier that the US Federal Communications Commission is undertaking a comprehensive review and there is also a review being conducted in the UK.

This bill will benefit local consumers and the Australian media industry by: providing greater access to capital and new technologies; stimulating greater competition through new entrants to the market; maintaining editorial separation and minimum levels of local news and information; bringing fairness and consistency to the media industry and eliminating discrimination between the mediums; helping ensure that diversity of opinion in the media is maintained; and putting in place strong monitoring, compliance and enforce-
ment provisions to protect Australian consumers. We have a clear choice in Australia’s media future. We can support reform to help our industries provide consumers with a greater diversity of media options and to grow and prosper in the increasingly dynamic media environment, or we can maintain the status quo and continue to ensure that the industry is hamstrung with outdated and inappropriate regulation. The choice is ours, but it is a choice that must be made. It must be made taking into account what is happening throughout the world. I commend the bill to the House.

Ms KING (Ballarat) (1.56 p.m.)—I rise in opposition to the Broadcasting Services Amendment (Media Ownership) Bill 2002. This is yet another example of the government looking after the big end of town. Media in Australia is unlike any other market. It has the capacity to influence public opinion on a broad range of issues, it can make or break public figures and it can be highly persuasive in election campaigns. One of the fundamental aspects of our democracy in Australia is diverse media ownership. It has been a long-held concern in this country that highly concentrated media ownership would lead to a constriction in the diversity of views, opinion and reporting across all types of media. The very reason we have cross-media ownership laws is to stop this happening and to protect the diversity of views that are currently put through our various forms of media.

With this bill, the government are seeking to undermine the diversity of our media. In doing so, the government threaten one of the core elements of our democracy. At the heart of the government’s bill is the proposition that they do not believe that the ownership of a media source means influence. If this is the case, then why does the Prime Minister cosy up to Packer before every election campaign? Why the one-on-one dinner with Murdoch in New York? Diversity of media ownership is synonymous with diversity of media content. At the heart of my opposition to this bill is my view that ownership of a media outlet does mean influence no matter what rules you put in place. It happens under the current regime and this bill makes it even worse.

The government’s somewhat weak claim that an editorial separation test—requiring that cross-media owned companies must meet certain separation standards, particularly with regard to their newsrooms—will preserve diversity is exactly the case in point. If the government do not believe that ownership determines content, then why do they think there is a need for such separation? I welcome the member for Calare’s contribution to this debate. His experience of many years in the media has highlighted the farce of editorial separation. This bill allows for a substantial concentration of media ownership in Australia and there is no doubt in my mind that it will lead to a reduction in the diversity of news, information and opinion available.

The government’s claim that media ownership laws can be relaxed because the emergence of new technologies is seeing greater diversity is an absolutely false one. Most of the content for these new technologies, mainly the Internet, is produced and owned by existing dominant media companies. The most popular Internet websites are those already operated by major media organisations. Most people do not source their news from these new technologies, and that is a spurious argument at best for removing cross-media ownership laws. The amendments that the government have proposed to their original bill are weak and do not address the fundamental problems with the bill. Given the limited time left, I will finish my comment there. When I continue, I want to speak in particular about the appalling impact that this bill is going to have on regional communities.

The SPEAKER—Order! It being 2.00 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

MINISTERIAL ARRANGEMENTS
Mr ANDERSON (Gwydir—Acting Prime Minister) (2.00 p.m.)—I inform the House that the Minister for Regional Serv-
ices, Territories and Local Government will be absent from question time today. The minister is travelling to Alice Springs to represent the Prime Minister at the Frontier Services 90th Anniversary Dusk Celebration and launch of the John Fleming Foundation. I will answer questions on his behalf should there be any.

**QUESTIONS WITHOUT NOTICE**

**Foreign Affairs: Iraq**

Mr CREAN (2.00 p.m.)—My question is to the Foreign Minister. I refer to the minister’s weekend confirmation that military to military planning is currently under way between Australia and the United States on Pentagon plans for possible military action against Iraq. Is the minister aware of a statement by Senator Hill, the defence minister, today, where he said that he did not think that any war in Iraq would ‘necessarily be a long campaign’? Minister, can you confirm for the House whether military to military planning with the US now embraces not only the scope of a potential Australian contribution but also specific operational and tactical dimensions of such a contribution, including the time frames for war?

Mr DOWNER—I thank the Leader of the Opposition for his question. I think he would understand that we naturally would not go into the details of the military to military consultations we have with other countries. Suffice it to say that the government has been frank and open in saying that we have had military to military consultations with the United States in the course of this year—obviously we have over many years. The fact is that the United States have not asked us to participate in any military conflict against Iraq. They haven’t even made a decision to do it. If they were to decide to take military action, no doubt they would choose the best path they imagine it would take to achieve their objectives, but I expect they would not be announcing those plans too publicly to anybody, including the United States Congress.

I think the House would understand that it would be inappropriate to go into the details of military to military consultations. I remind the House that in the event that the United States decide to take military action, and if in those circumstances they decide to invite Australia to participate in that military action, the cabinet and the government will consider the issue. The government, having considered the issue, will no doubt also ensure that there is appropriate debate in the parliament and in other public fora in Australia.

**Economy: International Monetary Fund**

Ms PANOPoulos (2.03 p.m.)—My question in this last question time before a great Collingwood victory on Saturday is addressed to the Minister for Foreign Affairs and minister representing the Treasurer. Would the minister please advise the House of the International Monetary Fund’s latest assessment of the world economic outlook. How do Australia’s prospects compare with those of other industrial countries?

Mr DOWNER—In taking up the theme of the preamble of the honourable member’s question, I am happy to inform the House that I hope the Brisbane Lions win.

Opposition members—Hear, hear!

Mr DOWNER—I am glad members opposite agree with me, yet again, particularly the member for Griffith. The International Monetary Fund has released its world economic outlook assessment overnight, as honourable members may be aware. After a downturn in the world economy in 2001, the International Monetary Fund expects a gradual recovery this year, 2002, and also next year, 2003. But the IMF expect the pace of global recovery to be slower than had been previously forecast when they published forecasts in April of this year. In particular, the IMF forecast the world economy to grow by 2.8 per cent in 2002 and then by 3.7 per cent in 2003. Growth of the world’s advanced economies is expected to be slower, at 1.7 per cent in 2002 and 2.5 per cent in 2003.

Importantly, the IMF identifies the pace of economic recovery in the United States as a critical factor in achieving stronger world economic growth, but the outlook in the United States is clouded by uncertainties, volatility on share markets, which honourable members will be aware of, and pros-
pects of below trend growth in domestic demand going not just through this year but well into 2003. Despite these heightened risks and uncertainties to the world economy, the IMF has delivered a very positive, very upbeat assessment of the Australian economy. Our GDP growth, according to the IMF, was amongst the highest of industrialised countries in 2001. What is particularly relevant is that the IMF attributes this to supportive macro-economic policies, a highly competitive exchange rate and higher housing wealth.

The IMF predicts that the Australian economy will perform strongly in 2002 and 2003, that we will have moderate inflation and that there will be further declines in our unemployment rate. This assessment of our economy, consistent with previous assessments also by the IMF, is extremely promising. This is a great credit to the government’s performance and to its management of the economy—its continuing commitment to taxation reform, to sound and sensible fiscal policies, and to ensuring that we get our budget into good shape, which has been an important contribution to Australia having lower interest rates and very positive in terms of economic activity.

So at the end of the day this government can be very proud of the extremely high marks and the excellent report that it, and Australia overall, have been given by the International Monetary Fund. As the IMF has pointed out, Australia’s recent good economic performance has been achieved despite the large number of external difficulties that we have had to weather. So it is a great credit to the government.

Defence: Preparedness

Mr CREAN (2.07 p.m.)—My question is to the Acting Prime Minister. I ask: do you recall statements made by the Prime Minister and the Minister for Defence indicating that Australia could send an armoured brigade to a conflict in Iraq? Is the minister also aware of the statement by former SAS commander Brigadier Jim Wallace on the ABC last night: I’d be concerned that, if we were to deploy any of our mechanised units, that they would be in quite a dangerous situation ... because of the nature of the equipment ...

Acting Prime Minister, on what basis did the Prime Minister this morning assert that Brigadier Wallace’s concerns should be dismissed out of hand?

Mr ANDERSON—I thank the Leader of the Opposition for his question. It goes to some matters that I think are very important for Australia at the moment. I note at the outset that the Prime Minister did not unilaterally reject the brigadier’s remarks, nor did the Minister for Defence. Mr Speaker, it is a serious matter; I assume you would like it taken seriously, and I have to say I did. I should at the outset note that I do know Brigadier Jim Wallace, as probably quite a few people in this place do, and I have a high regard for him. I would also note that I certainly believe that the Prime Minister was justified in rejecting the assertion put to him by someone in the media, as I understand it, that Australia was ‘perilously underprepared for war’. He rightly rejected that. This is the government that have taken forward a white paper process which has been widely acclaimed. We have massively increased Defence expenditure. In fact, the Defence Capability Plan proposes expenditure of some $50 billion over some 160 projects, or phases of projects, over coming years as we prepare for our defence future. We think this is very important.

There is something else that is perhaps easily overlooked. This government and the Prime Minister have set up the National Security Committee, which is an extremely effective mechanism. It meets regularly, it considers matters in great depth and it coordinates policy responses between the government, the military, military bureaucracy and our intelligence and strategic authorities. I think that works very well. The Prime Minister also, rightly and very importantly, made the point that we do not send our serving men and women into theatres that they are not equipped for. It is beyond the remit of the Australian community and of a mid-sized—although very strong—economy to prepare our people for activities in every theatre across the globe. Having said that, as Senator Hill has acknowledged—as I am
sure the PM would acknowledge and as I do—we are now from time to time seeing ourselves engaging in theatres that we might once have not foreseen. To that end, as the Minister for Defence noted, we are from time to time stretching the troops and stretching the equipment. The NSC process helps us to get this right, helps us to make the right judgments.

I also want to tell the House that, because I took this matter very seriously—I think it is important; it does concern Australians—I spoke to the CDF shortly before question time. He made the point that he has considered carefully, and that the military have today considered carefully, what Brigadier Wallace had to say. He noted their very high respect for their former colleague and said that they do take on board his contributions; that they do not dismiss them. He did make the observation that the brigadier has for a long time held a different perspective on the development of strategy; he felt very strongly about that and, indeed, it is part of the reason he is no longer with the Australian Defence Force, as he has said. The CDF also made the point that Australian service personnel have delivered time and time again on behalf of the Australian people. They deserve great credit for it. They, I think, very strongly support General Peter Cosgrove, the CDF, and the heads of the Navy, the Air Force and the Army.

The final comment I would make is that I think issues of morale are at stake. They are very important. We want the Defence personnel to feel appreciated. This was brought home to me the other day when I attended a function, at which a lot of Defence families were present, with my wife, who is the Patron of the Australian Defence Families Association. Quite a few people at that function said that they did not remember feeling so appreciated by the broader Australian community and the government. I think that is important. Your question is an important one; it deserves consideration. I think it is important that we note that the government seeks to be wise and sensible in these matters. The Defence Force is well led, and I believe the serving personnel appreciate very much the actions of the government.

Transport: Shipping

Mr BALDWIN (2.13 p.m.)—My question is addressed to the Acting Prime Minister and Minister for Transport and Regional Services. Is the Acting Prime Minister aware of claims that Australia’s waterfront performance is limited by the ability of its stevedore workers? Minister, do these claims have any legitimacy? Further, does the minister have evidence to refute them? Minister, what are the impediments to the delivery of further efficiency in shipping transport?

Mr ANDERSON—I thank the honourable member for his question. I am aware of these claims that Australia’s waterfront performance is limited by the ability of the stevedoring workers. Those claims have been made repeatedly by the unions that represent the waterfront workers and by their mates in this place, the Australia Labor Party, who consistently told us that, in the Australian context, our reform objectives of achieving 25 container movements on average across our five major ports were unachievable—that it could not be done. I think that was pitching to the lowest common denominator. But the government pressed ahead with our reform agenda, and towards the end of 2000 we achieved our target of around 25 movements on average across our five major container ports. It has consistently improved since then. I am delighted to be able to tell the House today that the latest Waterline shows that national crane rate productivity in the June quarter of this year increased to 26.9 containers per hour. The Labor Party and the union movement said it could not be done. When we came to government, it was 16 movements an hour; today, it is good enough for 27 movements an hour.

The question also asked me to consider whether or not there were further impediments to transport efficiency improvements, particularly in relation to seafaring matters, and there are. I am afraid the MUA, the Maritime Union of Australia, pays scant regard to the interests of people who depend on the transportation industry for their jobs. The point was not missed this week by none other than Mark Crosdale, the Secretary of the Northern New South Wales Branch of the Transport Workers Union. In an article on
MUA action in relation to the ship Wallarah in the *Newcastle Herald*—which the member for Paterson might occasionally read; perhaps that is why his attention was drawn to this matter—Mr Crosdale wrote:

The reality is that the ship—which is being sold by ANL—had to go because it was simply too expensive considering the reduced amount of coal now coming from southern Lake Macquarie.

He also wrote:

... transport costs mean the difference between life and death for small mines.

I would add to that: to all businesses, particularly small businesses. He made the comment that ‘the 50 jobs at Chain Valley and a further 40 jobs involved in transporting the coal’ were of critical importance and would be lost without improving waterfront and shipping efficiency. There is a union representative who clearly understands where the best prospects for jobs in Australia lie, and efficient transport is a very important part of that.

**DISTINGUISHED VISITORS**

The SPEAKER (2.17 p.m.)—I inform the House that we have present in the gallery this afternoon members of the public accounts committee of the state parliament of Parak, Malaysia. On behalf of the House, I extend to our guests a very warm welcome.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Defence: Preparedness**

Mr RUDD (2.17 p.m.)—My question is to the Acting Prime Minister. I refer to the previous question by the Leader of the Opposition about remarks by former SAS commander Brigadier Wallace on the state of Australia’s defence preparedness. Acting Prime Minister, do you support the interjection made in response to that question by the minister for Small Business and Tourism when he described Brigadier Wallace’s statements as ‘treason’?

Mr Ross Cameron—Mr Speaker, I rise on a point of order. The minister for small business has been verbally in a completely unverified way. If we are going to allow this, we can start picking bids, like an auctioneer; we can invent any allegation we like and frame it as a question to a minister. It is excessive and it should be ruled out of order.

Mr Rudd—Mr Speaker, on the point of order, my question was to the Acting Prime Minister. As the Acting Prime Minister of this country, he is responsible for the remarks of his executive on a matter which is plainly of national import I simply asked whether he endorsed a clearly heard and repeated interjection by the minister for small business that Brigadier Wallace’s remarks amounted to treason.

The SPEAKER—I would remind the member for Griffith that I had not ruled his question out of order; I was merely responding to his point of order.

Mr ANDERSON—I did not hear the remarks by the minister for small business. I have no idea of the context in which they were made, if they were made, and I have made my views on the brigadier, and the views of the CDF, quite clear. I have nothing further to add.

Mr Adams interjecting—The SPEAKER—The member for Lyons is an occupier of this chair, and his behaviour ought to reflect the standing orders!

**Immigration: Border Protection**

Mr PROSSER (2.20 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs: would the minister inform the House whether information on Australia’s strong stand on people-smuggling is getting through to potential smugglers and clients? How will the minister use his participation in the UN High Commission for Refugees executive committee meeting next week to advance Australia’s position on refugees and humanitarian issues?

Mrs Crosio—Are you going to announce policy with that?

The SPEAKER—If my hearing is any good, the question was addressed to the minister for immigration, not to the member for Prospect.
Mr RUDDOCK—I thank the honourable member for his question. The member for Forrest, who is a member from Western Australia, is vitally interested in the protection of our borders and whether or not the efforts the government have been involved in have been successful. In that context, I can certainly confirm that next week in Geneva I will be raising some of these issues when I am participating in the executive committee meeting of the UNHCR, the United Nations High Commission for Refugees. This government have taken a strong stance against people-smuggling, and we have done that for a very good reason: the potential that these sorts of operations have to undermine the integrity of our migration program but, more importantly, to undermine the integrity of the international protection system.

The messages that have come from the strong stand we have taken are having an impact. The fact is that, in Sri Lanka—quite recently, in published news reports—there has been considerable discussion and publication of the penalties that have been imposed as a result of conviction of people for people-smuggling. Sentences of up to five years jail have been imposed. That is obviously having an important impact on the willingness of people to be involved in people-smuggling. The Sri Lankan media has also carried stories about the arrests of 22 major smugglers by Sri Lankan investigation authorities, about directives by the government to crack down on smuggling and on the potential of people using smugglers to try to achieve unlawful migration results. The fact that a vessel that had originated in Sri Lanka was located in Dili—where the UNHCR dealt with any asylum claims and where people were able to be returned to Sri Lanka—also received substantial coverage.

This of course sends a very powerful signal to people who may seek to use smugglers. It gives me a great deal of confidence that, as a result of the range of measures we have implemented, for almost 12 months we have had no unauthorised boat arrivals in Australia. That is a very significant and changed circumstance. Most countries around the world would like to have a situation where movements have dropped from the order of 4,000 to nil—a 100 per cent reduction. The fact is that it gives me a great deal of confidence to be able to speak internationally about what that means for Australia. Primarily, it has meant that, last year, offshore resettlement of refugees who are unsafe where they are and have no prospect of being able to return safely home has been increased substantially. The refugee and humanitarian program offshore was taking 8,400 people. Without further boat arrivals I believe that, this year, the numbers will be between 10,000 and 12,000 people. That is a very significant change.

One should never lose sight of the fact that you have a greater range of options to help those who are most vulnerable if you are able to ensure that those who are wealthy enough to engage people smugglers are not able to achieve their outcomes. It is certainly the case that we ought to be able to choose who we help on the basis of need rather than having people chosen for us by organised crime.

In leading Australia’s delegation to the executive committee meeting next week, I will continue to press the very strong position we have taken: that the international protection system requires new and creative solutions and that the impact of secondary movements—that is, people moving from situations where they are safe in order to get a better outcome—is something the UNHCR has to address in a very positive way. I have been raising those issues internationally for some three or four years now. At the meetings of the Excom in January, where we reaffirmed our commitment to the treaty dealing with refugees, I made it very clear that the executive committee had to deal with secondary movements. The fact is that that message is now getting through. In the speech to European ministers recently by Commissioner Lubbers, there is now a willingness to reach agreement on secondary movements relating to refugees and asylum seekers. In other words, the UNHCR is saying that it wants to be part of the solution in relation to dealing with these issues.

We are in a powerful position because we have been able to demonstrate that you can influence these issues. This is not us saying,
‘We’ve got a problem; please help us.’ This is us saying, ‘We had a problem; it has been substantially addressed.’ That is not to say that we will not see future attempts to reach Australia without authority, but we had a problem and it has been addressed. We are in a position to work constructively with governments in countries of first asylum and we are in a position to work in relation to push factors. I will continue to highlight the importance of regional approaches—such as the Bali process, in which Australia has been involved—in building cooperation on these issues. I conclude by saying that I will, at that meeting, also take the opportunity to speak with a wide range of ministers and senior officials—including Commissioner Lubbers and the newly appointed High Commissioner for Human Rights, Sergio de Mello—to continue a constructive dialogue for these issues as we strive for solutions to what is a very large and global problem.

**Defence: Preparedness**

Mr **Rudd** (2.27 p.m.)—My question is directed to the Acting Prime Minister. Acting Prime Minister, given the Prime Minister’s statement that war against Iraq is probable and that an American request for Australian military assistance is also probable, is the government in any way concerned about statements by a former SAS commander challenging the state of Australian military preparedness, about unprecedented turnover in the leadership of the defence department and about today’s report of mismanagement, corruption and sexual misconduct in Australia’s premier defence intelligence agency? Acting Prime Minister, at a time when your government, by its own admission, is planning for a possible war, why isn’t it acting on such fundamental concerns that go to the heart of the readiness and capability of Australia’s defence forces?

Mr **Anderson**—I thank the honourable member for his question. I do not think it can really be seriously challenged that the government, from the Prime Minister down, take very seriously the nation’s defence and strategic interests. I do not think it can be seriously challenged that we take seriously the morale, the equipping, the resourcing and the training of our defence personnel. I do not think, either, that you can take seriously any challenge to the credibility of those people who ultimately command Australia’s forces.

I—and, I think, most Australians—view the current CDF, Peter Cosgrove, as a veritable rock of Gibraltar in uncertain times, with a proven track record. I acknowledge Vice Admiral Chris Ritchie as a man whom I respect enormously, and also Lieutenant Peter Lay of the Army. In the case of the Air Force, I know and have worked quite closely with Air Marshal Angus Houston. They are a group of people in whom I have enormous confidence. Any suggestion that they are not capable of providing sound advice, strong leadership and enormous stability at a time when the nation looks for those things ought to be dismissed as what I can only describe as the opportunism I see it to be.

I am asked a question about impropriety, which I presume is in relation to the claims made in the *Daily Telegraph* today and the dossier on the *Courier-Mail* web site that senior DSD staff have acted improperly. I do not take those claims lightly. I do make the observation that there are channels for staff from the intelligence agencies to have any grievances dealt with. I have touched on it very briefly with the Minister for Defence and I will undertake to touch on it again with him. If it is appropriate for the government to take any further action in regard to referring those matters, then we will do so. But I do make the point that there are normal channels through which these matters can be pursued.

Let me recap: I believe that we have every reason to believe that the processes put in place by the government for the management of defence strategic and intelligence matters through the NSC, by the leadership of the defence forces themselves and by the commitment of the government from the Prime Minister down ensure that our troops and our serving personnel are well equipped and well trained and are not sent into theatres—I have made the point in the previous answer that we cannot equip our people for every theatre across the globe; the globe is a big place. Australia is not the biggest of countries and we cannot do that. We carefully assess our
personnel and the assets they have and where they might be able to make a contribution when we have to make a contribution in the national interest. We do not send them to areas where we believe their health and wellbeing would be exposed to unnecessary risk. We do not do that to our serving personnel in this country.

Centenary House

Mr CAMERON THOMPSON (2.32 p.m.)—My question is to the Minister for Employment and Workplace Relations, representing the Special Minister of State. Would the minister inform the House of property shortages in the Barton area of Canberra and the implications for federal agencies? Is the minister aware of any new opportunities for Commonwealth agencies to locate in Barton and do these opportunities represent value for money for the Commonwealth?

Mr ABBOTT—I thank the member for Blair for his question. I can inform the House that there are many government offices in Barton, which is perhaps the most sought after CBD office location in Canberra. One of these government offices is actually Centenary House, thanks to a deal negotiated between the former Labor government and the Australian Labor Party. Thanks to this sweetheart deal, the rent paid by the Australian taxpayer to the Australian Labor Party is now $845 per square metre per month.

I can inform the House that more office space has just become available in Barton; in fact, office space has just become available for lease in Centenary House itself. I wonder what the asking rent for this office space is? Remember that the rent which the taxpayer is giving to the Labor Party is $845 per square metre per month.

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The SPEAKER—The minister is not being aided by the interjections from both sides of the House. The minister has the right to be heard in silence.

Mr ABBOTT—As I was saying, this amounts to a rolled gold rip-off; it is the ultimate rort. It is the equivalent of theft from the Australian people and it is completely supported by the Leader of the Opposition who, by his support for this rip-off, has demonstrated that not only is he not fit to lead a political party but he will never be fit to lead the country.

Defence: Preparedness

Mr CREAN (2.35 p.m.)—My question is to the Acting Prime Minister. Have you checked with the Minister for Small Business and Tourism and have you confirmed—

Mr Hockey—Ask me.

The SPEAKER—The Leader of the Opposition has the call.

Mr CREAN—I have checked to the extent that the minister believes that what he said has not been understood accurately and he will seek to make an explanation at the end of question time. It highlights again that one should never take for granted that the ‘assumptions’ made by the Labor Party when they roll out these questions can be relied upon. I got one the other day that purported to have the Prime Minister ‘encouraging’ the banks to use the First Home Owners Scheme irresponsibly to leverage new homeowners into homes that they could not afford.

Opposition members interjecting—

Mr ANDERSON—I have checked to the extent that the minister believes that what he said has not been understood accurately and he will seek to make an explanation at the end of question time. It highlights again that one should never take for granted that the ‘assumptions’ made by the Labor Party when they roll out these questions can be relied upon. I got one the other day that purported to have the Prime Minister ‘encouraging’ the banks to use the First Home Owners Scheme irresponsibly to leverage new homeowners into homes that they could not afford.

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Honourable members interjecting—

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Mr ANDERSON—The relevance is that you ought never take what the ALP claims to be the statements of others to be accurate.

When I went away and had a look at this, it was drawn to my attention that, at the time when the Prime Minister was supposed to have made that claim, the Prime Minister had actually written a letter to the Australian which I think is worth quoting.
Mr Latham—Mr Speaker, I rise on a point of order on the question of relevance. The Acting Prime Minister is dodging the question by moving on to a question that was asked two days ago.

The SPEAKER—The member for Werriwa is raising—

Mr Latham—It has nothing to do with the matter.

The SPEAKER—I remind the member for Werriwa that not only had I not ruled on his point of order; I had not indicated that anything that he had said was out of order. It certainly was not proper for him, therefore, to address the chair on his way back to his seat. I would point out to the member for Werriwa that I too was having some difficulty aligning the Acting Prime Minister’s comments with the question asked, and I would ask him to come to the question or draw his comments directly to the question asked.

Mr ANDERSON—Mr Speaker, the relevance is that it is quite apparent in this place that you cannot rely on the integrity of questions asked made on assumptions by the Labor Party—questions which are often simply misleading or untrue, let alone inaccurate. The Prime Minister actually wrote a letter to the Australian in relation to the First Home Owners Scheme in which he specifically made it plain that banks should respect proper lending policies.

The SPEAKER—The Acting Prime Minister has made his point. I call the member for Mitchell.

Employment: New Apprenticeships

Mr CADMAN (2.38 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister outline for the House what the government is doing to further increase the completion rates for Australians undertaking New Apprenticeship training? Minister, what steps are the government taking to encourage employers in rural and regional Australia to take on more new apprentices?

Dr NELSON—I thank the member for Mitchell for his question. He has spent most of his adult life supporting trainees and apprentices, particularly Cumberland Industries in his electorate. He is a great credit to employers and their trainees.

This morning I announced the outcome of an election commitment made by the government before last year’s election. After six months of detailed work, I have announced that we have changed the arrangements which enable employers to take on trainees and apprentices—in particular, employer incentives. Two hundred and sixty-nine organisations were consulted and 100 submissions were received. What I announced this morning is very good news for employers because it will cut the amount of red tape that they have to go through to take on apprentices and they will also find that they will be dealing with a greatly simplified system. The government has announced that it is consolidating the employer payments so that there will be an increase in the commencement payment and a significant increase in the completion payment, with a progression payment being distributed between the two. Twenty per cent of the progression payment will support employers when they take on an apprentice and 80 per cent of the progression payment will be payable to them when they finish the training for that apprentice. In addition, employers in non-metropolitan areas and rural and regional Australia will now find that they will get their regional incentive when they take on a trainee or an apprentice. That means an extra $1,000 plus GST when they take on a trainee, particularly with skill shortages. I know the member for Grey, the member for Hume and many members on this side representing regional and rural seats will welcome the fact that the government is increasing the living away from home allowance for apprentices and also extending that to the second year to make sure that young apprentices do not leave their training when they have to move away from home. The government is also recognising the importance of supporting mature age workers. When an employer takes on a person who is over the age of 45, who is unemployed, has been made redundant or is not in the labour market, an extra $825 will be paid to the employer and another $825 will be paid when they finish their training. Further, the gov-
ernment is also making sure that group training companies that are on a not-for-profit basis go onto the same basis as everybody else and get a completion payment when their trainee or apprentice finishes their training.

Today is also a very good day for parents of young apprentices and trainees because the National Centre for Vocational Education Research has announced that the latest figures to the end of the June quarter show that 362,000 Australians are in training and apprenticeships. That is an increase of 15 per cent over the last year. That means around 2.4 per cent of working age Australians are now in apprenticeships and training. The other good news—I think the member for Grayndler might even be interested in this—is that completions increased 27 per cent in the last year. Completions have gone to 107,000. Australian employers and the parents of young apprentices and trainees can be quite pleased with what I have announced this morning.

What needs to be understood is the pattern of growth in relation to apprenticeships and training over the last decade or so. What I am holding is a graphical representation of that position. You will notice that, under this government, the rate of growth for apprentices and trainees has substantially accelerated. In fact, in 1995, at the trough of this graph, when the Australian Labor Party was in government, the percentage of Australian working age population in training was the lowest in three decades, at 1.1 per cent of the working age population.

The question I ask myself is: why is it that this year the Australian Labor Party, which purports to represent working men and women in this country and the parents who want to get their kids into apprenticeships and training, has asked me multiple questions about universities but not one single question about apprenticeships or training? What about the 70 per cent of kids who do not go directly from school to university, who predominantly are going into apprenticeships and training? The Labor Party needs to remember what the priorities of Australia are. Every career choice and educational choice is important. One is no more important than the other. The day the member for Grayndler asks me a question about it is the day I know I get a lottery ticket from the member for Werriwa. And the member for Kingston knows that the way to get on in the Labor Party and get a promotion is to show no interest at all in apprenticeships. I table the graph.

MINISTER FOR SMALL BUSINESS AND TOURISM
Censure Motion

Mr CREAN (Hotham—Leader of the Opposition) (2.44 p.m.)—I move:

That this House censures the Minister for Small Business and Tourism for his inappropriate allegation of treason against a former member of the Australian Defence Force, Brigadier Jim Wallace, for making the following statement: “I’d be concerned that if we were to deploy any of our mechanised units, that they would be in quite a dangerous situation because of the nature of the equipment”.

What we had in question time today was my asking—

The SPEAKER—The Leader of the Opposition will resume his seat. The Leader of the House, Minister for Employment and Workplace Relations.

Mr Abbott—Mr Speaker, this suspension motion is based on the Leader of the Opposition’s assumptions and understandings about something that the Minister for Small Business and Tourism has said.

Ms King interjecting—

The SPEAKER—The member for Ballarat! I would have thought that, if I require those on my right—

Mr Latham—After yesterday you are going to lecture us about assisting the House?

The SPEAKER—The member for Werriwa is warned! Let me point out to all members of the House, most especially the member for Ballarat, that having been expected,
rightly, to have a silent House for the Leader of the Opposition, the same sort of courtesy should be extended to the Leader of the House, the Minister for Employment and Workplace Relations. He has the call and he is on a point of order. I ask him to come quickly to his point of order.

Mr Abbott—Mr Speaker, given the stress that the Leader of the Opposition is obviously placing on his understanding of these comments, I think it would assist the House if the minister were given the opportunity to make the personal explanation he wishes to make now. I think it would assist the House if this were done.

The SPEAKER—I will, of course, extend to the Leader of the Opposition what I would think is appropriate at this stage, and that is indulgence to respond to that point of order, because I would think he would want to respond to it.

Mr CREAN—I do, Mr Speaker. This House was given two opportunities to hear that very denial: when the question was first asked by the member for Griffith to the Acting Prime Minister, and then when I asked the Acting Prime Minister—

Mr Ross Cameron—Gutless!

The SPEAKER—With a considerable interval between our making the first allegation and the second, and the Acting Prime Minister did not treat it seriously. They treat question time with contempt, and we are going to insist on our rights. I seek leave for the censure.

Mr CREAN—I continue with my motion.

Mr Ross Cameron—It’s a stunt. Continue with your stunt!

The SPEAKER—The member for Parramatta will excuse himself from the House, under the provisions of 304A.

The member for Parramatta then left the chamber.

Mr CREAN—Today in question time I asked a perfectly legitimate question—

Mr ABBOTT (Warringah—Leader of the House) (2.49 p.m.)—Given the Leader of the Opposition’s conduct, I move:

That the member be not further heard.

Question put:
The House divided. [2.54 p.m.]
(The Speaker—Mr Neil Andrew)

Ayes: 70
Noes: 61
Majority: 9

AYES
Mr RUDD (Griffith) (2.59 p.m.)—First they accuse their critics of appeasement; now they accuse them of treason. This is unacceptable.

Mr ABBOTT (Warringah—Leader of the House) (2.59 p.m.)—I move:

That the member be not further heard.

Question put:

The House divided. [3.00 p.m.]

(The Speaker—Mr Neil Andrew)

Ayes………… 70
Noes………… 61

Majority……… 9

AYES

Abbott, A.J. Anderson, J.D.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, J.I.
Brough, M.T. Cadman, A.G.
Causley, I.R. Cobb, J.K.
Downer, A.J.G. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Forrest, J.A. Gallus, C.A.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Hawker, D.P.M.
Hockey, J.B. Hull, K.E.
Hunt, G.A. Johnson, M.A.
Kelly, D.M. Kemp, D.A.
King, P.E. Ley, S.P.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. McArthur, S. *
McGauran, P.J. Moylan, J. E.
Nelson, B.J. Neville, P.C.
Panopoulos, S. Pearce, C.J.
Prosser, G.D. Pyne, C.
Randall, D.J. Ruddock, P.M.
Schultz, A. Secker, P.D.
Slipper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Toller, D.W.
Truss, W.E. Vaile, M.A.J.
Vale, D.S. Wake, B.H.
Washer, M.J. Williams, D.R.

NOES

Albanese, A.N. Beazley, K.C.
Bevis, A.R. Burke, A.E.
Byrne, A.M. Corcoran, A.K.
Cox, D.A. Crean, S.F.
Croso, J.A. Danby, M. *
Edwards, G.J. Ellis, A.L.
Emerson, C.A. Evans, M.J.
Ferguson, M.J. Fitzgibbon, J.A.
George, J. Gibbons, S.W.
Gillard, J.E. Grierson, S.J.
Griffin, A.P. Hall, J.G.
Hatton, M.J. Hoare, K.J.
Irwin, J.A. Jackson, S.M.
Jenkins, H.A. Kerr, D.J.C.
King, C.F. Latham, M.W.
Lawrence, C.M. Macklin, J.L.
McClelland, R.B. McFarlane, J.S.
McLeay, L.B. McMullan, R.F.
Melham, D. Mossfield, F.W.
Murphy, J. P. O’Connor, G.M.
O’Connor, B.P. Plibersek, T.
Price, L.R.S. Quick, H.V. *
Ripoll, B.F. Roxon, N.L.
Rudd, K.M. Sawford, R.W.
Sercombe, R.C.G. Sidebottom, P.S.
Smith, S.F. Snowdon, W.E.
Swan, W.M. Tanner, L.
Thomson, K.J. Vamvakinou, M.
Wilkie, K. Windsor, A.H.C.
Zahra, C.J.

* denotes teller

Question agreed to.
Question agreed to.

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

The House divided. [3.02 p.m.]

(The Speaker—Mr Neil Andrew)

Ayes…………… 59
Noes…………… 72
Majority……… 13

AYES
Adams, D.G.H. Albanese, A.N.
Beazley, K.C. Bevis, A.R.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Cox, D.A.
Crean, S.F. Crosio, J.A.
Danby, M. * Edwards, G.J.
Ellis, A.L. Emerson, C.A.
Fitzgibbon, J.A. Ferguson, M.J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hall, J.G. Hatton, M.J.
Hoare, K.J. Irwin, J.
Jackson, S.M. Jenkins, H.A.
Kerr, D.J.C. King, C.F.
Latham, M.W. Lawrence, C.M.
McFarlane, J.S. McMullan, R.F.
Mossfield, F.W. O’Connor, B.P.
Pledger, T. Quick, H.V. *
Roxon, N.L. Rudd, K.M.
Sawford, R.W. Sercombe, R.C.G.
Sidbottom, P.S. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Thomson, K.J. Vamvakinou, M.
Wilkie, K. Zahra, C.J.

NOES
Abbott, A.J. Anderson, J.D.
Andrew, P.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, J.I. Brough, M.T.
Cadman, A.G. Causley, I.R.
Charles, R.E. Ciobo, S.M.
Cobb, J.K. Downer, A.J.G.
Draper, P. Dutton, P.C.
Elson, K.S. Entsch, W.G.
Farmer, P.F. Forrest, J.A. *
Gallus, C.A. Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Johnson, M.A. Jull, D.F.
Kelly, D.M. Kelly, J.M.
Kemp, D.A. King, P.E.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
McArthur, S. * McGauran, P.J.
Moylan, J. E. Nelson, B.J.
Neville, P.C. Panopoulos, S.
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Ruddock, P.M. Schultz, A.
Secker, P.D. Slipper, P.N.
Thursday, 26 September 2002

Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Thompson, C.P. Ticehurst, K.V.
Tollner, D.W. Truss, W.E.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Windsor, A.H.C.

* denotes teller

Question negatived.

QUESTIONS WITHOUT NOTICE

Warringah Electorate: Election

Mr LATHAM (3.09 p.m.)—My question is to the Minister representing the Special Minister of State. If the minister is so concerned about rorts and inappropriate behaviour, what action did he take to prevent his Liberal Party campaign manager Ian Mac-Donald from embezzling $7 million held in trust in his Warringah electorate? Can the minister assure the House that none of the embezzled funds were used in Liberal Party campaign finances, given that Mr Mac-Donald served as the Warringah campaign fundraiser while he also misappropriated $7 million in trust funds?

Mr Pyne—Mr Speaker, I rise on a point of order. I hesitate to raise a point of order on such a serious matter, but I would make the point that the activities of an individual in any member’s electorate is hardly the responsibility of the Minister for Employment and Workplace Relations. I would ask you to rule the question out of order.

The SPEAKER—I am well aware of that concern. Clearly, the same thing was passing through my mind. But the question was directed to the Minister for Employment and Workplace Relations representing the Special Minister of State.

Mr ABBOTT—It is certainly true that Ian MacDonald was my campaign director for the 1994 by-election. It is also true that he was my campaign director for the 1996 election campaign. But I had no knowledge of, no interest in and no involvement in anything that Ian MacDonald did as a solicitor or anything that he did in the conduct of his mortgage business. Obviously, I deeply regret what Ian MacDonald did, as any Australian would. I deeply regret it, as I am sure he does now. Ian MacDonald has faced the courts and is now appropriately paying a very heavy price for his crime. I really do think that the parliament has sunk to a new low when we have these sorts of questions. I wonder whether questions like this were what the Leader of the Opposition had in mind when he said that we should raise parliamentary standards.

Indigenous Affairs: Queensland

Mr TOLLNER (3.12 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House how Indigenous people in Cape York will benefit from the whole of government approach to Indigenous communities? What support has there been for this initiative from the Queensland state government and local Aboriginal leaders?

Mr ABBOTT—I thank the member for his question. I very much thank him for his support for the various initiatives that this government has put in place to assist Indigenous people. The initiative in question is a response to Aboriginal people who tell us that they are tired of what they call the sea-gull syndrome—that is to say, government officials flying in, fidgeting around, flying out and then saying that they cannot address the problem because it is not really within their portfolio. In 10 regions, starting with Cape York, the government is designating particular portfolios to act as lead agencies responsible for the coordination of all federal government services delivered to Indigenous people in those areas. I am pleased to say that my department is basing four additional staff in Cairns, including one SES level officer, to ensure that this initiative works.

This is a grassroots partnership between the federal government, the Queensland state government and local Indigenous leaders. It is a response to the work of Noel Pearson, whose analysis of welfare dependency and how to beat it has been an abject lesson in national leadership. I am pleased that when this was announced yesterday Noel Pearson said:

Cape York is really privileged to start off with this very unique situation of having complete support from State and Commonwealth govern-
ments to a common direction and a common policy.

Ritchie Ahmat, Noel Pearson’s successor at the Cape York Land Council, called this a huge step forward. The Queensland Labor Premier, Peter Beattie, said:

I am delighted the Department of Employment will lead the federal government’s effort because jobs and economic development are intrinsic to improving life in these communities.

I am very proud to be involved with this. To be honest, I feel a bit humble to be involved with Noel Pearson, who really has shown extraordinary leadership to all Australians. I commend this initiative to the House.

**Aviation: Ansett Australia**

Mr WILKIE (3.19 p.m.)—My question is to the Minister for Employment and Workplace Relations. Minister, can you confirm that all money loaned by the govern-
ment to the Ansett administrators for employee entitlements will now be recovered by the government from the proceeds of the Ansett administration? Doesn’t that mean that your air passenger ticket levy is simply a tax on the travelling public and will deliver the government a tidy profit of more than $100 million from the Ansett collapse?

Mr Abbott—To the tremendous gratitude of former Ansett workers, this government put in place a scheme to protect their statutory and community standard entitlements. Under that scheme, 13,000 workers have received $330 million at an average of $26,000 each and about a quarter of those workers have received 100 per cent of their entitlements. This is a great scheme which the government put in place to protect workers left in the lurch because of the failure of the company. When we put the scheme in place, we said, with this as with other entitlement protection schemes, that the government, having paid out the money or having ensured that the money was paid out, would then stand in the shoes of the worker for the purpose of recovering money from the administration. So of course, to protect the taxpayer, we will try to get back as much money as we can from the administration. It is quite simple; you would expect us to do no less to protect the taxpayers of this country.

So far, I understand we have collected some $120 million dollars by way of the ticket levy, which means that the federal taxpayer is still $210 million out of pocket, and we have not received one cent from the administrator. We are doing exactly what we said we would do. We are protecting workers’ statutory and community standard entitlements and then we are trying to recover as much money as we can from the administration.

Industry: Policy

Mr Secker (3.22 p.m.)—My question is to the Minister for Industry, Tourism and Resources. Could the minister please detail to the House how action taken by the government has contributed to the development of Australian industry and jobs for Australian workers?

Mr Ian Macfarlane—I thank the member for Barker for his question. He is a very strong advocate of not only regional Australia but industry in his electorate—and in South Australia, of course, including the car industry. While I am thanking people, can I also thank the now absent member for Batman for his compliment yesterday in the House calling me ‘Action Man’. My mother always says, ‘Bear closest to your heart the compliments of your critics,’ and I bear that much closer than I do most compliments, although it does not quite have the resonance of ‘Chainsaw’!

In all honesty, I am just part of the Howard government team that focuses on action and outcomes. Let me say for the record what the Howard government has delivered, apart from low interest rates, low inflation and solid productivity growth. Let me talk just about my area. In manufacturing, GDP growth is up 16 per cent, auto industry export growth is up threefold, there is record spending on science and innovation, and a $25 billion trade deal with China—the biggest trade deal to China ever. Invest Australia in my department has attracted 55 new investments to Australia in the last financial year. I will list just five: $2 billion extra in expenditure on a gas train at Burrup Peninsula—2,000 jobs during the construction phase; $1 billion for Methanex on the Burrup Peninsula—1,000 jobs during construction; $1.2 billion to Rio Tinto in their high smelt process—500 jobs. Are you adding these up, Mr Speaker?

The Speaker—No, I am not, actually, but the minister may continue.

Mr Ian Macfarlane—The fourth one was $1.5 billion to Comalco—2,300 jobs during construction; and, finally, AMC—Australian Magnesium Corporation—1,300 jobs during construction. That is a total $7 billion and 7,000 jobs. The opposition sit there and do nothing while this government makes the partnership with industry that creates Australian jobs and sees Australia grow.

Workplace Relations: Employee Entitlements

Mr Adams (3.25 p.m.)—My question is to the Minister for Employment and Work-
place Relations. Do you recall promising on 12 October 2001—almost one year ago—to change the laws for rank-and-file employee entitlements ahead of the debts of secured creditors? Why has the government been quicker to secure the repayment of its own money from the Ansett administrator than it has to secure the priority payment to employees of their entitlements? Why do you and your government, Minister, hate the working people of Australia?

The SPEAKER—The member for Lyons, extraordinarily, is an occupier of this chair and is familiar with the standing orders. He must know that he has actually given me an excuse to rub that entire question out by the ridiculous tail end of it. The answer will be given ignoring the latter part of the question.

Mr ABBOTT—Certainly, for my part, I would not make any such comments about the member for Lyons, who is normally a man of considerable decency and I think that question is out of character for him. We did promise about a year ago to change the priority order of repayments in the event of insolvency. We intend to do this and we will keep our promise, but the important thing is to ensure that this change is done in a way which is most friendly to the creation of jobs and the continued expansion of business and the prosperity that it brings. That is what we have been doing these last few months: engaging in a very thorough process of consultation with the financial sector, with the business sector—and with insolvency practitioners to ensure that this important and necessary change will be made in the way that helps workers and does not damage the economy.

Family and Community Services: Child Care

Mrs DRAPER (3.27 p.m.)—My question is addressed to the Minister for Children and Youth Affairs. Would the minister inform the House how the government is supporting families, particularly during the school holidays?

Mr ANTHONY—I thank the member for Makin for her question. I know she has a very keen interest in families and in what the coalition is doing for families, particularly as she has brought up three boys on her own. Of course, among the greatest things that the Liberal-National party government has done for families is provide low interest rates, which means far greater affordability of mortgages, and tax cuts, not to mention increased family assistance benefits, where $2 billion extra has gone to two million families.

One of the greatest areas of improvement and increased funding is child care. The fact is that we have spent 70 per cent more in the last six years than Labor did in their last six years in office. Indeed, in the next four years we will spend around $8 billion compared to around $3.2 billion in Labor’s last four years in office. The good news is that we have more children now using Commonwealth funded child care—there are now 720,000 children, an extra 190,000 places. The cost of child care is going down and we have 2,000 extra centres. Child care now is becoming far more affordable. Clearly, one area that is used quite often is outside school hours care. For members of the parliament, that is obviously referring to those young Australians who go to child care before school, after school and in school holidays. With the school holidays coming up, I am delighted to announce that the initial reallocation of 1,600 vacation care places will be in place before school holidays begin.

In the member for Makin’s electorate at the Golden Grove Primary School there will be a further 55 vacation care places allocated. Indeed, in the city of Ballarat, which I am sure the member for Ballarat would be interested in, there are 60 extra vacation care places. In the electorate of Page, adjoining my electorate, there are 15 extra vacation care places. In the city of Lismore—

Ms Roxon—How many new places?

The SPEAKER—The member for Gellibrand.

Mr ANTHONY—I hear the interjection from the member for Gellibrand. In her electorate, there are 30 extra vacation care places in the city of Maribyrnong. So there is no doubt that the coalition government has a
very good record when it comes to outside school hours care. Why shouldn’t we?

Ms Roxon—How many new places?

The SPEAKER—The member for Gellibrand is simply ignoring the chair!

Mr Anthony—When we came to government in 1996 there were around 72,000 places in outside school hours care. That has risen now to around 230,000 places, a 221 per cent increase. Today, there are 80,000 vacation care places. Let us remember that when Labor was in government the whole sector of outside school hours care comprised only 72,000 places. So it is absolutely ridiculous for Labor, and the member for Gellibrand, to claim that we are spending less money when it comes to child care. I was surprised to read the following comments which the member for Gellibrand made about child care in the Sydney Morning Herald yesterday: ‘I hope Senator Vanstone is putting the hard word on the Minister for Children and Youth Affairs.’ I thought to myself, ‘This is most interesting language. It was not so long ago that the member for Gellibrand was claiming that a member of the parliament was doing the same to her.’ I am all for equality, but this is absolute hypocrisy. She should not be taking her lessons from the member for Lilley when it comes to pulling tactics such as this fabrication.

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

PERSONAL EXPLANATIONS

Mr Hockey (North Sydney—Minister for Small Business and Tourism) (3.31 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr Hockey—Absolutely.

The SPEAKER—The minister may proceed.

Mr Hockey—In question time today the Leader of the Opposition and the member for Griffith claimed that I made some comments about Brigadier Jim Wallace. This is absolutely incorrect. I made no comments about Brigadier Wallace. I understand Brigadier Wallace is a man of fine repute. In fact, my comments were an aside to a colleague about the absurdity of asking about operational planning at such a sensitive stage.

MINISTER FOR SMALL BUSINESS AND TOURISM

Censure Motion

Mr Crean (Hotham—Leader of the Opposition) (3.33 p.m.)—I seek leave to move a motion of censure.

Leave not granted.

Suspension of Standing and Sessional Orders

Mr Crean (Hotham—Leader of the Opposition) (3.33 p.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Leader of the Opposition moving forthwith—

That this House censures the Minister for Small Business and Tourism for his inappropriate allegation of treason against a former member of the Australian Defence Force, Brigadier Jim Wallace, for making the following statement: ‘I’d be concerned that if we were to deploy any of our mechanised units, that they would be in quite a dangerous situation because of the nature of the equipment’—

Mr Crean—The motion continues:

and further censures the Minister for Small Business for his personal explanation by which he accused the Labor Party of treason.

Mr Crean—Either way, the minister stands condemned and should be censured.

Motion (by Mr Abbott) proposed:

That the member be not further heard.

Mr McMullan—Mr Speaker, I take a point of order. The standing orders do not allow that motion to be moved until the Leader of the Opposition has concluded reading the motion which he is proposing to move.

The SPEAKER—The member for Fraser is quite right. I must admit, I did think the Leader had concluded his motion, but if he has not concluded his motion, he clearly has the right to put it.
The SPEAKER—May I first ask: has the Leader of the Opposition concluded his motion?

Mr CREAN—Yes.

The SPEAKER—Then I recognise the Leader of the House.

Mr ABBOTT (Warringah—Leader of the House) (3.35 p.m.)—In the light of the explanation that has been made, I move:

That the member be not further heard.

Mr McMullan interjecting—

The SPEAKER—The member for Fraser knows a great deal more about the standing orders than most and is currently not only ignoring them but the chair—uncharacteristically.

Question put.
The House divided. [3.39 p.m.]

(The Speaker—Mr Neil Andrew)

Ayes............ 70
Noes.......... 58
Majority........ 12

AYES

Abbott, A.J.  Anderson, J.D.
Anthony, I.J.  Bailey, F.E.
Baird, B.G.  Baldwin, R.C.
Barresi, P.A.  Bartlett, K.J.
Billson, B.F.  Bishop, J.I.
Brough, M.T.  Cadman, A.G.
Causley, I.R.  Charles, R.E.
Ciobo, S.M.  Cobb, J.K.
Downer, A.J.G.  Draper, P.
Dutton, P.C.  Elson, K.S.
Entsch, W.G.  Farmer, P.F.
Forrest, J.A.  Galus, C.A.
Gash, J.  Georgiou, P.
Haase, B.W.  Hardgrave, G.D.
Hartsuyker, L.  Hawker, D.P.M.
Hockey, J.B.  Hull, K.E.
Hunt, G.A.  Johnson, M.A.
Jull, D.F.  Kelly, D.M.
King, J.M.  Kemp, D.A.
Lindsay, P.J.  Ley, S.P.
Macfarlane, I.E.  Lloyd, J.E.
McGauran, P.J.  McArthur, S. *
McGauran, P.J.  Moylan, J. E.
Nelson, B.J.  Neville, P.C.
Panopoulos, S.  Pearce, C.J.
Prosper, G.D.  Pyne, C.
Randall, D.J.  Ruddock, P.M.
Schultz, A.  Seeker, P.D.

Slipper, P.N.  Smith, A.D.H.
Somlyay, A.M.  Southcott, A.J.
Stone, S.N.  Thompson, C.P.
Ticehurst, K.V.  Tollefson, D.W.
Truss, W.E.  Valie, M.A.J.
Vale, D.S.  Wakelin, B.H.
Washer, M.J.  Williams, D.R.

NOES

Adams, D.G.H.  Albanese, A-N.
Andren, P.J.  Beazley, K.C.
Bevis, A.R.  Burke, A.E.
Byrne, A.M.  Corcoran, A.K.
Cox, D.A.  Crean, S.F.
Croso, J.A.  Danby, M. *
Edwards, G.J.  Ellis, A.L.
Emerson, C.A.  Evans, M.J.
Fitzgibbon, J.A.  George, J.
Gibbons, S.W.  Gillard, J.E.
Grierson, S.J.  Griffin, A.P.
Hall, J.G.  Hatton, M.J.
Hoare, K.J.  Irwin, J.
Jackson, S.M.  Jenkins, H.A.
Kerr, D.J.C.  King, C.F.
Latham, M.W.  Lawrence, C.M.
Macklin, J.L.  McClelland, R.B.
McFarlane, J.S.  McLeay, L.B.
McMullan, R.F.  Melham, D.
Mossfield, F.W.  Murphy, J. P.
O'Connell, B.P.  Plibersek, T.
Price, L.R.S.  Quick, H.V. *
Ripoll, B.F.  Roxon, N.L.
Rudd, K.M.  Sawford, R.W.
Sercombe, R.C.G.  Smith, S.F.
Snowdon, W.E.  Swan, W.M.
Tanner, L.  Thomson, K.J.
Vamvakinou, M.  Wilkie, K.
Windsor, A.H.C.  Zahra, C.J.

* denotes teller

Question agreed to.

Mr SWAN (Lilley) (3.44 p.m.)—Why won’t they let this minister speak? What have they got to hide?

Mr ABBOTT (Warringah—Leader of the House) (3.44 p.m.)—Nothing at all. I move:

That the member be not further heard.

Mr Swan interjecting—

Mr McMullan—Mr Speaker, I raise a point of order. Is it in order for a person seeking to move a motion that someone be not further heard to make preliminary remarks? In my understanding, it is out of order because the preliminary remarks consti-
tute participating in the debate. Therefore, he is not entitled to move the motion; therefore, the motion is out of order. He has now done it twice.

The SPEAKER—The member for Fraser makes a valid point of order that is, however, somewhat eroded by the member for Lilley’s insistence on rising to the microphone also without the call and also out of order. I think the fairest thing might be to simply put the question that the member for Lilley be not further heard.

Question put.
The House divided. [3.46 p.m.]
(The Speaker—Mr Neil Andrew)

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Majority……… 12

AYES

Question agreed to.

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

The House divided. [3.48 p.m.]
(The Speaker—Mr Neil Andrew)

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Majority……… 13

AYES

Adams, D.G.H. Albanese, A.N.
Andre, P.J. Beazley, K.C.
Bevis, A.R. Burke, A.E.
Byrne, A.M. Corcoran, A.K.
Cox, D.A. Crean, S.F.
Crosio, J.A. Danby, M.*
Edwards, G.J. Ellis, A.L.
Emerson, C.A. Evans, M.J.
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**NOES**

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Question negatived.

**MINISTER FOR SMALL BUSINESS AND TOURISM**

**Question Time**

Mr CREAN (Hotham—Leader of the Opposition) (3.54 p.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Minister for Small Business and Tourism from providing a full explanation of his interjection during Question Time and in particular:

(a) whether he used the word treason;

(b) if so, about whom; and

(c) with what justification;

and the member for Griffith equal time to respond.

What we have here is a government that has accused one of our former commanders of the SAS of treason.

Mr Abbott—Mr Speaker, I rise on a point of order. Standing order 169 says:

… the Speaker or the Chair may, in his or her discretion, disallow any motion or amendment which is the same in substance as any question, which, during the same session, has been resolved in the affirmative or negative.

I put it to you, Mr Speaker, that this is a repetition of what the Leader of the Opposition previously sought to do.

Mr McMullan—Mr Speaker, on the point of order: the only things that are common to this motion and the motion which has just been defeated is that they contain the words ‘that so much of standing and sessional orders be suspended’. In every other way the motions are different. The current motion does not propose that we should be authorized to move a motion but that the minister should be allowed, under the standing orders, to explain himself. There has been no debate or motion about that matter. Under the standing orders we are entitled to move a motion that would require him to explain himself—as I think every Australian would expect he should be called upon to do.

Mr Abbott—Mr Speaker, further to the point of order: as everyone in this House
knows, this motion has exactly the same object and is designed to prove exactly the same thing as the previous two matters. I think this matter has been put to the House twice before, it has been negatived twice before and I think what is being done now is an abuse of the process of this House.

Mr Stephen Smith—Mr Speaker, on the point of order: irrespective of what the motivation or intention may or may not be, the standing orders do not go to motivation; the standing orders go to substance. The motions are entirely different in substance.

The SPEAKER—The motions are not entirely different in substance, as the member for Perth must be well aware. That is why this matter has come up as a point of order. Nonetheless, the motions have been framed in a different way and have provided for a different facility for the minister. For that reason I have allowed the motion to stand.

Mr CREAN—This motion is important because we have had an inadequate answer from the Minister for Small Business and Tourism. He used the word ‘treason’ in question time against one of our former commanders of defence—

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.58 p.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [4.03 p.m.]
(The Speaker—Mr Neil Andrew)

Ayes............. 70
Noes............. 56
Majority........ 14

AYES

Abbott, A.J. Anderson, J.D.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, J.I.
Brough, M.T. Cadman, A.G.
Cameron, R.A. Causley, I.R.
Charles, R.E. Ciobo, S.M.
Cobb, J.K. Downer, A.J.G.
Draper, P. Dutton, P.C.
Elson, K.S. Farmer, P.F.
Gallus, C.A. Georgiou, P.
Hardgrave, G.D. Hawker, D.P.M.
Hull, K.E. Johnson, M.A.
Kelly, D.M. Kemp, D.A.
Ley, S.P. Lloyd, J.E.
McArthur, S. * Nelson, B.J.
Panopoulos, S. Prosser, G.D.
Randall, D.J. Schultz, A.
Slipper, P.N. Somlyay, A.M.
Stone, S.N. Ticehurst, K.V.
Truss, W.E. Vale, D.S.
Washer, M.J.

NOES

Adams, D.G.H. Bevis, A.R.
Byrne, A.M. Cox, D.A.
Crosio, J.A. Edwards, G.J.
Emerson, C.A. Fitzgibbon, J.A.
Gibbons, S.W. Grierson, S.J.
Hall, J.G. Hoare, K.J.
Jackson, S.M. Kerr, D.J.C.
Latham, M.W. Macklin, J.L.
McFarlane, J.S. McMullan, R.F.
Mossfield, F.W. O’Connor, B.P.
Price, L.R.S. Ripoll, B.F.
Rudd, K.M. Sercombe, R.C.G.
Snowdon, W.E. Tanner, L.
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Entsch, W.G. Forrest, J.A. *
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Moylan, J. E. Neville, P.C.
Pearce, C.J. Pyne, C.
Ruddock, P.M. Seeker, P.D.
Smith, A.D.H. Southcott, A.J.
Thompson, C.P. Tolson, D.W.
Vaile, M.A.J. Wakeham, B.H.
Williams, D.R.

Albanese, A.N. Burke, A.E.
Corcoran, A.K. Crean, S.F.
Danby, M. * Ellis, A.L.
Evans, M.J. George, J.
Gillard, J.E. Griffin, A.P.
Hatton, M.J. Irwin, J.
Jenkins, H.A. King, C.F.
Lawrence, C.M. McCallan, R.B.
McLeay, L.B. Melham, D.
Murphy, J. P. Pibersek, T.
Quick, H.V. * Roxon, N.L.
Sawford, R.W. Smith, S.F.
Swan, W.M. Thomson, K.J.
Wilkie, K. Zahra, C.J.
Question agreed to.

Mr SWAN (Lilley) (4.08 p.m.)—Mr Speaker, this minister has clearly misled the House and he is not prepared to—

Mr ABBOTT (Warringah—Leader of the House) (4.08 p.m.)—I move:

That the member be not further heard.

Question agreed to.

The SPEAKER—The question now is that the motion be agreed to.

Question negatived.

PERSONAL EXPLANATIONS

Mr RUDD (Griffith) (4.08 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr RUDD—Yes.

The SPEAKER—Please proceed.

Mr RUDD—The Minister for Small Business and Tourism said in his personal explanation today that I had falsely stated that he had made comments in question time about statements by the former commander of the SAS, Brigadier Wallace, about the state of Australia’s defence preparedness. In response to the Leader of the Opposition’s question on Brigadier Wallace, in which he directly quoted Brigadier Wallace’s remarks, the Minister for Small Business and Tourism made a remark which was heard directly by the member for Fremantle. The remark that was heard was: ‘That’s treason.’ I thought she must have misheard that remark, because it was so appalling.

The SPEAKER—The member for Griffith must indicate only where he has been misrepresented.

Mr Crean—He’s getting to that.

Mr RUDD—Absolutely. I then asked the minister across the chamber, ‘Are you saying that is treasonable, Joe?’ The minister nodded and said, ‘Yes.’ I did not see him making any aside to any of his colleagues. I note from his personal explanation that he has not denied using the term ‘treason’.

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

Mr RIPOLL (Oxley) (4.10 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr RIPOLL—Yes, most grievously, Mr Speaker.

The SPEAKER—Please proceed.

Mr RIPOLL—Yesterday during the debate on embryonic stem cell research, the member for Fisher said:

I think it is regrettable that the member for Rankin and the member for Oxley seek to deny honourable members in this place on both sides of the chamber the opportunity to debate the amendment currently before the House. I think that is exceptionally unfortunate.

At no stage did I try to stop any member of this House from speaking. I do not have that power; only the House has the power to prevent any member from speaking. I completely refute what the member for Fisher said.

On a further personal explanation, Mr Speaker—

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

Mr RIPOLL—I do, Mr Speaker. Yesterday the member for Fisher further said:

It is quite unreasonable, and I think the members for Oxley and Rankin ought to regret the stand they have taken. It is unreasonable, it is out of order and it is out of keeping with the current debate.

Again, I refute that completely. It was not out of order. There was nothing that I—or the member for Rankin, for that matter—did in terms of being out of order or trying to deny any member of this House the opportunity to speak.

The SPEAKER—I indicate to the member for Kingston that I recognise the member for Scullin because he had earlier sought my attention.

Mr JENKINS (Scullin) (4.11 p.m.)—This may be a bit anticlimactic, Mr Speaker—

The SPEAKER—I am sure I can handle it.
Mr JENKINS—I wish to make a personal explanation.

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

Mr JENKINS—Regrettably, clearly and seriously.

The SPEAKER—Please proceed.

Mr JENKINS—Mr Speaker, an article in today’s Melbourne Herald Sun relating to the vote on the third reading of the stem cell legislation, headlined ‘Embryo bill passes first hurdle’, correctly indicates the bill was passed by the House 99 votes to 33. The article then goes on to say:

Of the 33 Victorian federal MPs to vote on the controversial legislation, only six were opposed … The article then names seven Victorian members who were in opposition, including me. A reader would be left with the impression that I had not supported the legislation. This is not the case. As yesterday’s Votes and Proceedings clearly outline, as for the second reading and exercising my free vote, I voted in support of the third reading of the Research Involving Embryos Bill 2002. The journalist concerned has acknowledged the error and has offered his apology, which I accept.

The SPEAKER—I thank the member for Scullin for an indication of just how personal explanations ought to be conducted.

Mr COX (Kingston) (4.13 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr COX—I do.

The SPEAKER—Please proceed.

Mr COX—At question time the Minister for Education, Science and Training made a false reflection on my interest in the New Apprenticeships scheme. I seek leave to table three press releases in relation to the New Apprenticeships scheme and abuses thereof which I understand he has done nothing about.

The SPEAKER—The member for Kingston has now gone past the level of personal explanation. Is leave granted to table the press releases?

Leave not granted.

AUSTRALIAN NATIONAL AUDIT OFFICE

Annual Report

The SPEAKER (4.14 p.m.)—I present the annual report of the Australian National Audit Office for 2001-02.

Ordered that the report be printed.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (4.14 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:

That the House take note of the following papers:


Government Response to the House of Representatives Standing Committee on Primary Industries & Regional Services Report on “Bio-prospecting: Discoveries changing the future”.

Debate (on motion by Mr Swan) adjourned.

Mr ABBOTT (Warringah—Leader of the House) (4.15 p.m.)—I present a paper, being a petition which is not in accordance with the standing and sessional orders of the House, from the member for Flinders from 45 petitioners.

LEAVE OF ABSENCE

Mr ABBOTT (Warringah—Leader of the House) (4.15 p.m.)—I move:

That leave of absence from 26 September to 14 November 2002 be given to Mrs May on the ground of ill health.

Question agreed to.
MINISTERIAL STATEMENTS
Building and Construction Industry: Interim Task Force

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.15 p.m.)—by leave—As I have said in the House before, the problems of the building and construction industry are costing taxpayers, they are costing consumers, they are costing the economy and they are costing jobs. On 20 August 2002, I announced that the government had accepted the Cole commission’s recommendation to establish an interim task force. I can announce today that the interim task force will commence operations from 1 October 2002, which is next Tuesday. The government will provide up to $6½ million to support the task force’s operations until June 30 next year. The task force will be headquartered in Melbourne, with offices in Sydney and Perth. Task force officials will travel to other centres as necessary. The government has advertised for the task force head and expects to make an appointment within a few weeks.

The task force will have about 25 staff and will work with officers from other agencies. Task force officers will have the powers of inspectors under the Workplace Relations Act to enter premises, inspect documents and interview persons of interest. The task force will work closely with the Australian Federal Police and will also cooperate with the Australian Tax Office and the Australian Competition and Consumer Commission. The interim task force and partner agencies will investigate, and refer for possible prosecution anyone—union official, contractor or subcontractor—reasonably suspected of operating in this industry in breach of the law.

Over the past nine months, evidence presented to the royal commission has justified many of the concerns expressed by participants in the industry. Workers and contractors have testified that intimidation and threats are commonplace in workplace negotiations. There is a business culture under which irregular, unethical and illegal payments are frequently made to secure a fleeting industrial peace, and powerful figures in the industry exploit the law when it suits them, otherwise ignoring it. Hundreds of people and dozens of organisations have taken heavy risks in testifying to the Cole commission. The commissioner is also concerned that a temporary reduction in scrutiny could see a new outbreak of illegal practices associated with the current round of enterprise bargaining.

Honest workers, managers, shareholders and customers can be confident that the government will do its best to deliver a clean industry where workers and managers can exercise their rights and responsibilities free from fear and intimidation. What commences operations from Tuesday is an interim task force. But no-one should assume that the government will relax its vigilance next year. The government is committed to reform of the industry, and the interim task force is simply the next step to achieve this goal.

Mr McCLELLAND (Barton) (4.20 p.m.)—by leave—I thank the Minister for Employment and Workplace Relations for a forward copy of his statement. In responding, I point out that Australians have paid in excess of $60 million for the Cole royal commission. It has been presided over by Australia’s highest paid public servant—on a
salary of approximately $660,000 per year and generous allowances. This commission has made full use of its coercive powers, including using information obtained through telephone tapping and setting in train the criminal prosecution of a union official under the Royal Commissions Act.

The minister has said that the interim task force will cost about $6.5 million for the next nine months, and this represents a little over 10 per cent of the cost of the royal commission itself. This is in circumstances where the minister has failed to answer a series of questions that we placed on the Notice Paper on 26 August which, under the rules of the Senate, should have been answered by the minister this week. These important questions go to: where is the $6.5 million coming from? This is the equivalent, for instance, of three per cent of the government’s industrial relations budget this year—not an insignificant additional cost. Second, what are the cost and resourcing implications for other agencies that may be called on to assist the task force; and how does the government propose to assist them to ensure that their work is not prejudiced? Third, what will be the law enforcement role of the task force; or will it become a player in the industrial relations regime of the industry? Finally, what Commonwealth laws will it really enforce?

A number of High Court cases have recently established that coercive or intrusive powers can only be exercised if they are based on clear and specific legislative authority. This task force is being established without any new legislative support. We must ask in those circumstances whether this whole exercise will prove to be futile.

Labor has consistently said that anyone involved in corrupt or criminal activity in the building or any other industry should be prosecuted with the full force of the law. But it has not been established why the task force’s criminal law enforcement functions cannot be performed by the Australian Crime Commission or why its industrial law enforcement functions cannot be performed by the existing industrial inspectorate. I note the minister has made the categorical statement:

It is clear from the Royal Commissioner’s First Report that unlawful practices, particularly intimidation and coercion designed to secure a closed shop, occur right across Australia. Yet Commissioner Cole himself, in response to allegations of bias, ruled:

... I do not know how I could have expressed more clearly the concept that I had not, and in the First Report was not, making any finding adverse to an individual, corporation, association of employers, or employees or a government.

Not only has the minister apparently taken a different view of the matter; the minister’s conduct is difficult to reconcile with the statement of the Treasurer in the context of the HIH Royal Commission—and I quote:

It is not normally a good principle to call a royal commission and then to act in disregard of the findings or before they are made.

A significant part of the problem with the royal commission and findings that it will ultimately make is that it has operated in the partisan atmosphere that pervades the government’s industrial relations agenda. Alan Jones pointed out yesterday that 97 per cent of the commission’s hearing time has been devoted to antiunion topics; 604 employers have been called to give evidence, only 33 workers; three per cent of witnesses have been from the rank of the worker and 71 per cent have been from employers or their representatives; and only two per cent of hearing time has been spent on topics which do not adversely affect the union.

There is no evidence that the task force will have any charter in respect of the abysmal safety record in the industry, money laundering, tax evasion or the use of illegal workers. It is a task force that will operate without legislative underpinning and without any reason why it should have been conceived at all as an entity separate and distinct from the Australian Crime Commission or the existing industrial relations inspectorate. We have genuine fears that taxpayers will be paying another $6.5 million primarily for the government to pursue an antiunion agenda rather than prosecuting those who have committed criminal acts.

MATTERS OF PUBLIC IMPORTANCE

Defense: Preparedness

The DEPUTY SPEAKER (Hon. I.R. Causley)—The Speaker has received a letter
from the honourable member for Cowan proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the Government to properly manage Australia’s defence planning, procurement and personnel, at a time of international crisis.

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

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

Mr EDWARDS (Cowan) (4.25 p.m.)—

There are some things that I know a lot about, others which I know little about, and I have no doubt that some people would argue that there are a number of things that I know nothing about. There is one thing, however, which I have had some experience in and know enough about to be wary of, and that is war. Because of my experience in the Vietnam War and subsequently, I have learned to tread the path of caution rather than dangerous ignorance when it comes to talk of committing young Australian men and women to war. For that reason, I have watched, witnessed and listened with some alarm to the rhetoric, chest thumping and reckless talk of war which has emanated from some ministers and members opposite—indeed, in recent days.

Having said that, however, I must say that the unfortunate comments made by the Minister for Small Business and Tourism during question time—the very unfortunate comments that he made—will undoubtedly impact on the nature of this debate. Indeed, I want to challenge the minister for small business to come into this chamber to involve himself in this important debate and to defend those comments, he will be condemned by his absence from this debate and from this chamber, and we will let the people of Australia make up their own minds about who is a traitor in this country and who is not.

As a responsible opposition with a leader who has been prepared to adopt a position of strength and principle on the war against terrorism, we must call this government to account for its mishandling and politicisation of the debate on the war against terrorism. We must also call it to account for its mishandling of the Defence portfolio and for its reckless talk of war. This is a mishandling which has seen members of the ADF exposed to needless danger in already dangerous deployments and a mishandling of defence procurement which has delayed the acquisition of vital kit. It is a government mishandling of senior management which has created a revolving door of instability at the senior management level, which can only lead to fragmented and stop-start planning decisions to be more likened to the running of a 1950s era broken-down metropolitan bus than the clear, concise, coordinated planning we should be able to expect at the crucial level of defence planning and leadership. Indeed, this broken vehicle I am talking about has seen many key passengers recently de-bused. They include four secretaries and four ministers in just six years.

In addition, passengers on this bus have had their seats changed to such a degree that of the 15 people in senior defence seats, including the minister, only three have been occupied by a person who has been in the job for more than 12 months. I ask the question: how can the government possibly justify this appalling lack of continuity and stability in the crucial ADF areas of defence leadership when our troops are on deployment on more overseas fronts than at any time since World War II?

I had not intended to refer to the interview last night on the TV on the 7.30 Report but, because of the comments that were made by the Minister for Small Business and Tourism, I am going to refer to it. This program was headed ‘Respected brigadier warns army is
ill-equipped’. On his introduction to this item, Kerry O’Brien—the presenter—had this to say, and I ask the people of Australia to listen to this:

Few modern Australian soldiers have commanded greater respect or credibility than Brigadier Jim Wallace. In a 30-year plus career, he commanded the elite Special Air Services and the special forces. He became a highly qualified strategist, led the army’s mechanised 1st Brigade in Darwin, yet two years ago, when he was offered promotion to General, he resigned in deep frustration. Today, he’s airing those frustrations because he’s concerned that the army is being asked to perform dangerous tasks overseas that it’s not properly equipped to deal with. I spoke with Brigadier Wallace in Canberra this afternoon.

I am going to refer to some of that debate.

But I want to say this from the outset: Brigadier Wallace is as dinkum a bloke as you would get. He has served this nation with courage, with sacrifice, with professionalism and with dedication and for that reason I again challenge the Minister for Small Business and Tourism to come into this chamber to involve himself in this debate and to try to defend those remarks which he made. I would just like him to show a bit of courage and to come into the House and do that. But I will bet you that he will not.

As part of the interview last night and in talking about the revolving door of senior management changes, Kerry O’Brien said this to Mr Wallace:

How did you react to the news when you heard that Allan Hawke was the latest casualty?

Jim Wallace replied:

Well, I feel for him from the point of view that no-one’s worked harder than Allan Hawke has. But it’s not a surprise to me. He’s been asked to oversee a system which is broken. He’s a management—he’s a man who is a good manager, presumably. And yet management consultants and experts have come into the Department of Defence, looked at this diarchy and said, ‘Well, that couldn’t possibly work.’ And, to me, this is just proof of the fact that it doesn’t work and we’re sacrificing good people, now two secretaries in a row in a very short time, to come to realise that.

I would argue that, because of that lack of continuity, one of the flow-on problems from that is the big problem that this government has created for itself in the procurement of important kit. Kerry O’Brien said this:

The views and frustrations that you feel and have expressed, how widely are they shared amongst the top ranks of the armed forces today?

Jim Wallace replied:

Kerry, I’m sure that many of our people will be restricted in coming out and saying it and I understand that, but the reality is that this is the talk of every mess, this is the talk, very much, around the top echelons of defence. That this diarchy that we have as a management system, does not work. You’ve only got to look at the fact that we’ve had two secretaries in as many years. We’ve got billions of dollars worth of defence over runs, we’ve got a strategy that has been proved not to have worked. It just worries me that the only thing that we’ve got left to do is to fail in conflict, or fail in warfare. And I just hope that we won’t do that. But, unless we fix this, I can see it happening.

That I think underpins the seriousness of this debate. It underpins the need for a serious debate about the capacity of the Australian Defence Force at this time in this country when so many people on the other side, so many ministers, are talking up the rhetoric of war.

Those of us with long memories will recall that in July 1999 the then Minister for Defence issued a statement on reforms to Defence acquisitions in which he notified that cabinet would be regularly briefed on major defence projects. You may wonder what cabinet had been doing in the previous three years and you may equally wonder what cabinet has been doing since because in September this year Chris Evans, the opposition spokesperson on defence, discovered that 16 of the major 20 defence equipment purchases are over budget by some $5.1 billion and years late in delivery. One of the common reasons that all of the 16 projects are over budget is the government’s failure to protect against foreign currency movements—and that failure has cost taxpayers $740 million alone.

This is despite the National Audit Office report of May 2000 calling for the introduction of hedging and options to better protect taxpayers against further foreign exchange losses. Is it any wonder that recently retired
Lieutenant General Mueller called for the complete overhaul of the government’s acquisition process? It will be interesting to see what names and what tags they apply to that retired lieutenant general.

Ignoring the National Audit Office advice is in itself a serious bungle, and that ignorance has led to a number of very poor acquisitions being undertaken by this government. For instance, instead of buying torpedoes to fit the Collins class submarine, the government decided to modify the submarine to fit the torpedoes. It just does not make sense. But these torpedoes are indeed superseded in the US; they are indeed second-hand. I think it is true to say that the government stopped the normal tender process in order to acquire these torpedoes.

In a replication of that decision, we also know that the PM intervened during one of his recent—and I might say many—trips to the US to stop the tender process on the acquisition of a fleet of aircraft to replace the ageing F111s and FA18s. Not only did he intervene after a personal briefing from Lockheed Martin and sign up for the US F35 but he neglected to advise the Department of Defence that he had signed Australia up to this deal. On the same day they were in the midst of meetings with potential tenderers going through that process of tendering.

Is it any wonder that there is now a lack of integrity in the process of calling for tenders and in the process of defence kit acquisition? What reliable, dependable and credible organisation is going to want to get into a costly process of tendering in the knowledge that the PM might just step in and say, ‘Scrap all that. I’m just going to sign up for this without the proper rigorous inspection and evaluation of what that particular defence acquisition might be.’ Is it any wonder that there is a lot of concern out there in Australian defence industries? Is it any wonder that professional managers like Allan Hawke express their concern? And then, because they express their concern and because they show a bit of integrity, they are rewarded with the sack.

Of course there are many other serious bungles. These include the recent scandal over the purchase of the Seasprite helicopter, which has a cost of $900 million. This government has already paid $780 million, which was a payment not dependent upon the delivery of the choppers. Can you believe that? In addition, taxpayers have already paid some $31 million for a maintenance facility and crew for the choppers, and the delivery date is not until December 2004. That really reflects good planning on behalf of this government, doesn’t it? Like heck it does! In addition to those costs, the taxpayers have to pay another $160 million under the service contract, and the choppers still are not delivered.

I will not go into the debacle with the ammunitions shortage which was also discovered earlier this year by the opposition. I might say that it is a shortage which potentially puts the lives of soldiers at risk. That is not my claim; that is the claim of commanders in the Australian Army. We know that because a report was leaked from the Army saying that operational commanders within the Army raised concerns about the safety of their diggers because they were denied access to train with and become both competent and familiar with weapons like hand grenades, for instance. These are not weapons which are easy to learn to handle; yet they are weapons which, if mishandled, can lead to significant loss of life. You would expect that our diggers—our soldiers—would be familiar enough and competent enough in their use, and you would think that they would have gained this confidence and familiarity through training. Of course these hand grenades, among other things, including ammunition, were not made available to our diggers who were about to be sent overseas. There is no doubt whatsoever that this government has mishandled procurement and management of senior defence personnel. Indeed, it has mishandled the whole Defence portfolio. (Time expired)

Mrs VALE (Hughes—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (4.40 p.m.)—I genuinely welcome this opportunity to debate the management of defence by the coalition government since 1996. We have an excellent story to tell. This attempt by Labor to divert attention from its own internal divisions will be
seen for what it is by the Australian community. As stated by the Acting Prime Minister in question time today, the men and women of the Australian Defence Force are greatly enthused by the support being expressed by the government and the community for the ADF. This cynical attempt by Labor has no resonance in the community, and it will see the Labor Party occupying the opposition benches for many years to come. It is extraordinary that the opposition should criticise defence planning under this government.

No Australian government has a stronger record on defence than this one. Since 1996, the coalition government has ensured a coherent approach to national security by integrating our defence, foreign and trade policies through the National Security Committee of Cabinet. The effectiveness of the government’s planning for and handling of defence issues has been demonstrated by the conspicuous success of all recent ADF operations. The ADF’s role in East Timor has been acknowledged—not only in Australia but internationally—as a model operation of its kind. The ADF has also played a critical role in bringing peace in Bougainville after more than a decade of conflict, destruction and tragic loss of human life. We still have personnel deployed in both East Timor and Bougainville. We have approximately 1,250 personnel in East Timor, which makes it particularly ironic that the opposition should also be criticising the government for a lack of commitment to Australia’s region.

The list goes on. The success of the government’s border protection policies has been underpinned by the professionalism and efficiency of the ADF personnel and the assets involved. The performance of our forces engaged in the war against terrorism has won widespread praise from our coalition partners—from the President of the United States down. Our contribution includes naval, air and land assets and personnel. Our special forces have been operating in Afghanistan since late last year and have made an outstanding contribution to coalition operations, which have succeeded in removing the Taliban regime and dismantling the terrorist infrastructure it supported in Afghanistan. A third rotation of special forces personnel was deployed to Afghanistan in August to continue the coalition’s efforts to destroy any remaining Taliban and Al-Qaeda forces and to prevent them regrouping, thereby ensuring that Afghanistan does not again become a haven for terrorists.

The current Australian commitment also includes two frigates participating in the multinational interception force implementing the United Nations Security Council’s resolution against Iraq, and two Boeing 707 tanker aircraft undertaking air to air refuelling operations from Manas in Kyrgyzstan. This is in support of coalition combat aircraft operating in Afghanistan. In addition, our coalition partners have requested that the two P3C maritime patrol aircraft that the government committed to Operation Slipper, when we announced our contribution to the war on terrorism on October last year, be deployed to conduct maritime patrol and missions in the Persian Gulf.

These successes would have been impossible without the highest standards of defence planning, procurement and personnel. They reflect the government’s efforts to rebuild ADF capabilities that were run down under Labor and to redirect spending away from bureaucracy into combat capability. Let us not forget that it was this government that brought down the 2000 defence white paper, the most comprehensive plan for Australia’s defence forces since the Second World War. The defence white paper is supported by the biggest funding boost for defence in 20 years. Funding will increase by an average of three per cent per annum in real terms over the coming decade. We are committed to an increase in defence funding over the next decade of more than $32.4 billion.

In contrast, Labor’s last years in office saw a real decline in defence spending and that is how they planned for our defence. Under the white paper a framework has been laid down to increase full-time ADF numbers from 51,500 to 54,000. Equally importantly, a higher proportion of ADF personnel are now in the combat force. The white paper also incorporated for the first time the Defence Capability Plan. That plan sets out a $50 billion program for investment in major new equipment to ensure our forces have
what they need to meet the demands of an increasingly challenged security environment. The Defence Capability Plan is being implemented and provides an unprecedented boost to ADF capabilities across the board. Let us look at Labor’s record. They ran down our combat capability, particularly in the Army. After 13 years of Labor, this was the Army’s self-assessment of its capabilities in Restructuring the Australian Army from February 1997:

Units suffer from shortages of trained personnel and insufficient equipment. Elements of the force are hollow. These deficiencies in structure, training and equipment make it difficult for the Land Force to respond quickly and effectively to defence emergencies.

Labor’s defence policy was narrowly focused and flawed with an outdated preoccupation with defending Australia’s coastline. Labor abolished two regular infantry battalions and replaced them with the Ready Reserve. These Ready Reserve units cost almost as much as regular battalions but, owing to legislative constraints, cannot deploy overseas. That is a good one, Labor! Importantly, under Labor, the Army would not have had the capability to mount the East Timor peace operation. The readiness of our 2nd Brigade was such that we could not have deployed it in time for the INTERFET operation if the coalition had not increased its readiness in March 1999. Again, how ironic that the opposition claims it is this government that has ignored the security of our region.

In the defence white paper, the government made rebuilding the Army a priority. We have reversed Labor’s ill-judged decision to have only four permanent battalions; we now have six. Our forces are now ready to deploy at shorter notice and, when they do, they will be properly equipped to deal with the range of challenges posed by a more complex security environment. We are acquiring Tiger armed reconnaissance helicopters. We are upgrading our armoured personnel carriers to provide more protection and fire power. We are acquiring state-of-the-art direct fire weapons. We are acquiring additional troop lift helicopters. We have enhanced our amphibious lift capability and have demonstrated the value of this capability to the United States and other coalition partners. We have doubled our counterterrorism capability. We have established the Incident Response Regiment to deal with potential chemical, biological, nuclear and radiological threats. Nor are we in denial about change in our region and beyond. Labor seems to see the air-sea gap as a moat behind which they could hide ill-prepared and ill-equipped forces. Yet the only policy that they have at a time of international instability is to divert resources from defence to establish a coastguard.

The government set out in the 2000 defence white paper a comprehensive, cohesive and cogent personnel strategy for the future direction of the ADF. The government recognised that the very first consideration in an assessment of military capability is to ensure that we have the right people with the right skills in the right place at the right time. Essentially, people are capability. This strategy identified a need to increase the strength of the ADF to about 54,000 full-time personnel by 2010 and outlined policy approaches to achieve this across the spectrum of contingent issues, including leadership; job satisfaction; remuneration, superannuation and compensation; health and safety; career and lifestyle; and education and training.

The government has gone beyond rhetoric and policy statements and has ensured that the necessary resources are available to fund enhancements and maintain the ADF as a first-class military force able to fight and win. In this regard, the white paper committed $100 million per year to fund high priority personnel initiatives totalling half a billion dollars over five years. Initiatives funded out of this money have included improved accommodation options for single members and an upgrade of existing defence housing; health initiatives, including new mental health and injury prevention strategies; an expanded defence child-care program; the introduction of defence school transition age, increasing employment opportunities for partners and families of ADF members; and additional grants funding to support local defence community based groups which help defence families better manage the challenges that affect them.
The government’s approach is now paying dividends with impressive results in our ability to attract and retain the highest quality personnel. Regular force enlistments have increased from approximately 4,000 in 1999-2000 to a six-year high of nearly 5,900 last year—an increase of almost 50 per cent. A further improvement has occurred in our reserve force, with enlistments increasing from approximately 1,700 in 1999-2000 to almost 2,900 this year—an increase of more than 70 per cent in only three years.

The good news continues when we look at retention rates. Over the last three years, the rate at which people leave our Defence Force has substantially decreased as a result of the many retention initiatives the government has developed. The government remains committed to the very best levels of support for the men and women of the ADF—they deserve nothing less. These fine men and women can be justifiably proud of their achievements and secure in the knowledge that the government and the people of Australia have the utmost respect and admiration for the job they do. Indeed, they are the pride of the nation.

As I have said, it is something of a surprise that Labor would choose to take issue with this government about its management of defence, given its own very poor performance. It is also a little disappointing that Labor, which has consistently alleged that the government has set out to politicise Defence, should choose to do so itself when Defence is so heavily engaged in protecting the safety, security and interests of the Australian people.

The opposition has made much of changes in senior leadership positions in Defence. This flagrant attempt to make political gain out of the normal process of transition between statutory office holders can only be described as reckless. At a time when the people of Australia can be extremely confident in the senior Defence Force leadership, the opposition is seeking to undermine this confidence. As the Acting Prime Minister stated in the House earlier this week, the government has the utmost confidence and faith in the leadership of the defence forces and the men and women they lead. It is time to move beyond cheap politicking and insincere media lines. I encourage members opposite to rally behind our defence forces at this time of heightened national interest and uncertainty in the international security environment.

I would also like to address specifically the member for Cowan’s claims of a $5.1 billion blow-out on 16 major programs. The member knows that $4.9 billion of that amount is legally payable under standard contractual provisions for cost indexation and for exchange rate variations over long-running projects. Specifically, the real cost increases are of the order of four per cent of total project costs only. This means $90 million out of projects worth $22 billion. The fact is that, in his claims to the media, Senator Evans sought to conceal the true position by reconstructing and thus deleting a column of explanations from departmental material provided in response to a parliamentary question. (Time expired)

Mr CREAN (Hotham—Leader of the Opposition) (4.55 p.m.)—I rise to second the matter of public importance which has been brought forward by the member for Cowan and I do so in the context of what has happened in this chamber today. I pick up the point from the Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence, who is at the table, about the need to rally behind our troops, but our criticism is that this government is letting our troops down through mismanagement and underfunding and by taking no account of reports. This government is out there with a war cry on Iraq. If that is a decision that has to be taken, we need to know that our troops are being committed with the best possible backing available. That is what the Labor Party support.

Therefore, it is legitimate for us to question in this parliament the state of Australian military preparedness—a legitimate question for the opposition. Today we did just that, not just by questions in question time but by devoting the matter of public importance to this matter. Who knows what is going to happen over the next couple of weeks? Let us hope that the UN resolution works—something Labor has been advocating since
April; something the government has only recently come to accept. While we were calling for the United Nations to carry the resolution and get back into Iraq, the government was accusing the Labor Party of being appeasers. Today we have the allegation of treason from the government—‘treason’! That is what it has said.

We have all these fine words from the Prime Minister about toning down the rhetoric and trying to find bipartisanship. We have sought that from the beginning. We are the only party that has had a consistent line in relation to the position in Iraq since April. Since this issue became important, we have consistently said that the matter has to be resolved through the United Nations. Why? Because it is in Australia’s national interest that the United Nations’ authority be upheld. Australia has been a proud initiator and developer of the United Nations process from Dr Evatt through. We believe in it. We believe that decisions carried by the United Nations should be upheld. That is why when countries like Iraq flout them they have to be brought to account, but they have to be brought to account through the United Nations processes. That is what we have consistently argued. When we argued it, what did the government do? It accused us of appeasement. It said that I was talking like Saddam Hussein. Only when it found it lost wheat sales, only when it found that public opinion was going against it, did it tone down its rhetoric—until today.

I asked a perfectly valid question today. Reported on television last night was a former SAS commander, Brigadier Jim Wallace, and he had this to say:

I’d be concerned that, if we were to deploy any of our mechanised units, that they would be in quite a dangerous situation ... because of the nature of the equipment ...

Why is that quote important? It is important because earlier, when the Prime Minister and his defence minister were talking up the war rhetoric, they both indicated that Australia could send an armoured brigade to a conflict in Iraq.

Here we have the bolsheviks—the war talkers: the Prime Minister and the defence minister—saying that we will commit an armoured unit, and we have a person who served in the SAS questioning the dangerous situation that such a unit would be exposed to if it were committed. Minister, don’t come in here with your hypocrisy about how well our troops are backed! If that is indeed a quote—if it is indeed an assessment by someone who has worked closely in the field—it is something the government should take account of and it is something the government should answer. The Prime Minister was asked today:

How concerned are you about the words of the former head of the SAS in Australia that we are perilously unprepared?

Prime Minister: I don’t accept that.

The interviewer said:

So he’s wrong?

Prime Minister: I don’t accept his analysis.

If the Prime Minister does not accept the SAS officer’s analysis, where is the explanation for it in this parliament? It is not good enough for the Prime Minister to simply dismiss someone who has commanded our SAS forces—someone who has served this country and who has been prepared to lay down his life for this country. There is a requirement to respond to those criticisms. But, when we asked that question today, the Minister for Small Business and Tourism was heard to say, ‘That’s treason.’ He was heard to say that by the member for Fremantle. When the member for Griffith—who sits next to the member for Fremantle—was told by the member for Griffith that that was what had been said, he asked the minister, across the chamber, ‘Did you say that that was treasonable?’ The minister for small business said, ‘Yes.’ That is why the explanation by the Minister for Small Business and Tourism in this parliament today is totally inadequate.

We are making two charges: firstly, you are not prepared to properly back our Defence Force if you are so dismissive in this parliament of serious allegations made about the state of our military preparedness; secondly, the minister is prepared to say that, if someone makes that allegation and draws it to the attention of the Australian people, it is treason. What sort of a minister would ac-
cuse a former commander of the SAS—who has served this country—of treason?

The minister, by way of personal explanation today, got up and said that he did not say it of the brigadier. We do not believe him because we have two witnesses on this side who know that that is what he said. If that is true—and we believe it to be true—the minister has seriously misled this House. Under the ministerial code of conduct, he should come in here at the earliest opportunity and correct the record. If he does not, he should be disciplined by the Prime Minister. His explanation, to get himself out of the difficulty, was to say he was not saying it of the brigadier; he was saying it of the Labor Party. Doesn’t this sound a bit like the return to ‘appeasement’? When ‘appeasement’ does not work, ‘treason’ does. This government has no shame.

This government has been prepared to come into this place and be dismissive of someone questioning the state of military preparedness when we are about to consider—and, according to the foreign minister today, we have already been having discussions with the Americans about military support for anything that might come about in relation to Iraq. We have a minister accusing a brigadier who questions the state of military preparedness of treason. That is an outrageous slur, but that is what the minister said.

Even if the minister’s explanation is accepted—which it is not—he is accusing the Labor Party of treason. It was very interesting that, in his personal explanation, he did not deny he used the word ‘treason’. So he has either said it of the brigadier—which is our charge, and it is a disgrace—or he has said it of us. That is not smart politics in the current circumstances. Minister Vale. Your government ought to bring the Minister for Small Business and Tourism to heel. Your government ought to bring this minister back into the House and get him to apologise to the brigadier or to stop this stupid rhetoric. We gave the minister the opportunity to speak.

Mr CREAN—He did not make his explanation, Minister. He did not deny the use of the word ‘treason’. We gave him the opportunity, by way of a suspension of standing orders, to give a fuller explanation and your government voted him down. Your government are so embarrassed by him that they gagged him. They gagged a minister who accused a brigadier of treason. They did not call this man to apologise; they gagged him to try to save him further embarrassment.

I am sorry, Minister Vale: that is not good enough. You have a responsibility to ensure that our Defence Force is equipped to the best of our ability. You have a responsibility to answer charges that they are not so equipped. We want to know. We want to ensure, if our troops are committed, that they have the fullest backing possible. You are being negligent in your role by ensuring that that will not happen. (Time expired)

FRAN BAILEY (McEwen—Parliamentary Secretary to the Minister for Defence) (5.06 p.m.)—In this debate on the matter of public importance, I want to talk about, firstly, some of the comments made by the member for Cowan. I want to state up front that I have enormous respect for the member for Cowan; I have enormous respect for the man himself and for the experiences that he gained in serving our nation and in his previous experience before coming into this place. He began his contribution to this debate by saying that he knows about war, and tragically he does. He went on to say that the topic of today’s MPI—and obviously the Leader of the Opposition was not aware of this, judging by his contribution to this debate over the past 10 minutes—namely, ‘The failure of the Government to properly manage Australia’s defence planning, procurement and personnel, at a time of international crisis,’ is too critical for politics. I agree with the member for Cowan; it is too critical for politics. But I am afraid that that is where my agreement with him stopped, because he went on to make a number of allegations which I could only summarise as being a bundle of cheap shots. If the member for Cowan, the Leader of the Opposition and all those sitting on the opposition benches mean what they say—that is, they want a biparti-
san approach to this issue and that they support our Australian defence forces—they would not be making these cheap shots, which is all they are.

The member for Cowan went on to say that this government has created problems in procuring important kit. I will come to the details of that in a minute, but I want to pick up on the Leader of the Opposition's accusation that this government is underfunding defence. All I can say is that I was glad I was sitting down, because I would have fallen after listening to outrageous statements like that. This MPI, which was addressed only partly by the member for Cowan and which was not addressed at all by the Leader of the Opposition, is no more than a veiled attack on our Australian defence forces. That is it in a nutshell.

I think we have to get some facts straight. We have listened to a lot of allegations and a lot of rhetoric so far in this debate. Let me put some facts on the record. It was the ALP who had responsibility during 13 critical years for the development of our Australian defence forces. They were charged with the responsibility for developing strategic policy, for looking after the men and women serving in our Australian defence forces and for making sure that they had decent living and working conditions. What was the legacy we inherited? The minister at the table, the Parliamentary Secretary to the Minister for the Environment and Heritage, referred to some of it earlier in the debate. Let me summarise exactly what legacy Labor left to us. The first thing I want to get onto the record is that, during those 13 critical years, they managed the degradation of our defence estate. They failed to manage the important issue of procurement, they failed to adequately resource our ADF and they failed to provide strategic direction.

This is the legacy we were left. When we came into office in 1996, what did we do about it? Did we simply sit there and twiddle our thumbs the way the Labor Party did for those 13 critical years? We certainly did not. We developed the defence white paper. Did we impose this on our defence forces? No, we did not. We sought input from those who really understand how our Australian defence forces operate—those men and women serving in our defence forces. Further, we went out and sought public comment from the community. I want to read a section of our defence white paper, because I want to put this on the public record. It states quite clearly:

The Government—
the Howard government—
has launched a new approach to capability planning by preparing a detailed, costed plan for our Defence Force over the next 10 years. The aim is to provide the ADF with clear long-term goals for its development, and—
most importantly, from the perspective of those on this side of the House—the funding needed to achieve these goals.

The Labor Party could have done that. They had 13 years to develop a strategic plan. We are the ones who have developed this, and we have put it on a very firm basis.

I want to address another aspect of this debate. Much has been said, and allegations have been made against the government about procurement. I want to get on the record the size of procurement for the Australian Defence Force. To put it into perspective, over the past three financial years, Defence has gazetted 152,000 contracts at a total value of nearly $19 billion. These contracts range from catering supplies to early warning aircraft; they cover the whole gamut of our Australian Defence Force. In 2001-02 alone, the purchase of goods and services from industry amounted to $7.1 billion. This is the size of the procurement budget that Defence has to deal with. Yes, there have been problems, and the government have acknowledged and addressed these. Did the opposition, when they were in government, acknowledge or address these problems? They did not.

The white paper underpins our whole defence strategy of long-term strategic development and ensuring that there is proper funding. The government in the past 12 months has committed to defence $14.3 billion, an increase of over $700 million. Most importantly—and this is what those men and women in the Australian Defence Force want to see—there will be an annual real growth
in funding of three per cent over the next 10 years.

Both the member for Cowan and the Leader of the Opposition made an allegation about a blow-out in the area of defence procurement. I want to get on the record the real cost. There have been claims of a $5.1 billion blow-out over the 16 major programs. We analysed this and found that only $200 million of the claimed $5.1 billion related to any real cost increases. As well, a large proportion of that $200 million—$104 million—went towards acquiring a larger gun for the Anzac ships. In other words, the contract had changed during its life.

Are we content as a government simply to accept that this is a huge problem, that this is an enormous area for the government to have responsibility for in Defence? Of course we are not. There are changes that we have put in place. One of those changes is to deal with a single area of accountability and management through the creation of the Defence Materiel Organisation. A problem we always experience with procurement in defence and industry is the complexity. It is not just the size of the budget or the number of projects on the go but also the long lead times and the impact that defence has on industry—how it does business. Therefore, we have initiated changes such as a two-pass approval, where government must get involved at an early stage. We must have oversight of these projects, and there must be early entry by industry. This MPI is an utter disgrace. *(Time expired)*

**COMMITTEES**

**Education and Training Committee**

**Employment and Workplace Relations Committee**

**Membership**

The DEPUTY SPEAKER (Hon. I.R. Causley)—I have received advice from the Government Whip nominating members to be members of certain committees.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) *(5.16 p.m.)*—by leave—I move:

That:
Mrs Elson be discharged from the Standing Committee on Education and Training and that, in her place, Mr Farmer be appointed a member of the committee, and

Mr Barresi be discharged from the Standing Committee on Employment and Workplace Relations and that, in his place, Mr Lloyd be appointed a member of the committee.

Question agreed to.

**HIGHER EDUCATION FUNDING AMENDMENT BILL 2002**

**Consideration of Senate Message**

Message from the Senate returning the bill and acquainting the House that the Senate does not insist upon its amendments Nos (3) and (7) disagreed to by the House and has agreed to the amendments made by the House in place of amendments Nos (2), (6), (8), (13) and (16).

**BILLS RETURNED FROM THE SENATE**

The following bills were returned from the Senate without amendment or request:

ACIS Administration Amendment Bill 2002
Dairy Industry Legislation Amendment Bill 2002

**COMMITTEES**

**Publications Committee**

Report

Mr RANDALL (Canning) *(5.18 p.m.)*—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being circulated to honourable members in the chamber.


**EDUCATION SERVICES FOR OVERSEAS STUDENTS 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) (5.18 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Public Works Committee

Reference

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.20 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Stage 1 Redevelopment and facilities for the Airborne Early Warning and Control Aircraft, RAAF Base Williamtown, Newcastle.

The Department of Defence proposes to provide a range of new and redeveloped facilities and infrastructure necessary to support the introduction into service of the airborne early warning and control aircraft to be based at RAAF Base Williamtown, near Newcastle, in the state of New South Wales. In 1997 the government foreshadowed the development of an airborne early warning and control capability for the Australian Defence Force. This requirement was confirmed in the year 2000 Defence white paper.

In December 2000, Defence entered into a contract with the Boeing company for the supply and associated support of four Boeing B737-700 early warning and control aircraft under a $3.4 billion Defence acquisition project. RAAF Base Williamtown has been a permanent fighter base since it began operation in 1941 and is to be retained as a major RAAF base. The base contains one of the most important airfields of Defence and is staffed by about 2,500 service and civilian personnel. The introduction of the airborne early warning and control capability to RAAF Base Williamtown will see an increase in the base working population of around 350 personnel, comprised mainly of No. 2 Squadron personnel who will command and operate the capability. The existing base working accommodation and airfield facilities are fully utilised and cannot accommodate the forecast increase in personnel and aircraft. Many of the base facilities and engineering services are reaching the end of their economic life and require either replacement or substantial upgrade. Many facilities are located in high noise zones and others are positioned in functionally inefficient locations.

The RAAF Base Williamtown redevelopment stage 1 and airborne early warning and control project is intended to provide facilities and infrastructure services in support of the airborne early warning and control capability and to establish the basis for subsequent base redevelopment. The project addresses the present infrastructure and accommodation inadequacies and enhances the overall effectiveness of a base that is a key Defence asset.

The project includes provision of new and upgraded facilities associated with the airborne early warning and control aircraft, including new headquarters and operating facilities for No. 2 Squadron; a new maintenance facility; a new support centre, comprising simulators and associated facilities; a new apron area to accommodate the four new aircraft; new and upgraded aviation fuel storage facilities; overlay works to the runway and taxiways; replacement of the airfield lighting systems; a new ordnance loading complex; new student accommodation; an upgrade of the base sewage disposal system; an upgrade of the base high-voltage reticulation system, including construction of a new central emergency power station; and an upgrade of other associated engineering services, including water supply, stormwater disposal and communications infrastructure.

The estimated cost of the proposed works is $149 million. In its report the Joint Standing Committee on Public Works has recommended that this project proceed. The Department of Defence accepts the recommendation of the committee. Current planning is to have the first two aircraft on location at RAAF Base Williamtown in 2006 and to have in-service capability established by
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REPRESENTATIVES

Subject to parliamentary approval, construction will start early next year. It will be completed by the end of 2006, to coincide with aircraft delivery. I commend the motion to the House.

Mr FITZGIBBON (Hunter) (5.24 p.m.)—I welcome the bipartisan and unanimous recommendation of the Joint Standing Committee on Public Works. There is no doubt that the number one issue in the Newcastle and Hunter regions remains the long-standing unemployment problem. This is a matter on which we can take a bipartisan approach. I lament that the former member for Paterson, Bob Horne, is not here for this debate, because he did an enormous amount of work towards the establishment of what has just been reinforced by the Parliamentary Secretary to the Minister for Finance and Administration.

Williamtown is becoming an integral part of the Hunter region’s economy, both in terms of the commercial domestic airport and in terms of the Williamtown RAAF base. I lament that Qantas seems to be downgrading its services out of the commercial domestic airport, making it more difficult for Newcastle businesspeople, in particular, to access Sydney. I also lament the fact that, only this week, Qantas announced that regional commuters—including those out of Williamtown and Newcastle—will now be required to leave their aircraft at the former Ansett terminal and walk across to the Qantas terminal to gain access to their flight link. This redevelopment project is a big win for Newcastle and for the Hunter region. Again, I reinforce the very good work that Bob Horne has done in the past. I also want to recognise the former member for Shortland, the Hon. Peter Morris, whose photograph hangs in Williamtown airport. He did much towards the development of that very important economic facility.

I said earlier that unemployment remains a big problem in the Hunter region. This project will assist by way of construction jobs and ongoing employment in the region. The former Labor government created a range of bodies known as area consultative committees. I am very pleased that this project has also been supported by the local area consultative committee, under the chairmanship of the former chairman, Mr Arch Humphrey, who was, unfortunately, sacked by this government recently for no apparent reason. The area consultative committees are one of the labour market strategies put in place by the former Labor government that were not abolished when the Howard government was elected in 1996, and I want to acknowledge also their role in this very important project.

Question agreed to.

ADJOURNMENT

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.27 p.m.)—I move:

That the House do now adjourn.

Defence: Preparedness

Ms PLIBERSEK (Sydney) (5.27 p.m.)—There has been an unwritten rule in this place for some time that private conversations between members when parliament is not sitting are not to be repeated in the chamber. I respect that rule; it allows us to be frank with each other and to solve many a problem before it gets to crisis point. But I am going to break that rule today because, although that rule is important to me, it is not as important as my love of truth, my respect for this chamber and my abhorrence of hypocrisy.

The Minister for Small Business and Tourism denied today that he said Brigadier Jim Wallace’s comments, as reported in the media, were treason. The member for Fremantle heard him and, when questioned, the minister repeated the statement to the member for Griffith. I heard him, too—but not at question time. I heard him in the gym this morning, during a news report of Brigadier Wallace’s comments. He called Brigadier Wallace a ‘traitor’. The members for Hindmarsh and Pearce were there also, and I would be amazed if they had not heard him, too.

My opposition to war with Iraq is well known, but that opposition does not mean that I have no respect for our soldiers. If the Minister for Small Business and Tourism does half as much in his lifetime as Brigadier Wallace has done, he should be proud of himself. I believe it is the role of any public
servant, including a commander of the defence forces, to give free and frank advice without fear or prejudice. If that advice is unpalatable, it is all the more important to give it. The easy thing for Brigadier Wallace to do would have been to enjoy his retirement after a lifetime of service. Instead, because of his concern for his troops and his fears for them, he has made public comment. It is interesting to see the quotes from General Zinni, Colin Powell’s senior adviser on the Middle East. He said:

It might be interesting to wonder why all the generals see it the same way—that is, that war with Iraq is a problem—and all those that never fired a shot in anger … are really hell-bent to go to war …

It is interesting to hear that the Minister for Small Business and Tourism feels the same way. He should apologise to the House for misleading the House. But, more importantly, he should apologise to Brigadier Wallace.

Mr Slipper—Mr Speaker, I rise on a point of order. What the member said was in breach of standing order 75, in using offensive words with respect to the minister.

The SPEAKER—I have just entered the chamber and therefore am not in a position to comment on this matter.

Mr Latham—Mr Speaker, I rise on a point of order. The debate can be extended at 6.00 p.m. and I look forward to the Minister for Small Business and Tourism coming into the chamber and responding directly.

The SPEAKER—The member for Werriwa will resume his seat. That is not a point of order.

Cook Electorate: Australian Winter Swimming Titles

Mr BAIRD (Cook) (5.30 p.m.)—On Saturday, 15 September, the Australian winter swimming titles were held at Maroubra Beach in south-eastern Sydney. I am pleased to report to the House that the Cronulla Polar Bears, with whom I swim on most weekends, won the national title by a margin of six points from the Harbord Frigid Frogs. It has been a good couple of weeks for teams from the Sutherland shire in national competitions, with the Sharks defeating the Dragons in the NRL semifinal on Saturday night. I wish them all the best for their coming game against the New Zealand Warriors and I know that all of the shire is behind them.

Many members would not be aware of how popular winter beach swimming is. There are around 50 winter swimming clubs around Australia and 38 of these were represented at the titles—a testament to the healthy state of winter swimming. Along with the Cronulla Polar Bears, Gunnamatta Greys and Gymea Bay Greenslugs from my electorate, the other clubs represented included such illustrious names as the Cottesloe Crabs from Western Australia, the Harbord Frigid Frogs, Umina Blue Swimmers, Maroubra Seals, Tweed Heads and Coolangatta Dolphins, Clovelly Eskimos, Buli Sea Lions, Tuggerah Tuffs, Merewether Mackerels, Nelson Bay Blue Marlins, Somerset Sea Snakes, Fremantle Shivering Shags, Currumbin Vikings and, of course, the Bondi Icebergs.

There were some amazing individual performances on the day; perhaps the most notable was that of Keith Little, who swims for the Coogee Penguins. Despite being over 80 and recovering from a heart attack, Keith had a clear victory in the 50-metre freestyle for his age group, just as he has done for so many years previously in the younger age groups.

Mr Slipper—How did you go?

Mr BAIRD—Extremely well. The Gymea Bay Greenslugs won the handicap event over a huge field of entries. In this event each team has to nominate the time they believe it will take to complete the event and the team that finishes closest to their nominated time wins. The Greenslugs were only 11/100ths of a second out from their nominated time. Among the Polar Bears who won in their individual age groups were: Jack Brownjohn for the over-70 years—at 72 he did the 50 metres in 31 seconds, which is quite an outstanding achievement. Jim Silva won the 75 years and his individual event, John Stacpoole won the 45 years and John Crisp from Tweed Heads won the 65 plus. Other winners were Gary Nicholls from the Bondi Icebergs, David Boylson from Tweed
Heads, Simon Martin from Cottesloe, Russell Vance from Maroubra, Andrew De Vries from Harbord, John Bates from Bondi, David Carter from Maroubra. All of these people won their particular age events. Jonathon Van Hazel from Cottesloe won the open event. Winter swimming involves forcing yourself out to the beach and into the water on some of the coldest and most miserable winter days imaginable, yet it is normal to see at least 70 swimmers turning up to each Sunday morning in rain, hail or shine.

I would like to take this opportunity to publicly recognise the fact that these winter swimming clubs are strong contributors to their communities. They are usually involved in the local surf-lifesaving scene and all coastal members would be aware of the vital importance of the surf-lifesaving clubs to their electorates. Many clubs also are particularly active fundraisers for various charitable causes. Speaking from personal knowledge of the Polar Bears, they have raised a great deal of money for the Bear Cottage, while the Wollongong Whales have given a considerable amount to Wollongong Hospital. There is clearly far more to these clubs than a group of insane people subjecting themselves to Antarctic water conditions in bleak midwinter.

Congratulations to the organisers of the Australian winter swimming titles, particularly to the organisation’s president, Don Gain. It was an excellent event and a good opportunity for swimmers from these clubs around Australia to get together and enjoy themselves. Congratulations also to the 50 or so winter swimming clubs around Australia who are doing so much to assist their local communities.

Mr Speaker, may I also say that as we wait for the rugby league semi-final event on Saturday, which will be a great event for the Sharks, we wish them well and we look forward to their appearance in the grand final.

Canberra Electorate: Disability Support Pension

Ms ELLIS (Canberra) (5.34 p.m.)—If anyone tried to judge the current state of disability services and disability support in Australia solely on the government’s own words, they would be misled into believing that the Commonwealth services are doing a great job and the Howard government is equipped to carry out successful reform of disability support. That is why I draw the attention of the House to one of my constituents in the seat of Canberra.

My constituent has severely limited mobility due to multiple sclerosis and a serious accident he suffered several years ago. Unable to work, he had been receiving the disability support pension for over five years until he received a letter from a Centrelink customer service operator on 17 July this year informing him that his pension had been cut from around $400 to $100 per fortnight effective immediately. In that letter Centrelink told my constituent that the decision had been made ‘after careful consideration of his domestic circumstances’. Centrelink claimed that this involved consideration of my constituent’s financial, social and sexual relationships with his landlady. Yet Centrelink did not speak to my constituent or to anyone living in his household before deciding to slash his pension by 75 per cent—no contact, no interview, nothing.

If the Centrelink staff involved had taken the trouble to simply pick up the phone and call my constituent, they would have learned that he had boarded with a female friend in a purely platonic relationship for five years. Yes, they had previously in fact had a child together but that relationship had ended many years before. All of these circumstances had been made clear to Centrelink honestly and openly throughout that period of time. For five years these circumstances were of no concern to Centrelink. Perhaps my constituent’s circumstances were not typical, but what constitutes typical and what options do people with disabilities have when the waiting lists for special accommodation are so long? If a person needs assistance with daily living, they have little choice but to rely on the support of family or friends, and that is exactly what happened in this case.

If the administration of the disability support pension cannot cope with real life, then perhaps the administration is what needs to be changed. Stories like this one, of people
with disabilities being caught out by pure application of the rules, will become far more common if the government’s reforms to the disability support pension are passed into law unamended. Instead of making sure the disability support pension is properly designed and administered, the government wants to hollow it out, transferring thousands of people with disabilities onto the Job Network. Shipping people from the DSP to the Job Network might be easy for the government but it is very difficult for the people involved, especially for people who might be completely unsuited for the Job Network environment and who will suffer from the cut to their income.

Is it so radical to suggest that the programs should be designed to fit the people rather than trying to squeeze people with disabilities into inappropriate programs? Is it so radical to suggest that this government adopt an innocent until proven guilty philosophy rather than this cruel, suspicious and overwhelmingly punitive behaviour, as witnessed in this particular case? I was personally most upset to see what happened to this gentleman. His residential arrangements have had to be changed and stress, pressure and trauma have been put upon this particular family group. This man’s health was suffering incredibly because of his living circumstances in the past, and social workers and others helped him put together an option which included moving into the arrangement that Centrelink then decided to judge in a negative fashion, when in actual fact nothing could have been further from the truth. Neither he nor anyone else in similar circumstances deserves to be faced with the attitude of ‘guilty and you prove to us you’re not’ rather than being given the courtesy of being contacted and talked to, particularly when they have been so open with them over the years of the DSP arrangement.

Work Experience: Parliament House

Mrs GASH (Gilmore) (5.39 p.m.)—I speak on behalf of Lea Isles, a former journalist from Kiama, who is here in the gallery tonight and has been with me all this week. These are her words:

I came to Parliament House this week as a sceptic. Yes, I was one of those who thought when the Federal polities were not bickering in the chamber, they were lapping up a life of luxury—I was wrong. Having spent a few days in the office of Joanna Gash MP on work experience, I have come to appreciate the role our electorate representatives play in Canberra.

With a background in journalism, I am looking to take the plunge into public relations, which is what prompted Mrs Gash to invite me to Canberra. I have had the opportunity to meet with ministers, department representatives and press secretaries from a variety of portfolios and political persuasions. I was advised that it was important to speak with members from both sides of the political divide so as to achieve a broader view of parliament.

As someone who has never been very politically minded, I was surprised by just how fascinating I have found Parliament to be. Each time the bells ring, I flick the in-house television channel over to watch the impending division, and I have taken a real interest in a few of the issues that have been discussed this week, particularly the stem cell research debate. It is an issue I am sure I will continue to follow.

Media-wise, it has been interesting to see how the other half lives. When I walked into the House of Representatives and saw the congregation of media representatives on the other side of the glass doors, I almost felt like I was betraying my profession. I should have been standing out in the cold with them, waiting to hound any entering minister. Instead, I walked through the polished timber corridors, head held high, like I was on top of the world. You can feel the sense of power and importance that lies within the walls of Parliament House and it is difficult not to be swept up in it. The high ceilings, the fine art and sculptures and the beautifully landscaped courtyards are all part of the majesty of Parliament House. A tour of the Prime Minister’s office, including a close-up look at Mr Howard’s display of sporting memorabilia, offered a human element to a role that has always appeared so distant and sterile. I was disappointed that I was not able to meet the man himself. That is just one of the offices I have visited during the past few days.

The Press Secretary to the Leader of the Opposition was particularly helpful to my mission of achieving a smooth transition into the ‘other’ side of the media industry. Each of my own concerns was seconded by his tales of experience. As a journalist you seek all the facts, striving to present a balanced and complete report of events. It is therefore difficult to retrain your instincts to provide media only with what your department wants them to know. I know my journalistic instinct...
kicked in as I sat in a committee room the other day listening to a briefing on what I observed to be quite a controversial topic. All I could think about was what a great story I had stumbled across and how I wished I were in a position to write it. I had to keep reminding myself that I was not there as a journalist, which was strange considering for several years I have been on a 24-hour news-worthiness alert. I was also invited to attend a workshop on developing electorate newsletters and promotional material which showed me that I have the right background for political public relations.

I have learned this week that parliament does not consist solely of what I had previously seen on television. The work that does go on in committees and in members' offices seems to go unspoken in the media. I have also learned of the tireless work of those who research and run around for the Members. Having had much contact with Mrs Gash through reporting for a Gilmore newspaper, I have always admired the passion she displays in her electorate and in making the needs of Gilmore heard. However, I did not realise the workload associated with her position. The hours she keeps are phenomenal, although I am told they are fairly standard for this place. As someone supposedly in the prime of her life—thank you—and with energy to burn, I have really struggled to keep up. In fact, an afternoon nap did not go astray yesterday afternoon. Sore feet from walking along endless corridors and lack of sleep have been part of my Parliament House experience, but all in all, I feel this trip has been very worthwhile. I have learned more about the way our nation is run during the past few days than I would otherwise in a lifetime and I now have an understanding of what happens behind the scenes.

But most importantly, I have had the opportunity to speak to a range of people from different career backgrounds and hear their individual stories about how they got to where they are now. It has also helped me realise that with ambition, determination and dedication, I can do whatever I want to do and that there are many options out there that I have not yet explored.

I would sincerely like to thank Mrs Gash and her staff for giving me this opportunity and for welcoming me into their office and for answering my endless series of questions about Parliament. Also to others who have taken time out from their horrendously busy schedules to meet with me during the past few days and for giving me an insight into the many aspects of Federal Government. I will return today to the south coast with a newfound respect for Parliament and all who work within it.

Who knows, maybe there will be a position for me here one day.

By Lea Isles

**Shipping Industry: MV Wallarah**

**Rugby League: Newcastle Knights**

**Ms GRIERSON (Newcastle) (5.44 p.m.)**—I stand today on World Maritime Day to pay tribute to the thousands of merchant mariners who have died at sea while providing support to Australian shipping, to Australia generally and to our allied defence forces. We are an island nation and we do very much depend on, and are very well served by, a healthy and vibrant merchant navy and domestic shipping industry. That cannot be any more strongly felt than in the port of Newcastle.

Today being World Maritime Day is a reminder that a battle is ongoing to save our Australian shipping industry, which is not helped by the destructive policies of this government. I regret that the member for Paterson used this day to ask a dorothy dixer in question time which allowed the Minister for Transport and Regional Services to dwell on a situation that Newcastle people have been wrestling with. We have seen our ship the *Wallarah* sold and now operating under the Tongan flag, a flag known for some regrettable incidents involving gunrunning and people-smuggling. It is the loss of a ship that we all had great affection for. I pay tribute to the crew of the *Wallarah*, who have always served Newcastle well. I also regret, though, that the member for Paterson shows little regard for regional issues; he is into problem raising and causing rather than problem solving.

I also wish to pay tribute to a group of Newcastle's favourite heroes: our Newcastle Knights. They have been our Knights in shining armour but perhaps at the moment they are our Knights in shining bandages, splints, casts, supports and braces. On behalf of the people of Newcastle, I thank them for the wonderful entertainment and the wonderful community spirit they always engender in Newcastle. We are 'proud, passionate and part of the team', and that is a slogan we ap-
Well done to the Knights. What a year: four players in the test team, six Knights in the Blues NSW State of Origin team and one in the Queensland ‘Maroons’ team, with many of our Knights receiving special The Footy Show awards and certainly NRL awards. But I do have to give great recognition to some particular players. One is Ti-
mana Tahu, who is a great role model for Indigenous Australians and who is held in high esteem and great affection by all of Newcastle: thank you. To Billy Peden, who is retiring from our team this year: thank you again, Billy. You have been a great captain in the past, and we look forward to you joining the honourable group of retired Knights players who do so much community work in Newcastle. But the greatest success this year was saved for Andrew Johns: Joey, we do hope you get better soon. He was the NRL Player of the Year, winning the Daily M award for the third time—and that is an Australian record. He was also the People’s Choice of the year for the fourth year in a row, an outstanding record. Of course, under The Footy Show awards, he was again rec-
ognised as Player of the Year, the Punters’ Pick and Halfback of the Year. But his greatest achievement of all, which I think New-
castle takes a special pride in, was leading the Australian team as captain.

To our young players, it has been an outstanding year for you and we are very proud of the efforts you made. You certainly had to step up and you performed excellently: thank you very, very much. To the outstanding team that faced injury and great pressures this year—to all the team players: well done. Special congratulations go to our coach, Mi-
chal Hagan. His leadership is one that we all look to and certainly use in life in other fields. I was delighted to meet the former manager of the Brumbies last week, Briga-
dier Hannan, who said that he had visited Newcastle and studied the success of the Knights because it was an inspiration in many ways. So well done, Michael, and cer-
tainly well done to the CEO, the chairman, the directors of the Knights team and, of
course, the life members who support the team so strongly.

However, we would like to see our Knights playing in a new stadium. So I urge the Prime Minister and his ministers for re-
gional development, sport and tourism to look very favourably when the request comes yet again from Newcastle for a sta-
dium that is of an international standard; it is certainly deserved in Newcastle. I also know that the Newcastle United soccer team that now takes over there, which has started the season so well, would also appreciate an in-
ternational grade sporting facility. To boost tourism and economic development in our region, it would be welcomed by all of New-
castle. To the Knights: well done and thank you; we look forward to a wonderful season next year.

Mr CAUSLEY (Page) (5.49 p.m.)—I seek leave to present a large petition to the parliament and make a some short statement in support of it.

Leave granted.

Mr CAUSLEY—This petition contains some 16,000 signatures and was worked on very hard in the area around Lismore in northern New South Wales. Members would probably also remember that the Minister for Health and Ageing asked Professor Peter Baume to give her a report on the need for these oncology units and on which areas should get priority. I dare say that Professor Baume would have re-
ceived quite a lot of support from the New South Wales Department of Health, because that department would hold most of the sta-
tistics he would be looking for.

The minister has tabled the report, and we have seen some of the information that it contains. There would seem to be some is-

issues in there that are rather confusing. From some of the figures that are used, it would seem that the areas have been mixed between the mid-north coast of New South Wales and
the north coast of New South Wales. In fact, if you look at the statistics that are held by North Coast Area Health Service, on some 5,881 occasions last year patients had to go to Queensland to get oncology support. For that, the New South Wales government had to pay $1.3 million to the Queensland Department of Health, so obviously it is a drain on finances as well as meaning that people have to travel quite long distances.

Also, when the statistics are brought forward, it seems as though the Richmond has been lumped in with the Tweed. We know that the Tweed is close to the Queensland border, but the Richmond is quite some distance away. When you put the Richmond Valley and the Clarence Valley together, patients there have to travel considerable distances to the Gold Coast or Brisbane to get treatment. Also, some of the figures that were put forward in the report say that there would be probably 1,600 to 1,700 more cancer cases in the mid-north coast than there would be on the north coast. Yet, when you look at the statistics and the figures provided by the North Coast Area Health Service, it shows, not surprisingly, that the incidence of cancer is practically the same in the two areas.

I would ask the minister to have a look at some of those figures that have been brought to her attention, because it would seem that some of them may be confusing. It gives me a great deal of pleasure to support the petition I have presented. I am certain that the minister, in her wisdom, will make sure that those patients who need it most will get the attention of the oncology unit.

Immigration: Asylum Seekers

Mr SNOWDON (Lingiari) (5.52 p.m.)—This evening I want to address the question of East Timorese protection visa applicants who were rejected by the government yesterday; 168 applications for protection visas by East Timorese asylum seekers were rejected yesterday. There are still more than 1,500 of these claims to be considered. In Minister Ruddock's press release relating to this matter he makes it clear that, if their applications are refused, they will have access to review of the decisions. But he goes on to say in this press release:

… it is reasonable to expect people who are found not to be refugees and so do not have a well-founded fear of persecution, to return home when their country is safe and secure.

In any event, the resolution of these applications allows these asylum seekers to move on with their lives.

I regard that particular statement as very unfortunate. Firstly, I accept as a general principle the fact that if refugee applicants are unsuccessful in their applications it is appropriate for them to return home. But in this particular instance we are talking about people who have come here mostly following the Dili Santa Cruz massacre in 1991 when 200 people were killed. You will recall, Mr Speaker, that these people came here escaping the violence perpetrated on the community by the then Indonesian regime.

What they have done since, of course, is to validly expect that their applications for refugee status would have been processed some time sooner than they have been. It seems to me quite amazing because had they been processed prior to 1999, when the Indonesians withdrew from East Timor, it is highly likely that their applications would have been successful. It seems to me, therefore, that these people have had a valid expectation, because they have been here almost a decade, that they would be able to make their lives appropriately in Australia. They are seen as model citizens by the Australian communities in which they live. This is particularly the case for the Northern Territory, where there are large numbers of these people, many of whom have had children who now carry Australian passports. Now we have the minister saying to these people that they should move on with their lives and go back to East Timor. The fact is that they now have a valid expectation, in my view, that they should be able to raise their children—those who have had children here—in Australia. I know a number of these people who have put themselves through university, who hold down good jobs within the community and are reliable community members, yet now they are being told that they have to leave Australia and go back to East Timor.
The fact is that the vast majority of them do not want to do that, for very obvious and valid reasons. It seems to me that the government has it within its power to ensure that these people do not suffer the indignity of having to leave this country when they do not want to, given the special circumstances under which they arrived here, the contribution they have made and continue to make to our community, and the fact that many of them have built new lives here and have had families here. I note that Andy McNaughtan, the convenor of the New South Wales Australian-East Timorese Association, was quoted yesterday in the Age. He said:

... allowing the asylum seekers to stay in Australia would help cement East Timor’s stability, as there was little for them to return to there.

People’s families in Australia can give some kind of support to their families and help stabilise and support Timor. If they go home, they’ll probably join the large body of unemployed with difficult immediate prospects.

Having been a frequent visitor to East Timor, I think that contention is correct. It is within the province of the government to effect humanitarian resolution of this issue. I request that the minister grant these people access to a special humanitarian class of visa—which need not be a precedent—and use his discretion under section 417 of the act so that these people are allowed to stay in Australia in the long term, raise their families as they want to and remain great contributors to the Australian community, as they have been over the last decade.

Iraq: Comments by Australian Prime Ministers

Ms PANOPoulos (Indi) (5.57 p.m.)—I rise tonight in response to the statement about Iraq published today by ex Prime Ministers Fraser, Hawke and Whitlam, and in particular the spoiling role Malcolm Fraser continues to play in the affairs of his own party. The substance of the statement is a debate for another time. Published in the form of a letter, this statement is self-evidently intended to undermine the political and moral authority of the Howard government. It is completely in keeping with the ongoing conduct of Malcolm Fraser who, having lost all relevance, all respect and all influence in his own party, again resorts to joining with Labor leaders to prosecute his own view of the world. The hypocrisy and self-indulgence of former Australian prime ministers does not surprise me anymore. It saddens me that former leaders do not retire from public life with some dignity but all too often suffer the affliction of spotlight deprivation syndrome. They had the chance to implement their vision for Australia and, at the end of the day, the Australian public rejected Whitlam and Fraser comprehensively. They claim to be concerned about the security of Australia yet refuse to address the issue of real threats of terrorism on our doorstep.

But this should come as no surprise; they have a track record of supporting butcherous regimes. Whitlam, in early 1975, recognised the murderous regime of Pol Pot as the government of Kampuchea. Fraser continued that policy. By 1980, when the whole world was in no doubt about the horrific atrocities committed by the Pol Pot regime, the foreign minister of the day, Andrew Peacock, called on Mr Fraser to withdraw Australia’s recognition of the Pol Pot regime. This did not happen. Such was the revulsion of the foreign minister that he tendered his resignation.

Mr Fraser’s record of sponsoring murderers does not stop here. Mr Fraser was instrumental in giving Mugabe the top job in Zimbabwe, which he took as a tainted man. He had been the leader of the Patriotic Front organisation, which was reported in an article this week by Hal Colebatch:

... cut noses and lips off unco-operative blacks and shot down civilian airliners—in one case massacring the dazed and injured survivors, men and women, as they escaped from the crash site.

I would like to believe that no-one could be so callous as to endorse Mugabe’s regime, yet I have searched high and low, and perhaps it exists somewhere, but I cannot find a single word uttered by Mr Fraser against his mate Mugabe. Nothing about criticising him for persecuting political opponents, nothing about criticising Mugabe for the thousands killed in Ndebele, not a single word about Mugabe sanctioning the persecution of white
farmers. Mr Fraser’s silence on Mugabe is in direct contrast to his preparedness to comment on his own party. John Malcolm Fraser has not had a kind word to say about his own party since he left parliament.

The SPEAKER—Order! It being 6 p.m., the debate is interrupted.

House adjourned at 6.00 p.m.
The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.42 a.m.

STATEMENTS BY MEMBERS

MacGregor, Mr Murray
Williams, Mr Ray

Mr BYRNE (Holt) (9.42 a.m.)—I would like to talk about two people and the certification of their achievements through the Order of Australia. One is Ray Williams, who has received the Order of Australia, and the other is Murray MacGregor. Let me start with Murray MacGregor. Murray is a local gentleman with 34 years of service to the community who continues to miss out on this award. This man has given his own time, has never been paid for his activities, unlike others, and does not give generous amounts to ensure that he is noticed by individuals.

Let me give a small citation of Mr MacGregor’s service to the community. He had 16 years voluntary service in the St Johns Ambulance Brigade from 1950. He served with the Country Fire Authority in Bairnsdale between 1944 and 1946, Stratford between 1948 and 1950 and Dandenong between 1952 and 1955. He was president of the first Springvale scout group between 1974 and 1976. He was part of the Masonic task force which cleaned up after the Ash Wednesday fires. He also worked in trying to locate Jaidyn Leskie. He has also worked for many years clearing railway tracks for Puffing Billy.

Mr MacGregor became a bail justice in 1990 and served in that position until 1998, suffering many early mornings and no sleep to serve the Victorian public without recompense. In 1990 he became an independent third person with the Office of Public Advocate to assist minors and intellectually handicapped persons when being interviewed by the police. In 1994 Mr MacGregor took on further activities, becoming a justice of the peace. In 1995 he was appointed to the Aboriginal Justice Panel. He also became a community visitor under the Intellectually Disabled Persons Act in 1996. He served in these positions until 1998. In 1999 Mr MacGregor became a community visitor for the City of Casey and continues in that role to this day. He has received something like 13 commendations and awards for his service to the community. Despite being nominated on two or three occasions, he has never received an award.

Let us contrast this with Mr Ray Williams, the former head of HIH. We know that Mr Williams gave $100,000 to the Liberal Party’s Free Enterprise Foundation because that was indicated in his citation for his award. But it was not his money that he gave; it was HIH money. Mr Williams is a little bit like the proud guest at a wedding. He threw other people’s money away like confetti. But he was rewarded by being given an Order of Australia. What has this individual done besides bankrupt one of the largest companies in Australia and give money to the Free Enterprise Foundation? Was this the reason he got the award? We believe that he was nominated by someone with connections within the New South Wales Liberal Party. My question is: to make this award credible, are we going to give awards to people who give money away like confetti or someone who actually gives genuine service to the community? I present that challenge to the Order of Australia committee.
Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (9.45 a.m.)—I rise to speak on an issue that, for a variety of reasons, is close to my heart. It is a common, lifelong skin disease called eczema, from which I and a million other Australians suffer. This week is Eczema Awareness Week and I am very proud to inform the parliament that I have been asked to be the patron of the Eczema Association of Australia. I took on this position because I understand the frustration of eczema sufferers and I want to ensure that they are able to access quality education and research. I also took on this role because in my electorate of Lindsay we have a very high proportion of children aged under five. Like most of Western Sydney, we have a high asthma rate and possibly a high eczema rate, given the potential link between these two diseases. In addition, given the hereditary nature of eczema, it is likely that my children will also suffer from it. I would like them and others in my electorate of Lindsay to have access to the very best research into the disease.

Currently, research is looking at children aged nought to three generating hypersensitivity to things like dust mites, which is relevant to the way we furnish our homes in Western societies. Eczema is a common, recurring, non-infectious, inflammatory skin disease in which the skin becomes red, dry, itchy or scaly and may even weep, bleed or crust over. The disease varies in frequency and severity among different age groups but often appears in childhood and often disappears around the age of six. More than half of all eczema sufferers show signs of the disease within the first 12 months of life and 90 per cent of people develop eczema before the age of five. The exact causes of eczema are unknown. It appears to be linked to the following factors: family history; asthma or hay fever; particular foods and alcohols; stress; irritants such as tobacco smoke, chemicals or environmental conditions; and allergens. Even though eczema is not a life-threatening disease, I can assure the Main Committee that eczema is extremely irritating.

This irritation can place enormous pressure on parents with children suffering from sleepless nights due to the constant wish to scratch. Flare-ups can often lead to absenteeism from school, work and personal or family obligations. There is no cure for eczema but, by avoiding the causes and using various creams and treatments, control of the symptoms is possible. I must commend the good work of Professor Robin Marks from St Vincent’s Hospital in Melbourne and the founder and president of the Eczema Association of Australia, Heather Jacobs. Both of these people are working tirelessly to ensure that the community is fully aware of the extent of eczema and the problems it can cause to families. I am extremely happy to be associated with this most worthwhile organisation and their cause. I commend their work to all members, especially to mothers of children aged from nought to three years old. This is the age group for which most of the research is occurring, so we can actually put an end to this disease rather than just keep on treating its symptoms.

Khoshroo, Dr Gholamali

Mr SERCOMBE (Maribyrnong) (9.48 a.m.)—The Ambassador for the Islamic Republic of Iran is shortly to leave Australia and I wanted to take this opportunity to briefly acknowledge the very substantial contribution Dr Gholamali Khoshroo has made to the bilateral relationship between our two countries. In terms of the economy, it is a thriving and growing relationship. This is not just in the areas of traditional interests such as the export of wheat from Australia but, increasingly, in terms of the resource sector. For example, Dr Gholamali Khosh-
Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.51 a.m.)—I want to put on the parliamentary record the seriousness of the drought in northern Victoria and my concern about the current level of response to it from the state government. The effect of below average rainfalls for six years, with some of the smallest winter rainfalls on record this year, is that flows into Lake Eildon and Goulburn Weir are at their lowest since 1902. Lake Eildon is now at only 23 per cent capacity and falling. The next three months are usually our wettest but the Bureau of Meteorology is forecasting that there is a 60 to 75 per cent chance that our region will continue to see below average falls. Goulburn Murray Water, which manages 70 per cent of the Victorian water supply, declared this the worst drought on record. They should know, as irrigation goes back to the 19th century on our great northern plains, as does record keeping.

Irrigation farmers on the Central Goulburn system in my electorate of Murray have only 34 per cent of their annual water entitlement announced last month, which has risen last Monday to only 41 per cent. This is a most serious circumstance not just because farmers are required to pay for their full entitlement whether or not it can be delivered but because there is a lack of fodder to keep their dairy herds going. Local abattoirs and knackeries cannot keep up with the demand for livestock to be slaughtered. A significant proportion of the crops in the irrigated and dryland parts of the electorate have already failed. The drought impacts are far reaching. The Murray River system’s water resources will have dropped from 6,000 gigalitres
in 2000-01 to less than 500 gigalitres in 2002-03—which is if the present conditions continue. This is a critical situation.

Successive Victorian governments understood drought. It is not unknown in Victoria at all. Parts of the Murray electorate—in fact, 20 per cent of farmers in the west of the electorate—were receiving exceptional circumstances funds in 1997. What is new is the fact that the Labor government now in power in Victoria are either incompetent or incapable of dealing with the facts at hand. Just last week, they put up a $2 million package with most of those funds already committed in some other shape or form. There is little new money. Half of it is for infrastructure that is supposed to help supply the extra water to the Snowy River deal. The other half of the funds, some $400,000, is supposedly for talkfests—I repeat, for sitting around a table talking about drought. Meanwhile, we see the fodder going across the bridge to New South Wales where those farmers are given a 50 per cent discount or subsidy to put that fodder into their starving stock’s mouths. Can you imagine the frustration of seeing those trucks day after day leaving Murray and going across the border because our state government refuse to act? I call upon the Bracks government to do something serious right now. They should declare the drought and be systematically sensible. They should put some money where their mouth is and make sure Victoria’s farmers are not disadvantaged as they compete for the remaining fodder. (Time expired)

Charlton Electorate: Toronto High School

Ms HOARE (Charlton) (9.54 a.m.)—At the end of last month I rose in this place to tell members about the three young students from Toronto High School who were travelling to Sweden this month as part of the Volvo Young Environmentalists Award. They had won the Australian contingent and they were joining 12 other student groups in Sweden to compete for this internationally acclaimed prize. At the time, Chris McLean, the team leader of the three—David Carrall, Tony Owen and Chris McLean—talked about their project of Stony Creek, which runs past Toronto High School. Chris said:

The creek is a great asset for Lake Macquarie but is often overlooked ... Over the decades, (it) has gone from being sandy to having a muddy bottom.

The entries in the Internet based competition were judged on fact finding, planning, communication and implementation. As I said, the Toronto team presented its project to the international judges of the award at Gothenburg in Sweden this month.

Today I am delighted to congratulate David Carrall, Chris McLean and Tony Owen of Toronto High School on winning second prize in the international Volvo Young Environmentalist Award with their landcare project, along with their biology teacher, Greg Smith. David, Chris and Tony and their project were among 12 finalists from all over the world who travelled to Sweden for the award ceremony. This is a fantastic achievement for the students, for their teachers and for the whole Toronto High School community. The project is yet another impressive example of the invaluable contributions young people make to the community.

I visited the landcare project at Toronto High School and saw the environmental project presentation which the students presented to the judges at the awards in Sweden. The Stony Creek Restoration Project plan involved considerable research in stormwater and estuary management, site analysis, weed removal, replanting of areas that were eroded, stabilising creek banks, propagation of endemic plants and establishment of a large riparian buffer zone between the school and the creek.
David, Chris and Tony have proven themselves to be outstanding ambassadors for Australia and for Lake Macquarie. We are all so very proud of them. On behalf of the whole community and on behalf of the Commonwealth I congratulate them, I thank them and I wish them a safe return home.

Hinkler Electorate: St Francis of Assisi Chapel

Mr NEVILLE (Hinkler) (9.56 a.m.)—I would like to draw the attention of the Main Committee to a magnificent community project which was recently completed in my electorate of Hinkler. On 25 August, St Francis of Assisi Chapel at Baffle Creek, north of Bundaberg, was officially named and blessed, having been built from scratch by members of the local Catholic community. Set amongst the gum trees in a delightful rural environment, it complements the latter-day pioneering spirit of the area. With few civic facilities in the area, it is pleasing that a church was one of the community’s early priorities. It has many of the John O’Brien ingredients of 100 years ago or more.

The project was led by the Marinovic, Formosa and Mills families of Baffle Creek, who decided to start the campaign to build a chapel for their small community. Work began early last year with the generous donation of a block of land by Brian and Olga Marinovic. Other families and local businesses in the region stepped forward with building materials, furnishings and religious artefacts. Right from the set-out and the concrete pour—and, indeed, throughout the whole project—everyone was enthusiastic and helpful.

Time does not permit me to name everybody involved in the project, but there were a few people at the forefront of the project who should be acknowledged. Bundaberg’s parish priest, Father Terry Loth, was unfailing in his support for the project, and holds mass for the Baffle Creek congregation every month. Jim and Anne Thorne; Paul, Francis and Lawrence Formosa; Brian and Olga Marinovic; and Peter and Lynette Mills were the backbone of the project and were all responsible for donating materials of one kind or another. The Hyne family, Billy Gatt, Barry Ruhl and Tony Galea were generous with donations of further timber supplies. The chapel was plasterboarded for free, thanks to the donation of materials by Peter Whittington of Bundaberg and Pat and Tom Fogerty, who did a marvellous job in carrying out the work. Other strong supporters of the project included John and Gail Irwin, Lenny Lemura, Rob Sergiacomi, Laddy Nejman, Anne and Denis Sheehan, Steve and Biljana McGuire.

After the service it was delightful to gather around with these families and visitors and enjoy a typical country lunch in a marquee under the gum trees. There is something special in a small group’s love of God and love of the countryside.

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

EDUCATION SERVICES FOR OVERSEAS STUDENTS AMENDMENT BILL 2002

Second Reading

Debate resumed from 28 August, on motion by Dr Nelson:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (9.59 a.m.)—I would like to add my congratulations to the staff and students at Toronto High School. It sounds like it was a fantastic project that the students have been involved in. Seeing students at a high school like Toronto getting involved in this
sort of environmental restoration gives us all great heart about the terrific things that are happening in schools. I am sure the member for Charlton will pass on my congratulations.

I am very pleased to be speaking in support of the Education Services for Overseas Students Amendment Bill 2002, which contains some minor but nevertheless useful amendments to the substantive act. The current act was passed in 2000; it had bipartisan support and it was developed by both major parties. It has significantly improved the quality assurance of the educational services provided to overseas students, and it has also made great strides in protecting those overseas students from the actions of unscrupulous providers. We all know that the act is due for a thorough review within three years of its commencement—that is, before the end of 2003—and we certainly look forward to contributing to the further improvement of the regulatory structures. This bill addresses a drafting error and a number of technical issues, such as clarifying the definition of a registered provider, ensuring there is no confusion about whether an offence under the act is necessarily a breach, and removing inconsistencies between the responsibilities of the minister and the secretary.

The bill contains three more substantive changes. These are: to allow students whose fees are paid by a sponsoring body to enter into an agreement with the education provider that any refunds owing to them can be paid directly to the sponsor, to reduce the minimum time for a provider to respond to a written notice from the department from seven days to 24 hours, and to give the department discretion in implementing sanctions for breaches of the act. In response to representations by universities, the bill makes provision for students to enter into agreements with their education providers so that any refunds under the act are made directly to sponsoring bodies such as foreign governments and aid agencies. As I said, the bill also reduces the minimum notice period from seven days to 24 hours for education providers to respond to written notices relating to sanctions for noncompliance with the act. We agree that this is necessary to deal with extreme cases where there are fears that unscrupulous education providers would have sufficient time to abscond under the current response time requirement. It is an appropriate amendment if the 24 hours is viewed as a minimum notice period that is only used in extreme circumstances and if the department seeks to give longer response times as a matter of course.

The most significant aspect of the bill is to give the department discretion in the sanctions it imposes on providers in breach of the act. Currently, where a provider is in breach of the act, the only recourse open to the department is to suspend or cancel the registration of the provider in question. The introduction of discretion will allow the department to effectively target sanctions against a specific course or courses. This is preferable to the current blanket approach that has the potential of placing the department in the invidious position of choosing between acting against a substandard course and adversely affecting students in high-quality courses run by the same provider or allowing the reputable courses to continue to be offered and not acting against courses in breach of the act. In a related amendment, discretion is created in the sanctions available against providers in financial difficulty. If used appropriately, this discretion has the potential to allow providers in financial difficulty to trade out of trouble, to the benefit of both the providers and the students. The opposition will be supporting all of these amendments.

This is an appropriate place at which to give some more general consideration to Australia’s role in international education—particularly tertiary education, where we currently have most overseas students enrolled. As we draw near to the end of the government’s Crossroads
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review, it is clear that consideration of the internationalisation of education has been particularly one dimensional. In discussing Australia’s success in the internationalisation of education, it is often quoted that education services are now our third largest export service industry and are clearly in the top 10 of all export industries. This is a great achievement and a testament to the good reputation and quality of our education system, and of course to the hard work and dedication of all those who work in it. Professor Simon Marginson noted in the journal *Change* earlier this year that, in absolute terms, Australia has the third largest number of overseas students in the world, behind only the United States and the United Kingdom. It is a pretty extraordinary result. To put this into perspective, the United States has 17 times the population of Australia but only four times the number of overseas students. This has led to a situation where just over 10 per cent of university revenues now come from overseas student fees. We cannot afford to live on past success. Governments must take an active role in defending the good reputation of the Australian education sector as a whole by moving against unscrupulous providers who prey on international students. We need to be mindful of this point when we come to the broader review of the ESOS Act next year.

Unfortunately, it does seem to be the case that the huge social, cultural and political benefits that flow to Australia from our engagement with international education are less often highlighted when talking about our export of education services. Too often it is the case that discussion of Australia’s success in attracting international students is excessively focused on them as a source of revenue for our cash-strapped education system and not often enough focused on the fantastically diverse group of people who are making a wonderful contribution in our country. I have one of these students living in my home in Melbourne. He is from Argentina. Not only does he make a wonderful addition to our family life but I can also see firsthand the wonderful contribution that he and his friends make to Australia through their cultural and social differences. The students tell me time and time again that they want to be recognised for more than just the funds that they contribute. They want to be recognised for their intellectual contribution to our education system, they want to be recognised for the contribution that they make in providing diverse social and cultural perspectives in the classroom and on campus, and they want to be recognised for the links that they foster with their home countries. I can certainly vouch for the wonderful way in which that can be done, both at a personal level and between countries.

The goodwill and understanding towards Australia which international graduates take home to wherever they come from is of enormous value, on top of the export income that comes to Australia. The submission by the Group of Eight universities to the Crossroads review calls for recognition of the broad contribution made by international students. This submission rightly calls on the government to issue a major statement on international education, incorporating the key goals of international education across social, cultural and economic spheres. This is proposed in the context of university education, but it is equally relevant in the other sectors.

This is the sort of vision we would like to see from the government as part of its review of higher education—not only promoting to the community the economic benefits of education to individuals but also recognising the benefits to our broader economy and the benefits to our social and cultural life. Sadly, the role of international students as a source of revenue has drowned out the more constructive consideration in the review of Australia’s place in the world and the great potential for education to define our place in it. This does seem to be em-
blematic of the government’s approach, which does seem to see education either as a cost to
the budget or as a potential export earner rather than an investment in the future for our na-
tion. In the Crossroads review, this has manifested itself in an obsession that students and their
families should be the only additional source of income for universities, which are in desper-
ate need of increased resources. This is despite the fact that Australian students already pay
among the highest costs in the world for their university education, which in fact has gone up
by 85 per cent under this government, on average.

There is another link between education services for overseas students and the Crossroads
review. Just this week in question time, the minister cited a recent IDP survey which showed
that the costs for overseas students in Australia are lower than for most similar nations such as
the United States, Canada the UK and New Zealand. But the lesson the minister should have
taken from this report is the strong influence of a low exchange rate in making Australia a
valued destination for quality education. This could result in problems for many providers that
have become dependent on this income if the value of our dollar were to increase signifi-
cantly. Instead, the minister made a pretty outrageous claim that this data on international stu-
dents in some way indicated that fees for Australian students were low by international stan-
dards. Only two conclusions can be drawn from the minister’s performance in question time:
either he was not across the detail or he is engaging in a campaign of misinformation in an
attempt to deny the fact that Australian students and their families are already making a very
significant contribution to the cost of their university education. Neither option, of course,
reflects well on the minister.

I want to conclude by highlighting some issues that the opposition will be seeking to raise
as part of the review of the substantive act that this legislation amends, which will take place
next year. The Council of Australian Postgraduate Associations recently raised with me the
need to regulate the actions of agents operating offshore on behalf of Australian education
providers. Many of these agents, working on commission to sign up as many students as pos-
sible, are making exaggerated claims about a range of issues to do with the services and sup-
port that will be provided to them, only for the students to be disappointed when they get
here. These concerns range from very important things about the level of learning assistance
that will be available to them when they come to Australia and the help they might get in
finding accommodation, to other things that go, I gather, to the proximity of various campuses
to different beaches or wildlife. It is clear that the actions of a few unscrupulous agents have
the potential to undermine the good reputation of Australian education, but at present there is
insufficient recourse against them. This is not a simple issue to address, but it is one we look
forward to working through with the government as part of the review.

Similarly, concerns have been raised with me as I have been talking to different groups of
overseas students around the country about the overeagerness to enrol many overseas stu-
dents. Many would suggest this has been prompted by the financial difficulties of our educa-
tional institutions. Unfortunately, this is sometimes irrespective of the overseas students’ Eng-
lish language proficiency. Where the language skills are insufficient, it is neither fair to the
overseas student nor fair to the staff and other students for this problem to be ignored. In ad-
ressing this issue, we have to be careful not to scapegoat or stereotype the overseas students
themselves. More than anyone, they are the ones who are going to be taken advantage of.
They are the ones who will be paying the fees to come to Australia to do courses and, if their
English language skills are not sufficient, they will not be able to reap the benefits they will have paid for.

Finally, while the new framework passed in the year 2000 is a major improvement, we do maintain some concerns about the quality and probity of a minority of providers, which we will seek to address next year. This is an area that requires careful monitoring in order to protect the very good reputation of the vast majority of our fine educational institutions. I look forward to the review, and I certainly commend the bill to the House.

Mr BALDWIN (Paterson) (10.15 a.m.)—It is pleasing to be able to rise today and speak on these amendments to the Education Services for Overseas Students Amendment Bill 2002, as this has become a very important export industry for Australia. There are a number of school leavers from Paterson who go on to attend the University of Newcastle, as well as mature age students who attend classes part-time. Having a university in your backyard is a terrific asset, and I would like to think that there are many locations in Paterson that are an attraction for potential students, international and domestic, such as the Stockton Sand Dunes, Barrington Tops and Port Stephens, to name but a few.

Overseas students are also an asset to the Hunter region in terms of money they spend while they are here. This includes accommodation and tourism. In fact, education exports have become a significant component of our economy. Australia’s exports of services and manufactured goods have risen by more than 50 per cent ever since 1996, when this government came to power, from $99 billion in 1996 to $154 billion last year. This equates to about one in five jobs across Australia, and one in four is in regional areas. But Australia’s fastest growing export service sector is in international education. This sector contributes over $4 billion annually to the Australian economy. That is as much as our wheat exports and more than our wool exports. In 1996, it earned $2.8 billion. There are now 188,000 overseas students enrolled in Australian education and training, which has grown by 66,000 since 1995. If we look at specific universities, 35 per cent of students in marine biology and agriculture programs at James Cook University are overseas students. At the University of Wollongong, 4,400 of the 15,000 students at the university are international students from 70 different countries.

The University of New South Wales, which is ranked in the top 10 universities in the Asian region, has 8,200 international students. An article in the Canberra Times earlier this month reported that the University of Canberra has 938 overseas students and it provides tertiary training for 519 students in countries like China, Hong Kong, Malaysia and Singapore. Total fees from both offshore and onshore students, as well as English language training and pre-university students, are about $14.5 million. The article also reported that there are a total of about 4,600 international students living in and around Canberra, and each one would spend about $25,000 a year on average. Given the history of our country and our reliance on the land and agricultural exports, the growth of this industry is a significant indicator of how our economy is relying more on a services sector. There has also been an increase in employment in Australian universities, with an increase in full-time staff from 82,300 in 2000 to 83,800 in 2001.

It is also pleasing to see that university study in Australia is significantly more affordable for international students compared to other developed countries. A study earlier this year from IDP Education Australia examined more than 3,000 undergraduate and postgraduate
courses in Australia, New Zealand, Canada, the US and the UK. The study compared tuition fees and living costs as well as health cover and visa conditions, and living and study expenses. It found that an undergraduate degree in the United States can cost up to two or three times more than the same degree in Australia. In the United Kingdom an undergraduate degree can cost up to 66 per cent more, and in Canada the cost is up to 30 per cent higher.

When it comes to postgraduate study, Australia also fared extremely well. The cost of a Master of Business Administration is 30 per cent more in Canada than Australia, 70 per cent more at a public university in the US, and more than twice as much at a private university in America. So living costs and the quality of education in Australia make studying here a very attractive proposition for international students. With competitive fees compared to other nations, combined with our lifestyle, Australia has become an affordable and enjoyable location.

While it is important that Australia offers a financially competitive level of fees to maintain this growth, student satisfaction is equally important. A study by Australian Education International released in June this year showed an increase in the level of satisfaction from previous studies. The questionnaire looked at satisfaction with the course, the institution, living in Australia, health insurance and visa rules. The results were very impressive. It found that 73 per cent of students said Australia was their first choice of study destination, 91 per cent said they were satisfied or very satisfied with the quality of education in Australia, 88 per cent said they were satisfied or very satisfied with the quality of the course they had chosen, 92 per cent reported that they would either strongly recommend or recommend studying in Australia to other students in their home country, and 80 per cent reported that their Australian studies would be either very helpful or quite helpful in getting a good job when they returned home.

At the University of Newcastle, where there are about 1,800 overseas students, graduate Melissa Lim benefited from studying in Australia and also obtaining local work experience. She combined her media degree with doing some work experience at a local radio station and, after graduating, found employment at home in Singapore. She believes the experience she obtained in Australia meant she found work ahead of other graduates. Newcastle is also home to the Language Centre, where two members of the Indonesian parliament came to undergo an intensive English language course during the parliamentary recess. This course involved students from Malaysia, China, Turkey, Taiwan, Korea and Thailand. The centre helps international students become competent in English before going on to further studies at university. This year the centre has also trained executives from Daewoo’s ship building division in Busan, as well as executives of Vietnam Airlines from Hanoi.

This year the University of Newcastle hosted about 90 students who are studying the engineering program from Singapore. The university and the Productivity Standards Board in Singapore started delivering an undergraduate engineering program in Singapore. The students complete the last two years of an engineering degree and visit the Newcastle campus once each year to undertake laboratory work and live on campus. More than 200 students are enrolled in the course less than a year after the program was launched.

Postgraduate environment studies student Rita Zacarias from Zimbabwe was invited to participate in the World Summit on Sustainable Development last month. She was invited to present a paper at the summit following her intensive work at the University of Newcastle. Her presentation was about water quality, sanitation and river pollution from goldmining in Mozambique. She said her time studying at Newcastle university gave her a much clearer vi-
sion to understand and put the problem into perspective, as well as giving her the skills to offer real solutions. This is just a handful of examples of what overseas students are doing in the Hunter Valley, and it is a credit to the university and, of course, to its staff. The students have a unique experience when they arrive in the area, with quality education, a great lifestyle and terrific local amenities.

The Education Services for Overseas Students Act was introduced to ensure that international students receive the education and training that they pay for. It was also designed to protect the reputation and integrity of our education and training export industry and to strengthen public confidence in the integrity of the student visa program. It established key national elements for the regulation of the international education and training services industry and gave the Commonwealth the power to investigate and impose sanctions on provider registrations.

The amendment bill we are debating, the Education Services for Overseas Students Amendment Bill 2002, addresses ambiguities in the current legislation and provides greater clarity with regard to certain sections relating to Commonwealth powers and sanctions under the Education Services for Overseas Students Act. It aims to ensure the continued effectiveness of the ESOS Act through a strengthened regulatory framework for Australia’s education and training services export industry and to encourage its integrity and long-term viability. The proposed amendments are minor administrative and technical modifications that have resulted from interpretation and implementation of certain provisions of the ESOS Act. As there will be no changes in overall policy, there will be no impact on the operation of the industry or on key stakeholders. Administrative amendments include such items as improving the clarity of definition of ‘registered provider’. The stronger definition will reduce ambiguity in the industry, particularly where sanctions are imposed.

Since the ESOS Act was implemented in January this year, seven providers have had Commonwealth sanctions and 33 have had automatic sanctions imposed on their registration on the Commonwealth register of institutions and courses. This compares with four sanctions in 2000-01, which demonstrates a solid result, given how new the legislation is. Under this amendment bill, the Commonwealth will have greater flexibility when imposing sanctions against a provider. The Commonwealth will have the option to impose less severe and more suitable sanctions than are currently possible. This will allow for suspension or cancellation of one or more specific courses where a lesser penalty is warranted. It will also enable refunds of student moneys paid on behalf of a student to be returned to the person who made payments, such as a sponsor. This measure will allow for greater certainty in foreign governments and organisations that sponsor large numbers of overseas students to Australia each year. These amendments need to be passed in 2002 to ensure they take effect for the beginning of the 2003 academic year. There will also be a review of the Education Services for Overseas Students Act by December 2003, which will enable interested parties to have an opportunity to evaluate the act and will provide scope for the introduction of more significant amendments if they are required.

I support this amendment act on the basis that it not only provides value for money but also, more importantly, provides incomes, jobs and opportunities for those people in my electorate who work and pay the taxes that help to send Australian students to universities. By attracting this overseas investment, it is good for our economy, particularly our local economy, and that should never be underestimated. Without these overseas students and without
the money they spend on tourism, on accommodation, on meals and on various other things whilst they are here, many employment opportunities for a lot of people in the Hunter Valley would not be there. I commend this bill to the House.

Mr Martin Ferguson (Batman) (10.27 a.m.)—I rise in this place to support the minor amendments in the Education Services for Overseas Students Amendment Bill 2002 and also to acknowledge that a review of the act will commence by the end of 2003. As you would appreciate, Mr Deputy Speaker, education and particularly higher education is a vital industry for Australia. It attracts more than $4 billion in export income each year, and it is the source of very welcome funds for Australia’s universities. What I want to concentrate on today, however, is the important role overseas students already play at regional universities. We need to recognise that a lot more could and should be done.

The role regional universities and organisations such as the Maritime College in Tasmania play in their regions is highly commendable. In terms of the impact, I will refer to the following figures from the Commonwealth Department of Education, Science and Training publication Students 2001: selected higher education statistics, published this year. For Australia as a whole, of the 112,342 overseas students both offshore and onshore, 20,914 are enrolled in regional universities—that is, 18.6 per cent. By way of information with respect to a couple of the major states, approximately 11,540 overseas students both offshore and onshore are enrolled at regional universities in New South Wales—such as Avondale College and Charles Sturt, Southern Cross, New England, Newcastle and Wollongong universities—which is about 34 per cent of the total 33,621 overseas students in New South Wales. Similarly, approximately 3,167 are enrolled in regional universities in Victoria—such as Deakin and Ballarat—which is about nine per cent of the total of 36,272. Finally, with respect to Queensland, approximately 6,207 are enrolled in regional universities—such as Central Queensland and James Cook—which is about 31 per cent of the total of overseas students of 19,866 in Queensland.

Clearly, they are significant numbers, firstly in terms of overseas students studying in Australia and, secondly, in terms of overseas students studying in regional universities. I believe that, if there were more vision from the government, the number of overseas students studying in regional campuses would be significantly higher. One of our objectives over the next couple of years should be to attract more overseas students out of the capital cities to our regional campuses. I say that because not only do regional universities bring to the community direct economic benefits such as employment, housing, retail and services but also they have the potential to engage with their community and to drive regional development opportunities, which are exceptionally important to regional communities at this difficult point in time.

This engagement may come about from undertaking and then applying regionally relevant research. It may come about by producing professionally qualified people for the region or by keeping talented young people in the region. It may also—and this relates directly to the bill—engage the community in attracting into the region new young people from overseas with fresh ideas. I also appreciate that, with the change in Australia’s migration program, there is a leg-up for overseas students who undertake their study in Australia to apply to remain in Australia. My view is that, if we can get these young people into our regional campuses, they will develop networks, friendships, connections and employment opportunities. This would have the potential to encourage them to remain in the regional communities,
should they decide to migrate permanently to Australia, and hence help to overcome some of
the skill gaps in these regional communities.

It is also clear that regions must develop and expand the businesses and industries that form
part of the knowledge economy. Industries such as business services, communications and
high-tech manufacturing will drive the economy in the years to come. It is imperative for re-
gions that enterprises within these industry sectors establish and expand. As part of that, I
would argue that there is a direct role for government, particularly at the Commonwealth
level, in pursuing not only a program that encourages overseas students to train in regional
communities but also an active regional development program which gives the regions power
and encourages them to overcome their own local problems. That means effectively that they
will create the long-term employment opportunities which will be attractive to overseas stu-
dents, encouraging them to remain in those regional communities.

When I look at the issue of overseas students, especially their importance to regional com-

munities, I do not see them just from an educational point of view; I also see them from a
whole of government approach to the all important issue of regional development and plan-
ning. My criticism of the government goes to their failure not only to do more to attract over-
seas students to regional communities but also to be serious about regional development gen-
erally and specifically about their need to give regional communities that are doing it tough
that extra assistance and encouragement to take hold of their local problems and to develop
local solutions.

With that in mind, such an expansion in the number of overseas students at a local level
would therefore contribute significantly to the ongoing sustainability of regions—and that is
what we are talking about. We are trying to attract not only private sector investment to re-
gions to create long-term viable and sustainable job opportunities but also a new leadership
which can come from some of the overseas students and their families, whom they will even-
tually bring to Australia. Such an approach would clearly provide something which is, I sup-
pose, very much a part of our capital cities in this day and age—that is, a very diversified and
expanded economic base. The end result is an increase in employment opportunities which
enables those local regional communities to start thinking beyond the regional boundaries—to
think not only nationally but also globally. Those regions, with the support of overseas stu-
dents and regional educational opportunities, are just as important to the global economy as
are, for example, Sydney or Melbourne.

When you think about linkages to the global economy, you think about what you have to
do to facilitate them. Obviously the expansion of access to regional university places for over-
seas students is part of that objective. It is vitally important that regional university campuses
get the lion’s share of overseas students for that very reason. As I have already said, unfortu-
nately at the moment only 18.6 per cent of overseas students are currently enrolled in regional
universities. I think we should seek to achieve a higher number of overseas students going to
our regional campuses for the purposes of study and then, as a community, work out how we
can actively try to attract them to remain in those regional communities if they decide to avail
themselves of our migration opportunities to remain in Australia. As a result of their study,
they would have the skills to be vibrant members of the community and to overcome some of
the very serious skill shortages that we have in a variety of regional communities around
Australia at the moment.
It is therefore very clear that overseas students can contribute in many ways. Directly, for example, they bring in vital income to the university and the region. The increased income then enables universities to provide more products and services not only to overseas students but also to Australian students who are trying to advance their own opportunities in life. It allows universities to expand their contribution to the regional economy as community leaders. It enables more research and, in particular, more regionally specific research that can be channeled into opportunities and investment in the region. As a community leader, increased funds will enable regional universities to participate in the development of the social and economic capital of the region, because they are central to the future of the region. Universities will also be able to pass on important enterprising skills to local people and assist them in creating new ideas, new businesses and new employment opportunities.

Overseas students can also, in a fundamental way, make a contribution simply by being consumers. They will require housing. If you look at the provision of housing historically, sometimes the provision of that housing has actually assisted some of our older citizens who, by making available accommodation to overseas students, have been assisted with their own cost of living. But over and above issues such as housing, there are questions of shopping, utilities and business services, just as there are for everyone else in that local regional community. This in itself, I would argue, represents a major stimulus to regional development. Importantly, as one step in the dispersal of population from our overcrowded eastern seaboard into country Australia, overseas students can contribute to the reinvigoration of many regions.

The opposition, under Simon Crean, is committed to developing further policies that facilitate population dispersal to regional Australia, and this will include initiatives to try to include overseas students in that activity. These policies will be about ideas for not only encouraging a proper population policy in Australia but also encouraging overseas students to contribute to regional communities through studying in regional communities. I think it is very important that, in thinking about this bill today, we as a nation also start to think beyond the parameters of the bill and really try to start a constructive debate about ideas that would enable overseas students who graduate from such universities to then be attached to that local community for many years to come.

It is in that context that I support the minor amendments, which are about facilitating its operation. In speaking to the bill today, I have clearly sought to encourage the Australian community not only to embrace overseas students nationally but, more importantly, to more vigorously embrace them at a local regional level. Regional communities in Australia are crying out for assistance. Regional universities are key economic and leadership drivers in those local communities. At the moment, overseas students represent about 18.6 per cent of the students who actually undertake their studies in regional communities. I simply say, in conclusion, that we do not just want overseas students to come and go from our regional universities. We have to create the policy options and ideas to encourage them to stay there on a long-term basis—to complete their studies, to bring up their families and to contribute to the leadership and the skill base in those local communities. I commend the bill to the House.

Mr RANDALL (Canning) (10.40 a.m.)—It is my pleasure to speak to the Education Services for Overseas Students Amendment Bill 2002. It supports the previous bill, the Education Services for Overseas Students Bill 2000, which sought to do three things: to ensure that international students in Australia received the education and training for which they had paid, to protect the reputation and integrity of Australia’s education and training export in-
dustry, and to strengthen public confidence in the integrity of the student visa program. As has been said by previous speakers from both sides, there has been a bipartisan approach to these minor technical amendments. Having the support of both sides of the House is obviously welcome, not only in a political context but also in an educational context.

Having heard the member for Jagajaga speak on this matter, it shows how highly regarded this sector is by the Australian community. One of the reasons the Education Services for Overseas Students Act 2000 was initially passed was that it established a national code of practice and regulation for authorities and providers of education to overseas students. One of the things that has happened in the past is that there have been some unscrupulous providers in this area who have taken the money of overseas students and then not provided the education. Not only that, there was no regulatory framework. It was done on more of a state based level because education is under the states’ jurisdiction and, as a result, there were not the sorts of sanctions that are now provided through the Education Services for Overseas Students Act, which gives the Commonwealth powers to investigate, impose sanctions and conditions, and even suspend a provider’s registration and remove non bona fide operators from the industry.

The bill before us today is also very important because it puts integrity back into the system. I want to mention a few local examples, as a member from Western Australia. One very good example is that there is now a cooperative arrangement between Murdoch University and Alexander College. Alexander College largely operates on the basis of providing a range of courses to overseas students. Murdoch has not only put a secondary school on campus but also has a facility in St George’s Terrace in Perth, where it teaches a range of tertiary courses. Mr Barry Gregory, who interestingly was a major plumbing contractor, is the person behind Alexander College. For some reason he is now an expert on education being offered to tertiary students, mainly from overseas. Mr Gregory and Alexander College are doing an excellent job and they would not be in an alliance with Murdoch University if they were not.

One of the shining lights in Australian education is its relationship with overseas countries. As Chairman of the Sri Lankan Friendship Group in this parliament, I want to take us back a little bit to the Colombo Plan. The Colombo Plan was one of the most highly successful ways of supporting another Commonwealth country that was in need of superior educational services for its growing student body. I believe the success of the Colombo Plan has led the way for Australia’s reputation to be enhanced overseas and within the region. To that extent, I believe there are moves afoot to further expand our relationship with Sri Lanka in terms of tertiary education. I am talking with the high commissioner when he comes to the parliament when we next sit—he is to be hosted here—about how we can enhance this educational relationship.

I will give you the details in a moment, Mr Deputy Speaker, but about 80 per cent of the overseas students, of which there are more than 200,000 a year, come from the Asian region. It is natural that they should come from the Asian region, given our geographical location in Asia. Why is Australia so attractive to a large number of Asian students? We are, particularly in Western Australia, on the same time line. It is very important that we understand a few practical things, such as that it takes no more time to fly from Perth to Singapore, generally, than it takes to fly from Perth to Sydney. The ability of overseas students to be in Australia quickly is an attraction. Ease of access to Australia for the vast number of students in the re-
region is enhanced not only by being in, as I said, the same time zone but also by quick transport.

A lot of people think Asia is just Malaysia, Indonesia and other countries in South-East Asia. It is not. For example, some time ago I was fortunate enough to be on a delegation to New Guinea, and a number of pre-eminent and prominent citizens in both the government and the bureaucracy in New Guinea were educated in Australia. I met with one of the leading examples of this, Arthur Somare, Sir Michael Somare’s son, who had come to Australia to a Sydney university and received his degree there. He went back to New Guinea and had himself elected to the New Guinea national parliament, and he is playing an important role there. We heard the member for Batman quite rightly say that students add something to the Australian community, and Arthur Somare did. Apparently he was an excellent rugby player who involved himself very well in our sporting arenas and took some of his prowess back to New Guinea.

I have also been a member of the Singaporean Friendship Group. Interestingly, I met one of the Singaporean ministers—I cannot recall his name—and we got chatting. When he found out that I was from Western Australia, he said, ‘When I was a student from Singapore, I went to Curtin University.’ We drilled down to the fact that he and I went to the same Malaysian-Chinese restaurant in Victoria Park, not far from the university. He spoke of Western Australia in fond terms. That says that it creates excellent ties in the region when people come to Australia, avail themselves of our excellent educational opportunities here and then build links when they go back to their own countries.

It has been said by the member for Batman, for example, that maybe we should try to encourage these people from the region to settle here. That is fine. I can assure you that many of the doctors in regions of Australia are from other countries who have come to Australia, have been educated here and have decided that they would like to stay. It is a bit of a reversal of the brain drain. Quite often, we are accused of allowing people with eminent educational qualifications to leave Australia, yet we are getting an inflow through this marvellous industry that brings people to Australia to be educated. Many of them want to stay here and add to the knowledge community of this country.

I just want to put it all in context while I am talking about the region. A lot of people believe that, as I said, we really should be growing our influence in this area in the Asia-Pacific region with countries like Tuvalu and Kiribati. For example, there are no free tertiary facilities in Kiribati and yet Kiribati uses Australian money and the Australian form of government and it is a country that is very friendly towards Australia. When students finish secondary school in Kiribati, they have nowhere to go. So an ideal opportunity exists to start programs with countries in the Pacific region like Kiribati.

The main source of visas for the 200,000-odd overseas students that are in Australia is the Republic of China—10,866 students were granted visas from the Republic of China in the last financial year. Malaysia granted 6,167 visas, which was a 25 per cent increase. Hong Kong granted 6,058 visas, which was a 23 per cent increase. Thailand granted 3,988 visas, which was a 22 per cent increase. Japan provided 4,651 student visas, which was a 19 per cent increase. This is a marvellous credit to the Australian community because, as has been said several times here this morning, it is an industry worth well over $4 billion to the Australian economy. As has also been said, this industry exceeds the value of wheat and wool exports.
Whoever would have thought that the country which rode on the sheep’s back could now be riding on the back of the education of overseas students?

These are the sorts of things that the public need to know. They need to know how important it is to see this industry growing. We need to foster this industry at every opportunity and this is what this bill does. Even though we have bipartisan support on this issue, Labor are somewhat hypocritical in this matter. They support overseas students paying full fees but, when an Australian student goes to do the same thing, they do not think that is correct. If an Australian student cannot find his way into university through a HECS place, the Labor Party are against these students having the same rights as an overseas student to buy their way into an Australian university.

What we do know is that putting this sort of money into a university helps economies of scale, grows the revenue of the universities and allows them to do much more in terms of providing courses et cetera. Speaking to the member for Kalgoorlie, who I see here, I say that we do need to foster opportunity in regional universities. In his electorate there is the magnificent Western Australian School of Mines. Naturally, Kalgoorlie is in the right place to provide a school of mines. The school is run in association with the Curtin University and most of the courses are taught in Kalgoorlie.

What would happen if we could grow the input to the Kalgoorlie school of mines from areas in the region? The member for Kalgoorlie tells me that there is an alliance being developed at the moment with China to educate Chinese students in mining operations in Kalgoorlie. We see this as a very positive growth area. We know that, for example, Zimbabwe and other African companies with mining potential are also wanting to get to know the Kalgoorlie school of mines even better so that they can avail themselves of this high quality education in the mining area.

The fact of the matter is that these amendments are needed because the original drafting of the Education Services for Overseas Students Act 2000 did provide the assurance that people would get the training that they had paid for, that we did encourage the integrity of the education system as an export industry and that we did want to strengthen public confidence in the integrity of this visa program. The fact is that there are a few anomalies which have had to be addressed. In conclusion, this amendment bill will strengthen the regulation of the education and training service export industry in Australia. For that very reason, and for the reasons put forward by everybody who has so far spoken on this bill in the Main Committee today, I support the bill.

Mr JOHNSON (Ryan) (10.55 a.m.)—I am delighted to follow my friend and colleague the member for Canning. I acknowledge his very strong support for education as a member of the coalition team in the federal parliament. I rise to speak in favour of the amendments being considered in the Education Services for Overseas Students Amendment Bill 2002. As my colleagues would all be aware—and, I am sure, members of the opposition would be aware—the Howard government is exceptionally committed to ensuring and delivering high-quality education for students not only from this country but who come to our country from overseas. This government has made it a priority to focus on increasing the standards in education. Australia’s education standards now rank among the highest in the world. I am very proud to preach that strongly to everyone that I come across in my constituency of Ryan. Our qualifications are widely recognised, respected and admired. Given the contacts that I have in my
community, I quite often get responses from people who are very keen on education and who salute the great work that this government is doing.

Not surprisingly, it follows that demand for education services in Australia is increasing and that education is a growing export industry for our nation. In fact, education has become Australia’s third largest service export industry and the eighth largest overall. The industry is worth more than $4 billion and, as my friend the member for Canning said, that is more than the export earnings from wool and approaching those from wheat. In 2000, education generated some $3.7 billion in export earnings, which is equivalent to three per cent of total exports. This is an increase of 18 per cent on the 1999 figures. This is something that this country can be very proud of. I know that all members of the coalition government are very supportive of working towards increasing that percentage. The 2001 figures show that in higher education alone the number of overseas students studying in Australia has doubled since 1996, when the Howard government came to office. In 2000, there were 182,000 international students studying at Australian institutions both onshore and offshore, where our universities have many links to campuses. I am very proud that one of the most distinguished universities in the country is in my electorate of Ryan. I am very supportive of all the great work that it does.

Universities are 56 per cent vocational education, 17 per cent English language programs and 27 per cent schools. Those figures are very important to note in terms of the number of international students in our nation. Australia has the third highest student numbers in English-speaking countries after the USA and UK. My home state of Queensland accounts for some 16 per cent of the overseas student market. Clearly more can be done, but in the current situation that is a very significant figure. By comparison, New South Wales has 37 per cent; Victoria, 28 per cent; South Australia, four per cent; and Western Australia—represented by my colleagues here in the chamber—11 per cent. I am sure that they too are working very hard to increase those numbers. As I said, Queensland has 16 per cent of the overseas student market. The two leading universities in Brisbane—the University of Queensland and Griffith University—are very dedicated to improving their share of the overseas student market.

Why has the Australian education sector enjoyed so much success? Australia has multiple institutions offering a wide variety of courses and flexible delivery methods. Our schools’ vocational qualifications are, as I alluded to earlier, recognised as being of university standard by tertiary institutions across the country and internationally. Our facilities are, quite frankly, second to none, and the teaching resources are of immensely high quality. Our fees and low cost of living, compared to many rival countries around the world, certainly offer value for money. If I were an overseas student, I would be focusing very strongly on Australia as a destination.

A recent study conducted by IDP Education Australia, with support from Australian Education International, has shown that studying in Australia is significantly more affordable for international students than, in particular, the US and the UK. This study examined more than 3,000 undergraduate and postgraduate courses in 168 universities in Australia, the US, the UK, Canada and New Zealand. The research compared tuition fees and living costs, as well as health cover and visa conditions, in these five nations. The report showed that competitive tuition fees combined with a lower cost of living make Australia a very affordable and accessible destination for overseas students—not to mention the great climate and lifestyle that our
country offers. St Lucia, where the University of Queensland campus is located, is a particularly attractive area for students to target.

An important factor behind the success of education at a more substantive level is the federal government’s legislation that supports and encourages students from other countries to come here. The legislation regulates the industries and, very importantly, protects the students during their time in our country. As I said earlier, Australia places a high priority on education and is keen to share its expertise with the rest of the world. The federal Minister for Education, Science and Training is one minister who very strongly supports encouraging students to come here and ensuring that they are protected when they are here. To maintain a high-quality, reliable education system for students from overseas, the Australian government encourages international education and training providers to follow codes of conduct and has legislated to ensure a stable, supportive environment for students when they are here.

It was the Howard government that introduced the Education Services for Overseas Students Act 2000, which established the key national elements for the regulation of the international education and training services industry. The main aims of the legislation are essentially to protect the reputation and integrity of our booming education market. The figures certainly reflect that we are a very popular destination. We have an obligation—and, indeed, a responsibility—to ensure that all students who come to this country not only receive the high-quality education and training for which they have paid but also enjoy their time here and go back to their homelands as ambassadors for our country. As the member for Canning alluded to earlier, the Colombo plan, in earlier decades, did just that.

These amendments ensure that public confidence in the integrity of the students from overseas is unchallenged. It is very important to know—as the Minister for Education, Science and Training has said quite often—that it is Australian taxpayers who pay for education in this country. We have an absolute responsibility to ensure that, as taxpayers who contribute to the consolidated revenue of this country, their money is well spent and that students get value for money—both our students and students from overseas. The amendments go one step further towards ensuring the continued effectiveness of the act. They do this through strengthening the regulatory framework for Australia’s education and training services export industry and encouraging its long-term viability. It is very important that education in this country is not a short-term thing; it is a long-term thing. As former British Prime Minister Winston Churchill observed in 1943:
The empires of the future are the empires of the mind.

So this is something that is very long term. It is paramount that the federal government works to create an environment that supports the export of education and training services. I am one member of the House of Representatives Standing Committee on Education and Training who will be very diligent in ensuring that the government does this.

Last week, I had the great pleasure, indeed the honour, of representing the federal government at the Australia-Japan dialogue in Tokyo. One of the important areas that was stressed and was identified for greater cooperation was education services. Japanese students who come to our country enjoy their time here, and they profit immensely from it. The Japanese would like more of their students to come here, and I certainly will be doing my part to encourage the federal government to look after Japanese students during their time here.
The statistics show that Australia is becoming an increasingly attractive destination, for Japanese students in particular. One way of making certain that it is even more attractive is to ensure that there is flexibility in the education sector—not just flexibility for its own sake but flexibility without compromising our high standards and the good reputation that we already enjoy internationally. The amendments in this bill aim to do that by enabling refunds of money paid on behalf of students to the person who made the payment—for example, a sponsor. These measures will allow for greater certainty for foreign governments, multilateral organisations and multinational corporations who, we should acknowledge, do quite a bit to sponsor a lot of people to come here. A lot of their employees and staff come to this country.

In my seat of Ryan, which I have the great privilege to represent in the federal parliament, we are very lucky to have one of the best universities in the country. Indeed, I would go so far as to say it is the premier university in the country. The University of Queensland is a top university in Australia for industry and research income.

Mr Cameron Thompson—Hear, hear!

Mr Ripoll—Hear, hear!

Mr Johnson—I am delighted that my colleagues from Queensland the member for Blair and the member for Oxley also acknowledge that Queensland education is terrific. The University of Queensland, it should be noted, has the highest number of PhD enrolments of all the Australian universities. That might surprise quite a few people, but my Queensland colleagues certainly do their part to encourage students to come to study at the University of Queensland.

The University of Queensland has also had a number of recent achievements, especially in the field of science. The University of Queensland Centre for Hypersonics has the largest group of hypersonic researchers in Australia. Hypersonics is the study of velocities—of mach 5, five times the speed of sound or more. I think it is very important that science is acknowledged in this parliament as playing a great part in the development of industry and technology in our country. It is very important that all members of the federal parliament acknowledge that the education sector plays a part in developing the great work that is done in the area of science.

I take this opportunity to congratulate the University of Queensland on their many achievements. Their work never ceases to amaze me. They set high standards for themselves and they continue to surpass those standards and contribute to the wellbeing and the welfare of this country. The University of Queensland, as everyone in this parliament would know, are leaders amongst Australia’s 38 universities and are recognised internationally for their research. They are one of only three Australian members of the elite Universitas 21, which is a global alliance of some 20 universities committed to quality enhancement through international benchmarking.

In conclusion, these amendments are very important to strengthen this already very admirable bill, which encourages and signals to students around the world that our government and our community are very interested in what happens to university students when they come here to study. They go back well qualified. They go back to their homelands as ambassadors for our country. They go back to their communities and contribute to their societies. In the context of Australia’s future, they play a very important part by contributing to the economy.
locally and nationally during their time here. I certainly commend the amendments and acknowledge the great work that the minister for education does in his portfolio area.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (11.09 a.m.)—in reply—In summing up debate on the Education Services for Overseas Students Amendment Bill 2002, I firstly thank all the speakers, both government and opposition, for making a contribution. Naturally I did not agree with all the remarks made by opposition members in particular, but I thank the opposition for supporting what is really a sensible series of amendments.

The bill amends the Education Services for Overseas Students Act 2000—the ESOS Act—which came into effect on 4 June 2001. It regulates the provision of education and training to overseas students that are studying in Australia. The government has been extraordinarily successful in assisting this important industry to grow significantly over the last five years, and these changes will continue the support for Australia’s reputation for high-quality education and training. The government’s objective through this bill is to continue to provide a robust regulatory framework for Australia’s education and training export industry which will continue to encourage growth into the future and to benefit Australia.

The amendments are important. They include a number of things: improving the clarity of the definition of what is a registered provider to reduce ambiguity within the industry; providing greater flexibility for the Commonwealth to impose sanctions against one or more courses, rather than all of the courses, offered by a provider where it is appropriate; enabling refunds of student moneys to be paid to the person who made the payments, such as in the case of a sponsor or under scholarships—sometimes we have incidents where students have not done the right thing or the provider has not done the right thing, and the moneys need to be reimbursed to the person who sponsored the student; allowing conditions to be imposed on providers believed to be in financial difficulties; and enabling a provider to trade out of difficulties where this is in the best interests of the students. Currently the only sanction the government has available to it in those sorts of circumstances is suspension, and that can unnecessarily displace students, so this introduces a much more sensible regime to ensure compliance. The minor and technical nature of the changes supports the bill being given a non-controversial status. The changes contained in the bill are important, as I said, because they will provide much greater clarity for providers and industry alike in the implementation of the ESOS Act.

The Australian education industry has a global reputation for its high quality and innovation. Through these amendments it will continue to be a thriving, expanding and vital sector of the Australian economy. As a number of speakers have said—the member for Canning and the member for Ryan, in particular, and others—Australian education has emerged as an extremely important export industry. I think at times in spite of government policies not because of them. When you think, as the member for Ryan said, that education—higher education, English language courses, vocational education and training, and secondary education—is now earning this country as much in export earnings as wheat and more than wool, car exports and a range of other industries and that it is now our third fastest growing services export earner, you realise just what sort of changes are being worked into the economic base of Australia, apart from anything else.
Another point that should be made is that, when you reflect on the fact that 800,000 students in the past decade have studied in or through Australian higher education institutions and that 80 per cent of our market is in Asia, you realise what an impact exporting education is having on diplomatic, business and educational ties in our region. You think also that, as a relatively small country in a world that in a sense is getting smaller every day, where there is nowhere to hide from the winds of change or competition, our future lies not just in adding value and sustainability to traditional commodities but just as much in these kinds of emerging industries. I thank the House for supporting these amendments and, again, all those who made a contribution to their consideration.

Question agreed to.

Bill read a second time.

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

PRIVATE MEMBERS BUSINESS

Australian Defence Force: Personnel

Debate resumed from 16 September, on motion by Mr Hawker:

That this House:
(1) recognises the significant contribution Australia’s defence servicemen and women are making overseas in places including East Timor, the Persian Gulf and Afghanistan;  
(2) praises the skills, dedication and professionalism of these fine young Australians;  
(3) draws these matters to the attention of Parliament and all Australians; and  
(4) acknowledges the success of the Armed Forces Parliamentary Programme in giving Members of Parliament a greater understanding and better appreciation of the commitment of our defence force personnel.

Mr RIPOLL (Oxley) (11.14 a.m.)—It is a great pleasure for me to speak on this motion commending our ADF personnel and also to say a few words in regard to the Australian Defence Force Parliamentary Program. I have a genuine interest in our defence forces, in all of their machinations and, in particular, in the welfare of the people that make up our highly regarded Australian Defence Force. These are people of integrity, intelligence and a dedication to their country that is exemplified by their service and preparedness to defend our way of life. We all deplore war and hope that it can always be avoided but, unfortunately, there are times when this decision is out of our control. It is in those times that Australia and its ADF have answered the call for help from other countries and always supported the fight of good against evil.

Over the past two decades, Australian armed forces have been involved in a number of conflicts as part of the international community’s response to territorial aggression, as part of peacekeeping missions and, more recently, as part of the fight against terrorism. The three most recent conflicts—namely, the Gulf War, the independence struggle of East Timor and the war in Afghanistan—required a concentrated and committed effort by our defence forces. I wanted, for the record, to highlight exactly what our commitment was in terms of assets and people. In the Gulf War, it was a maritime inception force. We sent to Operation Desert Storm: two frigates; the HMAS Success, a replenishment ship; a detachment of 16 Air Defence Regiment; a clearing diving team to assist in mine countermeasures—there were 23 personnel involved in that team; and a medical team of 20 personnel. Following the liberation
of Kuwait, the ADF contribution was scaled down to a single frigate participating in the maritime inception force. This involved around 700 personnel all up, and it came in at a cost of about $69 million that was provided through Defence additional estimates.

In the Afghanistan deployment, Operation Slipper, we sent: a Special Forces Task Group of approximately 150 troops; two B707 air-to-air refuellers; two frigates; an LPA amphibious afloat support ship, the HMAS Manoora; two P3-C maritime patrol aircraft; and approximately 1,100 personnel. It was quite a significant contribution to the effort in Afghanistan. The costs in additional estimates were about $180 million in 2001-02 and, in this current year, about $169 million extra. It was a significant effort from Australia.

In East Timor, something very close to many Australians in terms of our effort and role there, the original deployment was three infantry battalion groups and headquarters and support units. At its peak, about 4,500 troops were stationed in East Timor, which is a substantial effort for a country as small as ours and a defence force as small as ours. It included naval and Air Force support as well. This came at a huge cost. The cost in 1999-2000 was $876 million, as reported by the Defence portfolio in additional estimates. The breakdown included deployment costs of $431 million, investment costs of $135 million and mobilisation costs of $279 million. These are, all in all, substantial costs and efforts in deployment by the ADF. The current deployment in East Timor is an infantry battalion group, 5/7 Royal Australian Regiment, and a total force of between 1,200 and 1,400 personnel.

The reason I wanted to put that on the record is to say one thing in particular: it does cost a lot of money and a lot of effort from our troops, but I believe it is value for money in terms of what we contribute to the international effort. I think something that has come out of all of the deployments I have mentioned is that Australia, while small in number and modest in resources, has always punched well above its weight. I think that is a testament to the quality of the people that we have in our Defence Force.

Servicemen and servicewomen during these conflicts have used their skills with the utmost dedication, commitment and professionalism, resulting in a successful achievement of all strategic and tactical objectives that were set for them. In carrying out their duties, Australian military personnel have always maintained a humanitarian outlook in support of innocent local communities. This has been evidenced time and time again by the Australian media. Australia has a proud history of defending freedom and democracy, not only in the Asia-Pacific region but also as part of worldwide alliances of freedom loving countries. In these endeavours, the ADF has played a pivotal role in achieving the objectives of removing tyranny and restoring democracy.

In particular, I want to make mention of our troops in East Timor. As I said, those troops who first went in must have been very concerned about the possible situation and conflict that could follow. As it turned out, the campaign was a defining moment in Australian military history and showed the successful lead role that our forces played in the UN action. This was the first time in many years—in fact, probably since the Vietnam War—that Australia was able to demonstrate to full capacity its skill to lead in the field and deliver such a great result. What it also meant, for our Army in particular, was public recognition for the role of the ADF in daily Australian life. You cannot fail to mention the efforts of Lieutenant General Peter Cosgrove, whose excellent military and public relations skills made him a household name. It
has been a long time since a military man in Australia has been so highly regarded, so well known and so well respected for his part in resolving an international conflict.

This was a very important time for Australia. The public still had memories of what took place in 1975 and the role of Indonesia in East Timor. Of great significance to most Australians was the role we played and the conduct and success of our troops. There is no doubt that, in the end, things went better than we expected them to, but I believe that is in large part due to the reputation and quality of our troops and their leadership. I had the honour of visiting East Timor on their first anniversary of independence, and I managed to speak to a great number of people there. If there is one clear thought I can bring back from that visit, it is the absolute respect they had for our people and our mission. They respected them because our people are of good quality. They found them to be balanced and dedicated to the task. I think this makes all Australians pretty proud of our efforts. As such, I would like to commend the professionalism with which Australian armed service personnel conducted themselves, applied their skills and did their duty in highly demanding and dangerous situations.

The same can be said of our efforts in Afghanistan and the role played by our Special Forces in assisting the UN to return Afghanistan to the people and to take it out of the hands of the Taliban regime. These efforts are usually well supported by the Australian community, and this is where we all have a role to play. The people in the armed forces do not ask to go to war; they are instructed to go by their governments. We must respect the work they do and the sacrifice they make, personally and at a family level. There are conflicts in which popular opinion turns against our troops—most infamously the Vietnam War. I want to mention this because I think the job that our men and women did—and their sacrifices—are not mentioned often enough. They were sent to war to fight the Communists in Vietnam, they carried out their duties as commanded and, when they returned, they were shunned, ignored and, in some cases, even vilified. These brave men and women did not deserve this from us, but that is what took place. Today, many things have been done by governments and communities to repair that damage and to pay honour to those servicemen and women, particularly to those who did not come back.

I have many veterans in my community of Oxley, many fine people who, without question, defended the ideals and principles we hold sacred. They deserve our recognition and respect as much as any of our past heroes and diggers do. We are now facing the prospect that Australia may be asked to contribute to the fight against terrorism. This may come in a variety of forms, and Australians have made it amply clear that any action must be UN legal action for it to be acceptable to the community. But no matter under what circumstances or charter our forces may be committed, once they are committed they deserve our full support. To label or brand them or their actions, at this early stage, is hypothetical and unhelpful. I believe that, in the event that our troops are committed, then the Australian public will support them and their families. They will be doing their duty, and we here who send them should be prepared to do our duty, which is to fully support them.

The role of the ADF in our defence, particularly in long periods of peace, becomes clouded. It becomes lost in the prospect that fewer resources and less commitment are needed. In fact, there is little understanding of the real role the ADF plays. To this extent the government fails in the public relations campaign to attract quality people to the ADF. This is not a broadside at the government, because I think they do other things in this area well. The education of civilians through ADF publicity and marketing needs to provide a broader and more
simplified message to our community, which needs to develop a better understanding about why Australia needs a strong defence force.

While this task is involved, there are other simpler programs which can help. Members of parliament, as community leaders, can play a role in getting this message across. As such, the Australian Defence Force Parliamentary Program was established to provide members of parliament with a better understanding of relevant aspects of the Australian Defence Force. The cross-fertilisation of ideas as well as information received regarding operational aspects of the ADF is already developing a better comprehension of issues affecting our servicemen and women. The interface between members of parliament and the ADF, as well as the experiential coverage, provides an exceptional opportunity to acquire first-hand knowledge of real-life situations in the defence forces. Direct contact with Defence Force personnel, listening to their needs and issues, is important insofar as it not only manifests an appreciation of day-to-day life in the armed forces but also provides members of parliament with valuable insights that can be translated into future policies.

I had the privilege of participating with 27 other members of parliament and senators in this program, and found it to be a well thought out and worthwhile scheme. As my time was restricted during the program period, instead of going off on a deployment I chose to head down to Canberra to the combined staff college and see first-hand how our young leaders, in all three forces, interact and learn and mature into Defence Force leaders of the future. I spent a day with Navy, Air Force and Army. What I found in those days that I spent with them was a vibrant group of enthusiastic young people with a clear dedication to their task. I want to publicly congratulate the college for its efforts in support of me while I was there. I have written a letter of thanks to the college, and I want to read a paragraph from that. It says:

The experience of seeing Army, Navy and Air Force, training and studying together was enlightening and a great opportunity for me to share some insights into the workings of the military and the lives of our defence force people.

I spent a deal of time with Navy, looking at the battleship as a weapons system; with the Air Force, looking at technology in command into the future, not only in the air but also in space; and with the Army, looking at a practical in situ exercise in the classroom, and then we went out into the field. All I can do is thank them highly for the work that they do and for the time they afforded me. I really cut into their program, and they were extremely generous. I want to pay special thanks to Gary Walbrook and Ray Perry for organising the program in order to meet my schedule. Also, thanks to Captain Garnock, Wing Commander Green and Lieutenant Colonel Dittmar for looking after me and doing a fine job. I believe the ADF Parliamentary Program has a great future and the potential to broaden the understanding of the role of Defence—and, if not, to at least promote a better relationship between the parliament and the defence forces themselves.

I congratulate the member for Wannon for his motion. I would also like to congratulate the organisers of the ADF program, and I particularly want to thank the Canberra combined staff college for their help and assistance. I think this program is innovative; it is a good program and something worthwhile. It is completely supported in a bipartisan manner. The good humour and the good experiences that we have all had can only enhance this place and the role of our Defence Force personnel and, hopefully, lead to better policies. At the end of the day, this is not just about going out for a ride in a plane or a boat or a tank but about giving us
more experience to better understand what they do and hopefully help the community to better understand what our defence forces do and lead to better public policy in this case.

Mr CAMERON THOMPSON (Blair) (11.27 p.m.)—I am very pleased to be able to endorse the motion put forward by the member for Wannon. I do believe it was largely as a result of some initiatives pursued by the member for Wannon that the ADF Parliamentary Program got off the ground in the first place. The member for Oxley has had some good words to say about the ADF Parliamentary Program. I would like to endorse those wholeheartedly and spend my 15 minutes explaining some of the experiences I had in the five days that I spent basically under the guidance and the leadership of the staff at the officer training school at Point Cook, although my attachment involved a lot of different units involved with the training of RAAF personnel.

The electorate of Blair includes within its boundaries RAAF Base Amberley, which is the home of Australia’s F111s. It is an area in which we are expecting a massive build-up of RAAF investment in coming years. Currently, there are 2,500 military personnel in the Ipswich area, and this has a huge impact on our way of life locally. It has an impact on the shape of our community and the way people relate to each other. A lot of the things that we aspire to and we achieve together focus on the fact that we are the home of the F111s and RAAF Base Amberley. For example, our brilliant rugby league team in the Queensland Cup are the Jets. They did extremely well, and I congratulate them. Although they were ultimately unsuccessful in the grand final, they certainly put up a sterling effort. It is a community that is intrinsically linked with the RAAF. I think one of the things most obvious locally is the solid support for our defence personnel, particularly those at RAAF Base Amberley. I think our community is strengthened by that.

When it came to the idea of being involved in a parliamentary program to experience the life of Defence Force personnel, I was keen to find out what I could do to more closely relate to the experiences of RAAF personnel at Amberley. Under advice from Ray Perry, who organised it, I went on the program that looked at basic RAAF training. It was excellent, and I congratulate Ray Perry and the others who were involved in setting up the program for the structure of this attachment and for the way it went.

Some time ago I was reading the biography of James Killen, and in it he was lamenting the fact that there were fewer people in parliament—this was 20 years ago—who had had some experience of involvement in the military and that that number had dropped away over time. That was also reflected in the reason for staging this parliamentary program. The idea, the whole reason for the program, was largely to give members a greater understanding. Personally, having done this attachment, I know that I really did not have the understanding of the culture and the way of life of people involved in the military that perhaps I would have liked to have had. Having undertaken this program, I think I know a lot more about it now than I did in the past.

The attachment that I went off to do was to do with training, and I began at the officer training school under the tutelage, I suppose you might say, of Flight Lieutenant Martin James. I pay a great deal of credit to him for the great way in which he welcomed me and for the effort he put into making sure that I really did come to grips with the training environment of the RAAF and what that meant. I found that what I was studying there was really the source of the culture that you notice every time you meet someone involved in the military.
You cannot help but notice that there is a different type of culture that motivates these people and, in going to the officer training school and seeing what people undertake when they set out to become a RAAF officer, I began to appreciate just where that culture comes from and what it involves.

Basically, I found it is all about leadership. The word ‘leadership’ is thrown about these days like confetti. You read about it in the paper and people talk about everything in terms of leadership. But, really, the type of leadership that we often speak about in the debates in this place does not measure up at all to the type of leadership that they are talking about in a military sense—when you are involved in issues of life and death and there are decisions as basic and as important to the individual as whether they live or die. Building into people a sense of what is good leadership and how leadership should be conducted is so obviously very important in that environment, and they do it so well.

The highlight for me in that whole period was participating in Exercise Columbus, which was the graduating exercise for officers from the officer training school. To undertake Exercise Columbus, they went up into an area known as Wombat Forest, which was extremely cold and extremely wet. I went up there with them. We were in a tin shed in the middle of winter and it was freezing. The exercise was conducted in an area littered with old mine shafts, and all of those officer trainees were told that the exercise was based on a search and rescue mission for a crashed aircraft. Within that, each trainee had to undertake a three-hour section of leadership in which they had to lead a unit of personnel undertaking a particular task. I was involved in two of those. The first involved searching for a lost miner—of course, the overall basic exercise itself continued while we conducted the search for the miner—and that went extremely well. The person who led that section at that time was the second oldest officer cadet they had ever had through. He was 46, and he did a very good job. For someone who is also advancing in years, I was very heartened by that.

In the second session, we operated the base that was the centre for communications conducting the overall exercise. That was also an eye-opener. When we set up there, we were given a series of tasks. The problem for the leaders in this environment was to continually reorder their priorities according to what came up. We were given a series of basic tasks in our three-hour session with the base, during which time challenges were continually thrown at us. The overall idea was that we should run the radio equipment. Together with some other troops, I was sent out to relocate a first aid point. When we came back, we were told we had to build a pontoon bridge. We started work on that, but immediately we were told there had been a bus crash and that we had to build a hospital for 22 people. We were setting up tents and beds for that when they told us there was a fire. We had to run around and put out the fire, which was real. We could not put it out with water and so we had to put it out with earth. Grappling to get all of these things done at once, and maintaining the priority as to what is most important in the mind of the commander, is what the test is all about.

We were running around like a bunch of soldier crabs, fighting this fire. Then they said there was a suspicious parcel in the hospital that we had built. But first we had to search for a suspicious character who had been seen. Then we found that the parcel in the hospital was a bomb. We had four minutes left before these victims of the bus crash were going to turn up, so we had to start building another hospital—setting up more tents with more stretchers in it—and then the bomb went off.
With respect to leadership, this was a hell of a challenge for these young trainees. It was a fantastic experience for them. Whether they passed or failed hung on the way they organised it. I was quite privileged because that night I was able to sit in on the instructors’ assessment of whether a particular person passed or failed. There were some serious issues, and they argued long into the night to try to determine how to treat each individual in the areas in which they had difficulties where the question arose as to whether they should pass or fail. This was very significant for their careers, because they could be bumped back to the next course or they could be failed altogether. My point is that the issue of their leadership styles was treated seriously. At the end of it all, the outcome is very good for our Defence Force. That was a highlight for me.

The next day, we climbed up a section of Mount Macedon known as the Camel’s Hump. My instructor for that part was Brian Lauerson, known as ‘Henry’ Lauerson. He is an accomplished mountaineer who has climbed Everest and many of the peaks in the world that are over 9,000 metres. He is a great Australian. It was amazing to see how he could use those ropes to go up the rock face. Unfortunately, I was not that good. I staggered, crawled and grovelled my way to the top. It took a long time, and it was very demanding, but, by God, I got there in the end. I was very proud of myself for having done it. Just meeting Brian Lauerson was an inspiration to me. The fact that he was a RAAFie is a great inspiration to all those people involved in the officer training school.

I went on to East Sale, and I visited the school of air navigation and the school of air traffic control to look at their activities. One of the highlights for me at the school of air navigation was participating in the posting night, where the young officers who had completed their training were being posted to their various squadrons. They were very excited about whether they would be in Hercules aircraft or F111s or whatever—it was thrilling for them. It was great to be a part of it all. It was a fun night and very entertaining.

The next day, we did a low-level navigation exercise with one of those young officers, and it was stunning. The degree of skill that they had to be able to pick up way points in a very fast aircraft, travelling at an extremely low level, with nothing more than a topographical map, was just stunning to me. Obviously, they have to be very skilled to be able to just come off the rack, leap into an aircraft and find those way points—and not just find them but arrive there to the second in an aircraft that is doing 250-odd knots. It is an amazing skill, and they are definitely very highly qualified when they complete their training.

A point of great interest to me was the school of air traffic control because, years ago, I was a trainee air traffic controller. I could not control anything, so they threw me out, but I do have some understanding of the technicalities of that job. It is extremely demanding, it is very challenging and it is exciting. It is great to participate in it because of the mental challenge that is involved. To see the high-tech simulator facilities that they have these days at East Sale absolutely blew me away. Compared to the things we used to use years ago to do our training, this is state of the art. You can sit in a room and see aircraft moving all over the place, and they can respond to your commands. Years ago when we were trying to do it, we had a blank room and we had to imagine that there was a plane over here or a plane over there. The fact that they can project it and that they can basically create a realistic environment is quite stunning.
One other point along the way: there is at present quite a shortage of RAAF air traffic controllers. I would urge young people to look at the air traffic control profession. As I said, it is very exciting. Particularly in the RAAF environment, it creates all kinds of challenges and mental stimulation. It is an exciting job to undertake. I wish them all the best in their activities.

In closing, the member for Oxley said that going on this participation exercise is not about just hopping into a tank or hopping into a plane. I would like to emphasise that and to report my comments about that. It is important that we do not just hop into planes. The issue is that we get to meet the RAAF personnel. Whether they are digging a ditch, climbing a tree or doing whatever they might be doing, forget about the sexy aircraft, planes or things that you might want to get involved in or that you might want to look at because they are interesting—you might want to fire the guns; I got to fire the guns—the issue is being there with the people and understanding what they are about. Every unit needs to be visited by politicians under this program to build up that understanding. It is not about building up understanding with a piece of equipment; it is about understanding with the personnel. That is why it is such a great success.

Ms LEY (Farrer) (11.43 a.m.)—It gives me great pleasure to talk about a recent opportunity I had to participate in the ADF Parliamentary Program. For me, this involved an attachment with the Royal Australian Navy on the frigate HMAS *Melbourne* in the north Arabian Gulf. The purpose of the program, as we have heard from other speakers, is to give politicians—who, these days, are unlikely to have had first-hand experience of the armed forces—a taste of what life at the sharp end is actually like. For the young men and women who make up the crew of the HMAS *Melbourne*, it is no bed of roses. These young people are on an operational footing on a warship in an environment that is inhospitable from the points of view of both climate and politics. They deal each day with extreme heat, with lack of sleep due to shiftwork and with the pressure of being on operational duties.

Three of my colleagues—the member for Bendigo, the member for Moncrieff and the member for Wannon—were also involved in this attachment. We travelled to the gulf on a Russian cargo plane, the Ilyushin 76, with I believe a Latvian crew. It was a fairly marathon 21-hour trip, with earplugs and with no in-flight movie, no business class catering and no windows. We touched down in Al Fujairah airport in the early hours of the morning and realised at once that the main battle at the moment in the gulf is with the heat. It may have been 49 degrees, or it may only have been 46 degrees, but the differences are only at the margin. It was stinking hot. We boarded the ship in Dubai and travelled up the northern part of the gulf, taking nearly a day to get there. HMAS *Melbourne* and the HMAS *Arunta*, an Anzac class frigate, are up there, a long way from home, with the vast land masses of Iraq and Iran to their immediate north. The sea is green and like glass, the heat is total, the sun blazes down from dawn to dusk, except on days when the wind blows sand from the desert, which fills the air with a haze of dust, cutting down visibility and adding to the feeling of being inside an oven.

Some parts of the ship are airconditioned, but a large proportion of the crew’s daily activities are carried out on deck or in unaireconditioned areas of the ship. No quarter is given to the heat and none is taken: operations and exercises go on regardless. There are no nights or evenings off. There is no bar and no beer while on operations. This is a warship and it remains ever vigilant.
On my first full day, a simulated exercise was conducted which tested the crew’s reaction to coming under attack. The airconditioning was switched off; the lights went out; an unpleasant, stinging smoke was released and we all donned protective clothing. The specialist firefighters added thick wool suits, full face masks and oxygen bottles. No-one knew where the simulated emergency was, so it was extremely lifelike. I put on the gear, except for the wool suit, so as to get a feel for it. With outside air temperatures of nearly 50 degrees and the ship acting like a tin can, you can imagine how it felt to be loaded up with heavy oxygen bottles and air testing equipment, going up and down hatches in the dark.

The crew performed magnificently. Each played their part and gave me complete confidence that, had this been the real thing, we would have been in safe hands. The HMAS *Melbourne* is part of a team enforcing a United Nations Security Council resolution to prohibit illegal exports from Iraq. Australian forces have been in the gulf for about 10 years, but now they are operating a blockade. Our sailors are watching for suspect vessels, interrogating these vessels and, if necessary, boarding them to check that they are not carrying an illegal cargo of oil or dates.

Boardings may be compliant or noncompliant. Let us take, for example, the case of a noncompliant boarding. Boarding parties travel out in a RHIB, which is a rigid hull inflatable boat. If no ladder is lowered, they use something like a grappling iron to haul themselves up onto the deck. They are dressed in thick protective clothing with a bulletproof vest, life jacket, helmet, sidearms and baton. One member of the team carries a shotgun. The Seahawk helicopter, based on the *Melbourne*, may provide overhead air cover. The crew take control of the suspect vessel and, if oil or dates are found, turn it around back up the strait where it came from. The RHIBs are out on the water for several hours at a time. You can imagine how hot and uncomfortable it gets. Several boardings may take place in one session. We saw large numbers of vessels break out in an attempt to run the blockade. They kept the Australian ships in the front line—and the British ships some way back—pretty busy. On the occasion that I witnessed, none got away.

I saw the boarding parties return from a couple of excursions. Their clothes were soaked with sweat and spray from the sea. They must have been absolutely exhausted, but each one looked every inch the professional as they clambered back over the side of the ship. What amazed me was that these boarding parties were not cosseted away in a cool part of the ship with this as their only responsibility; they are teams drawn from volunteers from all areas of the ship.

When they are not on boarding operations or when they are on standby, they carry out their normal jobs. For example, I saw boarding party members working in the galley, working as stewards and even cleaning out the plastic disposal machine when it got blocked. I found that quite remarkable and I see it as one of the great strengths of our Navy. I believe that boarding operations in other countries are carried out by specialist forces—the SAS in Britain and the marines in the US—so this gives some idea of the quality of our people. They are simply very good at what they do and their leading edge role is well recognised by the other forces in the gulf.

We were acting as sailors for a week, so there was no red carpet treatment. We simply did shifts along with the rest of the crew and tried not to get in the way too much. I crawled over most of the ship. I went on several tours of the engine spaces to inspect the gas turbine en-
Engines and the diesel operated auxiliary system. They were small spaces with extremely hot surfaces. The outside heat combined with the heat of an operating engine is extreme, particularly if there is some sort of repair to be carried out. Time spent in that environment—below decks, far from the activity of the rest of the ship—means ear plugs to block out the noise and no room at all to work in. But the sailors do it and they do it so well.

I spent time sitting on the floor of the engine operations room, the control room, talking with the engineers and really admiring what they do. They cannot see what is happening outside and they do not instantly know what strategic and tactical decisions are being made from the bridge and why, but they have the operating efficiency of the engines as their primary concern. And let us face it—without engines, the ship goes nowhere. As a person who finds engines rather appealing but who has only a modest understanding of them, I found this part fascinating.

I was delighted to note that the chief engineer is a woman, and an exceptionally competent one. It is probably a good point at which to note that women were well represented on the ship, in all ranks, and were doing their jobs with professionalism and pride, just like the men. The deputy weapons officer was another extremely competent young woman I came to know and admire, as I shared a cabin with her. The navigator—another woman—was good enough to give up her bunk for me. The other occupant of the cabin was the doctor, who was also female and highly skilled. The principal warfare officers were women. I do not wish to express surprise that women hold these positions or to say that they are ‘just as good as the men’, which is a fairly outdated view these days. Women have integrated well into the defence forces. We have seen huge changes in the culture over the last 10 years. I was pleased to see that a ship with male and female crews works so well in practice. I found it rewarding to see the contributions the women are making, and I certainly encourage young women to explore a career in the Navy, if they are at all interested.

I spent quite some time in the galley; having been a shearers’ cook in an earlier life, I found I could be a little bit useful here. Well below decks and with hot air blowing in one direction and out the other, a crowd of chefs, cooks and helpers, with ovens, grills and hotplates going flat out, it takes a pretty special person to work long shifts in such a place. What people eat has quite a bit to do with how they feel about their jobs and life in general, as we know. These sailors produce a high standard of meals with plenty of choice, including vegetarian, four times a day, under extremely difficult circumstances, and I commend them for the job they do.

I am left with many enduring images of our ships in the gulf. I have forgotten many of the technical terms that I learned, but the images remain. For example, I remember the American supply ship the USS Hopper coming up close alongside the HMAS Melbourne and conducting refuelling operations through a large tube or hose going from one ship to the other. This was on a day like all days out there, with brilliant blue sky and bright blue-green sea; American and Australian flags flying in the breeze; sailors on both decks standing to attention and then getting on with the task at hand; and with the Little Heroes song One perfect day coming through loud and clear over the ship’s loudspeaker. I was pleased that all the music I heard on the ship during my week was Australian. Another memory is of climbing into the missile magazine and being completely encircled by missiles. I remember looking down what seemed to be several decks—but, in reality, was probably only three—and thinking, ‘I would rather not climb down that narrow ladder.’ I said to the petty officer accompanying me, ‘I’ll just wait
I no longer feel that my job is the toughest on family life. Being away from family and loved ones, as our men and women of the Navy are, for six months at a time is really hard and must add anxiety and strain to the job that is done. Phone calls cannot be made from sea. Emails are not instant, and they are subject to the necessary security processes.

The flight crew that fly and maintain the Seahawk deserve special mention. They are proficient, trained, dedicated and completely focused on what they do. It must be hard to maintain an aircraft in high temperatures and high humidity, with the salt as well. The precision flying needed to land on the deck of a moving ship takes your breath away. I congratulate Captain Steve McDowell. From my conversations with him, I do not believe the ship would be such a fine operation if he did not care so deeply about the welfare of each and every person on it. Australia as a nation is lucky to have each and every one of these serving men and women. I for one now understand what the policy decisions we make in government—so remote from all of this—actually mean at the sharp end, where it really matters. If I am ever called upon to contribute to such a decision, I will do so with a greater knowledge and appreciation of what that decision will actually mean for our sailors.

I pay tribute to the ADF Parliamentary Program and to the member for Wannon, without whom the program would not have come about. I thank my colleagues for their fine companionship during the voyage. I thank all those who dedicated their time to making the program actually happen for all of us—the logistics, the travel, the accommodation and the unforgettable flights there and back in the Ilyushin. I thank them all, and I mostly thank the captain and crew of the HMAS Melbourne for letting us invade their space for a whole week, and for looking after us so well.

The DEPUTY SPEAKER (Mr Lindsay)—I call the honourable member for Macquarie, and I will be listening carefully to what he might say about Richmond.

Mr BARTLETT (Macquarie) (11.55 a.m.)—Thank you, Mr Deputy Speaker Lindsay. It is not without reason the Australian Defence Force personnel are so highly regarded around the world. Their professionalism, their skill and their commitment to duty really make them the envy of many countries. The same fine qualities that established the Anzac tradition, that made the term ‘Anzac’ synonymous with the best of defence personnel and that have enabled us to punch well above our weight in terms of peace enforcement and peacekeeping roles around the world, still exist today. They exist throughout all the branches of our Defence Force. During my recent involvement for five days as part of the Australian Defence Force Parliamentary Program at RAAF Base Richmond, these qualities were so evident. I will return to that in just a few moments.

As you would know, Mr Deputy Speaker, Australian personnel are currently deployed in a number of critical roles around the world. They are in Afghanistan as part of our role in the coalition in the war against terror. All up, I think we will have had around 1,500 personnel involved in different capacities in Afghanistan as part of our commitment to the war against terror. In East Timor, where we have had a large number of personnel, I think currently we have around 1,250 personnel. They are there as part of the UN activities: they were there initially as part of INTERFET and now are there as part of UNAMET. Australian Defence Force
members have had an outstanding achievement in East Timor in helping to bring about independence and peace and in now maintaining peace.

Just last week, the defence minister farewelled soldiers from the Darwin based 5th and 7th Royal Australian Regiment Battalion group before they departed for their second peacekeeping tour of duty in East Timor. Interestingly, this battalion includes Alpha Company, manned largely by reservists. This is the first time since World War II that a formed combat arms unit of Army Reserve soldiers has been deployed on operations. This is part of an effort by this government to more actively involve and strengthen our reserve force capacity. Until fairly recently, we saw the outstanding role of Australian Defence Force personnel in Bougainville in that long, slow process of trying to bring about peace there. For years they helped that country inch towards peace. Australian Defence Force personnel are still involved in an unarmed capacity in Bougainville as part of the international peace monitoring group.

I have a great interest in the men and women of RAAF Richmond and their current role in Afghanistan as part of the war against terror. On 15 March this year, the first deployment of a detachment from 84 Wing left for Afghanistan. The Minister for Veterans’ Affairs and I were there to farewell them in March. The first group from that detachment returned a couple of months ago with a record of outstanding achievement during their tour of duty there. We had two B707s involved in air-to-air refuelling work in support of US aircraft. Our defence personnel did a magnificent job there. An enormous amount of work was done. Some 2.6 million kilos, or 5.8 million pounds, of fuel was transferred as part of that air-to-air refuelling capacity from Australia’s 707s, mainly to US fighter aircraft but also in support of other aircraft from other countries as part of the coalition. The first rotation, as I said, returned to Australia a couple of months ago. The second detachment is due back in Australia quite soon. As always, our defence personnel have done us proud. The men and women of RAAF Richmond, in particular, have played an outstanding role there.

I was fortunate to be one of 18 members and senators who took part in the Australian Defence Force Parliamentary Program during the winter recess. Members and senators were involved in all arms of the Defence Force: the Army, the Navy and the Air Force. Because I have a RAAF base in my electorate, I have a particular interest in the men and women of the RAAF—and particularly the men and women of RAAF Base Richmond. I, along with the member for Dobell, was fortunate to be able to spend five days with RAAF and some Army personnel at RAAF Richmond.

Contrary to what some people might say, Air Lift Group really is the sharp end or the active end of the work of our RAAF. People get carried away with thinking about the more glamorous roles perhaps of the F111s and the F18s, but if you think about the capacities where the RAAF has been involved internationally in recent years it has been Air Lift Group that has been out there doing them. There has been the role of the 707s in air-to-air refuelling and the roles of the Hercules and the C130s—the H and J models—assisting our ground forces in delivering resources and enhancing our capacity. The five days I was able to spend at RAAF Richmond made it very clear just why Air Lift Group is so effective. During the five days we were fortunate enough to be involved in a whole range of activities, from behind the scenes work to being involved in night flying exercises and a night-time airdrop and having a go on the flight simulator for the C130J—a whole range of interesting and fascinating experiences that we would never have been able to have had elsewhere.
In my brief comments today I want to say just how much those five days reinforced to me—and, I know, to the member for Dobell—the quality of the men and women we have at RAAF Richmond. And they are, I am sure, indicative of the quality of men and women we have right across all branches of our defence forces. They have really outstanding professionalism, commitment to duty and a sense of purpose. You might expect that in the more up-front roles; you might expect that of the pilots, of those involved in flying aircraft. But that sense of duty and commitment and that pride in work carried right through even to tasks that you might describe as menial, even to behind the scenes work, mundane work, working in warehouses, in supplies and logistics and so on. For every member, men and women, there was a sense of being part of a team that is doing something worth while for this country. These was a sense of duty, a sense of purpose in what they were doing that carried right through all activities at RAAF Base Richmond.

It was a tremendous encouragement to me to see that commitment and professionalism and, as well, an attention to detail that you might not otherwise expect, even in the most menial tasks. There was a thorough approach and attention to detail that clearly is one of the reasons our defence forces do so well, one of the reasons that we have such an enviable safety record, one of the reasons that we are so effective with somewhat limited capacity, in terms of equipment, compared to larger countries. We are able to be so effective with that equipment because of the quality, the commitment, the thoroughness, the training, the attention to detail of the personnel involved.

The other thing that was important for me in my few days at RAAF Richmond was that I was able to see some of the issues that are important to our defence personnel and that we need to address. There are OH&S issues, issues to do with the safety of the work environment for some of our personnel, and I was able to bring those issues to the attention of the minister when I returned. There are issues regarding uniform allowances for RAAF personnel. They need to get a better deal in terms of uniforms. There has been an unfair situation where RAAF personnel have had to pay for their work uniforms. I have been able to bring that to the attention of the minister and say, ‘Look, if it is good enough for the Army to have their work uniforms provided free of charge, RAAF personnel certainly should not have to be paying for theirs.’ That needs to be addressed. There are issues regarding defence superannuation, with the MSBS system that I think worked unfairly in some ways for some of our defence personnel. Again, I was able to bring that issue to the attention of the minister. There are also issues regarding accommodation. I was very pleased that over the last year we have been able to spend $4 million or $5 million on upgrading accommodation for personnel at RAAF Richmond in provision for their long-term stay at Richmond. But we still need to do more to improve the accommodation for those people at RAAF Richmond.

All in all, the five days that I spent at Richmond really reinforced to me the quality of the men and women that we have in our defence forces. It was an experience that was immensely valuable, an experience that was someone would not be able to get outside of this program. I congratulate the member for Wannon for his vision last year in initiating this program. As well, I want to congratulate Air Commodore Ray Perry for the role that he played this year in organising the particular activities, and the Parliamentary Secretary to the Minister for Defence. I conclude by saying that this visit reinforced to me a clear impression of the quality, the professionalism and the commitment that we have in our defence personnel. We can be immensely proud of them and we need to continue to do what we can to support them.
The DEPUTY SPEAKER (Mr Lindsay)—There being no further speakers that I am aware of, the debate is adjourned and will be made an order of the day for the next sitting.

ADJOURNMENT

Ms JULIE BISHOP (Curtin) (12.06 p.m.)—I move:

That the Main Committee do now adjourn.

Politics: New Correctness

Mr LATHAM (Werriwa) (12.06 p.m.)—The Main Committee would be aware of my campaign against the new political correctness—the hypocritical demand by the conservative establishment in this country for civility and passivity in public debate. In Tuesday night’s adjournment debate in the main chamber, I provided examples of this hypocrisy from Senator Vanstone, Paddy McGuinness and Greg Lindsay. There are so many examples of this Tory hypocrisy that I have to provide almost daily updates to the parliament. In this adjournment debate I wish to provide four further examples—from the minister for education, Dr Nelson, Greg Lindsay, again, Paddy McGuinness, again, and Andrew ‘nancy boy’ Bolt. With regard to the minister for education, earlier this week he wrote an op-ed piece in the Age calling for school students to be taught the values of loyalty and trustworthiness. Of course, it is quite hypocritical for the minister for education to be calling for loyalty in the values we teach our children, when he was happy enough to change his political parties as easily as most people change their underpants. He was totally disloyal once he saw a chance for personal advancement in the political system. How can the minister for education call for students to be trustworthy when he wilfully deceived the Australian public by saying that he never voted Liberal in his life, even though he then said, upon joining the Liberal Party, that this was blatantly untrue? He is someone we could never trust to tell the truth or to act in an honourable way.

My second example relates to an article that is presented in today’s Australian newspaper by D. D. McNicoll, whose grandfather coincidentally represented the seat of Werriwa between 1931 and 1934. He has written that, in the adjournment debate on Tuesday night, I said ‘CIS boss Greg Lindsay had banned Paddy McGuinness from the group’s recent lunches for getting drunk and abusing people’. Honourable members will be aware that this is not an accurate version of my statement to the House. I recalled a conversation with Lindsay where he told me that McGuinness had not been invited to the 2001 CIS concilium conference because:

Paddy had been coming to CIS lunches, getting drunk and abusing people.

Lindsay’s denial of this conversation in McNicoll’s article is a bald-faced lie. So much for civility by the CIS. They lecture others about the need for honesty and decency in public life, but unfortunately its director Mr Lindsay cannot even tell the truth on such a basic matter of fact.

My third example of this Tory hypocrisy relates to an interesting email that my office received just yesterday from Paddy McGuinness. It is a totally humourless response to my remarks in the House and menacing in its intent. There is an attempt to intimidate my staff. Paddy has been calling for responsibility, decency and civility in public life. How does he finish this email to my staff? By saying:

Perhaps you had better start looking for another job.
That is not a very civil thing to say to people who work for a member of parliament. He has got the agreement of the member for Curtin—she is not being very civil. Should people try to intimidate the staff of parliamentarians by saying, ‘Perhaps you had better start looking for another job’? I am a little bit concerned about this, Mr Deputy Speaker. I bring it to the attention of the parliament and I would ask you, on behalf of the parliament, to notify security that, if they see a sinister figure dressed all in black with a big white beard and carrying a copy of Hayek’s Road to Serfdom, they might want to take the appropriate action. They should ensure that this intimidatory and menacing email is not acted on in any way by P.P. McGuinness.

Finally, I come to our good friend Andrew Bolt. I raised in the parliament on Monday how he sent an email to my office on 29 August saying that he was thinking of writing up a very funny confrontation with Stephen Roach the night before and he thought this would make a fun little item. Of course, he had no such intent. This is an example not of civility, not of decency in public life but of journalistic fraud. It was an attempt to mislead my office and to seek our cooperation with what turned out to be, and what always was going to be, a bucket job. It is not journalism; it is paranoia. It is not any form of decency or civility in public life. It is journalistic fraud. It stands to be condemned by this parliament. The new political correctness is the hypocritical demand for civility and passivity in public life. I am afraid I am going to have to give many more updates to the House, such is the overload of material being provided by the conservative establishment and its representatives in this parliament.

Western Sydney: Infrastructure Development

Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (12.11 p.m.)—I rise today to talk about something very dear to my heart, and that is the development that is ongoing in Western Sydney. I do not deny the fact that there is a housing shortage in Sydney. However, I do decry the state government’s planning of such housing expansion without the corresponding roll-out of various modes of transport, public schooling, hospital programs, green space and various security measures that are also required in burgeoning suburbs. Something like 13 million Australians live in the suburbs, about one million in the CBDs, about three million on the coast and another three million in our rural areas. So suburban Australia is incredibly important to us and to our futures.

One of the glaring examples of this development is the site of the 50 hectares of defence land just north of the Penrith railway station. This land is smack-dab in the centre of the Penrith CBD. It has been ticked off by council and the state government for residential development. It is proposed to put 422 apartments on the site as well as 391 townhouses and 28 small home sites. This land is clearly right in the middle of the CBD. It is a parcel of land that equates to the development that has gone on at Parramatta or Chatswood. We know what sorts of pressures are being built on it. Obviously, with the return for that type of development, defence having been given the tick and the flick by the state government and the council, why wouldn’t they go for that extraordinary amount of money—something like $40 million—that they can get for the land as it is so zoned?

My argument is that this is a great transport node. We certainly need to make provision for car parking, which is already in crisis in Penrith. We need to make room for under-rail future access roads. We need to make room for linking roads from that site through to Mulgoa Road and Northern Road to the east. We certainly need to provide a planned CBD for the enormous amount of housing that is proposed in my area. Something like 4,900 houses are proposed for
the lakes environs. Another 500 homes are planned for a site in Castlereagh. At the moment the state government is still proposing over 5,000 homes on the ADI site.

Certainly in other areas of land in Western Sydney that are privately owned the state department of urban planning is heavily pushing this medium-density to high-density living around railway stations. I totally reject that concept for Western Sydney. That is not the suburbia that we aspire to. Certainly around our train stations we would like to see safe transits. Something they can do on the Penrith site is one of those over the rail land developments where the train pulls in and you open up, as you do in Singapore and Japan, into, say, a Woolworths or a department store that is in business 24 hours a day. It certainly provides the type of security, the type of high-tech transport options that females feel comfortable using and will use at all hours, rather than feeling constrained in their movements after dark.

That type of development goes with car parking spaces that are available to shopping centres and makes shopping in the suburbs a pleasure. I know from a few friends in Chatswood that difficulties in parking are a total disincentive to using that shopping area. Given that females do 70 per cent of the household shopping, the time constraints on us and the fact that we often shop with little children in prams et cetera, it becomes a very high priority—certainly in my life—to have a valuable shopping space, a valuable CBD place with easy access and exit and convenient parking. A CBD that continues to structure around those concepts of living in the suburbs makes it a pleasure to go shopping in our towns, rather than it being a rather nightmarish event for a young mother with kids trying to find a parking place kilometres away from where she proposes to shop. I urge a rethink by the state Department of Urban Affairs and Planning in their overall concepts for Western Sydney.

**Defence: Contracts**

Mr Byrne (Holt) (12.16 p.m.)—Like my compatriot the honourable member for Werriwa, Mark Latham, I wish to give an update to the Main Committee on one of my favourite topics—that is, fraud committed upon the Department of Defence by SSL Asset Services. SSL Asset Services, their Defence contracts and their administration of them, are a bit like Demtel—that is, you think you have seen it all but there is more. A recent article in the *Herald Sun* reported that one of the chairmen of SSL Asset Services, Mr Blythe, was about to sell one of the most expensive properties in Melbourne—worth about $15 million, I think. This happens to be about the size of the comprehensive maintenance contract that SSL Asset Services has with the Department of Defence in Victoria alone. This comprehensive service contract and the processes surrounding its tender highlight, interestingly, some of the problems with the administration of some of those contracts. One month before the contract was awarded, the contract administrator for CSIG commented to staff in front of witnesses that SSL Asset Services would win the contract. That is very interesting. SSL Asset Services holds about 60 per cent of the Defence contracts around Australia.

I want to comment on another bit of information on the administration of one of their contracts. This is the result of a little research I conducted on the recent cull of kangaroos at the Puckapunyal army base. I was surprised to learn that SSL Asset Services was responsible for the management of the kangaroos on site under the infamous comprehensive maintenance contract which they signed in about March 2000. This work was an addendum to the original contract. I believe that SSL Asset Services got the contract, or the addendum, after a manager sacked three qualified staff of the Defence Estate Organisation and gave the contract as an
addendum to SSL Asset Services. The problem, given that they were supposed to be administering this, was that they found the going a bit too tough, so they employed outside consultants to put together an environment plan. It appears that this plan has been less than effective, since we have now have professional shooters being paid by the defence department to cull 15,000 kangaroos at a cost to the taxpayer of $1.8 million. So, even though SSL Asset Services got the contract for this, they could not do it. They handballed it to Defence, which is now paying $1.8 million to kill 15,000 kangaroos. Not bad!

I would also like to refer to another contract on which I have some dealings, which is the contract with Ridgewell Pty Ltd, a housing construction company in my electorate. This particular contract and its association with SSL Asset Services and its management by Asset Services has been the subject of a number of inquiries that have been undertaken by the government. In fact, I met with the former Minister for Defence Mr Reith about this particular issue. The issue still has not been resolved. The Australian National Audit Office has undertaken an assessment of that particular contract and says that there is nothing wrong. The problem is: what contract? There are four contracts. There were 12 tenders and about 12 different scopes of work for the contracts. This particular contract has been reviewed three or four times by the Management Audit Branch. The problem is that only one contract has been uncovered, but there are four.

What has happened to the other three contracts? Interestingly, it appears as though no-one can find these other three contracts. The reason they have not been able to find these other three contracts is that these contracts have been taken away from Cerberus and transmitted to SSL Asset Services at its place in North Melbourne. Even though there was a proper management process that was undertaken, those reports were illegally transmitted to SSL Asset Services headquarters in North Melbourne and have not been shown to the relevant authorities. The reason I know this is that I have copies of a couple of these contracts in my office. The challenge that I pose to the Australian National Audit Office and to the minister is: if you are going to undertake an examination of fraudulent practices, could you please make sure that you do the job properly. One of those contracts, which they had not actually seen, has been handed to the former Minister for Defence, Peter Reith. It was handed to him and he was asked specifically to explore the fact that SSL Asset Services was covering up work that had not been undertaken and that this was an example of this. This saga has been going on for some period of time. I would ask the minister to undertake an appropriate investigation or refer the matter to the AFP for investigation.

Leichhardt Electorate: Indigenous Rugby League

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (12.21 p.m.)—I would like to take this opportunity to bring to the House’s attention the superb efforts of a small group of Cape York indigenous Australians in their endeavour to deal with the very real problem of alcohol abuse and domestic violence that we see all too often in our indigenous communities. I am sure you would be very well aware of it yourself, Mr Deputy Speaker Lindsay, with Palm Island being in your electorate. We have a very significant problem in Cape York. Governments put a hell of a lot of money into trying to deal with these issues. Unfortunately at times you have to tear your hair out in frustration because you do not seem to be able to make too many gains.
It is interesting to see how indigenous Australians are able to start to tackle some of these problems themselves, and tackle them I believe in a very effective way. I would like to recognise Cape York Rugby League’s President, Rod Willie, who has put together the Cape York rugby league competition. This is its inaugural year. There are 19 sides from the four zones of Cape York. The communities of Hope Vale, Wujal Wujal, Cooktown, Pormpuraaw, Napranum, Coen, Old Mapoon, Aurukun, Lockhart River, Weipa, Bamaga, Umagica, Injinoo, New Mapoon and Seisia are all involved in the competition. Recently in Weipa they had the grand finals. The four zone winners, the Kowanyama Cyclones, the Hope Vale Cockatoos, the Old Mapoon Magpies and the Injinoo Crocs, played in the Weipa finals. At the end of the day there was a remarkable 18 tries, 10 to the Crocs. They of course won the competition. They were able to get there through the generous support of the Canberra based Alcohol Education and Rehabilitation Foundation. The whole event got nationwide coverage through the national indigenous network. Queensland Rugby League, Queensland sports and recreation, and Qantas also played a vital role.

What is unique about this is the fact that the team here consists of only three players over the age of 23. They were going to travel to Port Moresby in Papua New Guinea on their first international tour. It was supposed to be next year but with the enthusiasm that is clearly evident they said, ‘Why don’t we do it now?’ They are up and ready to go. They will be taking on the yet to be decided premiers in the Port Moresby competition. There will be a curtain-raiser match between the Junior Kangaroos, an under-19 side, and the PNG President’s XIII at Lloyd Robson Oval in Boroko near Port Moresby on 19 October.

Also, any breaches through the season that are alcohol related mean an automatic suspension for a month. All these young people are so keen to be out there playing their rugby, and it is alcohol free and it is domestic violence free. If there are any incidences of it by any of the players, they are automatically suspended. They compete really hard to be part of this team. We have a group of them going to Port Moresby, and I would like to recognise those who are going: Anthony Mara, Michael Peter, Patrick Ropeyarn, Horace Baira, Lawrence Pablo, Guyia Nona, Jeffrey Motton, Rex Burke, Edward Sailor, Jeffrey Tugai, Vincent Williams, Dwayne Bowen, Kusam Tamwoy, Morris Burke, Frank Billy, Jeffrey Pablo and Chris Jawai. They are going with their manager, Sireli Vola, and their coach, Roy Solomon. I congratulate Rod Willie and the team for a magnificent effort.

They are looking to attract funding for a full-time development officer to continue this program. I can assure you that this is a program that is really working. I for one will be up there belting on a few doors to make sure that we can get the appropriate resources to see this program spread. This is the sort of thing that I would like to see become quite infectious. It does work, and it is being run by Indigenous people for Indigenous people.

Ms JANN McFARLANE (Stirling) (12.26 p.m.)—I rise today to do something that I have not done in my time in this place, something that I am loath to do: use this place to attack an individual. It is a decision that I have not made lightly and, I hope, a decision I will not have to make again. The individual I am talking about is Jack van Tongeren. For those members in the House who have not heard about van Tongeren, I will give you a brief history. Van Tongeren was the self-styled leader of a bunch of thugs, bullyboys and terrorists who call themselves the Australian Nationalist Movement. These terrorists were behind a campaign against
Western Australia’s Asian community which involved the firebombing of Chinese restaurants and saw a wave of anti-Asian and anti-Semitic propaganda being plastered around Perth in the late 1980s. Van Tongeren was found guilty of 53 crimes, including conspiring to drive Asians out of WA and burglaries to fund ANM operations. As a result, he spent 12 years behind bars. Van Tongeren sees himself as a patriot, but in reality he is nothing more than a common criminal and a parasite that tries to create hatred in our community so that he can feed off it.

I wrestled with the decision to make this speech. I was worried that by making this speech I would give this parasite oxygen. What made up my mind was the front page story in the West Australian newspaper on Monday this week. This story was entitled ‘Cyber Racist’. Twenty-four hours after van Tongeren’s release from jail, the ANM web site was updated with his new postal address and latest examples of manic rantings which he calls essays. I decided to have a look at the ANM web site to see if van Tongeren had been rehabilitated. No such luck. If anything, his sojourn at Her Majesty’s pleasure has unhinged him even further.

The ranting that angered me most was his piece entitled ‘The Australian Army: from defender of Australia to possible oppressor’. Van Tongeren has come up with a bizarre theory that Major General Darryl Low Choy, a fine man, a fine Australian, will lead a special unit of Asian Australians in the Australian armed forces to:

.... shoot thousands of angry Racially European true blue Aussie working people, recently sacked en-masse and replaced by Asians working as “coolie labour” ...

What I find most offensive about van Tongeren is that he dares to attack members of our armed forces, who face the real possibility of risking their lives in Iraq. What about the members of our armed forces who are not of white Anglo-Saxon descent? Are their lives less important or less valuable? No.

Van Tongeren is not a patriot. He is a gutless bigot. Van Tongeren is nothing but a pale imitation of his hero Adolf Hitler. Van Tongeren seems to think that his time behind bars mirrored that of Hitler after the 1923 attempted putsch in Munich and that his prison writings will become as famous as Hitler’s Mein Kampf. Van Tongeren is sadly deluded. Hitler was a maniac and a coward. Remember, Hitler the coward was the first person to fall to the floor and then run away when the Bavarian government troops opened fire in 1923. General Ludendorff, who was marching with him, did not flinch and kept on walking up to the barricades.

My father, my stepfather and hundreds of World War II veterans in my electorate of Stirling fought against that coward Hitler’s tyranny. There would be few families in my electorate who did not feel the impact of that conflict through the loss of family members or who did not have to deal with the scars of war—a war against someone van Tongeren idolises. Although I am not qualified to assess van Tongeren’s mental state, there is no doubt that he is a coward. He is a coward because he is using a US based site to host his web site to avoid antivilification laws. Van Tongeren may well call me a coward for attacking him under parliamentary privilege, so I challenge him to post his site with an Australian based provider to prove to us that he is not the coward we all know he is.

I am more than happy to repeat this speech outside of this place without parliamentary privilege. If I have slandered him then let him use the law of this country to deal with me. Remember, van Tongeren, truth is a defence. There is a real difference between free speech and vilification. If he takes up my challenge then let the law of our country judge van Tongeren’s truth. Let him tell the people of Stirling who are from Italian, Macedonian, Greek,
Serbian, Croatian, Jewish, Vietnamese and Chinese origins that they are not real Australians because they are not of white Anglo-Saxon descent and that they are second-class citizens. These people are all hardworking members of the Australian community, a community I am proud to represent.

Criminal Justice System: Queensland

Mr DUTTON (Dickson) (12.31 p.m.)—I rise today to speak about an issue that is of great concern not only to the people of my electorate of Dickson but to the people of Queensland. The arrogance of the Beattie Labor government is regularly spoken about, and it is a comment that we know is justified. The problem for the people of Queensland is that the Beattie Labor arrogance has now extended to a new level. The integrity of the criminal justice system in Queensland is under threat from an arrogant state Labor government. In part, we, as a conservative force in Queensland, have ourselves to blame, in much the same way as the Labor Party allowed the corruption and nepotism of the seventies and eighties to flourish because they were not a strong opposition. The Labor Party in Queensland, since coming to office, have been wracked by scandal after scandal in relation to the operation of the courts in Queensland and have been under no scrutiny.

Above all else, the people of Queensland want a society where they feel safe in their homes and where their children can go to school without having drugs pushed on them. They cannot have that if they have no faith in a criminal justice system that is unable to deliver punishment to offenders who have no regard for the decent, law-abiding citizens of our community. The problem is that the complete opposite has been delivered by the Beattie Labor government. The office of magistrate, and in particular the office of chief magistrate, has traditionally been held in high regard in Queensland. Former chief magistrate Stan Deer was a man with a wealth of experience and was highly respected by those representing both the prosecution and the defence. Mr Deer was a person with great integrity and a man who had the respect not only of those who came before him but of those who served alongside him. He was respected because he was not a political appointment. He was not appointed by a government with complete disregard for the good running and integrity of the office, he was not appointed because he was mates with the Attorney-General at the time of his appointment and nor was he appointed because of his links to the Labor Party.

Mr Deer won respect because he served his time, he handed down decisions which were firm but fair and not pathetic and weak, and when he occupied the office he was not dictated to by the civil libertarians and do-gooders. He was a man who made the right and tough decisions and, as a result, delivered penalties which were generally appropriate for the crime and provided an actual deterrent to those people who are willing to harm others in our society. Under Mr Deer, magistrates around the state had a good working relationship, and I understand he was not subject to any allegations of nepotism, bullying or outright unlawful practice. Mr Deer, when he was the Chief Magistrate, was a person of high integrity and a person who deserved to hold the office.

This issue goes a lot deeper in Queensland and implicates a number of Beattie Labor ministers who have scant regard for the rule of law or the practice of good government and who have openly used their friendships and political contacts to undermine the process of integrity in the system. The office of the Director of Public Prosecutions in Queensland is another example of my argument. The office of the DPP in Queensland over decades has been well re-
regarded as an independent body, always acting with great integrity and with hardworking prosecutors who were confident their decisions would be supported by the director. It was a time when morale was relatively high and when there was support for, not hindrance of or interference in, cases from the state government.

The problems of political interference by the Beattie Labor government extend beyond just the office of the Director of Public Prosecutions and the office of the Chief Magistrate. The Crime and Misconduct Commission in Queensland faces some serious challenges over the coming months. There are many questions that need to be answered by the CMC and they need to be addressed as a matter of urgency to ensure that a diminishing level of public confidence is quickly restored. I have been contacted by a number of people—from the legal fraternity and others—who are concerned that, under the current Labor government in Queensland, allegations of corruption within the Queensland Public Service are going unanswered. The allegations extend to a belief that there is a deliberate process of directing resources away from Public Service investigations into corruption. Make no mistake, these are serious allegations. They extend beyond allegations of corruption within elements of the Queensland Public Service to allegations that offences of child pornography and paedophilia are not being adequately investigated.

Today I ask the Premier of Queensland: what resources are being spent directly on the investigation of organised criminal sexual offences in Queensland by the Crime and Misconduct Commission? Secondly, why is so little being done and why is the Beattie Labor government not willing to spend adequate resources on the investigation of child sexual offences in Queensland? It is time for the state government to restore public faith in the judicial process in Queensland. (Time expired)

Shipping: World Maritime Day

Ms HALL (Shortland) (12.36 p.m.)—My contribution is also very thoughtful, I can assure you. Today is World Maritime Day. It is important that we reflect as a parliament on the role and contribution that merchant mariners have made to Australia, and that we remember the thousands of merchant mariners who died providing support to Australian and allied defence forces. On the first Saturday in December each year a memorial service is held at Norah Head in the Shortland electorate to remember, and pay tribute to, all those merchant mariners. This year the service will be held on 7 December. In fact the first ship sunk by the Japanese off the east coast of Australia was the Iron Chieftain. It was sunk by a torpedo just off Norah Head. There are only two living survivors of the Iron Chieftain. They are Don Burchell, who lives in the Shortland electorate, and Mick Harris, who lives in Newcastle.

On World Maritime Day we need to reflect on other issues in Australia today. These revolve around the ongoing viability of the Australian shipping industry. The big issue facing the Australian shipping industry is the threat to its survival caused by the Howard government, which is undermining the industry by issuing single and continuous voyage permits to flag of convenience vessels. Recently, along with the member for Newcastle, I went on board the Angel III, a Greek ship sailing under the Maltese flag and crewed by Burmese. The captain and the first engineer were the only two people who were of Greek descent; the rest were from Burma. They had a permit that allowed them to operate from Fremantle to Melbourne, Newcastle, Brisbane and Gladstone then off to the US and back again—continuously doing that. It was most interesting that we were denied access to any areas that only the crew went
The crew could not speak English yet all the safety notices were in Greek and English. I asked the captain whether or not the crew could read English. He said, ‘Of course they can. English is a universal language.’ It was quite strange, considering that the crew from Burma could not even speak English. That is one incident I would like to bring to the parliament’s notice.

The other issue that I would like to raise is one that the ITF has been highlighting today. Just off the coast of Newcastle there is currently a ship, the *St Luke*. Ukrainian seafarers on board this Maltese registered flag of convenience ship are owed $400,000 in wages and, unfortunately, nothing has been done to help them. By allowing these continuous voyage vessels to operate in Australia and issuing single voyage permits, we are sanctioning this kind of behaviour. At the same time, it is leading to the destruction of our shipping industry. Recently the MV *Wallarah*, a good vessel which took coal from Catherine Hill Bay in my electorate, was sold. It is now a flag of convenience ship, crewed by Tongan people and owned and flagged in Tonga. This ship, now called the *Ikuna*, is operating within Australia, bringing wheat from South Australia to Newcastle. It is very sad, because residents of Newcastle have lost their jobs—they are unemployed—and we have a ship that is now sailing with foreign crew.

One thing that has happened is really positive news. I do not know if members of this House are aware that an independent review of shipping has been announced, which is going to be jointly chaired by two former transport ministers. One is the former member for Shortland, Mr Peter Morris, and the other is Mr Sharp. The review is going to report back by the end of February next year. It is going to be an independent review of the Australian shipping industry. I welcome the announcement of this review and I am sure it will do a lot to improve our industry. *(Time expired)*

**Cullimore, Mrs Nancye**

*Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.41 p.m.)—Every so often we get the opportunity to stand up in the parliament and recognise people who have made an outstanding contribution to their local community. It is one of the pleasures that all honourable members get to hold high those people whose outstanding public service and conduct has been an inspiration to us all. I would like to praise a legendary community worker from the electorate of Fisher who has touched countless people’s lives during her 32 years of service to the community.*

Nancye Yvonne Cullimore, known by her friends as Nan, passed away a short time ago, leaving a legacy of dedicated community service to the Caloundra region on Queensland’s Sunshine Coast. Nan was instrumental in the establishment of the Meals on Wheels kitchen in Caloundra and devoted herself to the charity seven days a week for 20 years without receiving a cent in payment. Thanks to Nan’s commitment, Meals on Wheels now has more than 150 drivers and 50 cooks and supplies 200 meals per day to people in the City of Caloundra. Nan also contributed to the establishment of a youth crisis centre in Caloundra, where she helped many people who seemed to have no hope get their lives back on the right track. Friends remember times when she would go out and collect street kids and take them home for a meal and fresh clothes.

Nan was a caring woman who could always be relied upon to offer a helping hand when required. She was one of those rare people who live to help others, and contributed so much
to the community that she touched thousands of people’s lives. Nan will be always remem-
bered on the Sunshine Coast as a kind and giving person. She is survived by her husband,
Ben, and children, Ian, Denise, Bruce, Doug and Chris. I knew Nan particularly well. She had
an incredible ability to extract support from government bodies—she was the sort of lady it
was impossible to say no to. She would approach elected representatives at all levels and, be-
cause she herself was such a selfless and giving person—such a paragon of virtue—she effec-
tively shamed all levels of government into helping her. Anyone who said no to Nan’s very
reasonable requests would feel personally inadequate. I certainly believe that, if it had not
been for Nan Cullimore, we would not have Meals on Wheels as the vibrant organisation it is
on the Sunshine Coast at the present time.

In 1999, the then Minister for Aged Care had the Commonwealth Recognition Awards for
Senior Australians, and Nan was the recipient from the electorate of Fisher. Nan is someone
whose passing has left an enormous gap in the Caloundra community. Her funeral was very
large. There was a tremendous outpouring of community sentiment and sympathy. There was
a feeling of shock and disbelief that someone who all of us believed would always be there
was no longer among us. She was someone who, in recent years, was confined to a wheel-
chair, but that did not stop her from continuing on a regular basis to go to the Meals on
Wheels kitchen. She inspired others to become part of Meals on Wheels. By her sheer person-
ality, she encouraged many people who had never before assisted in that sphere of public
service to offer themselves, and she inspired them to ever greater efforts, meaning that ever
greater levels of assistance were delivered to needy people in the Caloundra region. When I
think of the fact that she is no longer there, I believe that our community is very much poorer
for her passing. She was a role model for younger Australians and for all Australians. She was
the kind of person whose name ought to be up in lights, but she never sought any recognition.
She did this work because she wanted to give something back to her local community. I sus-
pect that members from around the country all know people like Nan. If it were not for people
like Nan, I suspect our society would not be the society that it is today.

Foreign Affairs: Middle East

Mr DANBY (Melbourne Ports) (12.46 p.m.)—Last Monday I had official leave not to at-
tend this parliament, as I was at the Jewish Day of Atonement, Yom Kippur, which began on
the Sunday night. Immediately before that, it may interest members of parliament to know, I
was representing the Leader of the Opposition at mass at Our Lady of Lebanon church in
Melbourne, where the Maronite Catholic community had a very moving commemoration for
September 11. I was there with my good friend Bashar Heikal and members of the Lebanese
community in Melbourne—many of whom are very anxious at this time of potential conflict
in the Middle East. They are hoping that one day their country of Lebanon will be freed from
the 50,000 Syrian troops who occupy that country at the moment, as the member for Mel-
bourne has quite often pointed out. They are very hopeful that the US Congress’s Syrian Ac-
countability Act will eventually lead to the departure of the Syrian occupation troops of Da-
ascus.

This brings me to the topic of democratisation in the Middle East. Without any cultural ar-
rogance, I think it is true to say that the people in the Lebanese community, the Kurdish com-
community et cetera feel very strongly that democratisation needs to come to their part of the
world. I echo very strongly the views of Tony Blair, who said quite movingly, after the Tal-i-
ban regime was removed so quickly from Afghanistan, that we cannot neglect these countries
alone after they have been freed from their oppressive rulers. That is a most important way of looking at the future beyond this conflict with Iraq, if something does happen there and the dreadful regime of Saddam Hussein is lifted from the shoulders of the Iraqi people. Iraqis are very educated, very talented people and Iraq is potentially a very rich country. Australia and all of the countries that have been critical of Saddam Hussein—the United Nations—must not neglect Iraq. We must participate in the democratisation of that part of the world.

Recently, as part of the United Nations Human Development Index project in Cairo, Arab scholars came up with terrible conclusions. They pointed out that gross domestic product in the Arab world has been rising by only 0.5 per cent annually—the lowest rate in the world—and that GDP for all of the Arab countries is only five times greater than that of tiny Israel. The statistics for health are even more shocking: infant mortality is the highest in the world. The illiteracy rate is 38.7 per cent across the 250 million people in the Arab world. Internet access rate in the Arab world is 6.6 per cent, equal to that of sub-Saharan Africa. Most important is the degree to which Arab women are oppressed: 51 per cent of Arab women are illiterate and they are right at the bottom of the social scale.

This is a chilling picture of a culture that stood at the head of the enlightened, cultured world for a millennium. The reasons for these grim statistics are not natural poverty outlined by the 2002 deliberations of Arab scholars in Cairo, but the lack of democracy, the inability of good people to be able to participate in their countries and the regimes not changing through election. In Syria, power has been handed down from father to son; in Saudi Arabia, it is a feudal autocracy. I believe that, eventually, the kinds of liberties we enjoy in Australia and the kind of tolerance I evidenced when I took part in the mass at Our Lady of Lebanon Maronite Church are freedoms they are entitled to and that will come to the Arab world.

I will conclude by addressing squarely some of the unfair comparisons of Security Council resolutions affecting Israel and Iraq, which were made last week in the debate on Iraq. The most important thing to understand about the Security Council resolutions in the 1970s affecting Israel is that they were negotiated settlements between two parties. They were not coercive resolutions passed by the UN Security Council. Resolution 242, for instance, was addressed fairly and squarely by the former Labour Prime Minister of Israel, Mr Ehud Barak, who offered the Palestinian Arabs the most comprehensive and generous peace offer that has ever been presented in that part of the world. It is very sad that Arafat’s Palestinian Authority rejected it. I draw attention to what some Palestinian intellectuals are now saying; for example, in the Palestinian Authority newspaper Al Hayat al-Jadida, Mr Nabil Amr said:

Didn’t we dance for joy when we heard of the failure of Camp David? ... We are not being fair, because today, after two years of bloodshed, we are asking for exactly what we rejected then—except that now we can be sure it is no longer possible to achieve it.

Yes, there should be consistency in Security Council resolutions, but both sides have to negotiate and compromise the ones affecting Israel and Palestine. (Time expired)

Farrer Electorate: Drought

Farrer Electorate: Murray-Darling Basin

Ms LEY (Farrer) (12.51 p.m.)—I am pleased to take this opportunity to recognise the most serious issue facing my electorate of Farrer at this time, which is the drought that is now covering upwards of 86 per cent of New South Wales, and the particularly serious issue faced in the area represented by irrigators on the Murray. Deniliquin, Finley, Jerilderie, Tocumwal,
Berrigan and Wakool districts are in desperate circumstances at the moment. Unlike the other areas of the electorate that are facing drought that just have to wait for rain, for these areas there is a way to solve the problem—that is, significant water is stowed in the Snowy storages in the upper reaches of the Murray River in Lake Eucumbene and Blowering dams. At the moment, the Murray Valley Community Action Group, members of the community and farmers are trying to find a way so this water can be released and can save them from the circumstances that they find themselves in.

We are not talking about releasing water to enter a normal season; we are talking about enough water to get them out of the spot they are in. They have cereal crops that need maybe one or two more waterings, and dairy farmers need one or two more waterings to grow that extra bit of pasture to feed the cows to make sufficient milk so they can get some returns in summer. Current allocations are at about 10 per cent and the water that would make a difference would probably be about another 10 per cent of allocations. It would mean that nobody in the irrigation system, or very few people, would be able to plant rice during the summer, but it would allow them to plant probably a summer fodder crop, which would then provide valuable feed for other drought affected areas of the state. This is an important point because, at the moment, the price of feed grain is equivalent to the price of export grain, demonstrating the desperate shortage of feed we face. If a solution can be found to this problem and feed can be grown in the Murray irrigation districts, it could go some way towards addressing the feed shortages that other farmers face.

It is a complex situation and it revolves around the fact that the water in the Snowy is controlled by Snowy Hydro Ltd, which generates electricity. It looks as though the only way that water can be released is by turning the blades of a turbine and actually generating electricity. The cost of that is obviously an opportunity cost to Snowy Hydro, which would not normally be generating electricity at this time. It has contracts and its business is an important part of the electricity generation market for south-east Australia. The cost that has been quoted to farmers is a cost that they cannot meet; it is some $235 per megalitre.

There is a solution to this problem. The solution lies with the New South Wales government in the context of its drought relief package. It has apparently released some $10 million to $15 million from Treasury to address its other drought relief measures. There is a way that New South Wales could help. It could fund part of the cost of these releases as part of its drought relief package and it could recognise the importance of irrigated agriculture. In dry times the rice industry comes under attack, as it always does. I take this opportunity to say that it takes about the same amount of water to grow a paddock of lucerne as it does to grow a paddock of rice, something that is not well recognised by those in the city. We must support our rice industry. This side of parliament does and I believe all members of the House need to. It is a perfectly vertically integrated industry in the value that it adds. We just cannot afford to lose the young people that it employs in rural Australia. I am pleased with the leadership shown by our Minister for Agriculture, Fisheries and Forestry in this area.

A related issue that affects farmers is the environmental flow process in the Murray River. At the moment the Murray-Darling Basin Commission is looking at options to return environmental flows to the Murray. You can imagine how frightened and anxious this makes farmers who are already struggling under water sharing plans in New South Wales, where the New South Wales government simply are not able to get their act together to get some certainty with these plans. They are looking at giving farmers only a 10-year horizon and then
having the option of reducing their allocations by up to 10 per cent. How you can run a business with this sort of uncertainty is beyond me. It is a very serious issue that we need to think about very carefully. I urge the New South Wales government to pay more attention to irrigated agriculture and to their rural constituency.

Burke Electorate Office

Mr BRENDAN O’CONNOR (Burke) (12.56 p.m.)—I rise to make some comments about recent developments in my electorate of Burke. In particular I wish to make some public comments about my reasons for relocating my electorate office from Kyneton, which of course is a wonderful Victorian country town with some considerable historical significance to the region, to the growing community of Sunbury. When my predecessor, Mr Neil O’Keefe, was elected to this place in 1984 he chose Kyneton as the location for his electorate office because it was central to the then electorate of Burke. It is also fair to say that Neil lived close to Kyneton. He had a rapport with the Kyneton community and the strong support of the Kyneton ALP members. The relationship that Mr O’Keefe had with that area for 17 years was a successful one. The community understood their member. They had in Neil O’Keefe a person who would represent the interests of the region. He did so in a very good and effective way. He chose well when he chose the town of Kyneton for the location of his office.

However, since then—certainly in the 1990s—there have been changes to the electoral boundaries of Burke and this has made it a lot more difficult for me or my staff to properly service the constituencies of the entire electorate. For example, the community of Deer Park in the western suburbs of Melbourne was not part of the electorate of Burke in 1984. Being so far away from Kyneton, they find it difficult to visit my office, and indeed it makes it a little more difficult for me to attend to their needs as quickly as I would sometimes like.

So, in choosing Sunbury, I chose a place that has not only a vibrant and growing community but also fantastic assets—great wineries, a wonderful community, as I said, and quick access to the CBD. I think it is one of outer Melbourne’s best kept secrets. Notwithstanding that, growth in Sunbury has been running along at seven per cent or eight per cent per annum, which is testimony to the fact that it is a great place to live. I chose Sunbury for the location of my office not only for those reasons—it is the second-largest community in Burke after Melton—but also for its access to all other parts of the electorate. Indeed, from Sunbury I can get to all parts of the electorate within 30 minutes, which I cannot do from the town of Kyneton.

It is with some regret that I chose to leave Kyneton. As I said, it is a wonderful place. It has given my predecessor fantastic support. In fact, in the short time I have been there, it has given me fantastic support, and I give a commitment now that I will attend to their needs as I will attend to everyone else’s in the electorate. They will not be forgotten by me, and I hope I can maintain the sort of service that was provided by Neil when he was the member for Burke.

The move to Sunbury will ensure that there is a greater capacity for the staff to reach people; it will allow for constituents to visit my office without any great difficulties and, as a result of that, I think the communities of Deer Park, Melton, Caroline Springs, Burnside and Rockbank will be able to visit their federal member as easily as those communities in Gisborne, Woodend, Lancefield, Romsey and, yes, Kyneton have been able to visit my predeces-
sor’s office and, indeed, my office for the last 10 months. The Sunbury location will ensure that there will be a more equitable and effective capacity for me to service those constituents. (Time expired)

Queensland: Children’s Court
University of Queensland: Scramjet

Mr LINDSAY (Herbert) (1.01 p.m.)—I would like to congratulate Townsville Magistrate David Glasgow. It is refreshing to see a member of the magistracy standing up and supporting those values that the community want to see supported. Magistrate Glasgow had some extraordinary foresight and some extraordinary frustration in an issue that he has been trying to deal with—an issue that many of us see in our own electorates—that is, the misuse of aerosol by young people.

The magistrate had young people appearing before him and did not know what to do about finding a solution to this problem until a very desperate plea came to him from the mother of a youngster who came before him. She just said to the magistrate: ‘What are you going to do to save my precious girl?’ So what the magistrate has done is open up his court. Normally a Children’s Court is not open to the media. But he has opened his court and said, ‘I want the media to come along, and I want them to hear what the state government departments tell my court.’ When the state government departments say, ‘Look, there is nothing we can do,’ the magistrate wants the people of Queensland to know that that is the service that they are getting from the state government departments. I think it is a far-sighted idea to do this. It draws attention in a very clear and public way to the problems that our communities wrestle with and the problems that the magistracy wrestle with in trying to find a solution to this.

It sends a clear message to governments around the country, and particularly in this case to the government of Queensland, that there need to be solutions from the relevant state government departments. It is no good for the Department of Families, for example, to say, ‘This is not a family issue; this is a health issue.’ It is no good to have a buck-passing exercise being practised by the state government departments. What they have to understand is that they have to move with the times, just as we as members of parliament have to move with the times and as the community moves with the times. They have to be up there recognising where the problems are and what might be able to be done about them.

I am also particularly pleased to see that the magistrate has started to impose curfews on juveniles as part of their community based orders. What a refreshing direction Magistrate Glasgow has taken. I think many of us have seen in our electorates the situation where youngsters are out roaming the streets at all hours. Of course, when they are out there after, say, 10 o’clock at night, it is pretty clear that they are going to get themselves into strife and that they will be up to no good. Congratulations to Magistrate Glasgow. I am very pleased, and I encourage him to continue down the track that he has taken.

On another matter: Mr Deputy Speaker, I wonder whether you would like to go from Sydney to London in just two hours. Ultimately you will be able to with the technology being developed by the University of Queensland under project HyShot. That is the project to run a supersonic scramjet to London. It is being developed at UQ, and I was very privileged to see the facility they have to test and to generate supersonic travel in the laboratory. It is a marvellous piece of technology, but the development of this revolutionary jet engine is not going to happen because it has been grounded due to lack of funds. I appeal to both the state and
federal governments to support this project. We are leading the world in what we are doing. We have been able to prove now that the science works; there has been a successful test firing at Woomera, following a test firing that was unsuccessful for other reasons. We know that this technology works. I think Queensland and, in fact, Australia should take advantage of this marvellous new technology—and, who knows, within the next few years we might all be able to travel from Sydney to London in just two hours.

**Forestry: Western Australia**

Mr KELVIN THOMSON (Wills) (1.06 p.m.)—I have received a letter from the Premier of Western Australia. You would hope that letters from premiers are well written and tightly argued, and this one is, so I propose to make extensive use of it. The Premier writes:

In February last year the Gallop Labor Government was elected in Western Australia, in part due its unequivocal policy of ceasing logging in our old growth forests.

And I personally recall that that was a very substantial election issue in the last state election in Western Australia. He goes on to say:

Logging of old growth forests stopped within days of the election, and the process of creating 30 new national parks and two new conservation parks to protect this and other forested areas has begun.

The Government always acknowledged that there would be short-term negative impacts as a result of our decision and we announced a comprehensive assistance package of $123m at a time of severe budget constraints.

It was always recognized that this package, which has since been increased to $136m, included $15m promised by the Commonwealth as part of the original Regional Forest Agreement (RFA).

It is now a matter of some distress to me to find that the Commonwealth is refusing to develop a joint approach with the State for the expenditure of these funds at a time when they are most needed.

The Government is currently going through the statutory Forest Management Plan (FMP) process to determine the annual sustainable jarrah and karri yields for the next ten years.

The draft FMP proposed two alternative management scenarios which calculate the sustained yields for jarrah (first and second grade sawlogs) between 106,000 cubic metres to 164,000 cubic metres a year. The comparable figures for karri were 31,000 and 62,000.

The Premier goes on to say:

Minister Tuckey and now Minister Macdonald have been attempting to hold the State to ransom by insisting that the sustainable jarrah yield be set at an unsustainable level before they would consider releasing the funds.

This is environmental blackmail and the people and communities of the South West are the ones to suffer.

What I find particularly disappointing is that the Commonwealth was fully aware of the State’s policy, and was fully aware of the 140,000 cubic metre indicative jarrah yield, announced by the Minister for the Environment on June 1, 2001, when it promoted its funding package before the Federal election.

Let me repeat: before the federal election. He goes on:

To now claim that a jarrah yield in the vicinity of 200,000 cubic metres must be met before funds could be released is both disingenuous and environmentally irresponsible.

The Western Australian Government has already spent millions of dollars on industry development in the South West since coming to office and we are working hard to stimulate job growth in downstream processing or in other industries such as tourism, call centres and biodiesel.
The State has also been approached by a number of proponents seeking financial assistance in a range of industries that could potentially create more than 700 jobs in the South West. However, we need the support of the Commonwealth to get these projects up and running.

Dr Gallop concludes his letter by urging me and no doubt others to lobby parliamentary colleagues to ensure that commonsense is brought to bear and that the Commonwealth delivers on its promises in the interests of the people of the south-west. I am more than happy to do that.

It is regrettable that the Howard government has been caught out here in two respects. Firstly, it is caught out in relation to a breach of an election promise — that is, it was saying one thing before the election about committing this $15 million to Western Australia and has since been saying something completely different. Secondly, it is quite hypocritical of the government to shelter behind the regional forest agreements — that is to say, the work of the states — when it is attacked regarding the issue of logging and old-growth forests in other states but then, when the regional forest agreement process in Western Australia produces a result that the government does not like, to demand that more forests be logged. We have a federal government that will hand out money to get old-growth forests cut down but will not hand out money to save old-growth forests. Its lack of environmental sincerity and bona fides is completely exposed by this hypocritical performance. I call on the Commonwealth government to pay the $15 million that it promised in order to help the people of Western Australia.

Flinders Electorate: Development and Service Projects

Mr HUNT (Flinders) (1.11 p.m.) — It gives me great pleasure to take this opportunity to support a number of development and service projects within the Gippsland and Westernport regions of my electorate. In particular, I want to take this opportunity to talk about the work that I am doing with Ken Smith, the current member for the province of South Eastern in the Phillip Island area, in relation to winning support for the extension of direct piped gas facilities to Phillip Island, San Remo and that area.

This project is extremely important for both domestic use and job creation. The new Bass-Gas Project will come ashore at Kilcunda and will be piped through to Lang Lang. However, there is no plan at the moment to take any reticulation and move it direct to housing or to business within the area of Phillip Island, San Remo or West Gippsland. I believe that this is a project which should be undertaken and it should be undertaken with state support. To that end, I am working with my good friend and colleague Ken Smith. We recently visited the Big Flower Farm on Phillip Island, which employs over 30 people but which would have the capacity to triple its employment if it had reticulated gas. I think that is an outstanding opportunity.

In addition, I want to talk about a second project for Phillip Island — namely, the extension of the pier. This would allow for two things. It would allow for the creation of a large ship tourism industry by enabling large passenger cruise ships to dock at Phillip Island, which would provide a second port of call in Victoria. In addition to that, it would allow for the creation of a Phillip Island to Crib Point ferry, linking Westernport and Port Phillip. This is an outstanding project and one that I think would be a tremendous addition both to the Mornington Peninsula and to Gippsland.
And, thirdly, I would like to support two rural transaction centre applications. The first is for the town of Grantville, which is growing at a great pace. Grantville is on the edge of Westernport and has become an attractive destination for blue-collar retirees and many people in the later stages of life, and it is in need of services. There is a rural transaction centre proposal which is going well. In addition to that, I would also like to support the application for Lang Lang, a town with great traditions. It is the home of the famous Lang Lang rodeo and the Lang Lang show, but it does not have a medical centre or a community centre. The rural transaction centre, if twinned with the community centre, would be a great opportunity for the people of this town and it is a project that I fully endorse.

I would also like to support the provision of additional health services to this area. I am delighted to inform the chamber about a series of very good outcomes. In the town of Koo Wee Rup—thanks to the work of Senator Kay Patterson, the Minister for Health and Ageing—we have been able to attract a new doctor, using Commonwealth support. So the Koo Wee Rup Medical Centre will go from having one doctor to having two doctors; the additional doctor will be shared with the town of Bunya. This is a great result for the town of Koo Wee Rup and it would not have happened but for the work of Senator Patterson and her office.

Similarly, I am delighted to announce that an additional doctor will work on a two-day-a-week basis in the town of Baxter. Baxter does not have a doctor and, through the work of my state colleague and very good friend Neil Burgess, we have been able to attract a new doctor to the town. That has come about primarily through Neil’s extremely hard work. I think he should be commended and that the opportunity provided for the people of Baxter is a great thing. The final thing on the health front that I want to mention is that we are working towards securing approval for an additional licence for a second pharmacy in Somerville. I am working on that project with Ron Bowden, another state colleague who proposed the original idea, and I think tremendous opportunities exist on this front. So I commend this project for a second pharmacy in Somerville, in addition to the gas project, the pier for Phillip Island and the rural transaction centres for Grantville and Lang Lang.

Health Insurance: Premiums

Ms BURKE (Chisholm) (1.16 p.m.)—Sadly, I will not be praising the Minister for Health and Ageing in my remarks during this adjournment debate today. I want to talk today about something that affects over two million people in Victoria alone, and 65 per cent of my electorate of Chisholm will be affected by this. What are they affected by? The are affected by yet another broken promise by the Howard government, a broken promise that was stealthily sneaked out of the Howard government, the automatic premium rise that the Prime Minister said would never happen. In Brisbane in August 1996, when talking about future premium increases, John Howard said:

What I can give is an absolute guarantee that any change [in private health insurance premiums] in future will be as a result of a decision taken at a political level in a way and in circumstances where we are satisfied that the rise is completely justified.

But that is no longer so; we have yet another broken promise from the man who said, ‘Never, ever a GST.’ In my electorate, 65 per cent of people have private health insurance. They are people who are predominantly over the age of 60 and who are, therefore, self-funded retirees,
or they are people on pensions who are struggling to keep up their private health insurance. This is the government that told them to take out private health insurance, but at 4 p.m. on 11 September it sneaked through an automatic price rise. This is another broken promise.

Before the last election the Prime Minister and his government categorically stated that there would be downward pressure on premiums and that private health insurance would be more affordable and attractive to consumers. Not so! Private health insurance premiums have risen by an average of seven per cent across the private health insurance sector. This is an increase of $150 to $250 for the average family. This is not an amount that you can magically find in your back pocket. If you are a self-funded retiree or a pensioner on a fixed income, you do not magically find this amount of money.

I personally have private health insurance. I know that sometimes we are accused of having difficulty with it on this side of the House but I do not; I have always had it. I recently used it extensively when my child was born. I had to pay $1,200 in out-of-pocket expenses for my specialist but I was prepared to do so because I wanted that particular specialist. If I had gone to the public sector, I am sure I would have got care that was just as good but I chose, for personal reasons, not to do that. We never see the industry being called to account. We never see this government actually saying to the industry: ‘What sorts of services are you providing to people? What sorts of benefits are you giving to the community through private health insurance?’ All we see is a government throwing money at this industry. Taxpayers are now contributing $2.3 billion in recurrent funding—that is, year in and year out—for subsidised private health insurance through the 30 per cent rebate. It is a disgrace. We are giving the industry $2.3 billion recurrent and requiring nothing of them. We never look at them.

I put a question on notice to the Minister representing the Minister for Health and Ageing. I asked:

When assessing requests by health funds for premium increases, does the Minister make it a requirement that, where premium increases are approved, the levels of coverage for the fund are maintained?

I received a very succinct answer: no. The government does not put on these health funds any requirement about the level and the substance of the actual service they are providing to consumers, but this government is giving them $2.3 billion recurrent and growing. This is an outrage, and it is an outrage that the government broke another promise to send through an increase.

On a final note, I put on the record a very sad occurrence that I found out only today. If I had known sooner, I would have been at the funeral. I have lost a longstanding branch member, Lenny Landolfo, who was a gorgeous human being, and I am sorry that he has passed from us.

Mr HARTSUYKER (Cowper) (1.21 p.m.)—I rise in the adjournment debate today to discuss the issue of world trade. Our Minister for Trade and Deputy Leader of the National Party, Mr Mark Vaile, has done a fine job in promoting world trade and promoting the interests of Australian exporters on the world scene. Last year, Mark Vaile played a key part in launching the World Trade Organisation negotiations known as the Dohar development round. This realised the Liberal-National Party coalition government’s highest trade policy objective. Australian farmers, workers, businesses and consumers stand to gain significantly from the commencement of these new trade negotiations. For regional and rural Australia, world trade is
vitaly important. One in four jobs in regional and rural Australia and one in five jobs nation-
ally come from world trade. World trade is vital. Mark Vaile has realised this, and the Liberal 
Party and the National Party have realised it. That is why we are very focused on being a 
major player in world trade.

It is also an important fact that a 50 per cent cut in global protection would result in an an-
nual $10 billion increase in GDP. We want to cut developed country agricultural support, 
which is currently running at a staggering $US380 billion. This compares to developed coun-
try aid to developing countries at only $43 billion. In other words, developed countries are 
spending 8.8 times more subsidising inefficient agricultural practices than they do on foreign 
aid. That is staggering. Probably one of the greatest impediments to the development of these 
new developing nations is the fact that some of the large nations are subsidising inefficient 
farmers. Our objectives are to achieve significant improvements in market access across the 
board in agriculture, industrials and services, and to move the negotiations forward as quickly 
and as productively as possible. Achieving a good outcome in this round is the only way we 
will stop some countries—like the European Union, with their common agriculture policy; 
Japan and Korea, with their subsidies and protected markets; and the US, with its farm bill— 
from spending billions, as they do, on corrupting world agricultural markets.

Mark Vaile, as chair of the Cairns Group, is playing a key leadership role in this. He must 
be commended for that. He has been working very hard on this, and it is demonstrated by our 
initiative to host a mini-ministerial meeting of 25 key trade ministers to keep the WTO round 
moving ahead. This is a huge coup for Australia, and it shows the competence and skill of 
Mark Vaile in this area.

Australia and the Cairns Group are campaigning for substantial improvements in our agri-
cultural trading circumstances. In the electorate of Cowper, we have sugar producers and very 
keen exporters of various services, and we are very focused on the need to have world trade. 
To this end, on 7 September we launched a new Cairns Group negotiating proposal at the 
World Trade Organisation. This market access proposal is designed to substantially increase 
global market access for agriculture. This new proposal will add momentum to the World 
Trade Organisation agriculture negotiations and put pressure on those members who are yet to 
engage seriously in negotiations, such as the EU and Japan, to come forward with credible 
reform proposals. The Liberal-National government will continue to work hard in the WTO to 
further the interests of Australian farmers. I am certain that the member for Hinkler here is 
very keen on advancing the interests of Australian farmers. He is very keenly interested in the 
sugar industry and is certainly at the forefront of improving the lot of our local farmers.

Our market access proposal reaffirms the Cairns Group’s leading role in efforts to reform 
global trade rules for agriculture. The basic elements of this proposal are: it would cut all de-
veloped country tariffs to 25 per cent or lower, which is a great achievement, you would have 
to agree; it seeks to expand all tariff quotas and provide substantially improved export oppor-
tunities for Australian farming families; and it calls for improved tariff quota administration to 
ensure that all the methods of allocation are practical, predictable and transparent and allow 
flexibility for developing countries. It is very important to allow that flexibility for developing 
countries because the development of those countries would be a key measure in reducing the 
poverty that exists in such nations. In addition to the current market access proposal, the 
Cairns Group has already tabled a proposal for the elimination of export subsidies and is cur-
tently working to table an ambitious proposal on domestic support. I conclude by again com-
mending the fine work of Mark Vaile and complimenting this government on its leadership role in the world trade arena.

Melbourne Ports Electorate: Gay Cabaret

Mr DANBY (Melbourne Ports) (1.26 p.m.)—Last weekend, I attended a constituency function at the Greyhound Hotel that started probably later than any other function that I have ever attended—at midnight. At the Greyhound Hotel, there is a regular cabaret for the gay community. I want to congratulate the organisers on this the seventh anniversary of that function, which normally takes place on a Saturday night. More than 700 people of all ages and backgrounds attended. We were able to experience a great night of fun, celebration and tolerance there.

My good friend Paul Haseloff arranged that I was put in what they figuratively call ‘the royal box’. The royal box is decked out with the standards of the House of Wessex—showing the good sense of humour with which the whole night was conducted. It says something about the positive mental health of Australians that in this day and age, after the great scare and problems we have had with the HIV-AIDS pandemic, the tolerance of all Australians of whatever gender and sexuality is now greater than ever before. Homophobic tendencies are now at an all-time low. That says something great about Australia. We hope that that kind of tolerance can be spread to the rest of the world.

Main Committee adjourned at 1.29 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Microcredit Summit +5
(Question No. 684)

Ms Plibersek asked the Minister for Foreign Affairs, upon notice, on 19 August 2002:
(1) Who will be attending the Microcredit Summit +5 to be held in New York in 2002 on behalf of the Australian Government?
(2) Will he attend the Summit.

Mr Downer—The answer to the honourable member’s question is as follows:
(1) Australia will be represented at the Microcredit Summit +5 by the Australian Agency for International Development’s (AusAID’s) Microfinance Adviser, Dr Kieran Donaghue. Additional representation at the Summit is under consideration.
(2) I will not be attending the Summit +5.
(3) Microfinance expenditure in the overseas aid program was $7.9 million in 1999-2000, $8.9 million in 2000-2001 and $13.4 million in 2001-2002. The majority of Australia’s overseas aid funds are allocated in the budgetary process on a country rather than a sectoral basis. Accordingly there is no specific allocation for microfinance in the 2002-2003 aid budget. Expenditure on microfinance in 2002-2003 and 2003-2004 will depend primarily on programming decisions made by AusAID’s country program areas. These decisions are taken in the context of country program strategies developed jointly by Australia and the country concerned. They reflect each country’s priority development needs and Australia’s capacity to assist. The performance of the Australian microfinance projects currently underway, many of which are in their early stages, will also be an important factor in determining future levels of microfinance expenditure.

Commonwealth Funded Programs
(Question No. 742)

Ms Burke asked the Minister for the Environment and Heritage, upon notice, on 19 August 2002:
(1) Does the Minister administer any Commonwealth funded programs for which community organisations or businesses can apply for funding.
(2) If so, what are these programs.
(3) Does the Minister’s Department advertise these funding opportunities.
(4) In the electoral divisions of (a) Chisholm (b) Aston (c) Deakin (d) Latrobe and (e) Casey in (i) 1996-97, (ii) 1997-98, (iii) 1998-99, (iv) 1999-00, (v) 2000-01 and (vi) 2001-02, for each of the programs listed in part (2), (A) what was the name and postal address of each organisation that sought funding from the Commonwealth, (B) what was the purpose of the funding sought in each case and (C) for successful applications, what was the level of funding provided.

Dr Kemp—The answer to the honourable member’s question is as follows:
(1) Yes
(2) to (3)

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<tr>
<td>Air Toxics</td>
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<td>Australian Biological Resources Study Participatory Program</td>
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<td>Clean Seas Commonwealth Program</td>
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<td>Cleaning Our Waterways Industry Partnership Program</td>
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<td>Coastal Acid Sulfate Soils Program</td>
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<td>(2) Name of program</td>
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<td>Coastal Monitoring Program</td>
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<td>Coastcare</td>
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<td>Commemoration of Historic Events and Famous Persons</td>
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<td>Cultural Heritage Projects Program</td>
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<td>Environmental Education &amp; Information Grants Program (1995-97)</td>
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<td>Indigenous Protected Areas Program</td>
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<td>National Cultural Heritage Account</td>
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<td>National Estate Grants Program (Program ceased 30/6/99)</td>
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<td>Rural and Regional Historic Hotels Program</td>
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<td>Urban Stormwater Initiative</td>
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<tr>
<td>Waste Management Awareness Program</td>
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*Grants are made to National Trust bodies in each state/territory, in addition to the national body, i.e. the Australian Council of National Trusts to support community activities across Australia, rather than in particular electorates.

(4) I am not prepared to authorise the expenditure of resources and effort that would be involved in breaking down the information sought into the electoral divisions requested.

**Foreign Affairs: General Security of Information Agreement (Question No. 846)**

Mr Melham asked the Minister for Foreign Affairs, upon notice, on 22 August 2002:

(1) Will the provisions of Articles 4 and 5 of the General Security of Information Agreement between the Australian and United States Governments of 25 June 2002 apply in respect to access by Members of the Australian Parliament to classified information released to the Australian Government by the United States?

(2) Will a personnel security clearance be required for Members of Parliament to access classified information released by the United States; if not, why not.

(3) Are there any additional agreements or understandings between the Australian and United States Governments relating to access by Members of the Australian Parliament to classified information released by the United States; if so, when was any such agreement or understanding made.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) The Agreement between the Government of Australia and the Government of the United States of America concerning Security Measures for the Reciprocal Protection of Classified Information of 25 June 2002 (known as a General Security of Information Agreement, or GSOIA), was accompanied by an exchange of letters, signed on the same day, which sets out the understandings of the Parties as to how that Agreement’s provisions will be interpreted. The letters state (in part) that:

   In respect of the requirements for security clearances in the Agreement, the Parties acknowledge the special status of elected representatives at the federal level, and confirm their intention to continue to apply their current practices to them.

The provisions of Article 4 and 5 of the Agreement will be applied to Members of the Australian and United States federal Parliaments in accordance with the agreed understandings in the exchange of letters. There will be no change to the current practices with regard to elected representatives and security clearances, when the new Agreement enters into force.

(2) No, because as explained above, current practice in this regard will not change.

(3) No.
Immigration: Integrated Humanitarian Settlement Strategy
(Question No. 872)

Mr Laurie Ferguson asked the Minister for Citizenship and Multicultural Affairs, upon notice, on 28 August 2002:

(1) Of all refugee and humanitarian stream entrants in 2001-2002, how many (a) were fully eligible to receive assistance under the Integrated Humanitarian Settlement Strategy (IHSS), (b) had a sponsor who was expected to be responsible for their post-arrival needs and (c) were ineligible for IHSS because they were issued with a temporary protection visa.

(2) For budget planning purposes, what is the expected number of refugee and humanitarian stream entrants who will be eligible for IHSS assistance (a) in 2002-2003 and (b) in subsequent financial years.

(3) How is the annual minimum number of eligible entrants for individual IHSS service providers determined each year and how does this number relate to the IHSS payment cycle.

Mr Hardgrave—The answer to the honourable member’s question is as follows:

(1) For the financial year 2001-2002, there were 11555 visas granted to entrants eligible to be assisted under IHSS, this includes:
- 4160 refugee visa sub classes 200, 201, 203 and 204s granted to entrants eligible to receive the full range of IHSS services,
- 4258 special humanitarian program visas sub class 202 granted to entrants supported by proposers in Australia, and
- 3137 temporary protection (TPV) visas issued. TPVs are eligible to access Early Health and Intervention services under IHSS

(2) For budget and planning purposes the expected number of refugee and special humanitarian entrants who will be eligible for IHSS services in 2002-2003 is 5297. It is expected that in the following three financial years 5500 entrants per year will be eligible for IHSS. This figure does not include temporary protection visa holders who would be eligible to access the Early Health and Intervention services component of IHSS.

(3) The estimated annual minimum number of entrants eligible for IHSS is based on a conservative estimate of the refugee component only of the total Humanitarian Program. These are persons who are issued with visa sub classes 200, 201, 203 and 204. Advance quarterly payments to contractors are based on the estimated minimum number of eligible refugee entrants that the Department of Immigration and Multicultural and Indigenous Affairs projects settling in each State and Territory.

Scoping Studies
(Question No. 879)

Mr Murphy asked the Minister representing the Minister for Finance and Administration, upon notice, on 28 August 2002:

(1) Further to part (3) of the answer to question No. 391 (Hansard, 19 August 2002, page 4911), is a scoping study the first stage of the Commonwealth sale cycle of assets, as was the case with the appointment of Salomon Smith Barney to perform the scoping study for the sale of Sydney Airport; if not, why not.

(2) Has any person been retained to perform those scoping studies in relation to the possible sale of Medibank Private Ltd and ComLand Ltd; if so, who is the person.

Mr Costello—The Minister for Finance and Administration has provided the following answer to the honourable member’s question:

(1) No. A scoping study is not necessarily the first stage of the Commonwealth’s sale cycle of assets. The scoping studies announced into Medibank Private Ltd and ComLand Ltd will examine whether or not the Government should sell these two businesses. The scoping study for the sale of Sydney airport was premised on a Government decision to privatise Sydney Airport Corporation Limited (SACL). It thus examined how the Sydney basin airports should be sold.
(2) I announced on 16 September 2002 the appointment of Carnegie, Wylie and Co and Freehills as business and legal advisers, respectively, to assist the Medibank Private Ltd scoping study. Expressions of Interest are expected to be sought shortly for advisers to assist with the ComLand Ltd scoping study.

Education: Advanced English for Migrants Program
(Question No. 886)

Ms George asked the Minister for Education, Science and Training, upon notice, on 29 August 2002:

(1) Why was the Advanced English for Migrant Program (AEMP) conducted by the Illawarra Institute of TAFE let out to tender in 2001.

(2) What were the criteria upon which the tender was allocated.

(3) Is there any justification for tendering out the AEMP courses to a provider that does not appear to have the necessary resources to offer the full range of courses previously provided by the TAFE Institute; if so, what is the justification.

(4) Are private providers who win tenders able to subcontract back to the TAFE system if they are unable to meet their commitment to students.

(5) Does he approve of private providers making a profit from the above-mentioned process.

(6) Is there considerable waste of public resources and capital facilities with the tendering out of courses previously run by the TAFE system.

(7) What audit is taken to ensure that a provider offers the full range of courses previously conducted through the TAFE Institute.

(8) Will he supplement funding to the Illawarra Institute of TAFE so that it can reinstate the full range of AEMP courses previously conducted by that public institution.

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

(1) In the May 2000 Budget, the Government announced that two existing programmes, the Literacy and Numeracy Programme and the Advanced English for Migrants Programme (AEMP), would be amalgamated from the beginning of 2002 to form the Language, Literacy and Numeracy Programme (LLNP). The LLNP offers three streams of training: basic English language; advanced English language; and literacy and numeracy.

For a number of years, the AEMP was funded by the Commonwealth as a Specific Purpose Payment to the States and Territories. All States and Territories, other than Victoria and the Northern Territory, provided AEMP courses through their TAFE Institutes. Victoria and the Northern Territory contracted out delivery of AEMP courses to a range of providers. For the 2001 calendar year, there was a minor change with the States delivering services (mainly through their TAFE Institutes) and the Commonwealth paying directly for these, rather than through Specific Purpose Payments. The New South Wales State Government used its TAFE Institutes to deliver AEMP courses. The AEMP ceased at the end of 2001.

In late 2001, a national competitive tender process was conducted by my Department to select service providers for the LLNP. From the beginning of 2002, services under the new programme (LLNP) have been delivered by Registered Training Organisations contracted directly by the Commonwealth as a result of that tender process.

(2) The tender was allocated on the basis of best value for money, which involved consideration of four evaluation criteria as well as price. The four evaluation criteria were:

- Effectiveness of strategies to assess language, literacy and numeracy competency levels of job seekers referred by Centrelink and to provide a report of assessment results against the National Reporting System – a mechanism for reporting outcomes of adult English language, literacy and numeracy programmes;

- Effectiveness of strategies to provide relevant training to job seekers;

- Experience, expertise and demonstrated track record in the assessment of language or literacy and numeracy competencies and the provision of language or literacy and numeracy training (including performance under previous contracts with the Department); and
Suitability of proposed arrangements, facilities and accessibility of services, including capacity for premises to be available to deliver language or literacy and numeracy services from January 2002 (note: these details are to be provided for any proposed subcontractors).

(3) In the evaluation of tenders, successful tenderers were selected to deliver both basic and advanced English language assessment and training services. It was not a requirement that a potential provider be able to deliver the full range of courses previously provided by the TAFE Institute. Under the AEMP, the range of courses offered each year was subject to change, depending on demand and other factors. See response to (7) for further details.

(4) Any of the contracted providers can elect to subcontract some or all of the delivery of services. However, all subcontracting arrangements must first be agreed with my Department and must uphold all of the contract requirements. The primary contractor is still responsible for all aspects of service delivery. My Department would be unwilling to agree to any arrangement which did not ensure quality of delivery.

(5) Whether or not private or public providers make a profit from the prices they tender is a matter for them. The Department selects successful tenders on the basis of value for money.

(6) The Departmental tenders are conducted on the basis of obtaining value for money for Commonwealth programmes. They are not conducted on the basis of the funding requirements of particular providers in order to sustain existing facilities.

(7) The LLNP is a completely new programme and not intended to exactly replace the former AEMP or the former Literacy and Numeracy Programme. The range of courses offered by TAFEIs in the past under AEMP was subject to change over time, depending on demand for particular courses and a number of other factors, such as changing skill shortages and job vacancies. The range of courses on offer would not be expected to remain static over time and indeed it would be a matter of concern if it did. The contract is monitored in order to ensure that the contract provisions are met.

(8) No. Illawarra Institute did not win business in the area referred to under the Language, Literacy and Numeracy Programme tender. That tender is now closed and additional business is unlikely to be offered in that particular area. However, if there were to be a substantial change in demand, the situation may be reviewed.

Foreign Affairs: General Security of Information Agreement  
(Question No. 887)

Mr Melham asked the Minister for Foreign Affairs, upon notice, on 29 August 2002:
Will the Government make public the full text of the exchange of notes relating to the Australia-United States General Security of Information Agreement which the Attorney-General referred to in debate on 26 August 2002 on the Criminal Code Amendment (Espionage and Related Offences) Bill 2002; if not, why not.

Mr Downer—The answer to the honourable member’s question is as follows:

Immigration: Baxter Immigration Reception and Processing Centre  
(Question No. 896)

Ms Gillard asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 29 August 2002:
Did he recently circulate a colour brochure on the new Baxter Immigration Reception and Processing Centre, if so, (a) what sum did the brochure cost to produce, (b) what was its print run, and (c) to whom was it circulated.

Mr Ruddock—The answer to the honourable member’s question is as follows:
Yes, a colour brochure was produced by my Department illustrating the facilities available at the new Baxter Immigration Reception and Processing Centre, following Open Days held at Baxter from 10-12 July 2002.
It was initially developed for staff and was later amended for external audiences.
(a) The brochure cost $2,331 to produce.
(b) The print run was 7,000.
(c) The brochure was initially circulated to all staff of the department as an insert in the staff newsletter. It was subsequently sent to all Federal MPs and Senators and made available to members of the public enquiring about detention issues. Additional bulk copies were sent to MPs who requested the information on behalf of their constituents.

Telstra: Services
(Question No. 897)

Mr Tanner asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 29 August 2002:
(1) How many staff were employed by Telstra mainly to repair, maintain and install Telstra telecommunications cable in 1996.
(2) How many staff are currently employed by Telstra mainly to repair, maintain and install Telstra telecommunications cable.
(3) How many non-Telstra outsourced staff performed work under contract to Telstra during 2001-2002 repairing, maintaining and installing Telstra telecommunications cable.
(4) How many staff are currently employed by Telstra.
(5) What is the current lifespan of Telstra telecommunications cable and is there a national plan to ensure that Telstra replaces telecommunications cable before its effective working life ends; if so, what are the details of the plan.

Mr McGauran—The Minister for Communications, Information Technology and the Arts, on advice from Telstra, has provided the following answer to the honourable member’s question:

In answering this question, Telstra has advised that it does not believe that the provision of data on changes in field staffing levels will provide an appropriate measure of Telstra’s maintenance and installation capability.

Further, by way of reference to Australian Communications Authority public domain information on Telstra’s Customer Service Guarantee performance, Telstra does not see a correlation between historical staffing levels and service performance. It is a matter of public record that Telstra’s service levels have improved since the Customer Service Guarantee Standard was introduced in 1998.

As a result of significant investment in technology in recent years, a significant amount of what may be regarded as repair and maintenance work is now carried out remotely. Another important consideration is that whilst there have been reductions in traditional field staff numbers as a result of contracting out of installation/maintenance work, these external contractors obviously employ staff to carry out this work.

Furthermore, Telstra also has a number of pro-active programs specifically developed to target high fault-prone network areas and reduce the impact and fault volume variation. For example:

- Preventative maintenance strategies such as the Total Productive Maintenance program involves teams taking ownership for a defined area and acting to improve network quality, service and reliability by identifying the root causes of the network’s problems;
- Pro-active maintenance programs such as the commitment of $187million to upgrading the rural telecommunications network announced, on 1 July 2002; and
- Technology and design improvements such as the development of improved Standard Field Access Units. Compared to previous Units, the new Units are smaller and provide a more accurate assessment of fault type and location as well as an increased capability for broadband testing.

Having regard to the above information, the following responses are provided:
(1) In December 1996, Telstra employed approximately 12,200 communications officers in the installation and maintenance of the full access network. Of these, some 1,500 were employed specifically on the broadband cable rollout project, work that was completed in 1997. This left approximately 10,700 employees working on the core access network.
(2) In 1998, Telstra introduced the single customer field workforce structure. The multiskilling that followed allowed for traditional technical and line field staff to become multi-functional, resulting in the whole field workforce being able to work on and maintain the access network. As at August 2002 Telstra had some 10,000 staff in the customer field workforce.

(3) Telstra is not aware of the numbers of staff employed by its contractors. Telstra provides ‘construction work’ briefs to a panel of contractors and it is up to individual contractors as to how many staff they will employ to perform the work required.

(4) As at 30 June 2002, Telstra employed 40,427 domestic full time staff – this figure includes controlled entities.

(5) The current lifespan of the Telstra cable depends on the type of cable (optical fibre, copper or HFC), the environment in which the cable is laid and capacity considerations.

Optical fibre cable could be expected to remain in service for around 25 years, HFC approximately 23 years and the copper cable, taking into consideration the advances in technology made in cable construction and sheathing techniques, up to 45 years.

Telstra has a national program in place to ensure the integrity of its network. To manage the potentially large variation in performance of its distribution cable, spread over several million kilometres of the continent, Telstra operates a program of ongoing maintenance and rehabilitation, which is triggered by the overall performance of the distribution access network and the specific performance of a particular cable.

**Foreign Affairs: China**

*(Question No. 899)*

Mr Danby asked the Minister for Foreign Affairs, upon notice, on 29 August 2002:

(1) Is he able to say whether the Chinese Government has charged many of its outspoken democratic dissident with political monomania or insanity and detained them in psychiatric hospitals.

(2) Is he able to say whether up to 15% of Chinese psychiatric inmates are in custody for political reasons.

(3) Is he able to say whether those incarcerated include independent labour organisers, whistle blowers and those who complain about political persecution or official misconduct, as well as other democratic opponents.

(4) Is he able to say whether one of these prisoners is China's longest serving political prisoner Wang Wan Xing who was first arrested in the mid 1970s.

(5) Is he also able to say whether Wang Wan Xing has been held in an institution for the criminally insane for most of the past decade based on a diagnosis by police psychiatrists that he is a paranoid psychotic.

(6) Has the Australian China Human Rights Dialogue discussed with its Chinese interlocutors this abuse of psychiatry and Australia's long standing opposition to this abuse including during period of the former USSR.

(7) Did his Department discuss these issues and other issues of human rights in China during their recent meeting with leading Chinese democratic activists Wei Cheng Sheng.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) The Chinese government has charged and convicted many of its most prominent dissidents for subversion of state power. On 5 September 2002 the Chinese government denied reports that it sent political dissidents to psychiatric hospitals.

(2) The Government is not aware of any authoritative statistics on the number of Chinese psychiatric inmates in custody for political reasons.

(3) The reply to (2) above applies.

(4) The Chinese authorities have informed my Department that Wang Wanxing is confined in Ankang Public Hospital on psychiatric grounds.

(5) Wang Wanxing was confined to Ankang Public Hospital in June 1992. The Chinese government has informed my Department that Wang has been diagnosed with paranoia, and that Wang has accepted this diagnosis.
(6) No, it has not.
(7) Officers of the Department did discuss human rights in China with democracy activist Wei Jing-sheng during his recent visit to Australia, but neither side raised the question of the incarceration of democracy activists in psychiatric institutions in China.