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

BROADCASTING LEGISLATION AMENDMENT BILL (No. 2) 2002

First Reading

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

Second Reading

Mr McGAURAN (Gippsland—Minister for Science) (9.31 a.m.)—I move:

That this bill be now read a second time.

The Broadcasting Legislation Amendment Bill (No. 2) 2002 will provide a new and more appropriate regulatory framework for community television services, which I will now refer to as CTV.

This bill introduces new provisions governing CTV services to assist in creating a viable future for the community television sector. The community television sector has much to offer to the Australian community, bearing in mind, however, that it has also operated with mixed success since trial services began in 1994. The bill will also introduce measures to improve arrangements for community broadcasting licensing generally.

The changes will be made by amendments to the Broadcasting Services Act 1992 and the Radiocommunications Act 1992. The bill will also amend the Broadcasting Services (Transitional Provisions and Consequential Amendments) Act 1992 to repeal the remaining provisions of the Broadcasting Act 1942 dealing with political advertisements that the High Court held to be invalid.

In 1992, the then government asked the Australian Broadcasting Authority, the ABA, to conduct a trial of community television using the vacant sixth television channel, known as Channel 31, in Australia. Community television has operated on a trial basis since 1994.

The CTV trial has shown that CTV can have a valuable role in Australian society. CTV services help to meet local information and entertainment needs in a communications environment that is increasingly national, if not global. The service values of CTV are distinct from network and pay television, tending to focus on innovative and niche programming, local events, news and culture. The programs are typically low-budget affairs, often produced by enthusiastic volunteers and television presenters-in-training. Indeed, CTV has proven to be a significant training ground for future media professionals. Some CTV programs are developed and produced in conjunction with tertiary institutions as a practical way for media studies students to experience, and experiment in, the television environment.

CTV programming is valuable because it caters to distinct and widely diverse community interests not served by network or pay TV. CTV contributes to overall Australian television program diversity.

Unfortunately, there are occasions when the availability and quality of this programming is severely constrained by financial and other factors.

Under current arrangements, most CTV operators are financially vulnerable due to high capital and operating costs, particularly those related to transmission. The situation is exacerbated by the temporary nature of current CTV licensing, which discourages long-term planning and capital investment. The trial status makes it difficult for operators to obtain sponsorship, to achieve savings from longer term contracting arrangements and to generate surpluses for reinvestment in CTV.

Significant concerns were also raised about the corporate governance and accountability of some CTV operators at various times during the trial.

Some CTV trial operators have been more successful than others in providing community focused television programming. Some have proved better able to balance the competing demands of providing a CTV service, including providing adequate community participation in program production, transmission of a reasonable quality, programming that reflects community interests, and the ability to attract sufficient funds to operate the service while managing commercial relationships appropriately—no easy task.
The presence of the challenges facing CTV should not, however, obscure the fact that CTV has shown that it can provide an important extra dimension to the Australian media landscape. This bill introduces measures that will assist the ongoing viability of the sector, while preserving the unique characteristics of CTV.

The new CTV licensing arrangements will build on the system which is already in place for community broadcasting licensing in part 6 of the Broadcasting Services Act. This legislation will recognise a particular category of community broadcasting licence, the CTV licence, which will reflect the unique circumstances and needs of CTV.

Digital television is currently at an early stage of development, and it is still too early to make decisions about the permanent future of CTV in the digital environment. Arrangements for the digital carriage of CTV will be reconsidered before the end of December 2006—which is the end of the moratorium for the allocation of new commercial licences set out in section 28 of the Broadcasting Services Act.

Under this bill, the spectrum currently used for CTV broadcasting services will continue to be used for analog CTV transmission until 31 December 2006. The date the relevant spectrum can be used for analog transmission of CTV would be able to be extended, by disallowable instrument, to deal with a situation where the government decides, closer to that time, that analog CTV should continue. These arrangements will ensure that the relevant spectrum currently used for CTV broadcasting services will be available for use for other digital services if alternative arrangements for digital carriage of CTV broadcasting services become available and if it is appropriate to cease analog transmission.

Even though access to the current spectrum is only guaranteed until 31 December 2006, under the proposed amendments the ABA may issue a CTV licence for up to five years. This is a significant improvement on the current trial arrangements for CTV, which require licensees to renew their licences annually, at some degree of inconvenience. Therefore, it is an important improvement.

The ABA will be responsible for allocating CTV licences under a merit based process.

The proposed legislation will require CTV licensees to be non-profit companies limited by guarantee. The corporate governance and accountability requirements under the Corporations Act for nonprofit companies limited by guarantee will impose higher and more uniform corporate governance standards on CTV licensees.

There is wide acceptance that providing a CTV service is far more expensive than providing a community radio service. The CTV sector needs to have the ability to raise revenue which will enable it to balance operational and production costs with providing quality programming for community purposes. At the same time, it is necessary to balance the need to raise substantial revenue with the community and nonprofit nature of the sector.

Therefore, as an underlying regulatory policy, the bill makes it clear that it is the parliament’s intention that community television is to be regulated in a manner that causes them not to operate in the same way as commercial television broadcasting services.

At the same time, the bill assists the revenue raising ability of the CTV sector by increasing the period for which a community television broadcasting licensee can broadcast sponsorship announcements from five to seven minutes in any hour.

Another way that the sector can generate revenue is to sell air time. Sale of air time involves the CTV licensee selling a defined period of broadcasting time under its service to a third party. The third party is then responsible for developing and providing programming in that broadcast period. A CTV licensee would be able to use funding raised from the sale of air time to assist with transmission costs, administrative costs and the costs of producing other community access programming.

However, the bill recognises that sale of air time arrangements may have the potential...
to compromise the community nature of the CTV service. Therefore, a balance is drawn between the revenue raising requirements for the CTV sector and the community and not-for-profit nature of the sector, by imposing conditions on CTV licensees in relation to sale of air time.

There is a condition which limits the CTV licensee to selling no more than two hours of access to air time in any day to an individual business which operates for profit or as part of a profit-making enterprise. The condition recognises the need to accommodate those profit-making businesses which are currently producing dynamic and successful CTV programming focusing on a particular community interest. These businesses are not only an important revenue source for the sector, they provide genuine community television programming.

This condition would ensure a business could not purchase a large amount of air time for commercial purposes.

There is a second condition, which limits the licensee from selling more than eight hours of access to air time in any day, in total, to businesses which operate for profit or as part of a profit-making enterprise.

Further, there is a third condition, which prevents sale of more than up to eight hours of air time in any day to any particular person.

The ABA will be able to make a determination to change the sale of air time conditions if they need finetuning to achieve their desired effect, which is a balance between the need for CTV licensees to raise revenue but, at the same time, not to erode the community service aspect of community television. However, the ABA must seek public comment before doing so, and the determination will be a disallowable instrument.

Additionally, this bill will enable the ABA to impose on all CTV licensees conditions dealing with matters such as community access to air time, governance and the provision of annual reports to the ABA.

The CTV licensing arrangements in this bill relating to corporate governance and accountability, spectrum planning and imposition of additional conditions on CTV licences will not apply to remote Indigenous community broadcasting services that provide television programs. Currently, these services operate with community broadcasting licences. However, it is likely that these services will not have the resources at this time to meet the higher corporate governance and accountability requirements that the government is proposing for CTV services.

The bill will also introduce some measures to improve the general community broadcasting licensing regime.

Foremost of these is a measure to reinforce the community and not-for-profit nature of the community broadcasting sector, by making it a condition of community broadcasting licences that the licensee will provide the service for community purposes, and will not operate the service for profit or as part of any profit-making enterprise.

Another improvement is to give the ABA more discretion to review community broadcasting licences when deciding whether to renew them. At present, the ABA cannot refuse to renew a community broadcasting licence unless it seems likely that licence renewal would result in significant risk of an offence against the Broadcasting Services Act or regulations, or a breach of licence conditions. This means, in practice, that community broadcasting licences are renewed almost automatically, even when there is an identified problem with the service.

The proposed amendments would extend the range of factors which the ABA can take into account when considering whether it should renew community broadcasting licences to make community broadcasters more accountable for their operations. The amendments will allow the ABA to consider issues that are taken into account in an original licence allocation when deciding whether to renew the licence. The ABA, when renewing a licence, will also be able to consider a proposal from a licensee to change the community interest it is required to represent.

The ABA will not need to undertake a comprehensive review of all licences due for renewal, but under the proposed arrange-
ments a review could occur where the ABA believed there were problems with the service of the current licensee; for example, because of the number of complaints it had received that affected that particular licensee.

In presenting this bill, and through the introduction of permanent licensing arrangements and better accountability measures, the government is demonstrating its commitment to a long-term future for community television in Australia. Community television has a vital role in Australia, providing programming of a character quite different—indeed, unique—in comparison to that provided by free-to-air networks and pay television. There is a strong and identifiable need for community television and it is widely supported in the community that it seeks to serve. Community television at the same time is innovative and diverse. This bill will provide a regulatory basis for a long-term future for the community television sector and for the unique and special programming it provides. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Cox) adjourned.

COMMONWEALTH VOLUNTEERS PROTECTION BILL 2002

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.46 a.m.)—I move:

That this bill be now read a second time.

Australia has a great tradition of volunteering with many people helping others and contributing to their community.

In 2000, the ABS Voluntary Work Survey showed that almost one-third of adult Australians had performed some voluntary work in the previous 12 months. Each year, Australians give over 700 million hours of their time to volunteer activity.

Volunteers undertake a wide variety of work—from organising sporting events to fighting bushfires to guiding visitors through botanical gardens.

However, the threat of legal liability for actions performed in good faith may discourage people from offering their services in a voluntary capacity. This possibility is increased in the face of rising public liability insurance premiums and reduced availability of cover.

At the ministerial meeting on public liability on 30 May this year, the Commonwealth, state and territory ministers agreed that a number of jurisdictions, including the Commonwealth, would introduce legislation to protect volunteers from being sued for negligence. Victoria, Western Australia and South Australia have already introduced legislation to protect volunteers doing work for community organisations.

While there may not be a significant volume of claims against volunteers, this does not necessarily mean that volunteers feel at ease about their potential liability. The Commonwealth Volunteers Protection Bill 2002 is intended to provide comfort to people performing voluntary work for the Commonwealth or a Commonwealth authority. As a result of this bill, these volunteers will not be personally liable to pay compensation to third parties to which they may, acting in good faith, have caused personal injury, property damage or financial loss.

The Commonwealth Volunteers Protection Bill 2002 will protect people who perform voluntary work for the Commonwealth or a Commonwealth authority from civil liability for acts or omissions of the volunteer done in good faith when performing that work.

The Commonwealth or Commonwealth authority incurs the civil liability that, except for this bill, the volunteer would incur.

The bill does not extend protection to volunteers who are doing community work for non-Commonwealth community organisations or for organisations funded by the Commonwealth or a Commonwealth authority where the body itself directly organises and supervises the work of volunteers.

In many cases, these volunteers will be protected by legislation being passed by state parliaments.

The Commonwealth Volunteers Protection Bill will act to protect people who are per-
forming voluntary work for Commonwealth departments and agencies as well as organisations such as the Bureau of Meteorology, the Australian War Memorial, the National Gallery of Australia, the Australian National Botanic Gardens and airport fire services on Christmas Island.

The Australian War Memorial has nearly 300 volunteers actively contributing to its mission of remembering, commemorating and interpreting the Australian sacrifice in war. Volunteers perform a wide variety of jobs at the War Memorial, from conducting guided tours to assisting conservators prepare relics for storage and display.

At the Entomology Department of CSIRO, over 20 volunteers assist in the maintenance of the Australian National Insect Collection. These people help to maintain collections of moths, butterflies, beetles, ants and bees.

The contribution made by volunteers is greatly appreciated and valued by the government. This bill will give volunteers certainty about their potential liability and encourage people to continue these activities, which not only provide an economic benefit but help to build community networks and encourage social cohesion. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Cox) adjourned.

TAXATION LAWS AMENDMENT BILL (No. 7) 2002

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.51 a.m.)—I move:

That this bill be now read a second time.

This bill amends the Income Tax Assessment Act 1936, the Income Tax (Transitional Provisions) Act 1997 and the Income Tax Assessment Act 1997 to give effect to several tax measures that have been announced by the government.

Firstly, the bill will provide exemptions from Australian tax for temporary residents. This will assist Australian businesses seeking to attract key personnel to Australia. It recognises the vital importance to Australia of an internationally competitive tax regime and allows businesses to reduce the additional extra costs they typically incur in employing temporary residents.

Removing disincentives to the temporary employment of skilled overseas workers will be of particular benefit for skill intensive industries, and will assist in attracting and retaining regional headquarters and offices.

Equally importantly, the exemptions will make it easier to attract workers in areas where Australia is experiencing skill shortages.

The amendments include an exemption from Australian tax on foreign source income and capital gains for a maximum period of four years to temporary residents. This exemption applies only where that income or gain is not associated with Australian employment or services performed while a resident of Australia. The amendments will also exempt temporary residents from interest withholding tax obligations associated with overseas liabilities.

Secondly, the bill exempts from income tax compensation payments for the loss of defence remuneration where the remuneration itself would have been exempt from income tax.

Thirdly, the bill amends the Income Tax Assessment Act 1997 to treat previously assessable income as not assessable where it must be repaid and that repayment occurs in a later year of income. It also amends the Income Tax Assessment Act 1936 to permit amendments of income tax assessments for the year in which the amount was originally treated as assessable income despite the time limit for amendments to assessments being exceeded.

Fourthly, the bill also increases the level of expenses above which the medical expenses tax offset applies from $1,250 per annum to $1,500 per annum. For the 2002-03 and later income years, the medical expenses tax offset will be available at a rate of 20 per
percent of any net medical expenses above $1,500 in an income year. This measure was announced in the 2002-03 budget.

Finally, an income tax exemption is granted to the Commonwealth Games Federation. The exemption will apply to income received by the federation in the course of staging the Melbourne Commonwealth Games in 2006 and applies to income derived by the federation on or after 1 January 2000 and before 1 July 2007.

Full details of the measures in this bill are contained in the explanatory memorandum. I commend this bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Cox) adjourned.

SUPERANNUATION (GOVERNMENT CO-CONTRIBUTION FOR LOW INCOME EARNERS) BILL 2002

Cognate bill:
SUPERANNUATION LEGISLATION AMENDMENT BILL 2002
Second Reading

Debate resumed from 22 October, on motion by Mr Slipper:

Mr KATTER (Kennedy) (9.55 a.m.)—The Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 provides government assistance to low-income earners and encourages low-income earners to put money into their superannuation funds. I think that Treasury may not be being generous in this case and may, in fact, be attempting to get people to look after themselves in terms of superannuation. I think that is a very desirable outcome. Whilst one may be somewhat cynical of Treasury’s initiative, one must also accept that their thinking is correct here.

This country has had some ginormous changes since the introduction of free market policies in the early 1980s. They were really very curious changes. Some of them intrigued me greatly as, I am sure, they intrigued other people. One of the very dramatic changes is that this country does not save money any more. In 1983-84, before the Keating free market regimes were introduced into Australia, the average household savings ratio, according to the accounts, was 11.9 per cent. It is referred to as the selected national accounts ratio, household savings, and at that time it was, let us say, 12 per cent. So Australians were saving 12 per cent of their income. If the people listening to me now asked themselves how much they were saving in 1983 and how much they are able to save now, I think the vast bulk of people answering the question would say that they are saving a lot less. And they are. The average for Australia is 0.5 per cent.

Australians are now virtually saving nothing. We have moved from 12 per cent savings to half a per cent savings. This is a very dramatic change. Where it is most relevant to superannuation is that the governments of Australia in their wisdom over the last decade and a half have launched upon what I consider to be the excessive madness of free market policies, and they have been carried forward with zealotry and taken to extremes. The government realise that we now have no savings sector in this country and that they have to create a savings sector. Hence we created superannuation. Some will say that it was done for the good of the working class or the employee class, but I suspect that it was a Treasury initiative because they needed savings.

You cannot move a country forward without some fund of money that can be invested to move it forward. With no savings that could not happen, so they created superannuation. But if ever there was a classic case of treating the symptom instead of curing the disease, we have it here. People will say—and this was one of the things that fascinated me—that real average weekly earnings have in fact increased significantly. So I ask myself: are we better off? I am absolutely certain that we are not. Every piece of empirical evidence—anecdotal evidence is the more popular term these days—is indicating to me that we are worse off.

In Charters Towers, my home town, we now have two bicycle shops, one motorcycle shop and four second-hand stores; we had none of those industries previously. We have closed down two new motor car dealerships. People cannot afford things anymore so they
have to go to Vinnies and those sorts of places to buy things. This is a phenomenon that did not occur previously. But real average weekly earnings have gone up, so what is the answer here? Why have we had to drive forward with superannuation to get a savings sector? What has happened here?

There has been the credit card phenomenon, undoubtedly, but I venture to suggest that is not the answer. The answer lies in the massive increase in taxation. It is incredible. In 1983-84, some 18 years ago, the total state and federal tax revenue for Australia was only a minuscule $56,000 million. It is now over $350,000 million. This is an absolutely massive increase: from $56,000 million to $350,000 million. In the same period of time average weekly earnings went from about $350 or $360 a week—I have got the exact figure here somewhere—to around $850 a week; they doubled. Here we have a sevenfold increase in tax take but only a doubling in average weekly earnings, and that is not real average weekly earnings.

The story does not end there. What is happening is that we are running up massive debt. The vast bulk of the Australian population are going backwards; they are going further and further into debt. We have to service that external debt. The internal debt rolls around and ends up in somebody’s pocket in Australia, but servicing the external debt does not. We have gone from a debt in 1983-84 of $51,000 million to an external debt of $330,000 million. Assuming that there are 10 million taxpayers in Australia, the employee class if you like, then that is costing each one of them $30,000. The tax increase is costing each one of them $30,000 extra, which seems an incredible figure.

It must be remembered that there are an awful lot of rich people in this country. Twenty per cent of the country have never seen it so good in the nation’s history and, of course, $30,000 in tax is not a huge figure for them. But if we are talking about average annual earnings of $45,000 and we have an extra tax burden of $30,000, we are coming up with the answers as to why we have gone from a 12 per cent saving regime down to a half a per cent savings regime and why we have had to go into the area of subsidising superannuation. There is no doubt that this is cannibalism economics.

If you are looking for a reason why things have gotten so dramatically worse in Australia, you will find a number of them. I was part of a government whose achievements we can now look back on proudly. In Queensland, every single year for 10 years we started work on a new dam. Let me give just one example: the Emerald Dam, the last dam that was built. The Emerald Dam has resulted in $120 million of income from the crops that are grown as a result of irrigation provided by that dam. A one-off outlay of $100 million for the dam has resulted in $120 million extra coming into the Queensland economy. You can multiply that by all of the dams that we built during that period of time.

But that is not the end of the story. When a House committee went up to visit Emerald and assess what a dam means to an area, the five mining companies came in. We said, ‘Would your mine have been here if this dam was not here?’ They answered, ‘No, because the infrastructure imposition upon us for water would have been in the nature of $60 million or $70 million and we would not have proceeded with the project.’ We asked each one of the mining companies if that were true and each one of them said the same thing. That outlay of $100 million enabled us to mine coal out there which is worth $500 million. So an outlay of $100 million created income for this country of around $600 million to $700 million a year, and each year it is increasing. That was the sort of magic that we created whilst we were in government.

I am not a fantastic tourism promoter—in fact, maybe at times I have been a bit scathing about the industry—but each year we built a $100-plus million plus tourist resort. In some of those years we built five or six of those resorts and I thought, ‘You cannot keep doing this all the time.’ We stood on people. We rode bulldozers over them. We were determined to see these projects go forward. Each one of those projects created their own market, and this is the thing that fascinated me. I thought we had a finite number of tourists coming here and that they would be overserviced. But that is not the way it
works. Each person who builds one of those resorts gets off his tail bone, races overseas and convinces 10,000 or 20,000 people to come and visit his resort every year. Each one of them created its own market.

One stands back and is mesmerised by what happened in Queensland during the Bjelke-Petersen period. It is incredible, but tourism was not in the Queensland yearbook when Bjelke-Petersen was appointed. At the start of that 20-year period, tourism is not in the yearbook. I had to get it out of the federal government yearbooks: 50,000 overseas tourists visited that state in 1966. There are now 3.5 million people each year visiting Queensland from overseas. This is what makes an economy. This is what builds wealth. This is what provides jobs for your kids.

Each year we opened a new mining town. There has not been a new dam started since 1988. There has not been a new mining town started since 1988. There has not been a tourist resort started since 1988; there are a number in the pipeline, but there has not been one started since that time. Whilst different cultural attitudes of governments and government policies with respect to the environment, native title and all of those things have created immense problems for a lot of these industries, one of the major factors is that there is no money there. Let us have a look at where the superannuation money goes because this is the key to why there is no savings sector and why we have to help out today with a $1,000 grant for each small income earner that puts money in. The reason for that is that the money in superannuation goes into the hands of fund managers.

I remember reading an article in the Sydney Morning Herald by the very famous Bob Santamaria. I thought that Mr Santamaria must have got very old and lost his marbles, because in it he said that there were 30-year-olds—screen jockeys—being paid hundreds of thousands of dollars a year and investing hundreds of millions of dollars. I thought, ‘That is ridiculous. That can’t be—people in their early 30s investing hundreds of millions of dollars a year and earning hundreds of thousands of dollars!’ That article was written about 15 years ago. Of course, the columnist was wrong: the next year, Nick Leeson exploded onto the world stage and we found out that they were not 30-year-olds; they were 20-year-olds. They were not dealing in hundreds of millions of dollars; they were dealing in thousands of millions of dollars. They were not being paid hundreds of thousands of dollars; they were being paid millions of dollars.

This government and the previous government have directed this money, the savings sector, into superannuation. That is a good thing. I praise the governments for doing that. But where does the money go after that? We lose interest in it after that. It goes into the hands of these screen jockeys, who are completely unreconstructed, as we can clearly see from Enron, HIH and all of these people. These people have not changed their spots from the days of Nick Leeson; on the contrary, they are probably running amok more now than they were then. All of this money is going into the hands of these sorts of people. What do they do with that money? I will tell you what they do with it.

Every single person in this chamber should read John Kenneth Galbraith’s The great crash 1929. We had a lovely little function here honouring the visit by Goldman Sachs. In the quintessential book on the Great Depression, The great crash 1929— John Kenneth Galbraith’s very famous book—he devotes a fifth of the book to Goldman Sachs: ‘In Goldman Sachs we trust’. What he says is that Goldman Sachs, and hundreds of other companies like it, had a company that owned shares in another company. All of its assets were shares in another company. The second company owned shares in a third company. All of its assets were shares in another company. The third company owned shares in the fourth company, and so on. He said that one of the biggest corporations in the United States owned a company that owned a company 15 times. You had to go through 15 separate companies before you got to a company that owned anything except bits of paper called share certificates with someone’s signature on the bottom of them, to get to where someone actually owned something. We saw this in Australia.
To me, when four super-rich people raise $5 billion in one year to play Monopoly with each other, there is something terribly wrong. When the banks started suddenly finding that their repayments were not coming through, they had to foreclose. That is what is going to happen here with this massive blow-out in debt in this country—and we have got no savings sector at all now. If you are not saving, then you are going into debt. When that starts to occur, the banks have to foreclose. When these silly banks started to foreclose on the likes of Mr Skase, Mr Holmes à Court, Mr Bond, Mr Connell and all these people, they were foreclosing on empty boxes. They were cargo containers with nothing in them. They were called companies but, when you got into the company, there were no assets that were actually owned. Things were leased, and things were just powder puff—billows of bulldust. There was no reality there at all. A big, speculative balloon was created. With all inflationary balloons, someone puts a pin in it, and we have a horrific collapse that is very destructive to the people of the country concerned, if not upon the people of the world, as in 1929.

I have gone to see people who do superannuation. I walked for two days in Brisbane, and in that two-day period I went to every single superannuation fund of significance that operated in Queensland. In each of them, they said to me, ‘No, we don’t invest in projects.’ We had a number of projects—I would say gilt-edged projects—and, of course, they do not put any money into those projects. We can see where we are going. (Time expired)

Mr GEORGIOU (Kooyong)  (10.15 a.m.)—I rise to speak on the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and the Superannuation Legislation Amendment Bill 2002. It is always a pleasure to follow the member for Kennedy. From his comment about the age of people who invest, he must have been a very young minister.

Mr Katter—I was.

Mr GEORGIOU—So age only applies to some people.

Mr Katter—I had the guidance of wise men.

Mr GEORGIOU—Excellent. Australia’s so-called ‘ageing population’ has been the subject of much discussion in recent months. Much of the discussion has focused on the relative proportions of the different age groups in this country, and on the possible social and economic implications of these relativities. The debate has gone backwards and forwards on a variety of aspects, such as the positive and negative economic implications and what to do about them, but one thing there is agreement on is that the average lifespan of Australians has increased.

One perspective on the increased longevity of the Australian population is that we now have less fixed ideas about appropriate retirement ages. Last month in the Age, Ross Gittins wrote:

... the old are younger than they were—and the most obvious change needed is to the traditional retirement age of 65. When that age was set, many people didn’t make it that far—and few lasted much beyond it.

The fact is that retirement at age 65 may suit some Australians, but others may be able to, and indeed want to, remain in the paid work force well into their 60s and beyond.

Another perspective on the increased longevity of Australians is a concern that people should be financially comfortable when they are no longer in the paid work force. This government wants Australians to have adequate financial resources in their retirement, and the country’s superannuation scheme is a significant component of this policy objective. The policy of compulsory employer contributions to employee superannuation funds has been of great benefit to individual employees, giving many of them a source of funds to provide for a higher standard of living in their retirement. This government has evaluated the country’s superannuation regime from a wide range of perspectives and is seeking to improve it. Employment conditions in our society include full-time, part-time and casual work, and they often vary over the course of a person’s life, so this broad perspective is appropriate when seek-
ing to ensure that superannuation is available to, and maximised across, the broad spectrum of society.

The two bills being debated here today, the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and the Superannuation Legislation Amendment Bill 2002, are manifestations of this government’s commitment to supporting people who seek to increase their savings for their retirement. The bills implement promises that this government made to the Australian people in the last election as part of the government’s ‘A better superannuation system’ commitments. The bills contain measures to make saving for retirement more attractive to both lower and higher income earners. I will begin by outlining the measures contained in the government’s co-contribution bill designed to assist low-income earners to save for their retirement and then I will move to the key provision of the Superannuation Legislation Amendment Bill, namely, the reductions in the maximum rate of the superannuation surcharge.

One way of maximising people’s retirement resources is to facilitate voluntary contributions by employees to their own superannuation funds, and to go beyond facilitating to positively encouraging employees to make voluntary superannuation contributions to increase their personal savings for retirement. At present, people on low incomes who make voluntary contributions to their superannuation fund are entitled to a maximum rebate of 10 per cent of their contributions up to $1,000—that is, the contributions are $1,000 and the maximum rebate available is $100. The maximum rebate applies to those on or below an annual income of $27,000 and tapers off for those on incomes between $27,000 and $31,000.

The measures contained in this bill will replace this rebate scheme with a substantially more generous government co-contribution scheme. This will provide real encouragement to those on low incomes to make a personal contribution to their superannuation, where possible, and thereby boost their savings for retirement. These new measures will provide for the government to match the eligible personal superannuation contributions made by qualifying low-income earners up to an annual maximum of $1,000—that is, 10 times the rebate that is currently available. This maximum amount of government co-contribution will apply to those on an annual income of up to $20,000. A sliding scale of co-contribution will be available for those earning between $20,000 and $32,500 per annum. For example, if a person earning $27,000 per year makes a personal superannuation contribution of $1,000, the government will make an additional contribution of $440 to that person’s superannuation fund. It is important to note that this bill includes measures to ensure that the benefit of the co-contribution is maximised. The government’s co-contribution will not be subject to contributions tax when paid into a fund; it will not be taxed when paid out to the individual as an end benefit; and, in unusual circumstances where the co-contribution is paid directly to the individual, it will be treated as exempt income and will not attract income tax.

The government has, I believe, developed an efficient mechanism for people to receive the co-contribution from the government. The Australian Taxation Office will determine what co-contribution is payable in each case. It will make this assessment using contribution and account details provided to the ATO by superannuation funds and the income details from tax returns. In other words, people will not have to go through a difficult and time-consuming process of applying for the co-contribution. Instead, the amount will be calculated by the ATO and the recipient will be notified by either their superannuation fund or the tax office about the amount of co-contribution that the government has paid into their superannuation fund.

This delivery mechanism is the most seamless option available and will provide significant benefits. First, as the scheme uses existing industry reporting systems to determine who is eligible for the co-contribution, it will not impose on low-income earners additional costs or burdens that might have undermined the incentive for individuals to make voluntary superannuation contributions. A related benefit is that the delivery
mechanism seeks to ensure that people who are eligible to receive the co-contribution actually do get their full entitlement. If low-income earners were made to jump through hoops in order to receive the government’s co-contribution, there is every possibility that some of those eligible would not claim their rightful entitlement. On a community-wide level this would also mean that the primary objective of the policy—to increase both the level of the financial independence and the standard of living of Australians on low incomes in their retirement—would unnecessarily become more difficult to achieve.

Robin Bowerman, writing in the Sunday Age on 26 May 2002, used an example to demonstrate the significance of the government’s new co-contribution initiative. This article does set out the significance very well, so I will quote it. It says:

Take a 35-year-old on an income of $15,000 who contributes $1000 a year into super. Assume the salary is indexed to inflation at 3 per cent and her employer is contributing the 9 per cent super guarantee contributions. If the super fund returns 9.5 per cent then the technical team at BT Funds Management calculates her after-tax benefit at age 65 will be $238,200.

If you add in the government’s co-contribution of $1000 a year, then, when she turns 65, the benefit will be $351,800.

Just looking at those figures, this is a significant increment to the amount that low-income earners will be able to access in their retirement. Overall, the co-contribution measure proposed in this bill is expected to boost superannuation accounts of low-income earners by $85 million in 2003-04, and by a further $185 million in the following two years combined. This again demonstrates the magnitude of this measure and the extent of the benefits for low-income Australians.

I would like to outline the eligibility criteria attached to the co-contribution measure. It should be stated at the outset that it is not the government’s intention to set criteria that are extraordinarily difficult to meet, but I think we all agree that it is necessary to establish parameters for any policy measure that is designed to impact on a defined group in our community. The income test for the government co-contribution will be the same as it is for the existing rebate. Therefore, the test will consider a person’s assessable income plus reportable fringe benefits. As well as the income test, eligibility for the government co-contribution will also be dependent on a person having received employer contributions to their superannuation that year. However, those who have not had employer contributions paid in that year will be eligible for a taxation deduction for their personal superannuation contributions to an existing fund. This means that those who are self-employed will be unaffected by the proposed changes. They will continue to be able to claim a tax deduction for their personal superannuation contribution.

To receive co-contributions, funds must be complying superannuation funds in the income year for which the contribution is made. In addition, to receive the co-contribution an individual must lodge an income tax return for the relevant income year, and they must do this even if they otherwise would not have needed to lodge an income tax return. For example, if they have received wage or salary payments but no taxation has been withheld under the pay-as-you-go withholding system, they still need to submit a tax return.

I will now talk for a little while about the provisions of the Superannuation Legislation Amendment Bill 2002. As is the case with the co-contributions bill, this bill follows through a commitment made by the government during the 2001 election campaign. That very public, often stated and widely publicised commitment was to reduce the superannuation and termination payment surcharge rate by one-tenth of its prevailing level of 15 per cent for each of the three financial years commencing 1 July 2002. At present, for individuals earning over $90,527 per annum, all employer contributions, tax-deductible personal contributions and golden handshake termination payments made to superannuation funds are subject to a surcharge of up to 15 per cent. The surcharge increases by one percentage point for each $1,295 over $90,527, until the full 15 per cent surcharge rate is reached when a person’s annual income level reaches $109,924. The Superannuation Legislation Amendment Bill will reduce the maximum surcharge rate...
from 15 per cent to 13.5 per cent in 2002-03, 12 per cent in 2003-04 and 10.5 per cent in 2004-05. The method of calculating the relevant surcharge rates between the lower and upper income thresholds will be amended in accordance with the reductions in the maximum rate. Moreover, again in keeping with a commitment made by the government during the 2001 election campaign, there will be a review of the surcharge arrangements after the proposed three-year reduction period to determine whether any further changes are warranted.

As stated in the 2002-03 budget papers, the reductions in the superannuation surcharge rate are expected to reduce the taxation burden on superannuation fund holders by a total of $370 million over three years. Therefore, as with the government’s co-contribution measure, those reductions in the maximum surcharge rate will bolster our total national superannuation holdings. Moreover, they will ensure that superannuation does remain an attractive investment vehicle, encouraging all Australians to contribute to their own financial health in retirement.

Overall, the measures contained in the government’s co-contribution bill will boost the superannuation of those Australians on low incomes who are able to make personal contributions to their superannuation savings. The relatively few eligibility criteria that the government has placed on the co-contribution, in conjunction with its simple administrative procedures, have been specifically designed to make it as straightforward as possible for low-income Australians to receive their full entitlement. The reduction in the maximum superannuation surcharge rate, as introduced in the Superannuation Legislation Amendment Bill, will also help to increase the attractiveness of superannuation as an investment option. There is little doubt in my mind that the government’s new superannuation co-contribution measure, coupled with the reductions in the rate of the superannuation surcharge, will help many Australians to obtain a greater level of financial comfort in their retirement.

As I said earlier, these bills implement the promises that this government made to the Australian people during the last election campaign. These bills implement part of the government’s ‘A better superannuation system’ package, which the government put before the Australian people prior to the last election. It was policies such as this that won the last election for this government. In contrast, as I have noted in this place before, during the last election campaign the Labor Party failed to develop any comprehensive superannuation policy, a failure which the then Leader of the Opposition reportedly blamed on a lack of resources. There was a lack of resources over a wide range of policy issues in the last election on the part of the Labor Party.

But the real issue is not to go over the failures of the past; the real issue is to look at what is happening at present. Despite the fact that the Labor Party put no substantial policy alternative on superannuation before the Australian people at the last election and despite the fact that the government put forward very clearly defined policies on superannuation and was elected on the basis of those policies—as well as on a number of other policies—the Labor Party now wants to block the government’s proposed cut to the superannuation surcharge. The Labor Party—the party that would not make any substantial commitments on the issue—wants to stop the government from delivering on its election commitments. In the aftermath of the 1996 election, we heard a lot about core and non-core promises.

Mr Cox—you invented non-core promises!

Mr GEORGIOU—we did not hear a great deal about their undeclared, undisclosed, disavowed $10 billion budget deficit, but we heard a lot about core and non-core promises. I find it odd that this was a clearly articulated and clearly disclosed policy and yet the Labor Party are still trying to block it. The best response that one can make about the Labor Party’s obstruction of a clear-cut election commitment that is being met by the elected government is that it is typical of the Labor Party. Nobody expects the Labor Party to keep their commitments, but at least they should have the decency to allow the government that has been elected to keep its publicly declared election commitments.
The overall result of this package of measures is an increase in the superannuation funds of all individuals affected. I am confident that both of the government’s measures that we are debating here today—the superannuation co-contribution and the reduction in the superannuation surcharge—will come to be seen as a wise investment by the government in Australia’s future economic welfare and in the welfare of older Australians. I commend the bills to the House.

Mr McARTHUR (Corangamite) (10.34 a.m.)—I am pleased to participate in this debate on the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and the Superannuation Legislation Amendment Bill 2002. I note the wide-ranging contributions of previous speakers on the issue of superannuation and, of course, the government’s initiative in providing a government co-contribution to low-income earners. Although the superannuation arrangements have improved in recent years, we still have a savings problem in Australia. If you look at the data you will see that, whilst large funds are accumulated for superannuants, our savings ratio relative to other Western nations remains under question.

Superannuation is a provision for Australians who are growing older. An ageing population will put pressure on the government-funded pension scheme and, as the population ages, there is a shrinking tax base. I particularly refer to the Intergenerational Report brought down by the Treasurer with the budget in which, in very simple terms, we talk about a better superannuation scheme. For the record I will summarise the initiatives in that document. The present legislation before the parliament benefits low-income earners and allows for a higher fully deductible contribution limit for the self-employed. It moves the deduction from $3,000 to $5,000 for those who are self-employed. This encourages them to take out bigger amounts of superannuation, as they receive a tax deductible contribution of $5,000, which is a step in the right direction in anyone’s language. The government is proposing to reduce the surcharge from 15 per cent to 10.5 per cent over the period up to 2004-05. It is my understanding that the Labor Party will be opposed to that.

I have had a number of discussions with people associated with superannuation, and they are very concerned about the administration of the surcharge and the impact on those so-called high-income earners when the surcharge suddenly chops in and reduces their superannuation entitlement. I note by their public comments that the judiciary are particularly concerned about the impact of the surcharge. Again, that is a step in the right direction, and I hope that the Labor Party and the minority parties in the Senate will support that initiative by the government. The quarterly superannuation guarantee payment is also a welcome initiative.

I want to talk in a broad-brush sense about superannuation and the guarantee levy. Obviously, superannuation is a very complex matter. When we in this House talk to constituents we get a number of complaints about the complexity of the government’s regime—both this government’s and the previous government’s. I notice that previous treasurers have always looked for ways to increase revenue. Whilst superannuation is tax effective in some areas, some treasurers have suggested it has been too tax effective, and they have sought to gain revenue both prior to entry and on exit from superannuation programs. The super guarantee, which has been a matter of some debate in this parliament, started at the low figure of three per cent, as I recall, then graduated year by year and now stands at nine per cent. I emphasise the point that the employer makes the contribution. Whilst those opposite laud the importance of the super guarantee scheme and say how wonderful it is, let me just say that that is yet another on-cost that employers have to pay. I make the philosophical point that there is no contribution by the employee. This initiative by the government does redress that. At least the government has been aware that there should be a contribution by the employee. I think it is a little unfair that the employer takes the full burden of the su-
perannuation contribution of nine per cent. In the companies that I have looked at, the employers see that as a very big burden on their payrolls. Not only have they got to pay payroll tax to the state government, they have got to pay this super guarantee charge of nine per cent.

I note the private sector schemes that I have been associated with where the employer might contribute, say, 15 per cent and the employee might contribute seven per cent. That then makes a very valuable contribution to the employee’s final superannuation payout. So I advocate a position where employees take some responsibility, even if it is only a minor one, for their superannuation final payment. Over time, in actuarial terms, the superannuation can then gain a certain amount of financial strength so that, in an ageing nation, people will have a superannuation nest egg that will be valuable and worth while. While the nine per cent sounds good, in my view actuarially it will not provide too much of a payment for somebody in 20 or 30 years, taking into account inflation.

I have always been particularly interested in the Singapore government’s approach to this matter at the very early stage of the development of that country. I think you will recall, Mr Deputy Speaker Jenkins, that you and I received some interesting presentations about that matter. In that country the contribution by both parties—the employer and the employee—is in the range of 19 to 21 per cent. Whilst it is a bit more complex than a straight-out superannuation scheme because of the way in which the government organises the health schemes, pension payments and aged care related to this total payment, let me assure members of the House that the bigger payment by individuals and employers, totalling 19 to 21 per cent, ensures that there is a viable scheme. So, in the longer run, the ability of individuals, companies and the government to sustain an aged care program in that small company has been well substantiated. Of course, that helped develop a savings culture in Singapore which allowed quite enormous growth.

I draw the attention of the House to the quite staggering amount of money that has been invested in superannuation funds. Members would be aware of quite big figures. I took out the statistics from the APRA bulletin for the 2002 March quarter. In very simple terms, assets involved in superannuation total $532 billion. I emphasise that figure: $532 billion is now invested in superannuation schemes. Approximately one-third of that, $181 billion, has been directly invested; $189 billion has been placed with investment managers; and $160 billion has been invested in life office statutory funds. Again, that is $532 billion invested. I know those opposite use those figures to show how we have improved savings. I concede the point that those are vast sums of money. It raises a philosophical point, as this amount—the $500-odd billion—has now moved to pension fund managers who have considerable influence in the share market and an influence on corporate governance matters. That is the new power in Australia coming from superannuation funds. Those figures are interesting and they reflect the debates that we have had in this parliament over recent years.

More recently, there was an interesting report commissioned by the National Centre for Social and Economic Modelling at the University of Canberra. This report got considerable coverage, and I would like to quote some of the headlines and details because they impinge on the superannuation debate we are having here this morning. The headline in the Financial Review on Thursday, 19 September, was ‘Australians are 41pc wealthier’. That is quite a powerful statement. This report noted that this wealth was due to higher house prices, which had increased by 64 per cent since 1997 so that average equity in houses had improved quite dramatically. Another headline talked about super cutting the gap between the rich and the poor, while another talked about the state of savings. But I would like to quote from a report on this study, which said it had found: ...

net household wealth had increased on average by 41 per cent over the past nine years, but that increase had been concentrated among older age groups.

This is a warning sign for the policy makers in the future that older people are looking...
after themselves where the younger people are not. The report also said the study found:

The richest age group is that made up of households headed by people aged 55 to 64, who have average net assets of $401,000. Just over half of that ($206,000) comprises the equity in their home, but they have also accumulated an average of $106,000 in superannuation assets, $44,000 in shares and $23,000 in rental property and cash investments alike.

So we see a situation where the key asset of individual Australians is the home, with superannuation making up a declining percentage of asset accumulation. It went on to say:

... wealth remains very highly concentrated. The wealthiest 20 per cent of Australian households have average net assets of $772,000, whereas the poorest 20 per cent average just $18,000.

This is where the argument about superannuation comes in and this is why the government has looked at this issue and has made this important recommendation. This legislation provides for a contribution of government money to low-income earners. The government will provide $95 million to low-income earners through its co-contribution scheme, and this will rise to $100 million in 2003-04. The current superannuation low-income rebate will be replaced. This new government initiative is for people who earn less than $32,000 per annum and are under 71 years of age. In philosophical terms, this will be part of what I have been advocating.

The government will help to bring about a cultural change and employees will be encouraged to provide for their old age and to have some source of income rather than rely on a government-funded pension. Governments of all political colours need to ensure that the complexity of superannuation is somewhat eased so that individual Australians can fully understand their entitlements and the tax regime they are dealing with and so that the accounting profession and financial advisers can comprehend the myriad complex and almost unfathomable regulation that surrounds superannuation.

Governments should take a non-partisan view on this matter. There should be a unified approach to superannuation and to providing for the future living standards of young Australians, as they now are. The minister at the table, the Minister for Ageing, has a particular interest in this matter because he is responsible for the current generation of older Australians. It is important to encourage the policy makers to ensure that the tax regime and the ability of the private sector to sustain living standards 40 years hence is part of the policy position of both the government and the opposition in the current and future parliaments. I commend the legislation. I commend the interesting contributions to the debate from other members in the parliament. I would strongly advocate that serious consideration be given to simplifying superannuation arrangements so that average Australians are encouraged to join superannuation schemes, to participate more fully and to understand exactly what the superannuation of their future savings is all about.

Mr KING (Wentworth) (10.49 a.m.)—Rising to support the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and the Superannuation Legislation Amendment Bill 2002, I am pleased to be associated with the remarks of the previous speakers in support of this legislation. I particularly commend the member for Corangamite, who spoke in detail on the issues and on the importance of the legislation to older Australians. There are in the legislation a number of measures which I believe are important not just for the mainte-
nance of a comprehensive and effective superannuation system but for the savings priorities of all Australians.

It will be recalled that, when the government presented its case to the people before the last general election, a comprehensive statement called ‘A better superannuation system’, released on 5 November last year, was presented to the people by the Treasurer. That was part of a program which the Treasurer announced as a very significant part of the government’s program for this term of office. Five measures were outlined, and I dealt with those on 5 June this year in a detailed address to this House in the debate on the first tranche of superannuation legislation. I do not wish to repeat what I said on that occasion about the basic principles in the background of the proposed legislation or the policy profiles that were behind the current debate. This legislation is the second tranche in that series of legislation that forms the better superannuation system the government proposed prior to the last election. The government is to be commended because it has so soon put in place that comprehensive proposal.

Since that time—that is, since the coalition’s announcement—the OECD has stated in its most recent economic survey on Australia that Australia’s age pension and superannuation systems combine to provide Australians, especially low-income earners, with replacement rates above frequently used benchmarks. The effects of the current proposals before the House are that the co-contribution for low-income earners will see the government match the $1,000 deposits of those earning less than $20,000, while the contribution will be reduced to nil for those earning $32,500 and the surcharge will be reduced for upper income earners from 15 to 11.5 per cent over three years. The proposals that are before the House are that comprehensive proposal.

Our opponents in the debate suggest that the bills should not be supported because they are, in effect, against savings proposals unless they are forced through a superannuation process—but that is the wrong way to go. What we want in this country is initiative. What we want in this country are savings by people who are concerned to ensure that they are putting aside sufficient funds to care for themselves and their families and for those necessary and desired investments which they wish to make in the community in which they live. The philosophical debate comes down to whether or not one supports a program of choice coupled with a superannuation program which is going to be for the benefit of all Australians. This proposal before the House benefits those who are less well off but it also recognises that those who are better off are entitled to a choice. It is that choice which is at the heart of this current legislation. In the earlier tranche of proposals, the government made some administrative changes to ensure that there were quarterly contributions. That had been proposed by various sectors in the industry. This bill now follows that through, as proposed in ‘A better superannuation system’, released last year by the Treasurer. Without going back to the detail of the arguments that I put earlier this year on 5 June—because that would be repetitive and unnecessary—today I simply want to support the proposals and
the government’s general program of promoting savings by older Australians alongside the superannuation system and as a complement to the social welfare system generally. I support the bills.

(Quorum formed)

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.59 a.m.)—in reply—I thank the House. There were a couple of speakers who dropped off the speaking list at the very last moment. The government would like to thank those honourable members who participated in the debate on the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 and the Superannuation Legislation Amendment Bill 2002. Over recent years, there has been a growing realisation throughout Australian society of the importance of retirement planning and saving for the years ahead. Superannuation is seen as a vital element in planning for a comfortable and secure retirement. I am therefore hopeful that the government will receive the support of the House, given that the co-contribution and surcharge rate reduction measures affect this very important issue.

Both measures were announced as part of a package to make superannuation more attractive and to encourage saving for retirement. The co-contribution is expected to increase the number of low-income earners making personal superannuation contributions, increase the levels of contributions being made by existing contributors and boost the retirement savings of low-income earners. The surcharge rate reduction measure will make voluntary superannuation contributions more attractive for high-income earners. The collocation of these measures in the same bill, the Superannuation Legislation Amendment Bill 2002, will highlight the fact that the government’s superannuation initiatives were designed as a balanced set of measures.

The Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 establishes the arrangements for the government to pay superannuation co-contributions to eligible low-income earners. This bill, together with the Superannuation Legislation Amendment Bill 2002, will fulfil two election commitments announced on 5 November 2001 in the policy known as ‘A better superannuation system’ to further assist low-income earners to save for their retirement and reduce the maximum superannuation and termination payment rates of surcharge on high-income earners.

The co-contribution will replace the existing taxation rebate for personal superannuation contributions made by low-income earners. However, the co-contribution will be more generous than the rebate it is replacing. The maximum co-contribution of $1,000 compares with the maximum rebate of $100. The co-contribution will match personal superannuation contributions made on or after 1 July this year by eligible people with incomes less than $32,500. To be eligible for the co-contribution, a person will need to have employer superannuation support for the same year in which the personal contributions were made, be aged less than 71 on 30 June of the year in which the personal contributions were made, not be wholly or substantially self-employed and not be eligible for release of benefits upon permanent departure from Australia. Small business people who are self-employed who are unable to receive a co-contribution will continue to be able to claim a tax deduction for personal superannuation contributions. One of the government’s other election commitments increased from $3,000 to $5,000 the amount of personal superannuation contributions fully deductible for this group.

The Superannuation (Government Co-contribution for Low Income Earners) Bill 2002 outlines how the government will determine those who are eligible for a co-contribution and the amount of the co-contribution, the method of payment of the co-contribution, information-gathering arrangements by the Australian Taxation Office and providers, review of decisions and other general administrative matters. A number of amendments to the bill originally introduced are necessary to ensure that the co-contribution measure operates as originally intended. The amendments are of a technical and clarifying nature, and involve no financial or compliance cost impact.
The Superannuation Legislation Amendment Bill 2002 will amend a number of taxation and superannuation laws in relation to the co-contribution measure and the reduction of the maximum superannuation and termination payment surcharge rates from 15 per cent to 10.5 per cent over the next three years. This bill will deal with the following aspects of the co-contribution measure: repeal of the existing personal superannuation contribution taxation rebate; employment of a supported superannuation test; taxation and surcharge treatment of co-contributions; provision of arrangements allowing certain Defence personnel and Commonwealth public servants to receive co-contributions; use of the Superannuation Holding Accounts Reserve by the government to hold co-contributions in some circumstances; and review of contribution statement amount.

A number of honourable members, particularly those in the opposition, used repetitive words, and listening to the contribution to this debate by the opposition has been like listening to a broken record. They have pulled out the same quotes, and they have used the same words when talking about the superannuation options and the surcharge. One would think there has been a tremendously cooperative approach by honourable members of the opposition—and maybe they share a common speech writer—but I imagine people understand that the reason the Labor Party do not have any policies is that they cannot think for themselves.

The government does not accept the second reading amendment to be moved by the member for Kingston to the Superannuation Legislation Amendment Bill 2002. It opposes the amendment. The words proposed to be included would make a nonsense of what this bill is trying to achieve and put in doubt the co-contribution and surcharge reduction election commitments which will be of benefit to many people. Again, we have a situation where the opposition is endeavouring to force the government to break an election promise. I know the opposition does not set any great store on promises made to the Australian people, but the Prime Minister and the Treasurer—indeed, the entire government—put forward a policy prior to the last election. We said to the people of Australia, ‘If you vote for us, this is the policy that we will implement.’ The people of Australia voted to return the coalition to office. Despite that mandate for our policy, as announced prior to the election, we find the Australian Labor Party is seeking to force the government to break a promise to the Australian people. It has broken lots of promises—the sale of the Commonwealth Bank and the sale of Qantas—but at the end of the day this government believes very strongly that it really ought to keep its promises to the Australian people. It has given a commitment to deliver all of its promises in full and on time, and this legislation is part of the government’s policy of keeping faith with the Australian people.

The members for Kingston, Isaacs and Hasluck, in what must surely be a latter-day unity ticket, all referred to the need to monitor the targeting and effectiveness of the co-contribution by amending the bill. That amendment is unnecessary. The government will be reviewing the effectiveness of the measure, as it does for all policies, in due course. The bill also requires the commissioner to report to the minister, at the end of each financial year, on the working of the co-contribution legislation for presentation to parliament. Section 54 of the bill covers this requirement, and I give that information for the elucidation of honourable members of the opposition.

The member for Kingston also seeks to omit schedule 2 of the Superannuation Legislation Amendment Bill 2002. It will not come as any surprise to my friend opposite that the government does not accept this amendment. Its effect would be to remove the surcharge reduction measure from the bill. The reduction of the surcharge is an election commitment, and I have just referred to that. I pointed out before that the government has a mandate for this, and the government is committed to its introduction. A number of members of the Labor Party would be very happy if the government were able to have its legislation carried through the parliament in full and without amendment. The member for Braddon claims that Senator Nick Sherry, opposition spokesman
on superannuation, has proposed some wonderful super policies. The member for Brad- don must be out there in dream world, to be making such a remarkable and incredible statement with respect to Senator Sherry.

Mr Edwards—He knows what he is doing. He is very good.

Mr SLIPPER—Mr Deputy Speaker Causley, you might remember that Senator Sherry started with a blank piece of paper and has now produced not policies—nothing Labor is committed to—but merely some options.

Mr Edwards—And you wonder why he keeps winning in Tasmania!

Mr SLIPPER—One example that has been used repeatedly in this debate is the option of reducing the concessional rate of tax applied to super based on age. Their own lobby group, ASFA, has called this a headache for funds. The member for Cowan opposite really ought not to interject on this, because he well knows that the Labor Party does not have any policies.

Mr Edwards—A week is a long time in politics.

Mr SLIPPER—He would be one of those people opposite who must despair at the situation of the Australian Labor Party. I suspect that he is one of those people telling the Leader of the Opposition and, indeed, the Australian Labor Party more generally to get real, become relevant and find some policies with a view to, sometime in the far distant future, attaining office.

The member for Kingston also joined the debate, stating that the co-contributions measure will entrench a much-criticised system of contribution reporting. I just want to reassure the honourable member for Hasluck that the government encourages people to try and secure a higher standard of living in retirement than would be possible from the age pension alone. The co-contribution provides an incentive for low-income earners to make greater personal contributions to super and thereby achieve greater self-reliance in retirement. That certainly is a very laudable aim.

The member for Kingston claimed that the co-contribution leaves scope for abuse. We have been treated by the member for Kingston to a diatribe of negativity. There is no evidence to support this rather strange claim by the member for Kingston. Treasury has estimated in its costings that there will be two types of take-up, as compared with the current rebate—firstly, a general 10 per cent increase in the population making after-tax contributions and, secondly, 10 per cent of a group taking eligible termination payments then recontributing some of these payments. The member for Kingston just goes on and on. He claims that the legislation is a political stunt. One of the main themes of ‘A better superannuation system’ was to make super more attractive and to encourage all Australians to save for their retirement. These measures have been collocated to highlight, quite deliberately, that they are part of a suite of measures being introduced to the parliament as a package.

The member for Blaxland also joined the debate, stating that the co-contributions measure will entrench a much-criticised system of contribution reporting. I just want to correct the assertion made by the member for Blaxland. Using the contribution reporting system, which is already in place and working well, has significant advantages for co-contribution recipients. It will enable eligibility to be determined automatically, with no necessity for people to apply for the co-contribution. This ensures that everyone who is entitled to receive a co-contribution will receive it with no effort on his or her part, as the case may be, in as timely a fashion as possible. The member for Isaacs also claimed that there was no need to provide incentives for high-income earners to save for their retirement. The superannuation re-
duction measure—the election promise of the Howard government prior to the 2001 poll—is directed at making it more attractive for higher income individuals to self-provide for their retirement through the preserved superannuation environment.

Most people would be quite worried about the way the Australian Labor Party are not prepared to support the government on this measure. There is time for the opposition to change their mind. I think the people of Australia would like the opposition to have integrity and to recognise that, even if they do not see the policies of the government as being their ideal, there was an election last year. We won; they lost—we have more people on this side of the House than they have on their side of the House and that is why we are the government and that is why they are the opposition. Even if they do not agree with the government’s policy, they ought to appreciate, recognise and respect the fact that the Australian people have voted for what the government are seeking to implement today in this place in these bills. I commend both bills 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 COX (Kingston) (11.16 a.m.)—I move opposition amendment (1):

(1) Page 39 (after line 31), after Division 2, insert:

Division 2A—Quarterly reports

51A Commissioner to prepare quarterly reports of determinations under section 13

(1) For the purposes of this section a quarterly report means a regular report setting out the information required under subsection (2) for a particular period of three months (commencing not before 1 July 2003) ending on 31 March, 30 June, 30 September or 31 December.

(2) As soon as practicable after 31 March, 30 June, 30 September and 31 December each year, but in any event within three months, the Commissioner must prepare and give to the Minister a quarterly report which includes:

(a) the number of determinations made under section 13 of this Act during the period; and

(b) the number of persons in respect of whom a determination was made having income for the income year in each of the income groups set out in subsection (3); and

(c) the number of persons in respect of whom a determination was made whose spouse had income for the income year in each of the income groups set out in subsection (3); and

(d) any other information prescribed in the regulations.

(3) Information provided under paragraphs (2)(b) and (c) must be presented by income groups of $0 to $999, $1999 to $2000, and similar up to the income limit specified in paragraph 6(1)(c).

(4) The Minister must cause a quarterly report received under subsection (2) to be laid before each House of the Parliament within 7 sitting days of that House after the receipt of the report by the Minister.

It has been a very torrid process getting to this point and trying to get some assessment of the actual costs and the actual beneficiaries of this co-contribution. When the opposition released its policy, Treasury followed up by doing a costing of that policy, which they released on 17 May, saying that Labor’s policy was unaffordable. A few days later, on 5 June, there was an estimates committee hearing and the opposition had the capacity then to test Treasury’s costings. The opposition found out in the course of that estimates committee hearing that Treasury’s costings were indeed flawed in many respects. Treasury went away and did another costing for the Treasurer, but the Treasurer has declined to release it and has instructed the Treasury that they shall not release it. The opposition is quite convinced that that second costing actually demonstrates that the Labor Party’s policies are affordable.

It is an important matter of accountability that when the government is proposing measures they are properly costed, that when
the government purports to cost opposition proposals there is sufficient transparency and scrutiny of those costings that they can be assessed in the public domain and people can see whether they are in fact accurate or not, and that when deficiencies in Treasury’s costings are found in estimates committee hearings they are given proper scrutiny and people can see where the differences are between the original costings and costings that might subsequently be produced. None of that has happened.

With this amendment we want to be able to monitor the operation of the co-contribution arrangements and we want to ensure that only those people who are genuinely in need will have access to this co-contribution. We know that one of the deficiencies in this bill, the Superannuation (Government Co-contribution for Low Income Earners) Bill 2002—and this came out in the examination of the bill by the relevant Senate committee—is that, in a family that is not a low-income family but a family where somebody is working part time, another member of that family could pay superannuation contributions on behalf of the person who is working part time and actually get involved in a little bit of income splitting, which a lot of other superannuation law is designed to avoid. So we want to be able to keep tabs on that and we want to make sure that we have some understanding in future of the proportion of the target population—and it is a low-income target population—who will actually be accessing the co-contribution.

The government, on the basis of its inability to be held accountable either for its own costings of the opposition’s policy or for some of its own statements about the effect of this bill, has obviously been seeking to avoid that sort of accountability. We want to make sure that, if this measure is passed into law, and we are supporting this measure, we can see that it is operating properly and that we can see how, if it is not operating properly or as well as the government has claimed—and we know that it will not, because most superannuation beneficiaries will not be able to afford to make contributions because they are on low incomes—those issues can be exposed and brought to proper public light. If there is a need to change this measure in future, we want to make sure that there is sufficient information on the public record to allow us to do that and to present proposals to do that.

There are so many areas of public administration at the moment—annual reports, for example—from which we are seeing information removed because the government is seeking to escape its responsibilities of accountability and is seeking to frustrate people generating alternative policy proposals. (Extension of time granted) It is time that this government was held to account in many areas for the quality of information that it is producing. We have got one of the biggest jokes imaginable in public administration: we have got the Charter of Budget Honesty Act, which sets down how the government is supposed to report to the parliament and to the Australian public on fiscal policy matters, and the superannuation co-contribution is one of those.

That act is hopelessly inadequate. It has so many loopholes that the government drives a truck through it on a regular basis. Public scrutiny by commentators, the opposition, journalists and professionals in the public finance area is totally frustrated. If the government were serious about the integrity of the measures that it is putting forward in the co-contribution for low-income earners bill then it would welcome this amendment. It would say: ‘Yes, we believe this bill will work and that it should be subject to public scrutiny. We are prepared to publish the sort of information on people’s incomes and access to the co-contribution that the opposition is asking for to demonstrate that it is a good and effective measure.’

The fact that the government will oppose this amendment indicates that the government have absolutely no confidence in the measure, that the measure is something of a sham and that it is a pretence to say that they are giving a co-contribution benefit to low-income earners. They cut what was, in the fourth out year, a $4 billion co-contribution proposed by the previous Labor government and replaced it with a co-contribution for a very small number of low-income earners—
those low-income earners who will actually be able to afford to make a contribution themselves and to access it. We know that it is just a blind: their real intent is to give themselves some political cover for cutting the superannuation surcharge for high-income earners. When they brought that measure in they said it was an equity measure. Their removing it is an inequity measure. I commend the amendment to the House. I challenge the government to demonstrate that they are going to subject themselves to some process of accountability and to support this amendment.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (11.25 a.m.)—In my summing up on this legislation, I alluded to this amendment and the reasons the government is not prepared to accept it.

Question put:
That the amendment (Mr Cox’s) be agreed to.

The House divided. [11.29 a.m.]
(The Deputy Speaker—Hon. I.R. Causley)

Ayes………….  59
Noes………….  74
Majority…….  15

AYES
Adams, D.G.H.  Albanese, A.N.
Beasley, K.C.  Bevis, A.R.
Byrne, A.M.  Corcoran, A.K.
Cox, D.A.  Crosio, J.A.
Danby, M. *  Edwards, G.J.
Ellis, A.L.  Emerson, C.A.
Evans, M.J.  Ferguson, L.D.T.
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.  Jackson, S.M.
Jenkins, H.A.  Kerr, D.J.C.
King, C.F.  Lawrence, C.M.
Livermore, K.F.  Macklin, J.L.
McClelland, R.B.  McFarlane, J.S.
McLeay, L.B.  McFarran, R.F.
Melham, D.  Mossfield, F.W.
Murphy, J. P.  O’Connor, G.M.
O’Connor, B.P.  O’Brien, T.
Price, L.R.S.  Quick, H.V. *
Ripoll, B.F.  Roxon, N.L.
Rudd, K.M.  Sawford, R.W.
Sciaccia, C.A.  Sercombe, R.C.G.
Sidebottom, P.S.  Smith, S.F.
Snowdon, W.E.  Swan, W.M.
Tanner, L.  Thomson, K.J.
Vamvakian, M.  Wilkie, K.

NOES
Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Anthony, L.J.
Bailey, F.E.  Baird, B.G.
Baldwin, R.C.  Barresi, P.A.
Bartlett, K.J.  Billson, B.F.
Bishop, B.K.  Bishop, J.I.
Brough, M.T.  Cadman, A.G.
Cameron, R.A.  Charles, R.E.
Cobby, 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.
Gamboro, T.  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.
Katter, R.C.  Kelly, D.M.
Kelly, J.M.  Kemp, D.A.
King, P.E.  Ley, S.P.
Lindsay, P.J.  Lloyd, J.E.
McArthur, S. *  Molyan, J.E.
Nairn, G. R.  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.
Toliver, D.W.  Truss, W.E.
Tuckey, C.W.  Vale, D.S.
Wakelin, B.H.  Washer, M.J.
Williams, D.R.  Worth, P.M.

* denotes teller

Question negatived.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (11.38 a.m.)—by leave—I present a supplementary explanatory memorandum and correction to the explanatory memorandum to the bill. I move government amendments (1) to (5):
(1) Clause 12, page 7 (lines 3 to 7), omit sub-
clause (1), substitute:

(1) The amount of the Government
co-contribution in respect of a person
for an income year is increased by the
amount of interest worked out under
subsection (2) if the Commissioner
pays none of the Government
co-contribution on or before the pay-
ment date for the co-contribution.

(2) Clause 12, page 7 (lines 9 to 13), omit para-
graphs (a) and (b), substitute:

(a) on the amount of the Government
co-contribution; and
(b) for the period from the payment date
for the Government co-contribution
until the day on which the Commis-
sioner first pays an amount in satis-
faction of the Government
co-contribution; and

(3) Clause 12, page 7 (lines 16 to 18), omit sub-
clause (3).

(4) Heading to clause 18, page 12 (lines 6 and
7), omit the heading, substitute:

18 Commissioner to give information if
co-contribution paid

(5) Clause 25, page 21 (lines 8 to 18), omit the
clause, substitute:

25 When general interest charge payable
on overpayment

(1) If:

(a) the Commissioner gives a person
notice under item 3 or 4 of the table
in subsection 24(3); and
(b) an amount that the person must pay
under the notice remains unpaid af-
ter the time by which it is due to be
paid;

the person is liable to pay general
interest charge on the unpaid amount.

(2) The person is liable to pay the charge
for each day in the period that:

(a) started at the beginning of the day
by which the unpaid amount was
due to be paid; and
(b) finishes at the end of the last day at
the end of which any of the follow-
ing remains unpaid:

(i) the unpaid amount;
(ii) general interest charge on any of
the unpaid amount.

(3) For the purposes of this section, an
amount payable under a notice given
under item 3 or 4 of the table in sub-
section 24(3) is due to be paid 28 days
after the day on which the notice is
given.

(4) In this section:

general interest charge means the
charge worked out under Division 1 of
Part IIA of the Taxation Administration
Act 1953.

With respect to amendments (1), (2) and (3)
on interest for late co-contribution payments
by the commissioner, I want to make the
following points. In relation to payments of
coopontributions by the commissioner, there
are two sections dealing with interest that is
payable where the commissioner makes a
late payment. The first section, section 12,
should deal with the circumstance where the commis-
sioner pays none of the co-
contributions amount on or
before the payment date for the co-
contributions. Without these amendments to
section 12, people may be confused about
which provisions will lead to the commis-
sioner paying the late payment interest
amount to a member or their superannuation
fund or RSA. Amendment (2) will ensure that the late
payment interest calculation for section 12
events starts from the relevant payment date
and ends on the date when an amount is first
paid, not the date of full payment. The latter
period is covered by interest under section
21.

Amendments (1) and (3) limit section 12
to the cases where the commissioner pays
none of the co-contribution amount on or
before the payment date for the co-
contributions. Without these amendments to
section 12, people may be confused about
which provisions will lead to the commis-
sioner paying the late payment interest
amount to a member or their superannuation
fund or RSA for the same period. Without
amendment, the late payment interest will, in
some cases, be paid twice to members or
their funds or RSA for the same period.
Amendment (2) will ensure that the late
payment interest calculation for section 12
events starts from the relevant payment date
and ends on the date when an amount is first
paid, not the date of full payment. The latter
period is covered by interest under section
21.
WITH RESPECT TO AMENDMENT (4) ON THE HEADING OF SECTION 18, THE HEADING OF THIS SECTION CURRENTLY READS ‘COMMISSIONER TO GIVE INFORMATION IF CONTRIBUTION PAID TO PERSON OR LEGAL PERSONAL REPRESENTATIVE’. HOWEVER, THIS SECTION DEALS WITH ALL THE INFORMATION THE COMMISSIONER MUST GIVE IF A CO-CONTRIBUTION IS PAID, NOT JUST IN THE CIRCUMSTANCES OF PAYING TO A PERSON OR LEGAL PERSONAL REPRESENTATIVE. THIS AMENDMENT WILL THEREFORE DELETE THE PREVIOUS HEADING AND REPLACE IT WITH ‘COMMISSIONER TO GIVE INFORMATION IF CO-CONTRIBUTION PAID’.

WITH RESPECT TO AMENDMENT (5)—THAT IS, INTEREST CHARGED BY THE COMMISSIONER ON LATE OVERPAYMENTS—WHERE AN OVERPAID CO-CONTRIBUTION AMOUNT HAS OCCURRED AND THE COMMISSIONER ISSUES A NOTICE TO A PERSON, SUPERANNUATION FUND OR RSA TO RECOVER THIS AMOUNT, THE NOTICE WILL SPECIFY, AMONGST OTHER THINGS, THAT THERE ARE 28 DAYS TO PAY THE AMOUNT SPECIFIED IN THE NOTICE. IF THE AMOUNT IS NOT PAID WITHIN 28 DAYS, THE COMMISSIONER WILL CHARGE INTEREST ON THE UNPAID AMOUNT FROM THE END OF THAT 28-DAY PERIOD, AND THIS INTEREST CHARGE WILL BE THE GENERAL INTEREST CHARGE USED FOR MOST OTHER TAXATION AMOUNTS. WITHOUT THIS AMENDMENT, THE GENERAL INTEREST CHARGE WILL BE APPLIED TO THE WHOLE AMOUNT IN THE OVERPAYMENT NOTICE, REGARDLESS OF WHETHER PART OF THE AMOUNT HAS BEEN REPAYED OR NOT. I COMMEND THESE AMENDMENTS TO THE HOUSE.

MR COX (KINGSTON) (11.42 a.m.)—THE OPPOSITION ACCEPTS THAT THESE ARE TECHNICAL AMENDMENTS, AND THEY ARE ACCEPTABLE. I GUESS IT IS A REFLECTION ON THE DRAFTING PROCESSES BETWEEN THE TAX OFFICE AND TREASURY THAT SO MUCH LEGISLATION COMES BACK WITH AMENDMENTS SO RAPIDLY. IT WILL BE VERY INTERESTING TO SEE, WITH THE LEGISLATIVE ACTIVITIES REMOVED FROM THE TAX OFFICE AND PUT INTO TREASURY, WHETHER THIS PROCESS WILL IMPROVE OR WHETHER IN A NUMBER OF YEARS WE WILL FIND THAT THERE IS A BIG DISJUNCTION BETWEEN THOSE WHO ARE ADMINISTERING THE ACT AND THOSE WHO ARE MAKING THE LAW. THIS PROBLEM MAY ACTUALLY BECOME WORSE AND MORE PROFOUND.

QUESTION AGREED TO.

BILL, AS AMENDED, AGREED TO.

THIRD READING

MR SLIPPER ( Fisher — Parliamentary Secretary to the Minister for Finance and Administration ) (11.43 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

BILL READ A THIRD TIME.

SUPERANNUATION LEGISLATION AMENDMENT BILL 2002

SECOND READING

DEBATE RESUMED FROM 22 OCTOBER, ON MOTION BY MR SLIPPER:

That this bill be now read a second time.

MR COX (KINGSTON) (11.44 a.m.)—I move:

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

(1) ensure that the proposed surcharge tax reduction to high-income earners, the splitting of superannuation contributions and the closure of the public sector funds do not proceed; and

(2) provide for a fairer contributions tax cut that will boost retirement incomes for all superannuation fund members to assist in preparing the nation for the ageing population.

THE DEPUTY SPEAKER (Hon. I.R. Causley)—Is the amendment seconded?

MS MACKLIN—I second the amendment and reserve my right to speak.

THE DEPUTY SPEAKER—The original question was that this bill be now read a second time. To this the honourable member for Kingston has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

QUESTION AGREED TO.

ORIGINAL QUESTION AGREED TO.

BILL READ A SECOND TIME.

MESSAGE FROM THE GOVERNOR-GENERAL RECOMMENDING APPROPRIATION ANNUANCED.

CONSIDERATION IN DETAIL

BILL—BY LEAVE—TAKEN AS A WHOLE.
Mr COX (Kingston) (11.46 a.m.)—I move opposition amendment (1):

(1) Schedule 2, pages 14 (line 1) to 24 (line 28), omit the Schedule.

The purpose of this amendment is to strike out those sections of the Superannuation Legislation Amendment Bill 2002 that provide for the superannuation surcharge to be cut. This is a most iniquitous piece of legislation because it will benefit only about four per cent of taxpayers, all of whom are on relatively high incomes by community standards. When the Treasurer first implemented the superannuation surcharge—ironically, in contravention of a promise made by the government during the previous election campaign that it would not introduce any new taxes—he said that this was a totally equitable measure. Indeed, the superannuation contribution surcharge is an equitable measure. It restricts the amount of superannuation benefits that are available to high-income earners and makes somewhat more equitable the superannuation tax expenditures that provide the incentive for people to invest in superannuation. It is absolutely absurd for the Treasurer to now be cutting the superannuation surcharge and suggesting that this is in any way anything other than an inequitable measure. I commend the amendment to the House.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (11.48 a.m.)—The member for Kingston would expect the government to oppose this amendment and indeed the government do oppose this amendment. As I said in my summing up of the second reading debate, the government places very great importance on its mandate, on its commitment to the Australian people and on delivering election promises in full and on time. I also referred to how peculiar it is that a party which has been a serial offender in breaking election promises now seeks to force the government to do so. The government announced their policy prior to the poll. Prior to the 2001 election, everyone knew that, if the Howard government were returned to office, the measures contained in this bill, the Superannuation Legislation Amendment Bill 2002, with respect to the reduction of the surcharge would indeed be implemented. We are now attempting to keep faith with the Australian people, and our colleagues opposite are endeavouring to force the government to break an election commitment. I consider this to be morally improper, because the government consider that we have an obligation to deliver on our pledges to the Australian people.

The member for Kingston claimed that the surcharge reduction is highly inequitable and benefits only a small proportion of the working population. I want to reassure him that the reduction of the superannuation surcharge is only one of a suite of measures the government is introducing and, while higher income earners will benefit from this particular measure, they will still be paying a higher level of tax and surcharge on their superannuation contributions than will lower income earners. The opposition is quite contemptible in this matter. The opposition is seeking to force the government to break an election promise. The government is determined to deliver on its commitment to the Australian people. I ask at this late stage that the opposition supports the government in keeping faith with the mandate which it was granted when it won the 2001 election.

Mr COX (Kingston) (11.50 a.m.)—I want to take issue with the Parliamentary Secretary to the Minister for Finance and Administration for talking about election promises and for suggesting that it is the opposition’s responsibility to keep the government’s promises. The government made some other promises before the last election which it has clearly not endeavoured to keep in relation to disability support pensioners. The government has introduced legislation to do exactly that—to put iniquitous burdens on that group of people in our community who are least able to look after themselves and who have the fewest alternative options available to them. It is totally bizarre that the government is trying to make savings in the disability support area and at the same time is attempting to give a tax break to people on
very high incomes for their superannuation retirement incomes.

Yesterday we had an absolutely incredible situation where the Treasurer got up in this place and said that he is now proposing to give a tax break to companies to provide share options for the most highly paid executives in this country.

Ms Macklin—We know whose side they are on.

Mr COX—We know who they are looking after—the member for Jagajaga is absolutely right.

Dr Emerson—That is a double benefit for the top end of town: share options and superannuation.

Mr COX—The member for Rankin has spotted the whole direction of the government’s priorities. You look after the people on relatively high incomes in terms of their superannuation contributions and the tax incentives they can get from that. You bring in a co-contribution scheme that is a pretence at looking after people on lower incomes but is actually designed to help those higher middle-income earners split their incomes for superannuation purposes and get another tax benefit. If that is not offensive enough, the Treasurer came in here yesterday and we were incredulous to hear him say that, whereas a couple of months ago the Prime Minister and he were saying that some executive remuneration was obscene and needed to be restrained, now he wants to give it a tax break. He has accepted some fairly dubious arguments that if you are going to disclose the value of share options that are given as part of remuneration packages as an expense in company accounts then, if it is an expense, it has got to be tax deductible. Where does the Treasurer get off?

Dr Emerson—At the big end of town.

Mr COX—The member for Rankin is absolutely right. The Treasurer is looking after the wealthiest people in our community, people on high incomes, people who are at the affluent end of the income spectrum, and he has now brought this very dubious line in relation to share options that are just a transfer from shareholders. In many cases these are going to be shareholders who are on relatively low incomes who have a small amount of money invested in superannuation, and they are going to have the value of some of their shareholdings transferred to executives and directors of the companies that those superannuation funds have invested in. And the Treasurer is now going to give those companies a tax deduction for doing that. It is absolutely absurd and absolutely obscene. People will see through it. There are plenty of items that go into company accounts that are expensed that are not tax deductible. It starts with the small issues like hospitality, yachts and other things that might be given to people as part of their packages but it goes to some quite significant areas of company operations that are not tax deductible. Share options certainly should not be. The Labor Party announced its policy yesterday that it would oppose this. (Time expired)

Dr Emerson (Rankin) (11.55 a.m.)—I want to reinforce the comments that have already been made by the member for Kingston—

The DEPUTY SPEAKER (Mr Hawker)—This is in relation to the amendment?

Dr Emerson—It is in relation to the amendment. The parliamentary secretary said that the Labor Party is preventing the government from keeping its promises, but I remember that the government before the last election gave no indication whatsoever that it was going to propose soon after the election the cutting of the disability support pension—

Mr Slipper—Mr Deputy Speaker, I raise a point of order. I did not interrupt the member for Kingston when he wandered quite widely from the subject matter of the amendment because I think it is important to get the legislation through the parliament. But it does seem as though the member for Rankin is proceeding along the same path, well removed from the particular legislation, and I ask you to ask him to address the measure before the chamber.

The DEPUTY SPEAKER—I am sure the honourable member for Rankin will come to the amendment.
Dr EMERSON—Mr Deputy Speaker, on that very point, I am responding directly to a claim that the parliamentary secretary made, so if he was relevant then I am relevant. The point I am making is that the government did not disclose in its pre-election commitments that it proposed to cut the disability support pension. In fact, in relation to the Pharmaceutical Benefits Scheme, which is being used to fund this arrangement—

The DEPUTY SPEAKER—I would ask the honourable member to come to the amendment.

Dr EMERSON—That scheme is being used to fund this income-splitting proposal. The government said before the last election that the PBS is viable and that no changes were needed. So, in terms of keeping promises, it ought to keep all its promises instead of some.

Who will be the beneficiaries of this arrangement? The beneficiaries will be high-income earners who are then able to split their income and get even more superannuation tax concessions. As the member for Kingston has pointed out, they are the very same people who would benefit from the announcement made yesterday by the Treasurer that, if the international accounting standards said that share options were an expense, they would be deductible for income tax purposes. The fact that an item like share options is expensed does not mean that they should be tax deductible. It does not follow. The entertainment tax saw to that. There are numerous examples—

The DEPUTY SPEAKER—I would ask the honourable member to come back to the amendment.

Dr EMERSON—So it is all a question of the government’s priorities. The reason that we are opposing this is that the big end of town would receive within a couple of months, as a result of the Treasurer’s proposal in the legislation before us, huge extra benefits in respect of superannuation tax concessions, and with the Treasurer’s announcement yesterday they would effectively be the beneficiaries of tax deductibility of share options. It is a measure of the government’s warped priorities that it would use cuts in entitlements for the most marginalised and most vulnerable people in Australia to fund two obscene measures to increase the after-tax remuneration of the highest income earners in Australia, their friends at the big end of town.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (11.59 a.m.)—Despite the red herrings which those opposite have sought to drag across the horizon, the government will not be diverted from its pledge to the Australian people to reduce the superannuation surcharge as we have indicated. I suppose you could say that the new enthusiasm of those opposite is some indication of the post-Cunningham lurch to the Left on the part of the Australian Labor Party. We have had a pretty good debate, but I think those opposite have not read the legislation. They have certainly diverted widely from its contents. The Superannuation Legislation Amendment Bill 2002 is an important bill. The amendment moved by the member for Kingston is entirely inappropriate and would gut the bill. The government rejects it and seeks the support of the House to implement a 2001 election promise.

Question negatived.

Bill agreed to.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.00 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HIGHER EDUCATION LEGISLATION AMENDMENT BILL (No. 3) 2002

Second Reading

Debate resumed from 16 October, on motion by Dr Nelson:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (12.01 p.m.)—The Higher Education Legislation Amendment Bill (No. 3) 2002 is well past its time. Its purpose is to amend the Higher Education Funding Act 1988 to extend the application
of the national protocols for higher education approval processes to Australia’s external territories for which the Commonwealth has responsibility in relation to higher education. The bill will enable the Commonwealth to fulfil its responsibilities in line with similar legislation in the states and territories, consistent with agreements reached between all ministers. When this bill is passed, it will make sure that universities and other providers of higher education in Australia’s external territories will not be able to operate in those territories unless they have been accredited in accordance with the national protocols.

The bill covers a range of areas in relation to the accreditation of higher education providers and courses in external territories. It prevents unaccredited providers in those territories from providing courses that lead to higher education awards. It establishes the Commonwealth minister as the accrediting authority for higher education in external territories. The bill also prevents bodies from describing themselves as universities or university colleges where that is not appropriate. The bill makes it an offence to provide or purport to provide courses leading to a higher education award unless the provider is a self-accrediting institution listed on the Australian Qualifications Framework register or has been approved by the Commonwealth minister to provide courses leading to a higher education award. In exercising this responsibility, the minister is to have regard to the national protocols. The bill also gives the minister the power to revoke accreditation at any time if the institution fails to meet the criteria set out in those national protocols.

The opposition will be supporting the bill, but the bill is a belated attempt to deal with issues raised by the opposition, and particularly by Senator Kim Carr, over the last three years in relation to the government’s prior endorsement and recognition of Greenwich University on Norfolk Island. The opposition remains concerned about the government’s position on the quality of higher education generally, and for this reason I will move the second reading amendment that has been circulated in my name. I move:

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

“ whilst not declining to give the bill a second reading, the House condemns the Government for:

(1) agreeing in December 1998 to the Greenwich University Act passed by the Norfolk Island legislature and subsequently defending the decision and denying that it posed any threat to the reputation of Australian higher education;

(2) its delay in releasing the final report resulting from the April 1999 MCEETYA resolution calling for an investigation into the academic and resource criteria of Greenwich ‘University’;

(3) its delay in acting on the recommendations of the December 2000 Report on the Application by the Norfolk Island Government for the Listing of Greenwich University on the Australian Qualifications Framework Register that “the standard of its courses, quality assurance mechanisms and its academic leadership fail to meet the standards expected of Australian universities’; and

(4) its failure to recognise the urgent need for action to address issues relating to quality in the higher education sector”.

The bill has its origins in the decision by the Norfolk Island legislature in December 1998 to pass the Greenwich University Act 1998. The Commonwealth Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald, subsequently approved this legislation. This action by the government exposed the vulnerability of Australia’s reputation in higher education. It allowed Greenwich to promote itself as a fully accredited Australian university, despite its extremely dubious academic and financial status. The government had due warning of the folly of its actions. The opposition immediately moved to highlight the weaknesses in existing accreditation systems through questions in parliament and in the Senate estimates committee.

State and territory education ministers also raised their concerns. In April 1999, the Ministerial Council on Education, Employment, Training and Youth Affairs, MCEETYA, agreed that the Commonwealth should review the standards of Greenwich University. The council resolved:
... that if the committee established by the Commonwealth advises that Greenwich University does not meet the academic and resource criteria for recognition as a university, the Commonwealth minister will take immediate steps to consult with the Territory of Norfolk Island so that legislative recognition of Greenwich as a university is removed by repeal or appropriate amendment.

The government subsequently appointed the then First Assistant Secretary of the Department of Education, Training and Youth Affairs, Mr Michael Gallagher, to convene the review committee. But these cautionary actions did not deter government members. Senator Tierney, for example, aggressively defended Greenwich’s standards. In relation to Greenwich University—and I quote from the Hansard of 28 June 1999, which goes to show how long the government has sat on its hands—he said:

... an institution which does have, as I will prove yet again tonight ... quite a good reputation overseas with the students who are graduates ... with associated staff of the university, and with those who have been subject to the work of that university.

I will leave it to my colleague Senator Carr to remind Senator Tierney and other government members of their extraordinary enthusiasm for the quality of Greenwich University at that time. No doubt the debate in the Senate will be fiery.

The review committee presented its report to the then minister in December 2000—quite some time ago. The committee recommended that Greenwich University not be listed on the registers of the Australian Qualifications Framework because:

... the standard of its courses, quality assurance mechanisms and its academic leadership fail to meet the standards expected of Australian universities.

In response to later questions at the estimates committee, the committee convener, Michael Gallagher, gave the following evidence about the quality of higher education at Greenwich University:

The review committee found that Greenwich University bears no relation to what we generally expect of a university on the Australian mainland. It operates well below acceptable standards, even for bachelor degree awards, and it purports to award master’s and doctorate degrees.

And this is really the sting in the tail from Michael Gallagher:

The quality of students’ work and the standards of scholarship reflected in course design and course materials were not of an acceptable standard.

He went on to say:

We would expect that it would take some time for Greenwich University to rectify these deficiencies seriously ...

... ... ...

It clearly has a long way to go before it reaches anywhere near university standards ... From what we saw in the review process, much of what it is accepting at doctoral standard would not pass muster at high school.

So much for standards from this government—and still the government refused to act. In the meantime, in March 2000, MCEETYA moved to prevent similar problems arising in the states and territories, through agreement to the national protocols for higher education approval processes. These protocols established agreed principles and criteria for the accreditation of higher education institutions, including private and non-university providers. That was in March 2000; it is now the end of October 2002, and finally this government introduces a bill. Ministers also agreed that legislation would be introduced in all jurisdictions to ensure compliance with the national protocols. This bill at last meets the Commonwealth’s obligations under the agreement in relation to its responsibilities for external territories. It is only now, in October 2002, that this government has finally accepted its responsibilities for the quality of higher education institutions that are its responsibility.

The minister’s second reading speech ‘notes’ that the operation of the Greenwich University Act 1998 (Norfolk Island) is overridden by this legislation. According to the minister, the government’s view is: Greenwich will no longer be able to trade as a university, or offer higher education awards, until it meets the requirements of the national protocols; Greenwich was assessed in December 2000 as not meeting the standards expected of an Australian university; and the continued operation of Greenwich
with this history has the capacity to damage Australia’s reputation as a high-quality higher education system. Sound familiar? Exactly the same positions were taken by the opposition more than three years ago.

The second reading amendment I have moved reminds the government of its unfortunate history in this case. But the opposition are more concerned that the government’s procrastination on this issue is symptomatic of its complacent attitude to quality in higher education more generally. Certainly the government’s Crossroads review of higher education is quiet when it gets down to what it might do about quality. Its discussion paper in this area, ‘Striving for quality’, said little about possible directions in quality standards. The paper floated some ideas about the accreditation of university teachers and the establishment of a graduate skills assessment for entry to and exit from higher education. But the Australian Vice-Chancellors Committee quickly dismissed these ideas and they have not resurfaced. Was the minister really serious about them anyway? Australia’s higher education system and reputation deserve more than this token effort on quality. We need serious leadership in making more explicit the standards of teaching, learning and research that guarantee their quality across all institutions. This is particularly needed for the growing number of private, non-university providers of higher education in this country. The national protocols will certainly assist in this regard, but more needs to be done to make clear what quality standards mean across all areas of higher learning.

The Australian Universities Quality Agency has not had time to demonstrate how effective it will be in reporting on the quality of higher education in Australia. Its terms of reference, however, are limiting in that they do not allow for judgments against explicit quality standards. Instead, the agency is required to audit the relative standards and quality assurance processes of each institution. There is no question this is a valuable function, but the government needs to do much more to provide more objective and externally driven quality standards.

The government unfortunately appears to think that quality can be addressed in higher education in a resources vacuum. Its treatment of quality issues in the Crossroads review is perfunctory and put forward as a distraction from the disastrous effects of its cuts in Commonwealth grants to universities since 1996. These cuts are now amounting to around $1 billion per year, using more realistic indexes of the real increases in wages and salaries and other costs in the higher education sector than the government uses. How can quality be maintained in the face of real reductions of this magnitude? Where is the analysis in the Crossroads review of this vital issue for higher education in Australia? Unfortunately, there are no answers from the minister to these critical questions, only calls for increased and deregulated contributions from some students. Of course, quality is about more than just resources, though resources are absolutely critical. It also requires an understanding of what makes up valued learning, teaching, scholarships and research.

Just today in the higher education supplement in the Australian, we see that a report from the Australian National University says more than half of the academics in Australian universities believe that the standard of graduates has declined. Also, almost half believe that the quality of entrants to universities has fallen. The findings of this survey on quality standards in Australia’s universities are apparently found in a report by academics from the Australian National University, which was commissioned by the minister’s department. You would think a report like this would be an important contribution to the government’s review of higher education. Unfortunately, going by today’s Australian, the department refuses to release the report. What an indictment yet again on the transparency of the government’s review process. If they intended to do something about quality, they would be releasing this report.

This issue also requires an understanding of the interdependence of quality and equity in education rather than the dichotomous view of them that is apparent in the government’s review papers. Labor does not agree
that equity can be achieved only at the expense of quality or vice versa. All students with ability should have access to quality learning; not just those who are from educationally advantaged backgrounds. Instead, we get as part of this higher education review comments from the minister that would lead us to think that he prefers to think in terms of stratified groupings of institutions and people. He has referred to what he calls ‘equity universities’ as if they were somehow different from ‘quality universities’. He appears to think that different universities are appropriate for particular groups of students.

The sandstone universities, to his way of thinking, would be primarily for students from particular suburbs and from academically selective schools. That seems to be the minister’s view. The approach he follows from that is, ‘We will have a few token scholarships, just enough to meet any equity obligations or targets for those wealthier universities.’ In the meantime, under this view, students from the poorer suburbs—from the western and northern suburbs in Melbourne, for example—or from rural or isolated areas will have different universities. They will have separate sorts of ‘equity universities’—that is, unless they can afford the increased fees and HECS charges that are almost certain to come out of the higher education review. We understand the minister is very keen to allow the universities to impose those under a deregulated system. We do not agree with this approach. We think policies that foster quality and equity across the board are possible, and they are the policies we will be pursuing. You can do that by fostering diversity through offering different types of courses, but not at the expense of equity or quality in any of those courses.

One of the major steps in the history of education in this country was the decision in the late 1980s to turn the former colleges of advanced education into universities. The policies being promoted by this minister mean the universities are in danger of being turned back into colleges of advanced education. Public responsibility for quality in higher education in Australia is complicated by the federal system of government. The Commonwealth government virtually has full responsibility for the public funding of universities, though we know that public funding continues to go down as a proportion of university income. States and territories have responsibility for the quality of higher education through their legislation for self-accrediting institutions and accreditation of non-university providers.

The minister recently attempted to obtain national collaboration on this vital issue. I have to say it was spectacularly unsuccessful. There was a much-vaunted special meeting of MCEETYA held in Ballarat, in Victoria, which seemed to end in a flurry of media releases and insults. The federal minister treated state and territory ministers with contempt by refusing to provide any meaningful information on the policy directions arising from the Commonwealth’s review. Instead, the minister threatened—and I heard him on the radio on the morning of that MCEETYA meeting, and I gather the ministers had not had any prior warning of this either—to redistribute public funding from some states to others on the grounds of demographic change. That was a crude attempt at the last minute to divide and rule, but it failed miserably as well. The minister also made an extraordinary attempt to distract attention from the government’s real agenda by raising specious arguments about state and territory collections of payroll tax from universities. In doing so, he displayed his ignorance of Commonwealth-state arrangements that go right back to 1974 and of agreements on the funding of higher education.

The minister’s actions were another attempt to shift the responsibility for funding of higher education onto someone else. We know he is very keen to push it as hard as possible onto students. There has been an 85 per cent increase in the contributions from students since this government was elected, but the latest attempt was pushing the responsibility back onto the states. The argument seems to be: anybody but the Commonwealth. There is no question that we need a much more mature approach to strategy to enhance the quality of the provision of higher education in Australia. We do not need bumbling attempts by the government
to blame someone else. We certainly do not want the extraordinary delay we have seen in the introduction of this legislation. Our higher education system is far too important for that. Let us see this bill go through as quickly as possible—as it has taken so long to get here—and let us make sure also that we get the investment in our universities that is so desperately needed.

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

Dr Emerson—I second the amendment.

Mr JOHNSON (Ryan) (12.22 p.m.)—It is my great pleasure and delight to speak in the parliament on the Higher Education Legislation Amendment Bill (No. 3) 2002. I am delighted to speak after the member for Jagajaga because she acknowledged the great work that the Department of Education, Science and Training is doing in the higher education sector and indeed the great work the Minister for Education, Science and Training, the member for Bradfield, Dr Nelson, is doing. I am delighted to know that the member for Jagajaga acknowledges that he is one of the most dedicated, most professional and consultative ministers in the parliament. As my colleagues would be aware, the coalition government is committed to ensuring and delivering high-quality education, not only to students from overseas but also to Australian students. Australia’s reputation for excellence in education is beyond question so it is important that we protect not only higher education but education at all levels in our community. The Howard government has made it a priority to focus on increasing the standards in education. Australia’s education standards now rank among the best in the world, Australian qualifications are widely recognised internationally and this is a destination to which students from all over the world come to participate in our quality education.

Not surprisingly, it is a growing export industry for Australia, and therefore it is very important that our government plays its part in protecting the reputation of all the institutions in this country. The Australian education and training industry now brings more than $4 billion to our economy every year. It is one of Australia’s most valuable export industries, generating more earnings than wool and almost as much as wheat. In order to ensure that the quality of our higher education sector is strengthened and that the reputation of Australian education and training is protected, the government is introducing the Higher Education Legislation Amendment Bill (No. 3) 2002 to ensure that institutions establishing themselves, not only on the mainland but also in our territories, meet the required protocols and standards set by the government. This bill amends the Higher Education Funding Act 1998 to extend the national protocols for higher education approval processes to Australia’s external territories on the same basis as they apply to the states of the mainland. The protocols which were agreed by the mainland states and territories in 2000 were designed to ensure consistent criteria and standards across Australia in the field of higher education accreditation. These national arrangements for accreditation give confidence to students, parents, employers and governments throughout the country that the quality of Australian higher education is assured.

It is very important to acknowledge the arrangements being applied throughout Australia by the states and the territories, and now by the Commonwealth, to ensure consistent quality assurance criteria and standards across the country. Under the proposals in this bill, external territories may no longer establish universities or authorise bodies to deliver higher education awards unless they adhere to the national protocols. Applicants in an external territory must apply in writing to the Commonwealth Minister for Education, Science and Training for authorisation to operate as a university or other self-funded accrediting higher education institution. Applicants in an external territory must apply in writing to the Commonwealth Minister for Education, Science and Training for authorisation to operate as a university or other self-funded accrediting higher education institution. Applicants in an external territory must also apply to the minister for permission to use the title of a university in a business or in a company name. To not accept these measures in this bill and not allow this bill to go through would be a travesty. It would potentially damage Australia’s reputation as a high-quality, highly respected destination for our students. Therefore it is important that the parliament passes this bill and gives it its full endorsement.
The Howard government is committed to ensuring the highest possible quality of education, and this bill provides for that. It provides for the most comprehensive approach to quality assurance in external territories that we have ever seen. Under the stewardship of the education minister, Dr Nelson, the Howard government recognises the benefits of stronger international engagement by universities around the world. Engagement by higher education institutions in international education can only benefit this country; it can only benefit Australia by improving standards. It can further benefit Australia through building international cooperation and understanding, and it can assist Australia by increasing export income and developing longer term trade and contacts internationally with senior people around the world. It is one of this government’s priorities to protect the interests of students and to protect the integrity of the Australian education and training industry. I will quote from the minister’s second reading speech, which I think was highly appropriate. As I said earlier, I was delighted to hear that the member for Jagajaga was also very supportive of the Howard government’s position on this bill. The minister said:

It is important to note that the operation of the Greenwich University Act 1998 (Norfolk Island) will be overridden by this bill. Under the bill, Greenwich will no longer be able to trade as a university or to offer higher education awards until and if it makes an application demonstrating that it meets the requirements set out in the national protocols. Members may recall that Greenwich University was assessed by a Commonwealth review panel in December 2000 as not meeting the standards expected of an Australian university. Its continued operation with this history has the capacity—indeed, substantial capacity—to damage Australia’s reputation as a high-quality, quality-assured higher education system.

As the education minister has pointed out and as all members of the coalition would acknowledge, it is important that this government plays its part in protecting high standards for all those who would be education providers. I am delighted that the opposition spokesperson for education, the member for Jagajaga, is in complete agreement with the coalition government on this point. It is about time that the opposition came up with some policies. It has been a policy-free zone of late. Indeed, it has been a policy-free zone since 1996, and the Cunningham by-election was a pointer to that. The member for Jagajaga said that the opposition will be looking at introducing some policy on education. If the words of the opposition spokesperson on education have any merit, they might start looking at developing a policy. I am sure that my colleague and friend the minister for education is also looking forward with anticipation to some of the policies that the opposition shadow spokesperson will be bringing to this parliament.

As I said, this bill is all about standards. It is all about saying to education providers that this government will not tolerate any education providers that do not meet the protocols, that do not meet the standards of our legislation and that do not provide the finest quality education that this country has to offer. We are operating in a very competitive international climate—indeed, we are operating in a very competitive national climate—so it is critical that education providers have high standards. Whilst I am on standards, I am privileged to be able to say that one of the most distinguished universities in the country is in my electorate of Ryan—the University of Queensland. The university has a great tradition and a great history. Some 31,000 students enrolled there in 2002. The university goes back to 1910. It welcomes students from around the world who come to its doors to study and to make friendships that are everlasting. The University of Queensland attracts high-achieving students from some 80 countries, something that I know all members of this parliament would agree is very important. Students recognise the high standards and quality endorsed by this institution. From my movements in the electorate of Ryan and on campus at the University of Queensland, I also know that the students recognise that this government is committed to ensuring that standards and safety are high on its agenda.

With more than 400 programs and 5,000 courses, students from around the world have the flexibility to choose a course of study that suits their career path. Students come to this country because this country and its
government are ever vigilant about standards and the programs that Australian universities offer. The University of Queensland is one higher education institution that recognises and understands the special requirements of international students. The University of Queensland is a leader amongst Australia's 38 universities and is recognised internationally as a premier research institution. It is one of only three Australian members of the elite Universitas 21, a global alliance of 20 universities committed to quality enhancement through international benchmarking.

The University of Queensland is also a member of the Group of Eight, a coalition of Australia's leading universities with membership comprising the vice-chancellors of Adelaide University, the Australian National University, the University of Melbourne, Monash University, the University of New South Wales, the University of Sydney, the University of Western Australia and, of course, the University of Queensland at St Lucia. It is important that high standards are maintained. The University of Queensland, as a member of the Group of Eight, is very committed to ensuring that high standards are protected, and that is very consistent with what this amendment bill seeks to do.

I want to take this opportunity to congratulate the University of Queensland and its vice-chancellor, Professor John Hay, for the critical part they play in ensuring that high standards are preserved in the education sector in this country. Those high standards can be seen in the 2003 Australian Research Council grants that were awarded. The University of Queensland has been awarded some $28 million for 114 projects. The University of Queensland researchers are breaking new ground in a broad and exciting range of fields. The projects funded in 2003 have the potential to provide significant social, environmental and economic benefits for all Australians, and that is what this government is encouraging all universities to do.

I will take this opportunity to mention some of the grants won by the distinguished academics at the University of Queensland—some $19,761,000 for 81 discovery projects; almost $6 million for 26 linkage projects; and some $2.2 million for seven linkage infrastructure, equipment and facilities projects. This government is providing funds and resources to institutions throughout the country to give them the incentive, the resources, the scope and the flexibility to show that they have what it takes to compete with the best in the world. The five-year development grant and health research partnership grants have been approved through the National Health and Medical Research Council. I would like to congratulate the following researchers from the University of Queensland who will head the research projects: Professor Kavanagh; Professor John Hancock, from the Medical School; Professor Michael Humphreys; Professor Ian Findley; and Professor Pettigrew. Their research will lead to new preventative measures, new treatments and cures and to an evidence based health system. I know that all members of this parliament will be very supportive of the work that those minds, not only at the University of Queensland but, indeed, at universities throughout our nation, will be working towards. They are the intellectual capital of this country, and it is very important that the work they do is acknowledged and that this parliament pays tribute to them.

This amendment bill is important to this government. It is important for the signals that it sends out, and I certainly commend it. I take this opportunity to congratulate the Minister for Education, Science and Training and the government for recognising the need for, and for implementing high standards in, a legislative framework. If the opposition can support it—and I know the opposition spokesman has indicated that the opposition will—it will be a wonderful signal that education is a bipartisan area for this parliament to focus on. If we can come together and realise that we are working for the community and for all those who will benefit from education in this country, it will be a wonderful signal to our fellow Australians that we are working in their interest and not in self-interest. I want to again stress very strongly that the Howard government is committed to education throughout the country.

I will conclude by referring to an award ceremony that I attended prior to coming into the chamber where I had the great privilege
to congratulate a student from Corinda State High School, in my electorate of Ryan, who participated in the Discovering Democracy essay competition. Angela Roberts is the young student from Corinda State High School who was commended for her essay on democracy and citizenship. She put together a very moving and mature essay, and she was presented and acknowledged for her essay at the award ceremony. In her essay, Angela talked about what was important to her as a young student, as someone whose future is all ahead of her. She talked about the importance of our Constitution, about the importance of education and about the values that we in this parliament represent and send out into the community. She also talked about how important education is to understanding democracy and that, once this has been achieved, all people throughout the land can protect democracy.

We should not take democracy for granted. Democracy is very fragile. It is important that all members of this parliament do their bit—not only senior members, like the education minister, who very kindly gave his time to participate and to congratulate Angela Roberts from Corinda State High School. We know that this country is in good hands when there are young people throughout our lands and in our schools, from coast to coast, who are active citizens, who take time to think and to contribute to the body politic in their own small way, and who make contributions through participating in programs like the Discovering Democracy essay competition. I will conclude on that note. Once again, I congratulate young Angela Roberts and wish her well in the educational years that she has ahead. She will be pleased to know, I am sure, that her tertiary education days will be in good hands, because the Howard government and the current education minister will be ensuring that in the years ahead she will enjoy the benefits of the policies that this government is putting together now.

Mr HATTON (Blaxland) (12.38 p.m.)—I appreciate the eagerness with which the member for Ryan approached the debate on the Higher Education Legislation Amendment Bill (No. 3) 2002—his eagerness to defend the government and his eagerness to give us a bit of a run-down on the University of Queensland, in his electorate, and the student that he was talking about. I also appreciate the eagerness with which he verballed the member for Jagajaga, and gave a slight summary of her speech. He basically said that she agreed with a whole range of things that she demonstrably does not agree with. She is demonstrably not in support of the way in which the Minister for Education, Science and Training and the government attempt to run the education system within this country, and she is demonstrably not in support of most of the things the minister said in regard to this. It would have been better and wiser for the member for Ryan to have taken the initial approach to this piece of legislation and sidestepped it, because most of the arguments that he put in regard to policy, and most of the arguments that he put in regard to what an appropriate government response should be, go to the question of the opposition taking charge of this issue in April of 1999.

The opposition and the ministerial council involved took charge of it and brought this government to heel for its recognition of Greenwich University and for its support, within this very parliament, of Greenwich University. I fully remember, in question time after question time, the former minister Dr Kemp utterly endorsing the operation of Greenwich University, telling us that it was a wonderful thing to have a new university open up in Australia’s territories. He said that it would of course provide services to Australians that were equal to, just as great as or fundamentally as good as what was being provided elsewhere, and that this was an extension of our capacity and so on. The minister for propaganda is well practised. The lines that he ran in this regard, though, were as ill-conceived and unfounded as any he has sought to put in this parliament.

Indeed, the ministerial council which looked at this in April of 1999 concluded absolutely that the recognition of Greenwich University by the legislature of Norfolk Island should never have happened in the first place. Anyone with a regard to the history of that so-called university and the organisation
which emanated out of the United States in, I
think, 1972 which was the basis for that so-
called university and anyone with a slight
regard for educational standards would have
simply said no in the first instance. That was
certainly the case when the Victorian gov-
ernment were approached about Greenwich
University establishing. In 1993 the univer-
sity approached the Victorian government.
The Victorian government indefatigably said
no. They said, 'We're not doing it; we're not
accepting it. You just simply don't pass
muster.' Indeed, the person who actually led
the ministerial council in April of 1999, Mr
Michael Gallagher, when he was questioned
by Labor senators as recently as 7 June 2001,
said:

Frankly, from what we saw in the review process,
much of what it—
that is, Greenwich University—
is accepting at doctoral standard would not pass
muster at high school.

Doctoral standard versus high school is a
pretty strong condemnation. No greater or
stronger condemnation, I would think, could
you have. The Parliamentary Secretary to the
Minister for the Environment and Heritage,
Dr Stone, who is at the table, would recog-
nise—given the quality of Australia's repu-
tation in the doctoral area—not only the
amount of work that one has to put into a
bachelor's degree or a master's degree but
also the enormous effort, intellectual expen-
diture, creativity and innovation that are re-
quired to put oneself up for consideration as
a PhD candidate and then to win through. It
is no use having that badge from an Aus-
tralian university—as the minister at the table
does—if that is to be maligned, tarnished or
shredded because this government allowed
Greenwich University to exist when they
knew full well, in April of 1999, that it
should be disbanded.

In fact, this bill will not pick this place
apart brick by brick by palm tree by palm
tree. It will still allow it to exist; it will still
allow it to operate. It will still allow it to take
people in through its portals and purport to
give them some kind of education. I would
be very interested if the minister, when he
replies to this, would give us some indication
of what the government’s intentions are in
regard to this, given that the government
have taken no action since April of 1999.
And how long is that? More than three years.
That is a full government term. We are going
close to four years, aren’t we? It was De-
cember of 1998 when the Norfolk Island
college of university established by allowing it to
open. Pretty quickly, the ministerial council
got into it and knocked this place over. It is
certainly four years since it got the tick from
Norfolk Island. It has taken that long for this
tardy government to get around to knocking
this place over. But what they will not do by
the operation of this bill is pull it to pieces.

I imagine there are still students at this so-
called university, this pretend university, this
university which is damaging the very nature
and fabric of Australian education as a whole
and our reputation worldwide. This bill sim-
ply says that it is being knocked over in
terms of recognition. But, as they said in
1999, if Greenwich front up and indicate that
they can in fact meet the standards met by all
other Australian educational institutions,
they might be able to get a guernsey. Al-
though the minister warns people in his sec-
ond reading speech that they need to be care-
ful about what they are doing, it does not
mean that there is an explicit warning that
people should actually run like crazy from
any association with this place at all. It gives
no indication of just where they stand. It
gives them an indication that the government
is not real happy that they and other places
might be coming up with some dodgy di-
plomas, certificates and purported degrees,
but not that they will have no standing what-
soever. Although there was a government
committee and a ministerial council saying a
few things about this place, the formal rec-
novation of this place was given in December
1998 by the Territory of Norfolk Island. This
government, after dragging its feet and being
pulled by the opposition towards finally ac-
tually doing something about this—as we
clobbered them year after year and as the
former minister stoutly defended an indefen-
sible institution—has reached this point now,
but where is the consideration for the stu-
dents who have been dudged by the people
who have run this joint? Where is the con-
sideration for the people who have lost a
year or two or more out of their lives and will come out of the place with a piece of paper that will mean nothing not only in Australia but elsewhere? It would be interesting for the minister to specifically address that.

I must say that I enjoyed the minister’s second reading speech. The first part—you have got to give it to him—was fairly bland. The advisers did a great job here. How was he to deal with the situation? We know that this minister has a bit of a problem, because he has been here for a little while and he has to front up to the fact that it has taken them nearly four years to do something about this. We hoped that, while he was on the back-bench, he was not listening too closely when the former minister, Dr Kemp, stoutly defended this joint. Knowing that they should be utterly condemned—not the advisers or departmental people, because they have been trying everything they can to get the government to actually get up to the wire to knock this place over—how did he deal with that?

The first paragraph of his speech is just wonderful stuff; it is as blandly put together as possible, because the minister is in a delicate situation. He has had to introduce this very welcome piece of legislation, the gestation of which is, I think, pretty close to twice that of an African elephant—and that is almost a world record. In putting this forward, he had to be a bit careful about how he did it. But there is a bit of joy and a bit of wonder in the way the minister has done this, because he has put the boot into Dr Kemp. He has slipped the dagger in up under the shoulder blades and turned it as he has gone! Actually, the member for Ryan alluded to this—this is some lovely stuff in a second reading speech. Here is the new minister coming in, trying to demonstrate that he has got what the previous minister did not have. This is a ‘foreman material’ piece of work. In the third paragraph it says:

The bill expresses the government’s commitment to a quality assurance system for higher education in Australia that is comprehensive in its coverage.

Almost four years too late! What quality assurance have we had in Australian higher education for all of that period of time? It is a period of time that encompassed a number of people I know formally getting their doctorates: one who recently left the place and some other people around the place got their doctorates from proper Australian universities in the interim. It goes on:

Indeed, it would be irresponsible not to take the measures that this bill outlines.

That is very interesting to hear from the minister. Yes, I utterly agree with the minister here: it would be irresponsible not to undertake these measures that the bill outlines. But I tell you what: it was irresponsible of the former minister for education in this place, Dr Kemp, not to take the measures nearly four years ago. It was irresponsible of him to underline, to support and to give gravity to Greenwich University. So the new minister, in slipping the stiletto in between his ribs, gives a bit of a turn about the irresponsibility of the former minister. It reminds me of the sort of thing the Treasurer does almost every day to the Prime Minister: ‘You were a pretty rotten Treasurer. You had double-digit unemployment and interest rates, and you did worse in everything else. I’m a great Treasurer.’ So it will be interesting to actually watch this minister as different bills come forward and as the detritus of Dr Kemp’s period is dredged up to see how he turns the knife in those different pieces of legislation that come forward. He continues:

To leave the status quo in place could allow our external territories to become a haven for unauthorised and substandard operators wishing to avoid quality assurance processes.

Boom, boom. What has Dr Kemp done since April 1999? He has allowed the status quo to stay in place, he has allowed Norfolk Island to become a haven for unauthorised and substandard operators and he has allowed our quality assurance processes to be completely ripped to pieces. He goes on to refer to a few press reports about dodgy higher education outfits who:

... trade through companies registered on offshore islands where no accreditation arrangements exist.

He then refers to the question of fake degrees and so on.
We cannot control the Internet totally. We cannot control the virtual education institutions which would proffer these kinds of things, but we do have responsibility for Australia’s offshore islands, we do have a direct responsibility in this Commonwealth parliament for our territories, and it is about time this government finally closed up this loophole and demanded that this place be finished. What does it do? This is a bit of excision that I actually agree with totally. This legislation is excising Greenwich University as an Australian university. We need to not only say that the gate is partly closed but also pull it apart bit by bit so that people do not enrol and end up wasting their lives because they have paid money and come out with nothing. It is a dodgy institution and some work should be done to knock it right over. Warning the institution but not actually closing the place down is another instance of the government’s timorousness when it comes to actually taking action. It is fearful of the fact that it might go a bit too far in what it is doing.

We have a fundamental series of problems with regard to the recognition of the quality of Australian education. The former minister spent almost his entire time as minister propagandising in this House about literacy and numeracy. That is what we got day after day. It is such an important problem, but the government took only some tiny measures towards addressing the fundamental literacy problems in this country. In being so utterly preoccupied with that, the eye was never on the ball in terms of the quality assurance matters that needed to be addressed—even when they were presented directly to the minister day after day on the floor of this parliament.

Australia has really big problems in terms of educational quality. It is a generational thing. It goes back more than 20 years. I have spoken of it before in this House. We need to retrain a lot of our teachers to give them the level of literacy skills they should have so that they can then pass those skills on to their students. This government needs to contemplate spending a lot of money and putting a lot of developmental work into the professional training and development of teachers in the area of literacy in Australia. Because of its passing fashion, this area was greatly hurt, to the detriment of the country and also to the detriment of our higher education system. If you go to almost any first-year university teacher in Australia and ask them what their greatest problem is, they will say: ‘If you look at the comparatives, if you go back to the 1970s and even the early 1980s and compare that tranche of students with their current cohorts, you find that their fundamental ability to handle the English language is not as great. We have to spend an enormous amount of time on fundamental essay-writing skills, on basic English grammar and on addressing problems with usage.’

These things imperil the quality of our education. In my days in teaching there was always a question mark about economics teachers and geography teachers and how literate they were. There was a stronger question, of course, when you got to the mathematics and science teachers. There was a problem. There was a crisis in secondary school education when English across the curriculum came in and there was a demand for teachers across the curriculum to have some literacy skills and to be teaching those skills within their subjects.

That level of perceived problem and perceived crisis has grown over time. The base ability to handle simple English and to have that taught well has been compromised because of what has happened over a long period of time. It would cost millions or tens of millions of dollars in government program spending to truly address and redress the problems in that area. I think it would be money well spent. A real quality assurance program that went to the core of our reputation, the core of our efficiency and the core of the quality of our university education in this area would be a giant step towards putting Australia back at the top of the educational ladder worldwide rather than being at the level we have sunk to in the last number of years. This is particularly the case since 1996, since this lot came in, since they cut the legs off funding to higher education and university institutions and since they not only attempted to withdraw funds and resources from the universities and tell them to
do more with less but also withdrew from what was an active Labor government program of participation and regeneration of our university, higher education, TAFE and schooling sectors. They withdrew from that to a sideline spectator based approach to this saying: ‘You get on. You do it more. You raise more money and so on.’ This bill should have happened as soon after April 1999 as possible. This government should be—and is being, by me—utterly condemned for its tardiness in dealing with this problem. (Time expired)

Mr SIBERBOTTOM (Braddon) (12.58 p.m.)—The Higher Education Legislation Amendment Bill (No. 3) 2002 fundamentally corrects a monumental blunder—not just an initial blunder but a problem that was there to be seen—and it took something like four years before anything of substance was done to deal with it. That of course has implications. In his second reading speech the Minister for Education, Science and Training referred to the potential for unaccredited providers to issue certificates and offer courses without official accreditation or official authority. That besmirches Australia’s reputation for providing quality education. It is something that is potentially threatening, and we have to deal with it. That is what the legislation seeks to do.

Contrary to some of the comments made by the member for Ryan earlier, the opposition has acted responsibly throughout the process—right through the tardy little affair that began, way back when, with the Greenwich University Act on Norfolk Island. The opposition has pointed out, as is its responsibility, that this should not have occurred in the first place and that something should be done about it. The problem is that we have had a couple of ministers in areas such as regional services, territories and local government—and the former education minister—who were asleep at the wheel. They were not doing their job; they were not helping Australians and others wanting to do higher education courses in Australia or the territories associated with Australia. They were not guaranteeing that courses were quality assured and authorised.

It really beggars belief that people would come in here and point the finger at the Labor Party and carry on about it being a policy-free zone and whatever else. It is quite irresponsible. We pointed this out some time ago at Senate estimates and through repeated questioning of the former education minister, Dr Kemp, in this House. I remember sitting here listening to him trying to deny that there was an issue with this, when indeed there was an issue. The legislation, sensibly, is going to deal with that, and we are going to support it. But we also have the right as an opposition to point out that the warning signs were quite clear early in the piece and we tried to do something about that. I think it is only fair that it should be on the record that this was the case.

However, let us get to the nub of the matter and ensure that the legislation does what it is intended to do. I did notice an article today in the Australian under the rather catchy headline—of course you do not expect anything else in a headline—’Mean-time, Greenwich in trouble’.

A spokesman for Dr Nelson rejected claims by Norfolk Island chief minister Geoffrey Gardner that Greenwich might have compensation claims because it had faced no objections from the federal Government for more than a year leading up to the act …

I would be interested in the minister elaborating a little bit more on that to assure us that the Commonwealth will not be liable for any compensation claims because it was asleep at the wheel when this whole debacle occurred.

The bill had its origins in the December 1998 decision of the Norfolk Island legislature to pass the Greenwich University Act. The act was subsequently approved by the then Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. The establishment of Greenwich University exposed the vulnerability of Australia’s educational reputation and the lack of consistent criteria, standards and processes for the establishment of Australian universities and other accredited higher education
providers. In other words, it was not the same as what we required of universities and accredited institutions in Australia. The passage of the act and the subsequent approval by Senator Macdonald allowed Greenwich to promote itself as a fully accredited Australian university, despite its extremely dubious academic and financial status.

Labor moved to highlight the loophole in the existing accreditation regimes with questions asked in Senate estimates only two months after the act was passed in December 1998. In response, in April 1999 the Ministerial Council on Education, Employment, Training and Youth Affairs passed a motion calling on the Commonwealth to establish a review of Greenwich University, and it did. The review committee was convened by Michael Gallagher, who was then First Assistant Secretary of the Higher Education Division of DETYA. The committee’s report, which is better known as the Gallagher report, was finally released by Minister Kemp in December 2000. That was after it was brought to the attention of the government in April 1999.

The committee made a number of recommendations, one of which was that the Greenwich University not be listed on the registers of the Australian Qualifications Framework because the standard of its courses, quality assurance mechanisms and academic leadership failed to meet the standards expected of Australian universities. In March 2000, MCEETYA moved to prevent similar problems arising in the future through agreement to the national protocols for higher education approval processes. The national protocols established agreed processes and criteria for both self-accrediting higher education institutions and non-self-accrediting institutions able to confer higher education awards. It was agreed that legislation would be introduced in all jurisdictions to ensure compliance with the national protocols—all well and good, but late.

The impact of the bill is limited in its applications to external territories. As I mentioned, the bill is necessary as a result of the failure of these jurisdictions to comply with national protocols agreed to and enacted by the states and internal territories. The bill makes it an offence to provide or purport to provide courses leading to a higher education award unless the provider is a self-accrediting provider listed on the Australian Qualifications Framework register or unless it is approved by the Commonwealth minister to provide courses leading to a higher education award. In the absence of an accreditation regime in the external territories that is consistent with the national protocols, the bill empowers the Commonwealth minister to accredit providers in these jurisdictions. The bill also gives the minister the power to revoke accreditation at any time if the institution fails to meet the criteria set out in the national protocols or if more stringent criteria agreed in any revision of the national protocols are not met.

The bill goes further than the legislation which is in force in the states, in that it makes it an offence to identify an operation or purported education provider using the words ‘university’, ‘university college’ or any like words without the authorisation of the minister. In other words, we have control of quality assurance through the parliament, through the minister. It is very important that anyone who does a course associated with an Australian educational institution can be guaranteed that they are getting a quality product which has gone through a quality assurance program. I laud that, and I do acknowledge that it is important that this be carried out, but I think the minister would also acknowledge, when looking at any time line of how this came about, that this was very tardy and took too long. But at least the legislation will deal with that as intended.

As the Minister for Education, Science and Training is in the House, I will again raise the question about the allegation by Norfolk Island Chief Minister Geoffrey Gardner that there may be cases for compensation because the Commonwealth did not act on this earlier. I would be interested in your advice on that, Minister, for the information of the House, because it could affect Commonwealth expenditures and may possibly make us liable—I hope not.

Minister, I am at a loss to understand the comments you made earlier in the month about Tasmania and the possibility of cutting
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university places in the University of Tasmania by 20 per cent—in fact, I was aghast. I know you appreciate the importance of the Tasmanian university—as you do other universities throughout Australia—but it has a very special role because it is the only university that students in Tasmania have access to, apart from Internet and online courses through other institutions. I heard at the end of a news bulletin that you were claiming that the 20 per cent cuts in university places in Tasmania would occur, and you then quickly turned around and said that it was not you, that it was the other state ministers who were prepared to see Tasmania get a 20 per cent cut. Then, a couple of days later, you gave an assurance to the Tasmanian Minister for Education, Paula Wriedt, that no cuts would occur—that you would guarantee that no cuts would occur. I could not understand why we would have the confusion in public and why someone who takes education as seriously as you do would allow this game playing to occur in public. But of course then we got these assurances that it was not going to happen.

What I found interesting about this is that the Tasmanian government, the Tasmanian university, many members of the friends of the university and members of the public in Tasmania made a submission to the Senate inquiry on higher education on 23 May 2001 and clearly indicated the indices and the evidence required in Tasmania not to maintain the university places we already had but to in fact increase them by 1,000 places. I saw that very argument repeated again in Minister Wriedt's response to your rather confusing statements in the media. I hope that is all it was—that there was a confusion there. Unfortunately, that confusion was not helped by Senator Abetz's quick seizure to get onto your rising star status in the party—no doubt he sees you in a very more senior role in the future; Senator Abetz can spot one from a distance. He immediately got on the radio and said, 'Of course what the minister said was right. Tasmania's population is declining and its retention rates aren't too good. Of course we have to drop the places by 20 per cent—what do you expect? I'm only a Tasmanian Liberal senator and I am not prepared to stand up for Tasmania in any instance when it involves this government cutting expenditure to the state.' He did that on 11 October, but that was not the only time he did it. I noticed that on 23 May 2001, in the Tasmanian Examiner, under an editorial opinion headed 'Uni not getting fair share of funds', there was Senator Abetz abusing the then Vice-Chancellor of the University of Tasmania, Professor McNicol, for putting his case for further places for the Tasmanian university—and Senator Abetz has not changed his spots since. I was absolutely aghast, but then again I suppose I should not be surprised.

While the minister is in the House, and in the spirit of being able to discuss higher education issues—and he knows that I am very interested in those issues and he does give me a fair hearing—I would like to take the opportunity to reiterate the case for the Tasmanian university. Tasmania has 2.42 per cent of the national 15- to 64-year-old age group but we receive only 2.18 per cent of the funded places. Those figures were presented in the 2001 submission to the Senate inquiry. There is already clear evidence of increasing demand from Tasmanians for university student places. Indeed, I noticed, for example, that 50 per cent of people who applied to do undergraduate studies in education were turned away because the university simply did not have the places. I also note that some 7,877 aspiring teachers were turned away last year across Australia because of inadequate Commonwealth funding.

Contrary to what Senator Abetz said—and contrary, I hope, to the advice that you were given, Minister—year 12 retention rates in Tasmania have increased by 30 per cent since 1996. This is well above the national average. Also, year 12 completion rates are the second highest in Australia, at 74 per cent—again, well above the national average of 67 per cent. This is on top of the $3 billion ripped out of universities throughout the country. For the minister and Senator Abetz to be supporting a 20 per cent reduction in university places when, clearly, a case can be made for Tasmania to increase its places by 1,000, is patently absurd. We already know that, unfortunately, many Tasmanians leave our island shores to take up university places
throughout Australia. That is a natural thing that happens on an island state. We have very bright students who of course want to choose other universities or choose courses that may not be available in Australia. But what I found somewhat disturbing about those figures is that only about 25 per cent of those students study at other institutions in courses or specialisations not offered by the University of Tasmania. Almost 18.7 per cent of Tasmanian residents are studying interstate. This compares with a national average of 9.4 per cent of students studying outside their state of home residence.

The University of Tasmania, quite rightfully—as all other universities must do—has to trim its cloth, has to trim the sail, and look at ways in which it can better provide its services and administer itself so that students get the best value for their buck and for the Commonwealth’s buck. The important thing to remember is that the number of postgraduate places available at the University of Tasmania has been reduced in order to top up the undergraduate university places—far more are offered than required in order to take up the demand for university places. Minister, I hope there was just some confusion floating out in the airways. I know with Senator Abetz it wasn’t, because if you said ‘Jump’ he would say, ‘How high?’ He is no lover of Tasmania. That is what worries me. I have an over-proportionate love of Tasmania; he has a disproportionate dislike of it. I was bitterly disappointed with his performance—

Mr Martin Ferguson—He visits sometimes.

Mr SIDEBOTTOM—that is right. When he did visit, he did not even realise that the Tasmanian population is going up, not down.

Mr Martin Ferguson interjecting—

Mr SIDEBOTTOM—I cannot comment on his movements in Tasmania; I just see some of them up here. But seriously, Minister, I hope there was just a confusion. I know you have corrected that by saying there is no way you would reduce by 20 per cent the number of university places in Tasmania. I know that you are now working busily with your advisers and your department to ensure that Tasmania gets an adequate number of places. Indeed, I would love you to announce 1,000 extra places at the University of Tasmania in the future. You would even have me clapping you, welcoming you back to Tasmania any time you like, and taking you out for a beer.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (1.17 p.m.)—Firstly, I thank all members who have contributed to the debate on the Higher Education Legislation Amendment Bill (No. 3) 2002. I am pleased, therefore, to commend this bill to the House. As members have pointed out, it extends the national protocols for higher education approval processes to Australia’s external territories on the same basis as they apply to Australia’s mainland states and territories. The national protocols agreed to by all education ministers in 2000 ensure consistent standards across Australia in the field of higher education accreditation, giving confidence to students, employers and governments that the quality of Australian higher education is being assured. This bill strengthens Australia’s higher education quality assurance framework by preventing external territories from establishing universities or authorising bodies to deliver higher education awards without regard to the national protocols. Penalties will apply on a similar basis to those applying to the mainland states and territories for persons who breach the requirements of the proposed legislation. However, applicants who do wish to operate as a university or other self-accrediting higher education institution or offer higher education awards in an external territory will be able to apply to the Minister for Education, Science and Training for authorisation in accordance with the protocols.

This bill is a responsible approach to the maintenance and strengthening of the quality of Australian higher education. To do nothing would allow our external territories to become a haven for unauthorised and substandard operators wishing to avoid appropriate quality assurance processes. Members are reminded that the bill will override the operation of the Greenwich University Act
1998, Norfolk Island. Greenwich University will no longer be able to operate as a university or to offer higher education awards until and if it makes an application which meets the requirements set out in the national protocols. It also contains measures enabling the Minister for Education, Science and Training to approve the use of the title ‘university’ in a company or business name in an external territory. It prevents a body registering a company in an external territory using the word ‘university’ without the minister’s written approval.

Amongst other things, the member for Braddon raised the argument put forward by the Norfolk Island government that it may be seeking compensation and that the Commonwealth may in some way be liable for compensation to the Greenwich University. The Commonwealth has sought legal advice in this matter and there is no basis upon which, from the government’s point of view, Greenwich University, or the Norfolk Island government in that regard, would have any claim on the Commonwealth.

It should be remembered that in the end this is about simply making sure that any university or institution wanting to describe itself as a ‘university’ on any non-mainland territory in Australia will be required to meet the same standards as any one of the other established universities which meet the protocols agreed to by Commonwealth, state and territory ministers in terms of operating as a university.

The response that ought to be made to the operators of Greenwich University, and indeed to the Norfolk Island government, is that in order for this institution to be recognised and accredited as a university, it need simply meet the protocols. One of the reasons why the government has left it until 2002 instead of acting immediately in 2000 in this regard was to give the Greenwich University the opportunity to meet those standards. It has not, and so for that reason this legislation is necessary and is being put forward by the government. The immediate effect of this measure will be to require the International University of America Pty Ltd on Norfolk Island and any other bodies registered in external territories to cease using the word ‘university’ in their company or business name.

Australian education is now approaching being a $5 billion export earning industry for this country. Over the last 10 years, 800,000 people from other countries have achieved a university education through Australian universities. If members put that into some context and reflect on it, it means that Australian education has moved slightly ahead of wheat in terms of its export earnings. It earns more for Australia than the export of wool or motor vehicles. This is a significant industry, not only in terms of revenues for Australia but also in terms of establishing long-lasting relationships with key individuals—by definition professional and tertiary educated individuals—throughout the world and, in particular, our own region. Eighty per cent of the overseas students in higher education, for example, currently come from Asia.

The member for Jagajaga made some comments about the ministerial council meeting held at the University of Ballarat almost two weeks ago. The point ought to be made, in responding to those comments, that this government is thinking about Australia’s future. Shortly after I was appointed federal minister for education, I decided that it would be very much an abrogation of our responsibilities to our future to simply allow the status quo to apply for Australian higher education. When you think about us as a relatively small country in an increasingly competitive world, it is obvious that our future is increasingly going to be driven by education and ideas and by commercialising and applying new technologies here in our own country. The infrastructure upon which we have relied for over a century in traditional industries and in agrarian and labour intensive industries is changing. What we will need in this century to not only apply sustainability and add value to traditional commodities but also support emerging new industries that many of us have barely heard of is education—and that is why higher education reform is important.

I took four issues to the state and territory education ministers in Ballarat—four things for which they share responsibility or have complete responsibility in relation to univer-
sities that are seriously in need of reform. The first was my proposal on behalf of the Commonwealth that we develop a draft national protocol for university governance. A significant theme of the submissions to the review of higher education was governance; in fact, a significant block of the resolutions put forward by the vice-chancellors was in relation to governance.

The second matter I put forward was that we should have national protocols on accountability. There is an army of administrators in universities reporting information to state and Commonwealth governments, and in dual sector institutions—where you have a TAFE facility and a university facility together—they report different kinds of information at the same time. One of the arguments put up quite reasonably by people is that the influence of some vice-chancellors has become disproportionately large in some institutions; and that in part is a reflection of governance and accountability arrangements that need reform.

The third issue that I put to the ministers was that we needed to improve articulation arrangements between vocational and higher education. Some universities will not even talk to TAFE about articulation arrangements. I said to the state ministers, ‘You need to understand that we should be developing jointly—not the Commonwealth imposing but developing jointly—national arrangements that enable students, their parents and their teachers to understand clearly how you articulate from a TAFE to a university.’ And they would not support that.

The fourth issue that I put to the states that they also would not support was that there should be a model developed jointly by the states, the territories and the Commonwealth for distributing future places for universities between states and territories. In responding to the member for Braddon, there was confusion because the Tasmanian Minister for Education, Paula Wriedt, wanted to see that there was confusion. As I said, this government is thinking about our future: what is Australia going to be like in 2020, and what role will universities play in driving and delivering that future? When we look at the demographics—population growth, year 12 completions and mature age entry into higher education—we see that in Queensland demand is going to increase by around 15 per cent between now and 2020. Go to Griffith University, the University of Southern Queensland or Southern Cross University and just have a look at them; you do not have to look at demographic tables. Then look at Western Australia, where demand will increase by almost 10 per cent. The Peel region south of Perth, amongst others, desperately needs a university presence.

But in Tasmania, if they do not increase year 12 completion rates and if the population of the state does not increase—in other words, if the demand for university places does not increase—the demand over the next 20 years from 2008 will decline by around 20 per cent. The government is not proposing any cut to university places in Tasmania, but it is thinking about how we distribute future places throughout the country and how to do so in the national interest. The Tasmanian minister came to a ministerial council meeting allegedly outraged, because she had, I think, deliberately sought to interpret this as some sort of 20 per cent cut in places, and then declined to participate in a mechanism jointly with the states to look at the distribution of future places. How bizarre is that? Of course, that leaves the Commonwealth in a position of having little choice but to distribute them ourselves. One would hope that the state ministers would like to revisit that issue and the three others that I put up.

The member for Melbourne—returning briefly to the issue of governance—who seems to be emerging as the alternate if not the spokesman for education and training on the Labor front benches, is quoted in today’s Melbourne Age as saying:

The states should cede control of vocational training to the Commonwealth, including what is roughly a $4 billion annual state expenditure, and also formal regulatory and legal control of higher education, which is an anachronism that still rests with the states, even though the Commonwealth is the de facto funder and controller of higher education.

I can only call on the Australian Labor Party here in the federal parliament to do what it
possibly can to see that state Labor governments start to think increasingly about Australia’s future and realise that you cannot have enabling legislation for the governance and operation of universities without taking responsibility for making difficult but important decisions that desperately need to be made.

The DEPUTY SPEAKER (Ms Corcoran)—The original question was that this bill be now read a second time. To this the Deputy Leader of the Opposition has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand as part of the question.

Question agreed to.
Original question agreed to.
Bill read a second time.

Third Reading

Dr NELSON (Bradfield—Minister for Education, Science and Training) (1.29 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

CRIMINAL CODE AMENDMENT (TERRORIST ORGANISATIONS) BILL 2002

First Reading

Bill—by leave—presented by Mr Williams, and read a first time.

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (1.31 p.m.)—I move:
That this bill be now read a second time.
The Howard government is committed to the war against terrorism and to ensuring that our law enforcement and intelligence agencies have the best possible tools to fight that war.

In June 2002 we passed a package of counter-terrorism legislation designed to bolster our armory in the war against terrorism and deliver on our commitment to enhance our ability to meet the challenges of the new terrorist environment.

The Security Legislation Amendment (Terrorism) Act was an important element of that package.

That act introduced a number of criminal offences relating to terrorist organisations.

Those offences include an offence of intentionally being a member of a terrorist organisation; directing the activities of a terrorist organisation; and providing training to or receiving training from a terrorist organisation, among others.

An essential element of each of those offences is that they relate to or involve a ‘terrorist organisation’.

The act defines a terrorist organisation as:

- an organisation directly or indirectly engaged in preparing, planning et cetera a terrorist act; or
- an organisation specified in regulations made under the act.

Listing of organisations sends a clear and unequivocal message to those who might involve themselves with those organisations that if they do so they will face the full weight of the law.

Listing also facilitates the investigation and prosecution of those engaged in supporting or carrying out the activities of terrorist organisations.

Given the delay and uncertainty that could be involved in waiting to prove an organisation’s engagement in a terrorist act in court, listing organisations by regulation is a more effective method of specifying terrorist organisations in most cases.

Listing of organisations serves a number of purposes.

It puts people on notice not to deal with the listed organisation.

And it provides certainty to law enforcement agencies that they can act against the organisation immediately, without the significant delay that is likely in completing a criminal prosecution.

The procedure for making regulations is set out in the act.

In broad terms, before regulations can be made, the Attorney-General must be satisfied that:
the Security Council of the United Nations has made a decision about terrorism that identifies the organisation; and

- the organisation is directly or indirectly engaged in terrorism.

Under the act, in its present form, regulations made now that list an organisation as a terrorist organisation will not come into operation until after the parliamentary disallowance period has ended, in 2003.

This is because there are insufficient sitting days in the remainder of the sitting schedule to satisfy the required waiting period.

This means that the government cannot, under the existing law, complete the listing of a terrorist organisation—such as a terrorist organisation believed to be involved in the Bali bombing—until next year.

As a result, even though there may be known members of a terrorist organisation here in Australia, this will limit the ability of authorities to investigate them and, if there is enough evidence, to prosecute them, until well into 2003.

This is totally unacceptable.

We need to be able to act swiftly against the perpetrators of terrorist acts.

Currently the act provides that regulations cannot come into force until the end of the 15 parliamentary sitting day disallowance period in both houses of parliament.

This is an unusual provision, and one that does not apply to regulations made in the ordinary manner.

Normally, regulations come into effect immediately they are signed and gazetted but they can be disallowed by parliament if a notice of motion of disallowance is given in either house of parliament within those 15 days.

This bill removes the provision that prevents terrorist organisation regulations coming into operation straightaway.

It does not remove the preconditions to making the regulations in the first place.

The Attorney-General still needs to be satisfied of the matters set out in the act before he can make a regulation, and that decision is still subject to parliamentary scrutiny and judicial review.

This bill merely changes the day on which such regulations come into effect.

The bill amends the act to provide that regulations made under the act will come into operation immediately in the usual way, but they will also be subject to disallowance by parliament in the usual way.

When the bill is enacted, our intelligence and law enforcement agencies will then be able to take immediate action now against specified terrorist organisations and their members for their criminal conduct.

The events in the United States on 11 September 2001 demonstrated the enormous loss of life and devastation to communities that terrorist acts can cause and highlighted the need for measures to be taken to prevent future attacks.

The events in Bali on 12 October 2002 brought that reality tragically close to home.

Australia cannot afford to be complacent about the threat that terrorism poses to our community.

The government has a clear responsibility to cooperate with global counter-terrorism measures and to provide our security and law enforcement agencies with the tools they need to combat terrorism.

The Howard government is committed to the war against terrorism and ensuring we have the best possible tools to fight that war.

This bill will allow our security and law enforcement agencies to act swiftly against perpetrators of terrorist acts uncovered in the course of investigations and enable no stone to be left unturned in bringing them to justice.

In commending the bill to the House, I thank the opposition and the Leader of the Opposition in particular for facilitating the early consideration of the bill. I present the explanatory memorandum to the bill.

Leave granted for the second reading debate to continue forthwith.
consistently to the government that we will support any measure on its part to act decisively and toughly to stamp out terrorism in this country. We believe that the No. 1 scourge for world security is the threat of terrorism, and we have to stand together to stamp it out and to fight it. If anyone needs any reminder of it, they have only to look at the events of Bali. We are having a memorial service tomorrow with many of the grieving families who have been left to deal with the consequences of those events. That bipartisan support was given, and we give it again today because, in terms of any loophole that gives succour to the terrorists, we have to act quickly, we have to act decisively and we have to act unanimously. That is why we are in this chamber today expediting the passage of this legislation.

The bill addresses an anomaly in the current legislation to fight terrorism and to bring to justice the perpetrators of the Bali bombings. It makes sure that the penalties for terrorist organisations are severe and immediate, and it underpins what Labor have said all along that they want to do: we want Australia to be tough on terrorists, but only on terrorists. We do not want the innocents caught up in the government’s legislation. We want organisations like al-Qaeda and Jemaah Islamiah outlawed as terrorist organisations and we want that done immediately. But the message is clear: if there are terrorists in Australia, we will throw the book at them, and there will be no escape clauses for the Bali bombers.

The first regulation under this legislation was made on 21 October. Interestingly, despite the fact that this legislation has been in the parliament since July, the government did not act to list al-Qaeda as a terrorist organisation until 21 October. So here we are as an opposition, offering bipartisan support, saying to the government, ‘We’ll give you power to list,’ with the government doing nothing until 21 October. On Thursday of last week in this chamber during question time, when there was supposed to be a tone of moderation in this place, the Attorney-General tried to have a go at the opposition for holding up laws against terrorism, and it was thrown back in his face. He was asked, ‘Attorney, how many organisations have you sought to proscribe under this new law?’ The answer was ‘not one’. It was only then that the government moved on al-Qaeda.

It is interesting also that the Prime Minister on Tuesday of that week in the parliament said that the government was going to ‘initiate’ steps to get Jemaah Islamiah listed. Why did it take the government so long? If it had information about these organisations, if it knew that they were a threat to our security, why, having got the legislation through this parliament supported by us, does it take so long?

As I have said, the first regulation under this legislation was not made until 21 October, the day after the Attorney-General admitted that al-Qaeda had not been listed as a terrorist organisation in Australia; the 21 October legislation listed it and a number of other organisations. We welcomed that but were staggered when we asked why the government had not moved earlier. Under the legislation—and this is why we have to address it with this special legislation today—that regulation to ban al-Qaeda would not have been able to take effect until the end of the disallowance period. In effect, to cut through the language, that meant that, with the government having taken so long to list al-Qaeda—until 21 October—the effect of that listing of the terrorist organisation in Australia would not have occurred until 13 December 2002; that is 15 sitting days after the tabling.

The Australian government has now asked that the United Nations Security Council list Jemaah Islamiah as a terrorist organisation. As everyone would know, this is the organisation that many suspect is responsible for the Bali bombings. Even if the Security Council were to list Jemaah Islamiah, which we understand is likely to happen within the next 24 hours—at least that is the advice I was given yesterday—the organisation would not, under the legislation as it currently stands, be able to be proscribed until the end of the second sitting day next year. In other words, the government has failed to act quickly in accordance with its own legislation—legislation which, it turns out, has
been flawed and which flaw we are correcting today. If the government had moved quickly to list it, we would not be required to deal with this legislation today. Because the government has failed to act quickly and because there is a flaw in its legislation, its urging of the United Nations to list Jemaah Islamiah means that, under current legislation, the organisation could not be proscribed in Australia until February of next year. That is incompetence on the part of the government; that is what it is. Here is the opposition prepared to lend its support, and the government cannot get its act together. The Criminal Code Amendment (Terrorist Organisations) Bill 2002 we are dealing with today will rectify the anomaly. It removes the provisions of the current act preventing terrorist organisation regulations from coming into operation straightaway, and it ensures that the regulations made on 21 October 2002—the ones that proscribe al-Qaeda and related organisations—come into effect on that date; in other words, they do not have to wait until the end of the disallowance period.

The opposition considers the bill to be consistent with the balanced and clear principles insisted on by the Labor Party and debated in the parliament earlier this year. At the National Press Club on 11 September this year, the Prime Minister even agreed that as a result of Labor’s amendments to the various bills we have the right balance in our antiterrorist legislation. This amendment today strengthens our hand.

To give some sense of the time line and the way in which the opposition has cooperated in this matter, I was rung at 7 o’clock last night by the Prime Minister to indicate that this legislation was necessary. I had a meeting with him. There was no draft legislation; no document for me to look at. But, when the Prime Minister explained the problem to me, I indicated that, on the basis of what he told me, if what they were seeking to do was to correct the time, that seemed consistent with what Labor agreed to previously and that I would recommend to my caucus support for the passage of this legislation. I said, however, that I wanted to see the documentation and that I had to take it through the party caucus. I did not get a draft of that legislation until 10.15 a.m. today.

Just understand this: around 6.30 p.m. last night the Prime Minister gets knowledge that he has a problem—because of the incompetence of this guy, the Attorney-General and member for Tangney, sitting opposite me—gets advice of the incompetence, calls me and says, ‘Can we fix it?’ But the incompetent sitting across from me cannot produce documentation for another 17 hours. This is a government having to deal with an immediate problem to plug a flaw, to help us crack down on terrorists, to help us chase the people responsible for the Bali bombings and he cannot produce documentation for 17 hours.

I received the documentation at 10.15 a.m. I called a meeting of the national security committee of the shadow cabinet. We had a caucus committee meeting and then the full caucus meeting and we agreed to it by midday today. There can be no suggestion that Labor has not cooperated nor that it has not acted decisively. The real question is: why have we got this incompetence on the part of the government?

Notwithstanding the short time that we have had to look at the bill, we think it is sensible and that is why we are giving it our support. Let there be no mistake about this, the bill is the result of serial incompetence by our Attorney-General. It also highlights the government’s failure to act more decisively with these terrorist organisations. Three months after the legislation was introduced into this parliament, the documentation for the listing of al-Qaeda was still sitting in the Attorney-General’s in-tray. It had not even been listed, in accordance with the legislation, as an organisation against which to take decisive action. While we will always offer bipartisan support for national security measures, we will not offer bipartisan support to cover up for the government’s incompetence. This parliament needs to understand that what we are dealing with here is an incompetent Attorney-General. We have the world’s best defence forces defending our interests around the globe, the world’s best forensic experts trying to track down the Bali bombers, the world’s best intelligence forces looking after the nation’s interests and the
world’s worst Attorney-General. That is what we have got in terms of this government’s operations.

When is the Attorney-General going to get his act together and act decisively—not wait for the problems to come and be presented to him when other steps are attempted to be made? In this time of national uncertainty and insecurity, Australians expect a steadier hand at the wheel, not that of an incompetent. I say to the Prime Minister: this is yet another demonstration of the Attorney’s incompetence and that the Prime Minister should seriously consider replacing him. We need someone steadier and better at the helm at the moment because there are major national issues at stake.

Not just the Attorney-General is involved in this. This comes also in the context of government ministers handling the information. Let us just understand that last night when I was in the Prime Minister’s office being told about a serious flaw in the legislation and getting cooperation to fix that flaw, I was operating on the basis of knowledge that had been provided to me in confidence by our intelligence organisations, I had this information some weeks ago and, because of the specific nature of it, I was sworn to secrecy—and I have respected that secrecy. I cannot even tell my colleagues about it, as much as it would assist me in arguing these difficult cases forward. The opposition and the government have a right to know what is involved. The Leader of the Opposition is entitled to this intelligence information, so that as leader he can make judgments as to how his party should respond in the national interest. I have respected that confidence.

But, having got back and started talking to people about the briefing I had with the Prime Minister, who did I see appear on Lateline last night but our defence minister. Let me go to this because it is terribly revealing. Senator Robert Hill was asked last night by Tony Jones about a CNN report about Jemaah Islamiah. Senator Hill’s response was:

We know that within Australia there were those who were trained by Al Qaeda.

True, that information has been out in the public domain. Not the next bit, though. This is what he went on to say:

We know there has been constant movement from Indonesia into Australia and that may well include JI supporters.

He then goes on:

It may even include JI—operatives.

This is the defence minister going on public television for the first time revealing JI’s presence in Australia. He then went on to say:

This is part of the security debate that we’re currently having within Cabinet ...

The interviewer asked:

How focused are we on those groups? Do we know who the individuals are? Do we know the people who’ve trained, where they live and where they are in Australia right now and what they’re doing?

Senator Robert Hill said:

Well, it’s in the last six months that we’ve started to understand this organisation better, in particular out of arrests in Singapore where it was intended to attack the Australian, US and British embassies.

We all know that the Australian Embassy in Singapore was the subject of attack by Jemaah Islamiah. What we are now being told by the defence minister on television is that since that attack and since the arrest we have known of these circumstances in Australia, presumably for up to six months. If that is so, my question is this: why didn’t the government move to proscribe Jemaah Islamiah earlier? That is the question I want to know the answer to from this incompetent sitting across from me.
He goes on television and blurts it out—blurts out what I am sworn to secrecy on. Not only does he blurt it out; we find that this government had taken no steps until last Tuesday to initiate proceedings to get Jemaah Islamiah listed.

That is the defence minister. We have to ask ourselves this question: why is it that we are learning this information by sporadic television interviews? If in fact the government has this information and it has the legislation, why isn’t it acting more decisively to protect our interests? That is the question that has to be asked. The government has the legislation, it has the powers, but it does not have the will to act. It is tardy, lazy and incompetent. Heaven knows what the consequences of all that can be.

The foreign minister’s foray into this is also very interesting. Last Thursday, in a doorstep interview at Parliament House, he was asked about intelligence information and Bali. You know that we have been asking questions in this parliament about when the government knew and why it did not issue warnings earlier. The foreign minister said in that interview:

But, I did make the point last night and I’ve made it again on a couple of occasions including in Parliament today, that this intelligence information that mentioned Bali in a list of cities and provinces in Indonesia, it wasn’t just specific to Bali, but Bali was mentioned, as a place where there could be activity which would risk the lives of Westerners in the event, in circumstances when certain Islamic leaders were arrested.

That is the first time that information again has been made available to the public. And how does it happen? It is blurted out at interviews. There is no structure by this government. There is no process by which the government actually uses its legislation, gets the listing and then proceeds to use the law enforcement authorities to go round and do their job. This is a government that has been caught out by incompetence, that realises it has serious national security issues at stake and that tries to cover things up but then goes and puts out information—sneaks out little bits of information—bit by bit.

If that information was available to the government, why didn’t it move more quickly to proscribe Jemaah Islamiah? That is the question that you have to answer today, Attorney. This is the question that you have to tell the parliament about. We will support this legislation, because we need to crack down on the terrorists. We need to make Australia a safer place, protect our interests and ensure that our national security is protected. But it will not happen if you are not using the tools available to you.

Why is it that you have taken so long to list Jemaah Islamiah if we are now advised by the defence minister that there has been knowledge about this organisation’s operations in Australia for some time. That is what he said on television last night. We want to know if that information is correct. Do you disagree with the defence minister? If you agree with the defence minister, why haven’t you acted more decisively?

We will pass this legislation, but we want to know, Attorney, why you have been so incompetent in the discharge of your duties. Australia’s national interest deserves better, and it is not getting it from you. You have a responsibility to answer in this parliament the question why this organisation has not been moved on more quickly. The passage of this legislation will ensure the organisation’s proscription as soon as the United Nations lists it. You have taken the steps to have the United Nations list it. Why weren’t those steps taken earlier? That is the question you have to answer. We will pass this legislation because it is in Australia’s national interest to do so, but your competence as Attorney-General is seriously in question.

Mr WILLIAMS (Tangney—Attorney-General) (1.59 p.m.)—I intend to reply to the Leader of the Opposition, but before doing so I again thank the opposition for their bipartisanism and expedition in dealing with the Criminal Code Amendment (Terrorist Organisations) Bill 2002. The allegations that the Leader of the Opposition has made against me, the Minister for Defence and the Minister for Foreign Affairs are not soundly based. I will address each of them.

The process under the legislation for the listing of an organisation as a terrorist organisation requires—at the Labor Party’s insistence—that there be a United Nations
Security Council listing of an organisation as a terrorist organisation. It must then be dealt with under a process whereby the Attorney-General determines that an organisation is a terrorist organisation or is engaged in committing terrorist acts. That involves assessing—in respect of each organisation proposed to be listed—material that will support such a determination. A determination so made must be one which is capable of being sustained. It must be capable of being sustained because the regulation can be disallowed in the parliament. So it must be capable of being sustained in that environment. It must also be capable of withstanding judicial review. On that basis the determination must be one that is effectively bulletproof to the sort of allegation that might be made by a person accused of a criminal act carrying an extremely serious penalty.

Since the legislation was passed, the government has been engaged in the process of assessing a range of different terrorist organisations and collating the material upon which a decision can be made. There are a number of other organisations which have been involved in that process. In respect of al-Qaeda, the process has been completed and it has been listed as a terrorist organisation. In respect of Jemaah Islamiah, the process cannot be undertaken because Jemaah Islamiah has not been listed by the United Nations. The government has been engaged in negotiations in respect of the listing of Jemaah Islamiah for an extended period—and—as I indicated last week in answer to a question from the member for Barton—within the international sphere there has been some resistance to that action being taken.

The SPEAKER—As the Attorney has paused, I want to indicate to the House that, given the urgency of this matter, I did not think it appropriate to interrupt the Attorney. If, however, there is any wish that question time be brought on, of course that is what the standing orders provide. Assuming that it is the wish of the House that the debate be resolved, I will allow the Attorney to continue.

Mr Howard—I think the debate should be resolved.

Mr WILLIAMS—Al-Qaeda has been listed and we have in place arrangements that will ensure that, the moment the United Nations Security Council lists Jemaah Islamiah, we can do the same. But the legislation in its current form will not allow that listing within Australia to come into force for 15 sitting days. This was under legislation to which the Labor Party put its signature. We are dealing with that situation in a prompt, expeditious way, and I thank the opposition for doing the same.

There have been comments about the confidential information allegedly revealed by Senator Hill, the Minister for Defence, on television.

Mrs Irwin—The whole nation saw it.

The SPEAKER—Order! The member for Fowler.

Mr WILLIAMS—The Leader of the Opposition quoted Senator Hill from Lateline last night. He set the scene by saying that Australia has known for some time that there are sympathisers of terrorist organisations within Australia, and no doubt those sympathisers include al-Qaeda. Senator Hill then went on to say that there has been movement by people from terrorist organisations into and out of Australia. He said that that movement may include Jemaah Islamiah. He did not say that it does; he said that it may.

Mr Crean—It may include operatives.

The SPEAKER—Order! The Leader of the Opposition.

Mr WILLIAMS—He said that it may include operatives. That is not suggesting that Senator Hill, the Minister for Defence, is relying on firm information. He is suggesting that it is a possibility that needs to be taken into account, and that is as high as it ought to be put. As far as the allegations against the Minister for Foreign Affairs are concerned in relation to what he said in a doorstop interview, he has adequately dealt with that on more than one occasion since that time and I have nothing further to add. I commend this bill to the House and I thank the opposition for dealing with it so expeditiously.

Question agreed to.

Bill read a second time.
Third Reading

Mr WILLIAMS (Tangney—Attorney-General) (2.04 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

QUESTIONS WITHOUT NOTICE

National Security: Terrorism

Mr CREAN (2.05 p.m.)—My question is to the Prime Minister. Is he aware of Senator Hill’s public confirmation last night on *Lateline* when he said:

We know there has been constant movement from Indonesia into Australia and that may well include JI supporters.

It may even include JI operatives.

He also said that the government has been actively analysing this organisation’s activities over the last six months. Prime Minister, when exactly did the government first become aware of the probability that JI supporters and operatives were in Australia?

Mr HOWARD—Without checking the relevant security data and then making an assessment as to whether it would be appropriate to divulge the information available to me, I cannot answer the question.

Mr Albanese—Just watch *Lateline* tonight.

The SPEAKER—Order! The member for Grayndler.

Mr HOWARD—I remind the Leader of the Opposition that what Senator Hill said was phrased as a possibility, as the Attorney-General referred to. Senator Hill said:

We know that within Australia there were those who were trained by Al Qaeda.

And I know that there is no argument on that. He continued:

We know there has been constant movement from Indonesia into Australia and that may well include JI supporters.

Mr Crean—Go on. Read the next bit.

The SPEAKER—Order! The Prime Minister has the call. If the Leader of the Opposition has a question, he will address it through the chair. The alternative is to hear the Prime Minister to hear the Leader of the Opposition when he has the floor.

Mr HOWARD—Let me read again what the Minister for Defence had to say:

We know that within Australia there were those who were trained by Al Qaeda. We know there has been constant movement from Indonesia into Australia and that may well include JI supporters. It may even include JI operatives.

He goes on to say:

This is part of the security debate that we’re currently having within the Cabinet and we’re obviously concerned about it and we will be responding to it within the short period of time.

Mr Crean—In the last six months?

Mr HOWARD—Then, in answer to another question:

Well, it’s in the last six months that we’ve started to understand this organisation better ...

What the senator said last night does not merit the description that has been given to it by the Leader of the Opposition. I think what the senator did last night in a difficult situation like this—

Mr Crean interjecting—

The SPEAKER—Order! The Leader of the Opposition knows the obligations he is under. He also knows that his actions over the last two minutes have been in defiance of the chair. The Prime Minister has the call.

Mr HOWARD—The circumstances that existed in this country prior to 12 October would have meant that a question such as that asked of Senator Hill last night perhaps would not have been asked, and that is understandable. Even if it had been asked, it would have been met with a response that most people would have accepted—that is, ‘I am not going to say anything at all about intelligence matters.’ But, in the new circumstances in which this country finds itself, ministers, prime ministers and leaders of the opposition are faced with a situation where, on the one hand, if you do not inform the Australian public of what is in your possession without breaching and compromising sources, you are open to criticism; on the other hand, if you do try and take the public more into your confidence, you run the risk of being accused of not behaving in an appropriate fashion.
Last night, in the light of the questions that were asked of him by the interviewer, I think Senator Hill tried to strike a judicious balance between those two constraints. He was not setting out to behave in an irresponsible fashion but, as is his character, he was endeavouring to be as candid as possible with the Australian public. What he had to say was: there may have been a movement of JI supporters; it might include JI operatives. I would have thought that was a statement that he should not be criticised for making. It is obvious that, in the environment within which we live, there might be such people who come into this country—and he is criticised for saying that! I do not understand why he is criticised for saying that. I think that is completely and utterly unreasonable.

I defend the statements that were made by the senator last night and, as to the question of timing of knowledge, I have indicated to the Leader of the Opposition that I will examine the intelligence material on that. To the extent that it is possible for me to publicly provide more information, I am very happy to do so, subject to the obvious constraint that there are some things, as he knows, that cannot be said without creating problems. But I will have a look at that. It may well be that what comes out of that is that there are certain things that I will be able to say publicly, and there are other things that I will be able to privately communicate to the Leader of the Opposition. I will be happy to do that. But let me make it perfectly clear that what Senator Hill was saying last night was an honest attempt by him to inform the public, whilst not breaching any of the sensible norms of behaviour that ought to apply in relation to security matters.

Can I also take the opportunity, as it is in the same general area, to say something on the legislation which has just passed the parliament. I do not think I am anticipating debate in this place.

The SPEAKER—Given the gravity of the matter, the Prime Minister may proceed.

Mr HOWARD—I make the point that, in the view of the government, it was always the case that it would have been better to have had a procedure whereby we were not reliant alone on action by the Security Council of the United Nations to proscribe a terrorist organisation. I think it is very important that the Australian public have this in mind: the first preference of the government was to have a capacity on the part of the Attorney-General to form a view without instruction from the United Nations about the existence—

Opposition members interjecting—

The SPEAKER—Order! The Prime Minister has the call. I would, however, invite him to wind up the remarks he is making, since they are not related directly to the question that was asked. I would appreciate that.

Mr HOWARD—I do not mind, Mr Speaker. I was endeavouring to assist everybody, including the chair. It is the case that the procedure we have now improved was not, of course, the government’s first preference. The government’s first preference was not to rely entirely on the role of the United Nations, but I would like to join the Attorney-General in thanking the opposition for agreeing to expedite this legislation. I thank them for that, and I thank the Leader of the Opposition and the shadow Attorney-General for the cooperative attitude they displayed in their discussions with me last night.

Insurance: Medical Indemnity

Ms JULIE BISHOP (2.13 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister advise the House of the joint statement on medical indemnity insurance that he made with the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer earlier today?

Mr HOWARD—Earlier today, along with the Minister for Revenue and the Minister for Health and Ageing, I announced the government’s range of measures to deal with the medical indemnity crisis. Those measures represent, after months of discussion and negotiation with relevant parties, a very fair accommodation and a fair balance of the competing interests of the public, the medical profession and other groups and individuals who are concerned about this problem. Amongst the measures I announced
today were: a willingness, subject to the approval of the New South Wales Supreme Court, to extend the guarantee until 31 December 2003; a willingness to heavily subsidise, up to the tune of 50 per cent of the difference between the premium and other benchmarks, the insurance premiums of the high-risk specialties, such as neurosurgery, obstetrics and others; and the willingness to subsidise 50 per cent of high-cost settlements resulting from particularly severe injuries or disabilities suffered as a result of medical negligence.

The guarantee will be called upon to an extent which has, as yet, not been determined. The best estimate we have at the moment is that the incurred but not recorded liabilities are between $350 million and $500 million. If in fact there is a call on the guarantee to meet those liabilities, the cost of that will be recouped from the imposition of a levy on doctors who belong to medical defence organisations which have unfunded liabilities. I should assure doctors who are members of medical defence organisations which do not have unfunded liabilities that they will have no obligation to pay the levy. Arrangements will be made to fairly accommodate the position of retired doctors and part-time doctors. Obligations in relation to the levy will be relieved for the period of time that a doctor may, for a series of reasons, be out of the work force.

I want to emphasise that this package of measures will only have enduring value and impact if it is accompanied by significant tort law reform. A start has been made with tort law reform, but we would like that process to go further, to be consistent and to be nationally cohesive. Having a national scheme is very desirable. We have made a start, but we still have a long way to go. I want to thank Senator Patterson and Senator Coonan, the two ministers, for the outstanding work that both of them have done in this area. I would like to thank the various organisations that have involved themselves in discussions and consultsations with the government. This is a difficult issue. We need to preserve the critical mass of medical speciality in many parts of Australia, particularly in rural and regional areas. The government has acted in a balanced way to meet the difficulties. I commend the package to all those concerned. I believe it strikes a fair balance and will go a long way towards preserving the benefits of the specialties to the Australian community.

National Security: Terrorism

Mr CREAN (2.18 p.m.)—My question is to the Prime Minister. Prime Minister, given that your defence minister admitted last night on *Lateline* that the government has known for some months of Jemaah Islamiah’s activities affecting Australian interests, why did you wait until last Tuesday to announce that the government would now be acting to outlaw this organisation?

Mr HOWARD—The Minister for Defence said last night: We know there has been constant movement from Indonesia into Australia and that may well include JI supporters. It may even include JI operatives. He then went on to indicate: Well, it’s in the last six months that we’ve started to understand this organisation better ...

The Leader of the Opposition will know that, in order to successfully enlist support for the proscription of an organisation in the United Nations, you need to have a considerable body of evidence and you also need to have the support of other countries. I would also remind the Leader of the Opposition that it was the insistence of the opposition which resulted in a situation where it is only through the United Nations route that you can proscribe an organisation.

Opposition members interjecting—

Mr HOWARD—No, no. The Leader of the Opposition has chosen to raise questions on this. He is basically saying, ‘You should have unilaterally done more,’ without acknowledging that the opposition has left us with one path, and that one path was to go through the United Nations. I repeat that, in answer to the first question asked by the Leader of the Opposition, I said that I would consult the intelligence sources, that if there was any further information I could publicly provide, I would and that, if, in augmentation of that, there was some information I could privately provide to him, I would do that as
well. That is the response I gave to that question and that is the response I give to this one.

DISTINGUISHED VISITORS

The SPEAKER (2.20 p.m.)—I inform the House that we have present in the gallery this afternoon members of the budget committee of the Indonesian House of Representatives. On behalf of the House, I extend to our guests a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Foreign Affairs: Ministerial Meeting

Mr FORREST (2.21 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the issues to be discussed at the forthcoming Australia-US ministerial meeting in Washington next week?

Mr DOWNER—First of all, I thank the honourable member for Forrest for his question. I appreciate the interest that he—

Opposition members interjecting—

Mr DOWNER—I mean the honourable member for Mallee. Thank you. I appreciate the newly lively Labor Party—after its caucus meeting yesterday—giving me that advice. Yes, he is the member for Mallee. John Forrest is his name.

Opposition members interjecting—

The SPEAKER—The chair would be grateful for just one witty interjection. All others are strictly out of order.

Mr DOWNER—As I said yesterday in the House, Senator Hill and I will be meeting with our American counterparts Colin Powell and Donald Rumsfeld in Washington next Monday night and Tuesday for the annual Australia-US Ministerial Consultations. The annual security talks, amongst other things, do highlight the very close alliance there is between Australia and the United States and the unashamed support of this government for the alliance with the United States. We are countries that share common values and at this very difficult time for the world, when our civilisation broadly defined is being threatened by terrorist organisations, it is essential that countries like Australia and the United States cooperate very closely in that fight against terrorism. Clearly, during these discussions there will be a substantial focus on this issue.

The opposition have asked questions today about the listing of Jemaah Islamiah in the United Nations. We and the United States, by way of illustration, have worked very closely together on trying to ensure that there is not only sufficient international support for the listing of Jemaah Islamiah but, very significantly, that there is not international opposition to the listing of Jemaah Islamiah, because if such opposition were to be forthcoming then that listing would fail, and clearly that is something we do not want to happen in the United Nations. I use that as a small illustration, but one that is timely today, of the degree of cooperation there is between our two countries in this fight against terrorism. Of course the government continues to maintain its commitment to the fight against terrorism in Afghanistan with the deployment of Australian forces there. Obviously the war on terrorism in Afghanistan, the role our troops are playing there and the status of the situation in Afghanistan will be a considerable focus of the discussions.

So too will be the issue of weapons of mass destruction. This government has never made any secret of its enormous concern about the proliferation of weapons of mass destruction. There are two particular instances here which will be in the forefront of our minds next week. The first is Iraq, where we are working and the United States is particularly working through the United Nations Security Council to get a new Security Council resolution passed, a tougher resolution which we all hope Iraq will comply with and which will lead to the destruction of Iraq’s weapons of mass destruction. Equally we will be talking about North Korea because there is no doubt that we in Australia, as well as particularly the Americans, are deeply concerned about the revelations made recently that North Korea has a uranium enrichment capability. Indeed, this morning I called the North Korean Ambassador to my office to take the opportunity to express our concerns about the breakdown, as this clearly is, of the agreed framework negotiated by President Clinton and the North Koreans in,
from recollection, 1994. The fact that North Korea would be now building and maintaining a uranium enrichment plant and would be enriching uranium goes again to this whole issue of the proliferation of weapons of mass destruction.

So overhanging the discussions in Washington will be the two great issues that the world needs to confront, and they are two issues which, if bound together, present a deeply troubling world. They are the issues of terrorism and of the proliferation of weapons of mass destruction. This will be an excellent opportunity for Australia and the United States to build on their already excellent cooperation in addressing these great global challenges.

National Security: Terrorism

Mr CREAN (2.27 p.m.)—My question is addressed to the Prime Minister and it follows his earlier answers. Prime Minister, didn’t you tell the National Press Club on 11 September that the terrorist legislation that we have just been amending today, passed by the parliament, ‘got the right balance’, to quote you? Having got the balance right and the legislation proclaimed in July, why didn’t you start down the path of proscribing al-Qaeda and Jemaah Islamiah until last week?

Mr HOWARD—I will accept that I did say something to that effect. I have not checked—well, I won’t. I will be—

Mr Crean—Mr Speaker, I raise a point of order. To assist him, I seek leave to table what he said in the address at the Press Club.

The SPEAKER—Yes, but in fact the tabling should occur at the conclusion.

Mr HOWARD—I have accepted it.

Mr McMullan—You have not accepted it.

Mr HOWARD—No, I said I was.

Mr McMullan—Then you said you weren’t. You have got no idea.

The SPEAKER—The member for Fraser! The Prime Minister has the call and will be heard in silence.

Mr HOWARD—I accept that I would have said something substantially to that effect because the legislation was then an accomplished fact. But let me remind the Leader of the Opposition that it remains the case that when the legislation left this place it had three methods: it had jury, it had United Nations and it had government listing—and you took government listing out.

Opposition members interjecting—

Mr Snowdon—Asleep at the wheel.

The SPEAKER—The member for Lingiari!

Mr Melham—It’s Dad’s Army, that’s what it is.

The SPEAKER—I warn the member for Banks!

Economy: Performance

Mr PYNE (2.29 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the results of the September quarter consumer price index figures released today by the Australian Bureau of Statistics? What do these and other recent surveys indicate about the state of the Australian economy?

Mr COSTELLO—I thank the honourable member for Sturt for his question and his interest in the economy. I can inform him that today’s consumer price index for the September quarter shows that inflation in Australia remains contained, with a rise of 0.7 per cent for the quarter. That would be an annualised rate of about 2.8 per cent. In through-the-year terms, the CPI moved by 3.2 per cent because the abnormally low September 2001 quarter dropped out. But as the September 2002 quarter showed, inflation if anything is probably trending down, consistent with the government’s forecast of a 2½ per cent CPI through the 2002-03 year.

In the September quarter, price increases were recorded for housing. Fruit and vegetables were up 4.2 per cent, with vegetable prices rising significantly due to drought. Holiday travel and accommodation were up. Conversely, prices of clothing and footwear were down. Meat and seafood were down. Petrol was down and motor vehicle sales declined. The low inflation which is evident in the economy is confirmed by the producer price index data released earlier this week. It shows that there are limited upstream price
pressures. The broadest measure of producer prices—the final commodities index—increased by 0.5 per cent in the September quarter and by 1.4 per cent through the year. So with moderate wage growth, with no upstream pressures on commodities and with high productivity, the absence of price pressures in the Australian economy appears to be confirmed.

We live in a very difficult economic climate internationally. The United States have been going through recession since 2001 and are emerging—but they are emerging very slowly and are much weaker than expected. Europe is very subdued. There are difficulties in continental Europe, in particular. Japan is in recession again. It is their third recession in five years. Notwithstanding that very difficult international climate, the Australian economy continues to grow and to grow as one of the strongest economies of the developed world. With our growth between three and four per cent and with low inflation prices, this is a good climate for investment. As I have indicated before, the government certainly hopes that, as the housing cycle comes off, business investment will take up some of the slack in the economy. There has been good growth in a difficult international environment. There is low inflation. It is important that we keep good economic policy rolling in Australia to get good outcomes for the men and women of Australia.

National Security: Terrorism

Mr CREAN (2.33 p.m.)—Again, my question is to the Prime Minister. Why has it taken the Prime Minister more than four months to move to outlaw the terrorist organisations al-Qaeda and Jemaah Islamiyah?

Mr HOWARD—in relation to al-Qaeda, I draw the attention of the Leader of the Opposition to the response given by the Attorney-General at the conclusion of the debate. I remind the Leader of the Opposition that in order to comply with the terms of the legislation it was necessary, so I am advised, for an assessment to be made inter alia of a lot of intelligence material from foreign sources. Bearing that in mind and given the Leader of the Opposition’s reference to the need to preserve confidentiality in relation to intelligence sources, it was necessary in the course of the process, so I am advised, for that material to be assessed and a judgment to be made as to what material could be used publicly and what material could not be used publicly. So the Leader of the Opposition’s attention is drawn to what was said by the Attorney-General in relation to that, in reply to his attack on the Attorney-General during the debate.

As far as Jemaah Islamiyah is concerned, I refer the Leader of the Opposition to what was said by the foreign minister a few moments ago. The process of proscribing an organisation by the United Nations involves—as the Leader of the Opposition would know—enlisting support from other countries.

Mr Crean—It won’t be too hard to get the US involved.

Mr HOWARD—the US, as you know, is not the only permanent member of the Security Council.

Mr Crean—You only need one to initiate it.

The SPEAKER—Leader of the Opposition, the Prime Minister has the call.

Mr HOWARD—Yes, but it is not much good initiating something that does not get through.

Mr Crean—that is why we are asking.

The SPEAKER—I can no longer tolerate the level of intolerance being shown in this chamber and across the chamber. The same spirit that ultimately finished up with the terrorist actions in Indonesia was intolerance. Each of us has an obligation to exercise tolerance towards varying points of view. The obligation that the standing orders provide is for everyone to be heard in silence.

Mr HOWARD—I just repeat that, as the foreign minister pointed out, in order to get something listed you need the support of other countries. It is only commonsense that you investigate the availability of that support and be satisfied that your foray is going to be successful before you initiate it. To put this into context, here we have the opposition saying that we have not done enough. But can I remind the opposition that on 27 June,
after this legislation passed the Senate, the Leader of the Opposition in the Senate, Senator Faulkner, put out a press release that quite literally boasted about the way in which the opposition had watered the legislation down. There is no other description. Amongst other things, this is what Senator Faulkner said:

Labor has achieved amendments that will ensure—

then he goes on to say:

- the Government’s proposal to give the Attorney-General the power to ban organisations never sees the light of day ...

In other words, they were boasting that the legislation had been made weaker. In parliamentary debate you are entitled to do that.

Mr Zahra interjecting—

Mr Howard—When the legislation was passed I accepted that that was the best legislation that we could get. But, having watered the legislation down, you now come into this place and you say it is not strong enough.

Mr Crean—That is not what I am saying!

Mr Howard—That is basically what you are saying.

The Speaker—I pick up a point made by the member for McMillan. The obligation is on all members to address their remarks through the chair, as the member for McMillan has stressed. That means the use of the word ‘you’ is inappropriate, either in questions or in answers.

Industry: Joint Strike Fighter Program

Mr Nairn (2.38 p.m.)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister inform the House of Australia’s involvement in the joint strike fighter program? How will this involvement benefit Australian industry?

Mr Ian Macfarlane—I thank the member for Eden-Monaro for his question. I know he takes a very keen interest in the defence industry, particularly in his electorate. This morning the Minister for Defence, Senator Robert Hill, and I announced the successful completion of negotiations for Australia’s entry into the decade-long development of the US joint strike fighter program. The decision means an investment by Australia of up to $US150 million over 10 years for us to become a level 3 partner and it puts Australia at the forefront of developing one of the world’s most advanced combat aircraft over the next 30 years. The joint strike fighter program offers Australian aerospace industry an unprecedented opportunity to participate in this enormous project. Only companies from countries that have entered as partners will be considered for this program.

This program initially is worth some $US200 billion, with the potential to grow to two or three times that level. This participation in the development phase gives Australian firms an opportunity of winning a share of that very lucrative project. With Team Australia put together by my department and Defence, we will see an opportunity for Australia to push the merits of our own industries. The good news is that in today’s mail there are some 19 letters of intent to Australian companies to participate in putting in tenders for this program. Whilst the bigger companies, such as Boeing, Hawker de Havilland and Raytheon, will receive letters, there are also some 16 smaller companies, some quite small, that will have the opportunity to put forward their credentials. These are companies like the one I visited this morning, CEA Technologies, which is based in an outer Canberra suburb and, as we speak, is exporting radar to the US defence forces.

The indications are that these contracts could initially be worth some $400 million. Of course, if we are successful with the initial contracts, we will see much more substantial work coming to Australia in the longer term. That work could be worth literally billions and billions of dollars. Apart from allowing Australian companies to participate in tenders, it gives Australia, if we choose the joint strike fighter as the replacement for the FA18, the opportunity not only to purchase that fighter cheaper or at a lower price but also to receive the fighter sooner than we would were we not part of the program. The greatest outcome of today’s announcement is that Australia’s aerospace industry, which already has a one per cent
share of the world market, will be able to
display its wares not only to Lockheed Mar-
tin and the project participants but right
around the world, giving it the potential to
grow even further.

Indonesia: Terrorist Attacks

Mr Rudd (2.42 p.m.)—My question is
to the Minister for Foreign Affairs. Is the
minister aware of David Kaplan’s article in
the US News and World Report yesterday,
reporting on conversations with US intelli-
gence sources regarding the Bali bombings?
Is the minister also aware of Mr Kaplan’s
additional comments on ABC radio this
morning in which he said:
... what we can confirm to the best of our sources
is before the attack in Bali there were conversa-
tions among JI operatives, Jemaah Islamiyah, the
Indonesian group widely suspected of the attack.
He went on to say:
And what we’ve learnt so far is that there were
high ranking JI operatives talking about hitting
Australian targets in that part of the world.
And, further:
There were warnings out about the vulnerability
and likelihood of an attack in tourist areas. So it
shouldn’t have come as a surprise.
Minister, will you advise the House whether
Mr Kaplan’s remarks are accurate and, if
they are, why the government was not in a
position to act earlier on the intelligence ad-
vice to which Mr Kaplan refers?

Mr Downer—I thank the member for
Griffith for his question. Having read the
article on the front of the Sydney Morning
Herald this morning, I obviously investi-
gated this article. I have been advised that
the relevant Australian agency and its United
States counterpart have searched their data-
bases this morning and have not found a re-
port matching that mentioned in the media
out of Washington. As the Prime Minister in
particular, I and others have stated, we have
been advised that Australian intelligence
agencies have searched their records and
they have identified no material that specifi-
cally warned of the Bali attack. The Prime
Minister has asked the Inspector-General of
Intelligence and Security to review all intel-
ligence that may be relevant to the Bali
atrocity. I understand the inspector-general
will be reporting to the Prime Minister as
soon as possible.

It is inevitable in the wake of what oc-
curred in Bali that there will be further
commentary and various allegations of intel-
ligence failures, but all relevant material will
be thoroughly examined in the inspector-
general’s review. The government has
warned for some time now of the heightened
threat to Australians in the region. These
concerns have inter alia been reflected in the
Department of Foreign Affairs and Trade’s
travel advisory notices over the last few
months and in ministerial and prime ministe-
rial statements from time to time.

Workplace Relations: Union Movement

Mr Prosser (2.45 p.m.)—My question
is to the Minister for Employment and
Workplace Relations. What action has the
government taken to upgrade and modernise
the standard accountability for members of
unions and employer associations?

Mr Abbott—I thank the member for
Forrest for his question. I can report some-
thing quite unusual to the House, something
which is almost unprecedented in recent par-
liaments: a workplace relations bill which
has passed the Senate with cross-party sup-
port. The Workplace Relations Amendment
(Registration and Accountability of Organi-
sations) Bill 2002, which the Senate passed
last week, brings the governance arrange-
ments for industrial organisations into the
modern era. In particular, it imposes on the
officers of unions and employer organisa-
tions duties and responsibilities akin to those
of company directors. It means that the
books and elections of these organisations
will be subject to more scrutiny, account-
ability and transparency. These are important
changes and they should mean over time that
we will have a better and cleaner workplace
relations system.

This legislation completes work that was
begun about three years ago by my distin-
guished predecessor, Mr Peter Reith, and that
I am pleased to say was supported at differ-
ent times by the former shadow minister, the
member for Brisbane, the current shadow
minister, the member for Barton, and Senator
Murray. I thank them for the constructive
approach they adopted to this legislation. I can inform the House that earlier drafts of this legislation have benefited immensely from the constructive suggestions made by the ACTU and the peak employer organisations. This legislation shows that all parties in this House are united in their commitment to democratic accountability and it shows that, even on a matter as contentious as workplace relations normally is, it is possible to find common ground.

The SPEAKER—I call the honourable member for Watson.

Mr Bevis—The mad monk!

The SPEAKER—I warn the member for Brisbane. I had already recognised the member for Watson, who could not be heard above the comments being made.

Foreign Affairs: Travel Advice

Mr LEO McLEAY (2.47 p.m.)—My question is to the Minister for Foreign Affairs. I refer to an answer to a question without notice on 21 October provided by the Attorney-General concerning the worldwide caution—

Mr Downer—Can you start again? Sorry, I can’t hear you.

The SPEAKER—Member for Watson, I think the Minister for Foreign Affairs was indicating he was having difficulty hearing the question. Could the member for Watson start his question again, please.

Mr LEO McLEAY—Is he ready now?

The SPEAKER—The member for Watson will address his remarks through the chair.

Mr LEO McLEAY—My question is to the Minister for Foreign Affairs, if he is now listening.

The SPEAKER—Member for Watson!

Mr LEO McLEAY—Minister, I refer you to an answer to a question without notice on 21 October provided by the Attorney-General concerning the worldwide caution issued by the US State Department on 10 October. Is it a fact that the US warning covered a range of matters concerning the security of physical infrastructure as well as the security of individuals? Is the minister aware of the nationwide television coverage of the Attorney-General’s security warning of 11 October about possible threats to Australia’s power infrastructure? Minister, did you give consideration to issuing a statement similar to that of the Attorney-General on 11 October about possible threats to Australian civilians based on the information contained in the US worldwide caution of 10 October?

Mr DOWNER—If memory serves me well, on 11 October I was in South-East Asia; I was not in Australia at that time. But my attention was drawn to the statement made by the Attorney-General. If the Attorney-General makes a statement, I typically do not equally repeat the statement. The statement was made and it was given publicity. I would not have thought there was any need for other ministers to issue similar statements. In relation to the US caution that was issued, I made this point to the House the other day—

Mr Leo McLeay—Mr Speaker, I raise a point of order. The foreign minister may not have heard me. My question was about him issuing a statement about civilians, not power infrastructure.

The SPEAKER—There is no point of order.

Mr DOWNER—To throw some light on the US worldwide caution, which might interest the honourable member and to put it into some perspective: on 10 October the United States issued a worldwide caution which was focused on a specific threat made against American interests, as contained within the then most recent Osama bin Laden tape. The bin Laden threat reflected in the US caution of 10 October and an FBI alert of 9 October were referred to in a DFAT travel bulletin. If you are talking about whether I issued a statement, I personally did not. The travel bulletin of DFAT is the equivalent of the US worldwide caution, as the Americans call it. That was issued on 11 October Australian time and was entitled ‘Terrorist threat to United States interests in the United States and overseas’. This bulletin, which was posted on the DFAT web site, said that:

In the light of the warnings by the United States Government—
and these were the warnings in the US caution—
Australian travellers and residents overseas are advised to remain alert to their own security.
So, the Department of Foreign Affairs and Trade, in responding to that US worldwide caution—which was based on the Osama bin Laden tape—responded appropriately with their own statement.

**Employment: Programs**

Mr **CHARLES** (2.52 p.m.)—My question is to the Minister for Employment Services. Would the minister advise the House of progress in the awarding of business in the third employment services contract? When will these contracts take effect and how will Australian job seekers benefit?

Mr **BROUGH**—I thank the member for La Trobe for his question and his obvious interest in this very important issue of public policy. Today the government have put up information on our web site announcing the successful rollover of employment services contracts to the 60 per cent of companies and individual business sites as part of our Employment Services Contract 3, which is a $1.5 billion delivery of employment services to the Australian community. This is delivering on our 2001 election commitment. That information is available today for all members on our web site at www.workplace.gov.au.

The government’s Job Network has been a rousing success; in fact, it has now been adopted by many countries—not in total but certainly parts of it have—around the world. What we have done is to recognise the high performance of many of our Job Network members and, in doing so, reward them for servicing the government’s needs, as well as business needs and the needs of the unemployed in this country. By doing so, we will prevent a great disruption to employment services. These contracts come into effect from 1 July 2003, as part of an improved suite of projects and programs which will deliver better employment services to our unemployed.

Of particular interest to members in regional and rural Australia—as there has been comment about whether there will be a reduction in services in some regions—is that, in metropolitan Australia, 60 per cent of businesses rolled over and, in regional and remote areas, 61 per cent rolled over. Of those we have had responses, accepting the government’s invitation, from 59 per cent in remote and regional Australia and in metropolitan Australia. In the member for La Trobe’s electorate, organisations such as the Salvation Army will continue to deliver a fine high-quality service. In other regional areas such as the electorate of Cunningham around Wollongong, for argument’s sake—an important part of Australia—IPC and Gemcell will continue to deliver high-quality services. The government remains committed to the unemployed in those regions.

The new initiatives in Job Network 3 build on the success of Job Network 1 and Job Network 2. We will be introducing a job seeker account so that there will be specific money that is quarantined and that cannot go to the bottom line of the organisation but must be spent on the unemployed. We will be giving unemployed workers earlier access to the Job Network in a streamlined fashion so that they can go from Centrelink to the Job Network member and remain with them throughout their period of unemployment, so that they have a partnership arrangement. This shows the government is dedicated to getting them back into work. Importantly for those unfortunate individuals that find themselves becoming redundant, from 1 July, when a business finds that its workers will be made redundant, the government will intervene before they become unemployed and they will have access to Job Search training while they are still in work so that that connection back into the workplace can be made.

There will also be a guaranteed place for every unemployed person for intensive support and customised assistance, with a service guarantee underpinning the entire service. This will be underpinned by a very strong code of conduct to ensure that every Job Network member delivering employment services on behalf of the Commonwealth throughout Australia will provide quality services. Where that is not fulfilled, this government will act in a very strenuous
manner. Forty per cent of this business will now go to open tender, and I invite all members of the employment services industry in Australia to visit the web site—the tender documents are available there—and to join the many fantastic for-profit, community based and church based organisations that have collectively delivered first-class employment services to Australia’s unemployed.

**Foreign Affairs: Travel Advice**

Mr Rudd (2.56 p.m.)—My question is to the Minister for Foreign Affairs. I refer to the minister’s answer just now to the question by the honourable member for Watson, which related to the action that both he and the Attorney-General took in response to the US global caution, a caution which did not deal specifically with Australians. Minister, why was it that the Attorney-General used Australian national television to issue a warning about power stations, seen by millions of Australian television viewers that evening, but the action you took was to simply amend the Department of Foreign Affairs and Trade’s travel bulletin posted on the department’s web site?

Mr Downer—Regrettably, we live in an environment where there are frequent threats to not only United States interests but more broadly to Western interests. As I have discussed in the House before, the Department of Foreign Affairs and Trade, through a number of mechanisms—through its travel advisories, through embassy bulletins and through worldwide cautions or travel bulletins, as they are called—endeavours to keep travellers up to date with these developments as they take place. At the time this particular piece of information became available, I think the Department of Foreign Affairs and Trade did precisely the right thing. I was overseas during that particular period of time but I am satisfied with what the department did; they did the right thing. There has been a series of other threats—pieces of information about the danger to Westerners and others overseas.

I will use this opportunity to make a point. While I was overseas, amongst other things—quite apart from spending time in Yogyakarta with the Indonesian foreign minister, the Philippines foreign minister and others, talking not just generally about the issue of regional terrorism but specifically about the problem of Jemaah Islamiah—I went on from there to Kuala Lumpur where I attended the World Economic Forum. I was engaged in substantial debates there including some during which, at the time, our position was criticised and was seen by people as being controversial with regard to the concerns that we had and have about Jemaah Islamiah, about Abu Bakar Bashir and about regional terrorist organisations. The point I would make, very importantly, is that the government has been arguing, not just here in Australia but very strenuously throughout South-East Asia, that Jemaah Islamiah and its links to al-Qaeda, and the general issue of terrorism in the region, are major issues to address. I think the government could not have done more to draw the region’s attention to these problems. Through travel advisories, travel bulletins and embassy advisories, it has continued to keep the Australian public up to date with the general concerns. With regard to the situation in Bali and not having specific information relating to Bali, tragically we were unable to give any warning in relation to that specific incident.

**Small Business: National Awards**

Mr Randall (3.00 p.m.)—My question is addressed to the Minister for Small Business and Tourism. Would the minister advise the House of the recent winners of the national small business awards? Do these innovative and successful businesses reflect a growing and vibrant small business sector in Australia?

Mr Hockey—I thank the member for Canning for his question on small business. I can advise the House that one of the state finalists in the Telstra national and state small business awards was from Mandurah in the member for Canning’s electorate—the Miami Bakehouse. It is a great little bakery, I understand, that offers gluten-free products, and it is now expanding to two new bakery centres in Perth. The finalists reflect the diverse range of business opportunities available in Australia. For example, a Commonwealth government microbusiness award state winner was Freycinet Adventures,
which is a new ecotourism company that has seen client numbers grow by 40 per cent each year since starting business only six years ago. There is a happy coincidence there. The winner of the microbusiness award was a company by the name of Bow Wow Meow Pty Ltd, based in the electorate of Wentworth. Its founder, Amy Lynden, found a niche market for pet tags and now distributes her product through 1,500 vet and pet stores across Australia, New Zealand and Singapore. That is a great story about small business exports.

We had national and state winners, including Meadowbank Wines from Tasmania, Audio Solutions from the Australian Capital Territory, Cresta Electronics from Queensland, Cirrus Real Time Processing Systems from New South Wales, Envisage Technology from Victoria, the Sprout Factory from Western Australia and Rorke’s Drift Bar and Cafe from the Northern Territory. I am sure the member for Solomon has been there, as have a few other people. The national winner of the Telstra small business awards was a company from South Australia by the name of Resourceco. This is a great Australia success story. At the age of 22, a young guy by the name of Simon Brown was walking past a construction site, saw a lot of disused rubble and thought: ‘Here’s an opportunity to make some money.’ Ten years later, he now employs 40 people recycling up to 600,000 tonnes of concrete and asphalt waste every year, is now expanding interstate and expects turnover to reach $15 million this year—a great small business. I spoke to Simon just before question time, and he has a message for the Treasurer. He says to tell the Treasurer that the economy is ticking along nicely. That is straight from the coalface. All of these businesses are winners. We are proud of what they do and we are proud of the way that small business is helping to grow the Australian economy.

Defence: Border Protection

Mr LATHAM (3.04 p.m.)—My question is to the Prime Minister on the issue of gun control. Prime Minister, are you aware of criticism of your government’s failure to protect Australia’s borders against gun-runners by the New South Wales Leader of the National Party, George Souris? Earlier today Mr Souris said:

The Federal Government is not doing as well as it could in stopping the illegal importation into Australia of illegal firearms.

Prime Minister, are you also aware that the last time Customs apprehended a gun-runner crossing our coastline was in 1998 in the Kimberleys—four years ago? If your government does not support the establishment of a coastguard, what action will you take to protect our coastline against gun-runners?

Mr HOWARD—The answer to the first part of the question is, no, I was not. If Mr Souris did say that, I disagree with him. I disagree very strongly with him if he has made that statement. I intend to pursue this matter with all of the state premiers. We will only be able to have an introductory discussion about it tomorrow, because—

Mr Kelvin Thomson—Because you won’t have a proposal.

Mr HOWARD—I would not bet on that. I would counsel the member for Wills not to suggest that we will not have a proposal. If I have a proposal in this area, I will disclose it firstly to the premiers. This is an issue that the public are concerned about. They do not really care about politics on this; they are worried about the safety of their communities. It is something that might even end up crossing party lines, and that would probably not be an unwelcome thing. An allegation has been made by the member for Werriwa about gun-running. I do not know what definition he gives to gun-running—I do not know what definition different people give to it—but I will check the allegation that has been made by him. I draw the attention of the member for Werriwa and others who are interested in this to the front page of today’s Herald Sun. It says it all. The reality is that there is a very strong case for whatever laws you have to allow the operation of legitimate sporting shooting. There is no argument about that.

Interestingly enough, in the debate that has followed the tragedy—and I hope I take appropriate care not to deal in any specificity with the tragedy at Monash University, but debate has inevitably followed that—refer-
ence has been made to the firearms involved, not in the tragedy but in the possession of a certain party. There are a number listed, and the Herald Sun of course had photographs of them and posed the quite legitimate rhetorical question: how on earth can these be legally available? I think it is a fair question. I think it is a question that every Victorian would be asking. It is a question which people right across the nation would be asking. It is one of the issues that I think the premiers and I together, without finger pointing, have a responsibility to try and answer.

Could I just make the point in the context of sporting shooting that the firearms listed would not be used, I am advised, in Olympic Games, Commonwealth Games or world championship pistol events, where contestants will use highly specialised pistols. Nor would they qualify for use in these events due to their characteristics—that is, calibre and shot capacity. The point I make is that the immediate riposte to the critics of stronger controls who say, ‘If you ban these, you’re going to interfere with the Commonwealth Games and the sport and all of that,’ is that that is not valid. I am told, in the interests of fairness, balance and accuracy, that each of these hand guns can be used in certain sports, including shooting events endorsed by the ISSF and the SSAA—for instance, service pistol event and action match event, which do not appear to restrict the type of hand gun that may be used.

The point I make emphatically is that none of the firearms listed—that is, the Smith and Wesson 0.357 calibre, the Smith and Wesson 0.38 calibre, the Beretta air pistol, the Beretta 0.22 calibre rim-fire pistol, the Taurus 0.40 calibre pistol and the CZ nine-millimetre pistol—I am advised, would be used in Olympic Games, Commonwealth Games or world championships. Whilst I concede and support the concept that, whatever further is done, there should be a proper carve-out for a certain degree of sports shooting, I do not think that we should automatically assume that, if you ban any of the weapons I have mentioned, you are going to prevent people training for, or participating in, Commonwealth Games or Olympic Games events.

This is a very difficult issue, and it is one the community is rightly concerned about. Nobody has a monopoly on wisdom, and nobody is flawless, at any level of government. I am not going there saying, ‘We’re perfect and you’re completely wrong.’ It is not the attitude that I am going to adopt when I talk to the premiers tomorrow. The one thing that I ask we do not hear is somebody, before we even have the discussion, saying, ‘My laws are perfect and they don’t need to be changed.’ The reality is that the laws on this issue throughout the nation cannot be perfect.

Mr Latham—That’s what you’re saying about coastguard. That’s what he’s saying about border protection.

The SPEAKER—The member for Werriwa.

Mr Latham—That’s what he’s saying about customs and the coastguard.

The SPEAKER—The member for Werriwa is warned!

Mr Howard—As for a coastguard, the formation of a coastguard will not contribute to the solution to this problem; it will contribute to the weakening of the Royal Australian Navy. This is very interesting. The great international analogy to the coastguard is in which country? The United States of America. Apparently, there is a connection between a coastguard and gun safety. I rest my case.

Science: Cooperative Research Centres

Mr Cadman (3.11 p.m.)—My question is to the Minister for Science. Can the minister inform the House of some of the recent achievements of cooperative research centres, which are bringing together Australia’s best researchers and industries to solve Aus-
Mr McGAUAN—I thank the honourable member for Mitchell for his question. Given his support for science and innovation, he well appreciates how it underpins the nation’s economic prosperity and fulfils many of our social and environmental aspirations as a community. The unique and outstandingly successful scientific program, the Cooperative Research Centres Program, achieves that very objective by bringing science agencies, universities and industry together in a partnership. It was the brainchild of Professor Ralph Slatyer, the then Chief Scientist, in 1990, and it has been a great success ever since. In the intervening 12 years, $7 billion has been invested in the cooperative research centres by all of the participants. This includes $1.8 billion by the Commonwealth under the program, $1.8 billion by universities, $1.3 billion directly by industry and almost $1 billion by CSIRO.

The government are so committed to, and supportive of, the CRC program that we have committed $150 million to it this year. Over the next three years, by way of Backing Australia’s Ability, we are providing an additional $227 million to support more and larger CRCs, greater SME involvement and international collaboration. Each year, the House will be interested to know, the CRCs support around 1,700 researchers and involve more than 900 companies. While two-thirds are larger companies, there is a rising participation rate and number of SMEs.

Examples of recent achievements include environmental projects, such as the development of new plastics which are biodegradable. One type of packaging dissolves in water; another degrades within four weeks of being buried in soil or composted. They also include medical breakthroughs, with more than 400,000 people in over 40 countries now having contact lenses they can wear continuously for 30 days and nights; conservation, with the use of CRC developed technologies resulting in savings of hundreds of millions of dollars in unnecessary water treatment costs by state water authorities; and technology. Yesterday I visited FedSat, which is the satellite developed by the CRC for Satellite Systems and which will be launched later this year in Japan. An amazing collaboration of industry, academia and the CSIRO brought about the first satellite launch in Australia since the middle of the 1960s.

We will continue to monitor and assess the operation and success of CRCs, given the commitment of and level of investment by all participants, not least of all government. Senator Minchin, my predecessor as science minister, amended the guidelines under which CRCs could receive funding to have greater emphasis on commercial outcomes and greater participation by SMEs. There will be supplementary funding for existing CRCs. We will continue to nurture and support the program, but not all CRCs can be outstanding successes. Some will perform and succeed better than others, and we want to build on the successes.

Health: Mammary Prostheses

Ms VAMVAKINOU (3.15 p.m.)—My question is to the Minister for Ageing representing the Minister for Health and Ageing and it concerns the provision of breast prostheses after mastectomies. Is the minister aware of the inadequate arrangements for the provision to women of breast prostheses, which differ in each state and territory? Will the government support Labor’s proposal that breast prostheses be provided free of charge in Australia’s public hospitals, through the upcoming Australian health care agreements, to women throughout Australia who have had a mastectomy?

Mr ANDREWS—I thank the honourable member for her question relating to breast cancer and its consequences. I note that many honourable members are today wearing a pink ribbon to publicise breast cancer awareness. It is something which, I am sure, all members in this place are committed to. By way of overview, breast cancer is the third leading cause of cancer deaths and, in women, the most registrable cancer. The risk of developing breast cancer before the age of 75 is estimated to be one in 11, and the incidence of breast cancer, in fact, has been on the increase in this country since the early 1980s. However, the death rates due to breast
cancer have remained relatively stable over that period of time.

It is important in relation to the matter of breast cancer that preventive measures are undertaken. There is great encouragement by the Commonwealth and the states and territories of women to undertake mammography screening and there is a national screening program under the auspices of BreastScreen Australia which is targeted specifically at women without symptoms aged between 50 and 69, although this program is available to all women over the age of 40, including those in the risk categories of 40 to 49 years and 70 years and older. In fact, this program operates at some 500 locations nationwide, and there has been a significant increase in breast screening in Australia since the beginning of the program just over 10 years ago, with over 56,000 women now being screened across Australia each month. The program’s aim is to achieve a 70 per cent screening rate amongst women aged 50 to 69 years. At present the screening rate is 54 per cent, so we have a way to go in relation to that program.

Mrs Crosio—What about the question?
Ms Hoare—What about prostheses?
The SPEAKER—The minister has the call!

Mr ANDREWS—The honourable member asked me specifically about the provision of prostheses. This is something which each of the states and territories at the present time do to a greater or lesser extent. The Northern Territory is to be commended in this regard because public patients get their first prosthesis free. So too is the Australian Capital Territory, where the government pays $210 towards the cost of the first prosthesis for each patient. However, although the other states in Australia have accepted the responsibility to provide these prostheses through their public hospital programs, the level to which they provide them varies greatly from state to state.

Mrs Irwin interjecting—

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

Mr ANDREWS—If the member for Fowler is so concerned about this, she ought to be urging the health minister in New South Wales—and equally, other members on the other side, the health ministers in their states—

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane is warned!

Mr ANDREWS—to match the funding which is being provided by, for example, the Northern Territory and the Australian Capital Territory. Overall, the Commonwealth does contribute to this through the Australian health care agreements with the states over five years. There has been a 28 per cent increase in funding over the period of the last agreement. This is an area in which I believe all honourable members on both sides of politics in this House should be urging those states that do not do as well as the others to provide similar degrees of treatment.

Employment: Work for the Dole

Mrs HULL (3.20 p.m.)—My question is addressed to the Minister for Employment Services. Minister, does the government intend to recognise exceptional achievements and efforts put into the Work for the Dole scheme, such as those very successful projects in my electorate of Riverina? Can the minister advise the House how these efforts can be recognised?

Mr BROUGH—I particularly want to thank the member for Riverina. I recently visited her electorate when she presented an award to one of the finalists in the Prime Minister’s Work for the Dole Achievement Awards of 2001: Mission Australia, in a project with 2AAA, a community based radio station. It was certainly inspirational. It has provided a lot of additional resources there. I announced last week the opening of nominations for the 2002 Prime Minister’s Work for the Dole Achievement Awards.

Opposition members interjecting—

Mr BROUGH—Immediately you get these laughs from the opposition. Whenever you get up to talk about these things, you get interjections from the shadow minister.

The SPEAKER—The minister will respond to the question.

Mr BROUGH—When you recognise the achievements of people who are unem-
ployed, you build their self-esteem and you give them something positive, which is what this government is about.

Opposition members interjecting—

Mr BROUGH—Every time we get up here to talk about the achievements in the communities, the achievements of young people, all we get is derision from those that sit opposite.

The SPEAKER—The minister will respond to the question. The minister was being heard.

Mr BROUGH—The Prime Minister’s Work for the Dole Achievement Awards are a fantastic recognition of work that is done in the community by individuals, supervisors and community groups. Unlike the stereotyping of Work for the Dole—just to give you a quick snapshot—these are some of the activities that Australia’s unemployed engage in in building better communities, getting work experience and feeling good about themselves: child care, education, retail, horticulture, arts, computing, clerical work, aged care, disabilities, radio productions, restoration and sports.

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler is warned!

Mr BROUGH—That is only a snapshot of what is available. There are those opposite and many of those that sit on this side of the House that have gone along and seen the inspiration and the energy at the nights in the Great Hall when we recognise these people and their contributions to Australia.

I ask anybody in the community—either in this House or in the wider community—to nominate someone for a Work for the Dole award. The categories are best Work for the Dole participant; best Work for the Dole activity, which includes caring for people, caring for the community, caring for our environment and caring for our heritage; and best Work for the Dole supervisor. As I say, anyone can nominate a participant or a supervisor. They simply go to our web site, www.workplace.gov.au. Nominations close on 18 November. I recommend everybody get in and support Work for the Dole and Australia’s unemployed.

Family and Community Services: Housing

Mr BRENDAN O’CONNOR (3.23 p.m.)—My question is to the Treasurer. Why is the government cutting $1 billion from funding for public housing at the same time as proposing to give tax deductions for more than $1 billion worth of options packages paid to corporate executives?

Mr COSTELLO—The second part of that question, of course, is false so I will come to the first part of the question. The Commonwealth provides support through the—

Mr McMullan—You haven’t answered the second part.

Mr COSTELLO—No, the second part was false, as I said. I know the tactics committee of the Labor Party works on the principle that, if they farm these questions out and they are repeated often enough, people will start believing them. But it is false.

The first part of the question concerns the Commonwealth-state housing agreement. In relation to the Commonwealth’s involvement in housing, the Commonwealth, in agreement with the states, provides money under the agreement for the supply of public housing. This has been an area that the states have traditionally administered and where the Commonwealth has provided additional funding. In addition to the sums that it provides for public housing, the Commonwealth provides rent assistance. That, of course, goes to people to help them with their rent should they be in the private sector as well. It is therefore necessary to judge the Commonwealth’s contribution as the collection of both its funding for public housing and its funding for rent assistance. Putting the two together, the Commonwealth outlays have increased in real terms by $232 million since 1997-98. In addition to that, an extra $75 million was provided for Indigenous housing over four years, from 2002-03, as was announced in last year’s budget.

The relevant minister, Senator Vanstone, will be meeting the state ministers on, I think, Friday to discuss negotiations for a new agreement. If I know the states, they will be asking for more money. I do not think I am the first Treasurer to observe that one
should never stand between a state minister and a bucket of money. If I know them at all, they will be asking for more money. Senator Vanstone will be negotiating both in relation to the outcomes and in relation to fiscal responsibility.

In relation to housing, if I may finish by observing this, one of the things that has helped many young couples into the housing market is low interest rates. Can you think what young couples today would be doing if they were paying Labor’s 17 per cent interest rate? To have interest rates at low levels as they are now has helped many young Australians into the housing market. We like to help young Australians; we like them to have a family home.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper. Oh, Mr Speaker, I did not see the member for Hinkler. Can I revoke that?

The SPEAKER—I am afraid that the Prime Minister has indicated that further questions be placed on the Notice Paper. I will recognise the member for Hinkler when the House resumes.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Indonesia: Terrorist Attacks

Mr DOWNER (3.26 p.m.)—Mr Speaker, I seek the indulgence of the chair to add to answers to questions by the member for Griffith and the member for Watson.

The SPEAKER—The minister may proceed.

Mr DOWNER—In my answers, I talked about the travel bulletin that my department had issued on 11 October and explained that I regarded that as an entirely appropriate response, which indeed it was. I have taken the opportunity to speak to the Attorney-General further about the information that was made available that led to his comments to the media. The Attorney-General informs me that the basis of the information was, as I explained in question time, that this information focused on economic interests, particularly energy interests, and not on attacks on individuals. Nevertheless, it is to the credit of my department that it did adjust its bulletin to err on the side of caution. I also said that my recollection was that I may have been overseas at the time. However, by the 11th I was back in Australia.

QUESTIONS TO THE SPEAKER

Questions on Notice

Mr FITZGIBBON (3.28 p.m.)—Mr Speaker, under standing order 150, I ask you to write to the Treasurer, representing the Assistant Treasurer, seeking an explanation as to why I have not received an answer to question No. 478 in my name placed on the Notice Paper on 5 June this year.

The SPEAKER—I will follow up the matter raised by the member for Hunter as the standing orders provide.

Speaker: Remarks

Mr SWAN (3.29 p.m.)—During question time, a series of questions were asked about the listing of terrorist organisations. There were a series of interjections and replies across the chamber from both sides. You rose to bring the House to order, and in your remarks you suggested that the exchanges showed intolerance like that exhibited by the organisations being listed. Mr Speaker, these exchanges were seeking information of great importance to our national security and the protection of Australian lives at home and abroad. I think many members found your remarks offensive. I ask you to reflect on your remarks, given the offence taken by members.

The SPEAKER—I will respond to the Manager of Opposition Business by indicating that my remarks were certainly not directed at any individual member, obviously, nor at either side of the House. In fact I rose to my feet when there were interjections coming from both sides of the House. As I am aware, and as every member of this chamber is aware, in every venue members of this House find it quite easy to be cooperative; committees are a good illustration of that—and debates in this House are another—although too little televised or recognised by Australians as an area of cooperation.

My comment was simply that, uncharacteristically, the House was showing a good deal of intolerance of differing points of view. It was in that context that I made those
remarks. I would not suggest that there was any parallel being drawn between any individual, party or group within this House and terrorist organisations—not for a moment. I would indicate, though, as I hope everybody would agree, that attitudes of intolerance are at the heart of many of the problems which we face around the globe, and there was more intolerance being exhibited in the House than we, as individuals, would be happy about.

INDONESIA: TERRORIST ATTACKS

The SPEAKER—I indicate to the House that I have received and seek to table expressions of sympathy and concern from our friends in the Polish parliament.

AUDITOR-GENERAL’S REPORTS

Report No. 13 of 2002-03

The SPEAKER—I present the Auditor-General’s audit report No. 13 of 2002-03 entitled Information support services—benchmarking the internal audit function: follow-on report: benchmarking study.

Ordered that the report be printed.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (3.32 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:


Department of Foreign Affairs and Trade—Department of Foreign Affairs and Trade—Annual Report 2001-2002—Volume I—section 63 of the
Australian War Memorial—Australian War Memorial—Annual Report 2001-2002—section 36 of the Australian War Memorial Act 1980 and


Debate (on motion by Mr Swan) adjourned.

Mr ABBOTT (Warringah—Leader of the House) (3.32 p.m.)—I present a paper on the following subject, being a petition which is not in accordance with the standing and sessional orders of the House.

Requesting that the Parliament establish a new national bank—from the member for Flinders—60 Petitioners.

MATTERS OF PUBLIC IMPORTANCE

Housing: Affordability

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

The Government’s failure to adequately fund the Commonwealth State Housing Agreement and address Australia’s housing affordability 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 LATHAM (Werriwa) (3.33 p.m.)—Australia is experiencing a housing affordability crisis and the Howard government does not know what to do about it. Not only has it got no policies for housing affordability; it has moved into a state of denial. A few weeks ago we had the Deputy Prime Minister saying that there is no housing affordability crisis and now the member for Eden-Monaro says that it is out of touch to talk about a housing affordability crisis. Try telling that to young people in Queanbeyan. Try telling that to young people on the South Coast of New South Wales who are struggling to put together the money for a home deposit in a market where you have record housing and land prices. It is a government in denial about the housing affordability crisis.

That was confirmed by the Treasurer, who showed his typical arrogance and complacency about this important issue that is affecting every Australian family. This issue has grandparents and parents terrified that the next generation will never own a home but live permanently in rented accommodation. It is a government in a state of denial; it is a government that does not know what to do about this serious problem facing Australian families. It is a government that does not even have a minister for housing. It has no housing affordability policies. The truth is that, in this place, I shadow a phantom; there is no minister for housing. There is no-one at the desk; it is an empty seat when it comes to housing affordability policy. It is a government that just does not care.

It is a government that does not care about the tragedy in this nation that every night we have 100,000 homeless people. I know that in recent times the parliament has grieved for the tragedies in Bali and at Monash University. I know there are many problems in our society. But we should not forget for a moment that when we go home to our beds at night, when we go home to a roof over our heads, there are 100,000 of our fellow Australians who sleep rough. They sleep outdoors; they sleep without a home. Surely a government which says that it cares about this country would respond with housing affordability policies. Surely it would have a housing minister putting up a proposal for an expansion of affordable housing stock at the
meeting with state ministers in Hobart on Friday. There are 100,000 Australians who are homeless and more than 250,000 Australian families are waiting for adequate housing. That is the crisis in this country.

Of course, home ownership is just as tough. Because of the explosion in the market, it is no longer possible for the poorest 15 per cent of households to buy a three-bedroom home in any part of metropolitan Australia. Just think of that occurring in this nation, where we talk about the great Australian dream. It is no longer possible for the bottom 15 per cent of Australian households to afford a three-bedroom home in any part of metropolitan Australia. Do not worry about Sydney and its explosive housing market; this applies to Hobart, Darwin and the suburbs of regional centres around this country. In no part of metropolitan Australia can those struggling families afford a three-bedroom home. In the big cities it is even worse. The problem is reaching into middle Australia.

The typical income earner buying a typically priced home in Sydney now has to pay 54 per cent of their income to repay the mortgage. The benchmark normally is that, if you are paying more than 30 per cent of your income on housing, you are in housing stress; you are really struggling. For a medium priced home, a median income earner in Sydney is paying more than 54 per cent of their income on housing repayments—on the mortgage. No wonder nurses, firemen, police and semiprofessionals are finding that they can no longer live in the Sydney metropolitan area. Do not think for a moment that it is just a problem for home buyers; we are all affected when it comes to that. When people who serve our community can no longer afford to live in our community, we are much diminished as a society. We have a collective interest in addressing this problem at every level.

It is not just Sydney. For a typically priced home, a typically priced income earner in Melbourne may pay 45 per cent of their income in mortgage repayments. In Brisbane, it is 35 per cent. The three largest capital cities are way above the benchmark for housing stress. There is a housing affordability crisis in this country, and the Howard government is blind to it. The Howard government is oblivious to the problem. It has no housing minister; it has no housing affordability strategy. It could not care less about this problem. Whether it is the crisis in homelessness, whether it is the crisis with public housing waiting lists or whether it is the crisis in home ownership, it is blind to the problem.

It is no wonder that we have a declining rate of home ownership for young Australians. We give them the language of the great Australian dream, and this government gives them no prospect of owning their own home in the future. No wonder parents and grandparents around the nation are fearful that the next generation will rent for the rest of their lives. Under this government, sadly enough, the great Australian dream is disappearing. The great Australian dream is disappearing for too many Australian families. We have a zero response from this government. They are cutting the Commonwealth-state housing agreement by $1 billion over the next five years. No matter what the Treasurer says, the reality is that, in the forward estimates over the next five years, there is a $1 billion cut in the Commonwealth-state housing agreement. That is the lousy deal they are going to put on the table in Hobart on Friday. That is the measly arrangement they are trying to reach with the state housing ministers in Hobart—and that comes on top of another $1 billion cut over the last five years.

Under this government, in the last five years and in the forward estimates for the next five, it amounts to a $2 billion cut in public housing. That is a $2 billion cut for those Australians who are most vulnerable: those Australians who cannot get into the ownership market and those Australians who rely on the public sector to put a roof over their head—one of the most decent and basic standards that we should have in a civilised society. The Treasurer, of course, is blind to the problem. The Treasurer is saying, ‘You need to aggregate the rental assistance money with the Commonwealth—state housing money.’ The truth is that, if the government has not got a supply side response and if the government is not increasing the
stock of affordable housing under the Commonwealth-state housing agreement, more and more of the rental assistance money is going into the pockets of landlords. Why are rents going through the roof in this country? Get away from the inner-city apartments; get out in the suburbs: rents are going through the roof because this government has no supply solution.

This government has no policy for increasing the supply of affordable rental accommodation. Therefore, the rents go up. That is the reason so much more rental assistance is being paid by the Commonwealth. It is going straight into the increased rents. It is not going into housing affordability; it is going into the pockets of landlords. The Treasurer, from his middle-class background and with his middle-class complacency about these issues, is blind to a problem he knows nothing about. It has never entered his orbit. It has never entered the world of Costello to think that there are many Australians who cannot afford their rent and have zero hope of ever getting into home ownership. He is complacent and content to cut Commonwealth-state housing money by $1 billion in Hobart on Friday, on top of another $1 billion cut over the past five years.

The tragedy is that there will be more Australian families living in housing stress. The estimate from ACOSS just yesterday was that, on current trends for public housing funding from Canberra, one million Australian families will live in housing stress by the year 2020. That, for a nation like ours, is a disgrace. That is a national tragedy—a national tragedy where one million Australian families will be experiencing housing stress if we continue with the policies of the Howard government. One million families will be in housing stress and abject poverty.

How could this government be so heartless? How could a government that says it cares about the Australian community be so heartless? It comes down to one of the media myths that gets around the place that there are some Liberal MPs who care about the community. I hear this coming from Sydney all the time. They are supposed to have these Liberal MPs who care about the community. I have not heard one word from the member for Lindsay about the housing affordability crisis in Sydney, and not one word about the billion-dollar cut to public housing money. So too there were no words from the member for Hughes, the member for Robertson, the member for Dobell or the member for Macarthur, Forrest Gump—he is still running; he has not got a word to say about housing affordability in this country. These members do not care. They come from their complacent middle-class backgrounds, and they have absolutely no interest in those Australians who are struggling to make ends meet, struggling just to put a roof over their heads. That is the truth of it.

On this side of the parliament, we do care. We have been advancing policies about all these issues. We are not interested in short-term fixes. We are not interested in policies that are just there for the political cycle. The truth is that the government had a first home owners grant of $14,000 but, as soon as the election ended, it went down to $7,000, and now it is just compensation for the GST. It is not a housing affordability policy at all; it is a GST compensation policy at $7,000. As soon as the election was out of the way, as soon as the electoral cycle changed, the government’s housing policies changed.

Labor want long-term policies for the benefit of the Australian people. We are interested in nest egg accounts and matched savings accounts, long-term saving incentives, for Australian families to save for a house deposit. We are committed to investing more in social housing and increasing public investment in affordable rental housing. We are committed to leveraging superannuation money to increase the stock of affordable housing—a genuine supply side solution—so the Commonwealth is not wasting all this money on rent assistance that is just going into higher rents. That is a genuine solution to increase the stock of affordable housing in Australia. We need more public investment, we need more private investment and we need public-private partnerships to increase the stock of affordable rental housing in this nation.

We also need a government that is committed to urban renewal and to renewing ageing housing stock in the older parts of
western Sydney and western Melbourne. We need a government that takes an interest in urban form and urban renewal-renewing the housing stock, increasing housing supply and improving housing affordability. We are also committed to shared equity schemes which help people in the transition from rental to ownership. We are also examining ways in which a federal Labor government can get back into land banking to make sure that we have a say in the land development process. This will revitalise Landcom functions and do something to combat price speculation on the urban fringe, which is doing so much harm to the aspirations of those Australians who want to afford a block of land and who want to afford a home.

This is the big point of difference. Housing defines the difference between our two parties. The Liberals have no minister, no policies and offer no hope for Australians who want to buy their own homes. The ALP, which has always had an interest in housing and urban issues—the great legacy of Whitlam and Brian Howe—is always saying there should be federal responsibility for our cities and for housing affordability. That is the big difference: a government that could not give two hoots and an opposition that is passionately committed to housing affordability. This is a government that has no minister for housing and urban development. I do not know what Minister Tuckey is doing here. I think he is for regional development. It is hard to work out. There is no minister for housing. A backbencher is going to be taking the MPI. The back of the back bench is the extent of the government’s commitment to housing affordability and urban policy.

We have a government that is committed to massive $2 billion cuts to the Commonwealth-state housing agreement. We have an opposition that is committed to increasing both public and private investment—a partnership agenda for increasing investment in affordable housing. We have a government that is committed to a madcap second mortgage scheme. We have an opposition that is committed to new, innovative policies—tangible and practical policies—that can do good for Australian home buyers. We have a government that had a first home owners grant that disappeared as soon as the election was over. We have an opposition that is committed to long-term savings plans and incentives for people who want to accumulate a housing deposit. That is the benefit of nest egg accounts. They are an opportunity for young Australians to put money aside, for their families to back their instincts to put money aside, to accumulate a nest egg over time, realise that money at age 18 and move into the housing market with better prospects for the future. So too matched savings accounts are a great, innovative way, now being backed by the Brotherhood of St Lawrence and the ANZ Bank, to show that low-income earners can save and accumulate a home deposit. We have a government that has no solutions for the housing affordability crisis. We have ministers who say it does not even exist. We have an opposition that is committed to distinctive policies to help Australian families as they combat this crisis.

The final matter concerns the maddest of the government schemes and that is the madcap second mortgage plan. This was a plan that the Prime Minister floated to say, ‘If you are not happy with the banks having one slice of your home, do you want them to have a second slice? Do you want the banks to have a second mortgage?’ It was never a plan for home ownership; it was a plan for sending home owners back into the rental market. There is no way in the world that banks and financial institutions are going to invest in your home unless they can realise an immediate financial return. As far as I know, every bank and every private sector organisation in Australia that owns rental accommodation, that has a housing stake, wants you to pay rent. So, if the banks come in and take a slice of your home, they will want an immediate return on their investment. They will want Australian families to pay rent.

This is a government without affordability policies. This is a government that has nothing but madness as its housing strategy—the second mortgage plan. The authors of that plan said it will increase prices. We all know that it will send people back into renting. It will take them out of home ownership back into the rental market. The authors have said
it will increase prices. It is also outside the Reserve Bank’s prudential guidelines for bank lending. It is as mad a scheme as you will ever see. It has been panned and criticised by every economist in Australia. I even have a quote here from Alan Jones bagging it. So you can see how badly the government is doing when it comes to policy making on housing. The truth is that it does not care. It has no minister here who gives two hoots about housing affordability. The back of the back bench is the best it can do. (Time expired)

Dr SOUTHCOTT (Boothby) (3.48 p.m.)—I have always thought there was a touch of the Whitlams about the member for Werriwa. In a 15-minute speech, there was not very much that was new, except for possibly a new federal superdepartment along the lines that we used to hear about from Tom Uren, Gough Whitlam or Brian Howe. The ALP raised federal land banking as an issue which they are going to look at as part of their policy review to increase the involvement of a future federal Labor government in development issues. When I heard that, my mind went to today’s paper, where the member-elect for Cunningham said that he had gone to the former Labor member for Cunningham, Dr Stephen Martin, and that he had said development was not a federal issue. So the attitude of a key Labor front-bencher was that development was not a federal matter. Of course we saw the result of that in the by-election last weekend.

Mr Bevis—You would have driven past public housing, wouldn’t you, on the way to your practice?

The DEPUTY SPEAKER—I warn the member for Brisbane!

(Quorum formed)

Dr SOUTHCOTT—This MPI is on the issue of housing affordability. The most important thing you can do for housing affordability is to have low interest rates, and at present interest rates are 6.55 per cent. When we were elected in March 1996, they were 10½ per cent. When you go back to the late eighties and early nineties, you had a mortgage rate of 17 per cent. For a $100,000 mortgage, that is a $10,500 interest saving now, or $871 per month. Mortgage rates never hit 6½ per cent under Labor. On the issue of interest rates, in yesterday’s Australian I saw a poll, which had been done by Newspoll, on the question of who would handle a range of issues best, taken in February 2002. There were some interesting things. For example, on education, normally seen as a Labor strength, the coalition and Labor were perceived as almost the same, 36 versus 37. But on the issue of interest rates 52 per cent of the population believed that the coalition was best placed to handle that issue versus 20 per cent for Labor. I remember that in the Aston by-election we had a concern that people have actually forgotten how high interest rates got under the Labor Party. Fortunately, we had an excellent candidate and we were able to remind them that mortgage rates were at 17 per cent. That is when we had a housing affordability crisis.

The other thing we have done is introduce the First Home Owners Scheme, which started in July 2000. In March 2001 it was doubled for new houses and since 1 July it has been $7,500 for new or existing homes. Under that scheme 387,000 Australians have received a first home owners grant, so this is helping people get into the housing market. If we look at the issue of housing affordability, the AMP-Real Estate Institute of Australia home loan affordability index did decline in the June quarter, by about four per cent, but it actually remains at about the long run average since 1986. It is well above the level of affordability that existed in March
1996 when this government was elected. Also, household interest payments in June 2002 were 6.1 per cent of disposable income, which is well below the 11 per cent they were in 1990.

The member for Werriwa was bemoaning the lack of initiatives coming from the government. I reject that. On 20 September the Prime Minister’s task force on home ownership, supported by the Menzies Research Centre, was announced. They will investigate, firstly, innovative approaches to decrease the cost of home ownership through new financing partnership arrangements; secondly, a new approach to the provision of public housing assistance, including private sector finance; and, thirdly, proposals regarding the challenges of outer metropolitan living. There is going to be a proposal to allow households to use debt and equity finance. The reason for this is that a lot of people have all their assets locked up in their household. If you look at the long-term returns of housing, they are not bad, but it probably would be better to have the flexibility to diversify your investments somewhat. So this proposal to allow households to use debt and equity finance may decrease the total mortgage cost and also allow household and institutional investors to diversify their assets. They are some of the important things: low interest rates and the first home owners grant.

What we have seen in housing—and some of this is based on the Reserve Bank Bulletin from July 2002—is a sustained rise in housing prices since 1997. This has been due to low inflation and low interest rates, which have led to increased borrowing capacity. House prices have increased by about nine per cent per annum over the last five years but they have increased by 17 per cent in the 12 months up to July 2002. The Reserve Bank Governor has talked about this and has said that they are concerned about the rise in house prices, and that was part of the reason given for the first two rises in interest rates. That rise is as great in real terms as the boom we had in the late 1980s, but there are a couple of differences. The price rises then were concentrated in a two-year period but this one has been fairly steady over five years. Also, the price rise then was most concentrated in Sydney and Perth, from memory, whereas this price rise has been spread much more evenly right across the country. In terms of rental property, what we see is increased rental vacancy rates and falling rental yields, and we see rents which have not kept pace with price gains. Owner occupation is being helped by the first home owners grant.

The MPI also deals with the issue of the Commonwealth-state housing agreement. The housing agreement has changed over time. It was first signed in 1945 in response to a housing supply shortage in World War II. Then it was used for the purpose of post-war reconstruction. In the fifties and sixties it was used as part of Robert Menzies’ great goal of promoting home ownership, and then in the seventies and eighties it began to be targeted to people on low incomes. In these agreements, in terms of public and community housing, there are 400,000 households with average annual rent subsidy of about $3,400 per household. We also provide rent assistance to about one million people, with an estimated average annual rent subsidy of $1,500. The preliminary negotiations for the 2003 agreement are beginning on Friday and it is said that the Commonwealth will outline its position on Friday. Senator Vanstone has indicated that the Commonwealth will be open-minded in the upcoming negotiations, which have to reach conclusion by June next year.

In terms of the existing state housing agreement, the Commonwealth is more than pulling its weight. The Commonwealth has contributed $4 billion over four years to the current agreement. The states and territories only provide $1.4 billion over the same period. The Commonwealth also provides $1.8 billion for rent assistance, which helps approximately one million private renters and improves housing affordability. Importantly, the key thing about rent assistance is that it does not lock low-income people into small location-specific job markets, compared with the problem that you have with public housing.

Commonwealth funding of the housing agreement and rent assistance taken together
means that, for every one dollar for housing assistance, the state and territory governments are providing less than 24c. The member for Werriwa is saying the Commonwealth government should be spending more. We are already providing a dollar for every 24c from the state and territory governments. Also, we spent $832 million over five years on the Supported Accommodation Assistance Program, crisis accommodation, and support for the homeless and those at risk of being homeless. These are the most disadvantaged in our society.

In considering housing affordability, one thing we cannot leave out of this is the conveyancing duty rates that are levied by the states. The minister for social security has produced a league table of what the different state governments do. We see that people in the lower quartile of houses have a conveyancing duty rate of something like 4.1 per cent in Victoria, 2.9 per cent in South Australia, 2.8 in Western Australia and 2.1 per cent in New South Wales. Similarly, the states are levying things like gambling taxes on people who are disadvantaged and so on: $340 per capita in Victoria and $259 per capita in New South Wales. We have seen state and territory gambling taxes increase by over $2.3 billion or 94.6 per cent.

Also I turn to concessions because this relates to how households are run. New South Wales, Queensland, South Australia, Tasmania, the ACT and the Northern Territory have no concessions on water consumption for Commonwealth pensioner concession cardholders. For the Commonwealth health card, New South Wales, Queensland, Tasmania and the Northern Territory have no concessions for basic household services such as electricity, water, sewerage and municipal rates. And New South Wales, Victoria, Tasmania and the ACT have no household concessions for the states’ seniors cards.

In considering housing affordability and the housing agreement, the Commonwealth will outline its position on Friday. Senator Amanda Vanstone has stated that she has an open mind and is dedicated to ensuring that the next agreement delivers more than the current agreement. The great things this government have done for housing affordability include having mortgage rates at 6.55 per cent and having the first home owners grant, which is providing 387,000 Australians with an opportunity to enter the housing market, helping them with their deposit and being able to continue the great Australian dream of owning a home.

Mr BRENDAN O'CONNOR (Burke) (4.03 p.m.)—I rise to support the member for Werriwa’s MPI on housing. This is a very important MPI for this nation. It is unfortunate that the government has decided to respond to the member for Werriwa by not having a frontbencher respond to this issue. As the member for Werriwa said, it is extraordinary that there would be no minister responsible in the government to respond to this issue.

Government members interjecting—

Mr BRENDAN O'CONNOR—I have the opportunity of supporting the MPI and I do so with great commitment and conviction. I have no concerns about backbenchers making comments on MPIs. I am one, as has been said by those opposite. I reiterate the comments already made that it is extraordinary that no frontbencher has come into this chamber and made reference to public housing and housing affordability in this country. That is extraordinary. Then again, we should not be so surprised that no one in the cabinet has come into this House to respond to this issue.

Not long ago, the Deputy Prime Minister of this government made it clear that there is no crisis as far as he is concerned. The government does not think there is any crisis in housing affordability or, indeed, in public housing. The Deputy Prime Minister told the parliament that the government believes there is no crisis in housing affordability. He told the parliament that home ownership has never been as achievable. I do not know who he associates with. I do not know where he gets this idea from. Obviously, he does not associate with those people who are concerned about having a roof over the heads of their family and children. That is what is extraordinary about this situation.

I expect the government to disagree with the MPI and defend themselves. But no, they
are not here to defend themselves. The executive of the government are not here to defend themselves, because this is indefensible. That is why they are not here. That is why there is no-one here to make comments in response to this MPI.

The Deputy Prime Minister told the parliament that home ownership has never been as achievable. It is very difficult to understand where he is getting these ideas from. If you have been listening throughout the electorates and the community, you would have found that low- and middle-income families are having great difficulty in obtaining their own home. That is the reality. That is the rub, if you like, when you have houses appreciating the way they are. You have an adverse consequence, which is that there is no easy opportunity for low- and middle-income families to buy their home. The government has chosen not to listen to the community on this matter and has turned away and said, ‘There is no crisis in this area.’

That is not what I hear in my electorate of Burke, and I am sure my electorate is no different from most electorates around the country. People are saying that they cannot afford a house. At this point I am not talking about people that do not even earn a living wage; I am talking about people that earn a living wage, the average median wage, but are finding it difficult to cope with the prices that are occurring in the housing market. Until the government start to understand this reality, they will not have the capacity ever to defend this matter of public importance. Unconsciously, that may be why the government are not responding to this matter of public importance today.

The Reserve Bank figures indicate that, since the arrival of the Howard government in 1996, the price of a standard house within the median price range in Melbourne has leapt from four years to seven years average full-time earnings. In fact, in Melbourne the price of the average home has doubled in less than five years.

Mr Bartlett—Good for some.

Mr BRENDAN O’CONNOR—That may be good for the equity for some. But today we are talking about those who have missed the boat with respect to buying a house. What do you do for the people who missed the boat, who are not able to pay the extraordinarily high prices for ordinary homes? The government must attend to that. Obviously they are not looking to attend to that today. The rabble opposite are just making comments. They have no concrete proposals whatsoever on this matter. They are smirking at those who cannot afford to buy their own homes.

What are the government members going to do about this problem? They appear to be doing nothing. The member for Werriwa was absolutely right when he said that the only comment that the Prime Minister has made about fixing this problem was by way of a second mortgage policy. What an absolute joke that would be for those looking for affordable housing. It is clear that government members are not equipped to deal with this problem, as evidenced by their absence here today and by their abdication in housing affordability policy areas. They have left the field. They have gone fishing and are not interested in fixing this problem for ordinary Australians. That is a disgrace and it is important that that is noted today.

Labor calls upon the government to play a proactive role. The member for Werriwa has said that there is an absence of policy and, therefore, we should play an active role in rectifying this problem. At a time when our country’s real estate is appreciating at a faster rate than any OECD country, the government is refusing to accept any responsibility whatsoever for urban policy at a national level. The government’s abdication on housing policy is one of the factors precipitating our re-entry into the cycle of boom and bust, which is a problem. Our re-entry into that cycle will precipitate even further problems down the track.

Rather than wait for the bubble to burst, Labor is proposing a plan to stabilise the housing market. As the member for Werriwa has already indicated, there are some strategies in place that the government should take up. If they have no ideas, they should take these ideas up. The new housing affordability program provides incentives for low-to middle-income families to save for a home
deposit, such as a nest egg account and matched savings account. That is an idea that the government could take up. They do not have any ideas of their own, so they might as well use somebody else’s. Reviving the federal government’s involvement in urban renewal projects, especially in the ageing middle-ring suburbs, was a policy forfeited by this government when they were elected in 1996. The member opposite, the member for Boothby, made reference to Brian Howe, as did the member for Werriwa, in regard to the Better Cities Program, which included policies designed to look at urban planning and urban policy. This was completely trashed by the government upon their election, and unfortunately since then no policy exists at the national level.

Labor has concrete practical proposals to respond to this current crisis. The difficulty in buying a home is confined not just to low-to-middle-income earners but to young people as a demographic. Young people have missed the boat; they do not have the capacity to purchase homes. Some people are now able to buy two homes because of the equity in their existing home. But there are many others—semiprofessionals and those in reasonable jobs; not just those on low incomes—who are not in a position to purchase a home. That is a problem that did not exist 10 years ago and it should be rectified.

In August this year the Governor of the Reserve Bank of Australia said what many Australians now know to be true: ‘We cannot help but think of the people, mainly in the younger age groups, who aspire to own a home but are finding it increasingly difficult to do so because rising prices are putting home ownership out of their reach’—and he was absolutely correct. Therefore, clearly, this government must respond to this problem.

Finally, with respect to public housing these government members are a disgrace. Traditionally, they have never had any regard for people that live in public housing; maybe we should expect that from a government like this. There are tens of thousands of Australians that do not have a roof over their heads. Shelter, along with food and water, is most important in any fair society. Measured by that, the government have failed. The government have failed to care about the most underprivileged in this society. It is a disgrace. (Time expired)

Mr PEARCE  (Aston) (4.13 p.m.)—This is the first matter of public importance debate I have had the opportunity to contribute to in the time I have been in this House. In saying that, if I were to take Labor’s lead, I would think I were supposed to launch into a vitriol of abuse and have a go at them, and all that, but I am not going to do that. I am going to try and talk about this matter of public importance in the most objective way I can.

The matter of public importance essentially has two elements. It talks about the Commonwealth-state housing agreement and Australia’s housing affordability. I want to address the first point. The fact is that the Commonwealth is contributing $4 billion to the current Commonwealth-state housing agreement. I cannot mention $4 billion without also saying what the other parties contribute. The other parties, being the state and territory governments—Labor state and territory governments—are providing $1.4 billion. Fact: the federal government provides $4 billion and the states and territories provide $1.4 billion—that is, for every dollar that the Commonwealth is contributing to the public housing of fellow Australians, the Labor state and territory governments are contributing just 35c. Since the coalition came to office in 1996, Commonwealth-state housing agreement funded housing stock has grown by four per cent. In fact, there is now over $38 billion worth of housing assets that are continually being used for housing assistance.

Clearly, as the facts I have outlined illustrate, the state and territory governments need to do more. Minister V anstone said at the housing ministers’ meeting on 19 April this year that the federal government is committed to another Commonwealth-state housing agreement. At that meeting, all of the housing ministers also agreed to develop positive options to stimulate private sector investment in the supply of low-cost housing and expressed their commitment to creating a modern, sustainable housing system. The
Commonwealth is again taking a leadership role. Just today, the Commonwealth Department of Family and Community Services has convened a panel of housing experts. That has already created some very positive ideas in the area of affordability.

Another very important area of the Commonwealth’s contribution is rent assistance. In addition to putting over $4 billion into the housing agreement, the Commonwealth is providing $1.8 billion annually for rent assistance. This rent assistance helps nearly one million private renters with the cost of their housing. Rent assistance has a significant impact on increasing housing affordability for income support recipients and low-income families participating in the private rental market. In most cases, for low-income people engaging in the job market, rent assistance is the most appropriate form of housing assistance as the rent assistance does not lock low-income people into the small location-specific job markets.

Mr Griffin—On a point of order, Mr Deputy Speaker: I draw your attention to the state of the House.

The bells being rung—

Mr Bartlett—If there is so much concern, where is the member who raised this MPI? If it is so important, why isn’t he here?

Mr Cadman—He’s out there having a cup of tea! I can see him!

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! The member for Mitchell has been in this House long enough—

Mr Cadman—I can see him—

The DEPUTY SPEAKER—to know that when I call ‘order’ it means order!

Mr Cadman—So much for his concern—

The DEPUTY SPEAKER—The member for Mitchell!

Mr Cadman interjecting—

The DEPUTY SPEAKER—I warn the member for Mitchell!

(Quorum formed)

Mr Pearce—It is amazing, isn’t it, that these Marxist type principles of the Australian Labor Party continue to shine through where they try to stop free speech?

Government members interjecting—

The DEPUTY SPEAKER—Order!

Mr Pearce—As I was saying, when it comes to the Commonwealth-state housing agreement, the facts of the matter are that the federal government is providing over $6 billion—

Government members—How much?

Mr Pearce—Over $6 billion, and the Labor states and territories are providing about 35c in each dollar.

Let us move on to the more important area of housing affordability. I first came into this House through the Aston by-election. The last time the Australian Labor Party held Aston was in 1990. I was living in Aston in 1990 and my wife and I were paying 17 per cent interest on our home loan.

Government members—How much?

Mr Pearce—Seventeen per cent!

Government members—That’s disgraceful!

Mr Pearce—Yes, it is. What is interesting about the Aston by-election is that it was in July 2001 and people remembered 17 per cent. Do you know what else is really interesting about that? In July 2001 they remembered 17 per cent. And guess what? In Cunningham almost 18 months later they still remember Labor’s 17 per cent. It is unbelievable. I certainly remember it, and it is something that all of the people of Australia who were struggling in those times to buy their first home will certainly remember. It really is amazing. Of course, housing affordability is such a matter of public importance for the member for Werriwa that he is not even here!

Government member—He’s not even here!

Mr Pearce—He’s not even here. Since the devastating tragedy that happened in Bali, we have sat for seven days. In those seven days the Australian Labor Party have put forward five matters of public importance. Of those five, we supported three—two of them had to do with the Bali bombings and the other one had to do with carers. But last Wednesday Labor seemed to have something go wrong, and now this Wednes-
day they have had something go wrong again. It must be a Wednesday thing; I am not sure. It probably has something to do with yesterday’s caucus meeting.

For the Australian Labor Party to use this House, the national parliament, for frivolous exercises in political meandering is an abuse. What Australians want—and the people of Cunningham and Aston made this abundantly clear—is a government to manage this country in a sensitive and caring way, and that is what the Howard government has done. Most importantly, I remind the Labor Party of some of today’s headlines: ‘It is time to develop some policy’ is one and another is ‘Labor must learn from defeat’. But after all of that, do you know what the answer is? According to the Australian the answer is, ‘Crean calls on spin doctor to revive the ALP’.

The DEPUTY SPEAKER—Order! The member for Aston’s time has expired and the time allotted for this discussion has now expired.

HEALTH CARE (APPROPRIATION) AMENDMENT BILL 2002
Report from Main Committee
Bill returned from Main Committee without amendment; appropriation message having been reported; certified copy of the bill presented.

Ordered that the bill be considered forthwith.

Bill agreed to.

Third Reading
Mr TUCKEY (O’Connor—Minister for Regional Services, Territories and Local Government) (4.24 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:
- Vocational Education and Training Funding Amendment Bill 2002
- Crimes Amendment Bill 2002
- Education Services for Overseas Students Amendment Bill 2002

TAXATION LAWS AMENDMENT BILL (No. 5) 2002
Second Reading
Debate resumed from 27 June, on motion by Mr Slipper:

Mr COX (Kingston) (4.26 p.m.)—The Taxation Laws Amendment Bill (No. 5) 2002 contains a series of changes to tax legislation, and Labor will support it. The bill proposes changes in relation to four issues: relief for certain oyster farmers, avoidance of double tax for work in progress payments, technical amendments to the capital allowances system, and recovery of PAYG withholding amounts. I will briefly discuss each of these issues.

Schedule 1 of the bill provides relief for certain oyster farmers. Oyster farmers using the traditional stick method of collecting spat had adopted a practice of not reporting assessable income in relation to the trading stock they had derived from spat. This bill provides a transitional arrangement for these oyster farmers to regularise their tax affairs without the financial hardships that would result if they were assessed on the full value of the trading stock in one year. After the transitional year, these traditional oyster farmers would...
farmers will be required to comply with the normal regime for valuing trading stock, and that is quite appropriate. This is a pragmatic solution to a difficult problem for 500 to 600 farmers of Sydney rock oysters. It has been negotiated over a couple of years. It allows them to regularise their tax affairs, recognising that in the past they have enjoyed a benefit relative to oyster farmers who buy spat from hatcheries and taxpayers in other industries who have valued trading stock appropriately.

It should be noted that the former Labor member for Paterson, Bob Horne, put this issue on the agenda first with a grievance speech on 20 September 1999 and then with a private member’s motion on 11 October 1999. I hope that the Sydney rock oyster farmers are grateful for his assistance. I imagine that it is also going to be a benefit for oyster farmers in Tasmania and in other places around the country.

This brings to mind another circumstance some years ago where a primary industry had developed practices which were not in accord with the normal stock valuation requirements and a previous government made some amendments to assist that industry. I would like to spend a few moments going over that so that people can see that there are parallels in the way we are treating oyster farmers now—although I think we are doing it a little bit more openly and expeditiously than was the case some 50 years ago in relation to the wine industry.

I would like to read an excerpt from a book by Sir Norman Young, a former Chairman of Southcorp. This is taken from his autobiography, *Figuratively Speaking: the Reminiscences, Experiences and Observations of Sir Norman Young*. Norman was an accountant in Adelaide before he became Chairman of Southcorp. He was also Chairman of News Corporation for a while, when Rupert Murdoch was first going international. I met Sir Norman in about 1983, when I worked for the state minister for mines, who had previously frustrated him in relation to price control on various brewing products. After that, they used to occasionally have lunch together and catch up because they were quite good mates. Norman used to tell some terrific stories about the Adelaide business community over the years. This is a pretty good story, and I think it will probably amuse the Treasury officers and tax officers who are present today. Sir Norman wrote:

In 1952 my partner, Ray Turner, who was well-known and professionally highly regarded by a good many of Australia’s winemakers, was asked whether he would act for the industry in a matter of some importance that had been raised by the Taxation Department. This was whether winemakers were complying with the provisions of S.31 of the Income Tax Assessment Act when valuing their unsold stocks of wine and brandy at the end of the financial year.

Ray, having done a bit of preliminary work on this question, and being busier than I was at that time, suggested that I might take up this assignment if the winemakers approved. Approval was forthcoming and I started to work on the problem, which turned out to be much more serious than I had first thought.

As a preliminary step, I asked all winemakers to let me have details of the values they had placed on their stocks at the latest yearly balance date, showing quantities and the basis (or bases) which they had adopted as the means of arriving at these values, together with their best estimates of the current costs of producing the relevant stocks.

As indicated, the relevant section in the Act was (and still is) S.31, which provides that taxpayers are obliged to bring to account all unsold stocks on hand at balance date (except livestock, to which separate rules apply) at either:

- actual cost; or
- replacement cost; or
- market selling price.

The information supplied by the winemakers showed that, with almost no exception, stocks were being valued at a price per gallon that bore no relationship whatsoever to the bases of valuation prescribed under S.31 of the Tax Act.

At this time, I do not imagine that there were more than 250 winemakers in the country, and all of them would have been pretty small. He continues:

These values, which varied considerably between individual winemakers, were in the range of six pence to two shillings a gallon, and could not be explained, or justified, by any rule of accountancy. The cost of producing wine was then about eight shillings per gallon, which meant that,
flexibility to cover any situation where there might be technical difficulties in strictly applying the statutory valuation tests.

This was not an encouraging prelude to our forthcoming interview with the Treasurer who would, of course, be advised by the Second Commissioner on how he should respond to our representations.

By then we realised that if we were to succeed we had to convince the Treasury that our case for exempting wine stocks from the operation of S.31 rested on broad political considerations. These we would argue, justified a rejection of the Second Commissioner’s uncompromising view that, irrespective of the consequences, the general tax law on stock valuation should be applied to wine stocks.

Late in 1952 we journeyed to Canberra to keep an appointment with Sir Arthur Fadden, the Federal Treasurer. Our team comprised Alex Downer, member in the Federal Parliament for the South Australian electorate of Angus—

not the current one obviously—(an electorate which contained a significant number of grape growers and winemakers) Kevin Ward QC, Sid Gramp (representing the industry) and myself. We were not particularly optimistic that the Government would be willing to amend a basic tax law in order to meet a special case, particularly where the official advice tendered to one of its Ministers was unsympathetic to such an amendment.

Sir Arthur received us in his customary cheerful manner. After the pleasantries had been disposed of we settled down to the task in hand.

We built our case round the argument that unless the government acted to change the law, as we had proposed, the Australian wine industry could be forced into a very serious financial crisis. We stressed the fact that if tax were levied on the difference between cost of production and the ‘conventional’ values that had been used by winemakers for a considerable time, many winemakers would be forced to curtail production, with extremely adverse financial consequences on grape growers. We also stressed the fact that members of Australia’s important wine industry were earning only nominal profits on the large amount of capital that had been invested in the industry and, for this reason, had comparatively little borrowing capacity. Finally, we pointed out that acceptance of our proposal meant no more than a deferral of tax until the point of sale.

**Mr Cadman**—That’s a nice turn of phrase!
Mr COX—It is a nice turn of phrase. The usual turn of phrase that comes back from Treasury officers and, indeed, treasurers is: tax delayed is tax avoided. Sir Norman goes on:

In brief, we wanted political understanding and sympathy.

Bob Mair, who was also present, continued to oppose our case and, in the course of his comments at the meeting, read from a long list of well-known Australian companies that had been penalised for under-valuing their stocks. This information did not exactly add to our comfort. We argued with him about the financial implications of tax being assessed on the stock value discrepancy. He told us that the winemakers should be able to borrow what was needed from their bankers and that an extension of time for making payment would be given, if required. We explained that the winemakers did not have overdraft facilities that would go anywhere near meeting the huge amount at stake. We went so far as to suggest that if the Department persisted, we would have to make payment in kind by delivering tankers of unmatured wine to West Block—where the Taxation Department carried on its business—a suggestion that was not taken very seriously.

We left Canberra uncertain whether or not we had made progress at the political level. The Treasurer had not disclosed his own views but, on the other hand, he had not rejected our representations.

Later, a senior officer of the Department of Primary Industry came to see me in Adelaide with the helpful explanation he had been instructed to report on the likely financial effect on the wine industry if its members were required to adjust their stock values as proposed by the Taxation Department.

What an indicator that a fix was about to be put in: sending someone other than a Treasury officer or an ATO official! He further stated:

To my relief, he came down, uncompromisingly, on the side of the wine industry (with a little help on my part). This was certainly an encouraging development. We were obviously moving in the right direction—away from the narrow outlook of the ‘tax gatherer’ into the wider field of political concern and expediency.

Matters then rested until the autumn session of the Federal Parliament. In March 1953 in the dying hours of that session and just as the members were about to rise for the Easter break, the Treasurer introduced a short Bill to amend the Income Tax Assessment Act in a few minor and non-controversial respects including, to my great pleasure, an amendment to S.31 of the act that gave complete effect to our earlier representations. This Bill and what it accomplished for the Australian wine industry at the time, happily failed to stimulate any debate or criticism in Parliament and attracted only minor attention in the Press.

Under the Treasurer’s bill, a new section (31A) came into force with special application to wine stocks. This legislation:

- made S31 of the Act (the general provision that specified how stocks had to be valued for tax purposes) no longer applicable to wine stocks;
- validated the stock valuations that had been used by winemakers in the past, despite the fact that they had not complied with the requirements of S.31;
- introduced an entirely new method of valuing wine stocks in the future—much along the lines we had proposed.

Then, in 1973, a newly elected Labour Government decided to review the operations of the financial policies of the Liberal-Country Party Government that it had replaced. A Task Force under the chairmanship of Dr H.C. Coombs was appointed to carry out this review.

The Coombs’ Task Force eventually focussed its attention on the privileged tax position of winemakers arising out of the operation of S.31A with respect to stock valuations and in due course, recommended the repeal of S.31A so that wine stocks would once again become subject to valuation, for tax purposes, in accordance with the general law on this subject (S.31).

The Task Force estimated that the withdrawal of the stock valuation concession held by winemakers would result in a gain to revenue of about $15,000,000.

And so, in October 1973, the political axe fell and by an amendment to the Income Tax Assessment Act made in that month, S.31A was formally repealed. As a palliative, collection of the additional tax payable by reason of this amendment to the law was spread over five years.

There we have a transitional tax amendment to deal with a similar stock valuation issue, not over a couple of years but over 21 years plus five years to pay the tax—very concessional treatment indeed, but definitely a precedent for the measure we are dealing with today. Sir Norman went on to say:
In the changed political and industry scene that had developed by 1973, I am bound to say that the Whitlam Government did, in fact, have good grounds for requiring winemakers to be treated in the same manner as other business taxpayers when accounting for their trading stocks at the beginning and end of each financial year.

By 1973 there had been great structural changes in the industry, with a number of family ownerships having given way to ownership by large multinational companies. Between 1953 and 1973 wine stocks had been considerably built up under favourable tax treatment, whilst grape production and wine making facilities had also been considerably expanded. The wine industry, by 1973, had established a sound record of increasing profitability which made fund-raising for working capital needs and for investment in long-term fixed assets very much easier.

So endeth the lesson from Sir Norman Young. When I met Sir Norman he had a myriad of stories like that about the Adelaide business community, from the time of the Depression on, which he used to regale us with at short lunches down at the Meridian Hotel on Melbourne Street. I will get back to the bill at hand.

Schedule 2 of the bill amends the Income Tax Assessment Act 1997 to prevent the possibility of double taxation where an amount is paid in respect of work in progress. As a result of a number of court decisions, the taxation treatment of amounts paid or received in respect of work in progress has given rise to the potential for the taxation of the same amount twice, albeit in the hands of different taxpayers. The amendments in this bill clarify the taxation treatment of payments and receipts in respect of work in progress. For an amount to be a work in progress amount it must satisfy certain criteria. These are: an entity agrees to pay the amount to another entity; and the amount can be identified as being in respect of work, but not goods, that has been partially performed by the recipient for a third entity but not yet completed to the stage where a recoverable debt has arisen in respect of the work. The amendments do not apply to partly completed goods such as manufactured goods that are normally brought to account as trading stock. This issue generally arises in the context of professional services firms such as legal and accounting practices.

Schedule 3 to the bill makes a number of technical corrections and amendments in relation to the capital allowances system. The amendments relate to the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the IT (TP) Act 1997 and the New Business Tax System (Capital Allowances—Transitional and Consequential) Act 2001. The capital allowances system was enacted with effect from 1 July 2001 to allow deductions for the cost of a depreciating asset over a period that reflects the effective life of the asset. The capital allowances system is also intended to provide deductions over five years for seven categories of capital expenditure that are not recognised elsewhere in the income tax law—that is, black hole expenditure. The technical corrections and amendments proposed by this bill are intended to ensure that the capital allowances system operates as intended and interacts appropriately with other related provisions.

The ATO contends that there would be a significant but unquantifiable revenue cost if these amendments were not made.

Schedule 4 of the bill amends the Income Tax Assessment Act 1936. The amendments specify the circumstances when the commissioner may make an estimate for the recovery of amounts not paid to the commissioner and the things that the commissioner may have regard to in making the estimate and allow taxpayers to reduce the commissioner’s estimate of any PAYG withholding amount by making a statutory declaration substantiating the actual unpaid amount of liability to which the commissioner’s estimate relates. Obviously, that would be with the sorts of sanctions that apply to making a false statutory declaration.

Before concluding, I want to briefly discuss the state of tax administration in Australia. Tax administration affects just about all Australians. An effective tax system provides for an equitable collection of revenue by transparent and efficient means. Currently, the tax system falls short of this standard. The means of collection of revenue are not transparent or efficient. Taxpayers and tax practitioners have been raising the same issues for years. They have been calling for better design of tax law, increased support
from the ATO on technical issues and improved overall coordination within the ATO. It took an ultimatum from industry bodies such as the Institute of Chartered Accountants to get the government to take any action. The ultimatum required the government and the ATO to take steps to remedy these areas of concern by 28 October. That is in five days time. We are concerned that the government will not live up to its rhetoric. Based on previous experience, the government talks big but does not follow through with actions.

Transparency and independence are fundamental elements of an efficient tax system. Transparency in tax administration is necessary to ensure that administrative systems and procedures are open to scrutiny. The independence of statutory offices is important to ensure the integrity of their function. The proposed role of the inspector-general is not transparent or independent. The inspector-general would be required to report directly to the minister and would have no power to publish its recommendations or reports. This is a serious constraint on the function of this statutory office. The minister has the power of veto over any report made by the inspector-general. This type of constraint is not conducive to transparency or independence. The Board of Taxation recognised the importance of an independent inspector-general and recommended to the government that the inspector-general be entitled to publish its reports after consultation with the minister.

Labor believes that fundamental change is required. Systemic issues are not being identified or addressed in a timely manner. The Tax Ombudsman has the power to identify and report systemic issues as they arise. This power to investigate systemic issues arises from its power under the Ombudsman Act 1976 to investigate matters on an own motion basis that relate to a matter of administration by a Commonwealth agency. Although the Tax Ombudsman has the legislative power to act in relation to systemic issues, it does not have the resources required to fulfil that mandate. So the options open to us are to either provide the Tax Ombudsman with the resources needed to tackle systemic issues or set up another office, such as the inspector-general of tax, to deal specifically with these issues.

From an international perspective, countries that have an ombudsman—that is, the United Kingdom, Canada and New Zealand—do not have an additional statutory office similar to that proposed for the inspector-general of tax. In light of international practice, it seems incongruous that in a country like Australia with a population not quite reaching 19 million people we would need another office separate from the Tax Ombudsman to deal with systemic issues. A budget of $2 million has been allocated for the inspector-general, a large part of which would be consumed by the administrative overheads of running a separate office. This money would be better spent by providing the Tax Ombudsman with the resources it requires to fulfil its legislative mandate. Let us get real about tax administration in Australia. Let us give the Tax Ombudsman the resources it requires to do the job.

Mr CADMAN (Mitchell) (4.50 p.m.)—I want to thank the previous speaker, the member for Kingston, for a delightfully entertaining segment in his speech. It illustrated part of this legislation—that is, stock valuation—very effectively by examining the way in which that was done in the wine industry. We are dealing with valuation in the oyster industry today. I guess one has to stretch one’s mind to see how the process becomes a taxable matter. Oyster farmers put sticks in the water, to which spat attaches. Therefore, the oyster farmer gains a value by a natural process and that is then a tax accountable item. I do not know how far we are going to go; perhaps we will have to measure rainwater falling in a farm dam and say that it is a taxable item because it can be converted into a commodity for growing crops.

Mr Cox—Come on; they’d want a deduction for the evaporation! That’s why we wouldn’t do it.

Mr CADMAN—Of course; you would have to draw that logical conclusion. A calculation for seepage would have to be established by tables. I am indebted to my friend and colleague for his illustration in the early part of his speech.
The Taxation Laws Amendment Bill (No. 5) 2002 covers three basic matters. The oyster farmer issue is of interest but the area that I would like to spend most of my time on is capital valuations. I want to look at that area and the way in which depreciation is calculated in the changes that are proposed here. This bill has been a long time coming; it dates back to a time of implementation for many of the elements contained in it to 1 July 2001. That is most regrettable; this sort of process is one that raises great anxiety among small accountants. Anybody that goes to a small accountant knows how much stress they can be under at tax time—at year end—dealing with all of the changes that have been made to the tax system. One thing that really causes anxiety is making sure they go back and amend a previous year’s taxation return, because the table in the front of the legislation clearly sets out the dates of the implementation for these measures and therefore is of concern.

On page 2 of the legislation, the date of commencement varies depending on which part of the legislation we are dealing with. But those which apply to capital allowances, transitional and consequential, relate in nearly every instance to the New Business Tax System (Capital Allowances) Act 2001. So these changes—some of them small, some of them maybe significant—create additional anxiety and are a worry factor for accountants. I have heard some of my colleagues dismiss the profession. I have not had the benefit of being an accountant; I have always relied upon them, but I would have to say that, under circumstances of much change, they are most anxious to see the government complete its process of reform and leave them alone for a while.

With regard to this legislation, I have mentioned the transitional provisions for some oyster farmers and the way in which they assess their stock, and there are pages on that and the way in which it is to be undertaken. There are the work in progress factors which will allow a proper evaluation and taxing of large projects that are carried out over a period of time. That is an area that needed attention, and I think that is a very valuable change. The detailed explanation of amendments contained in the explanatory memorandum on the way in which capital allowances and depreciation work is a revelation. It contains a formula for using the prime cost method for working out the decline in value of a depreciating asset. That is a summary of the way in which this section works. It looks at the opening adjustable value; it does not refer any longer to the cost factor because this legislation is prepared to consider, at different points in the life of an asset, its valuation and how it may have declined or depreciated and whether or not that is tax deductible. A business that uses or depends on equipment or materials which are purchased by the business as part of its production process, are items that often decline in value. Plant and equipment is typical and so is machinery. An asset declines in value and that decline in value becomes a matter that is deducted from the return at the end of the year because that item can no longer be valued at its full price.

The section of this legislation we are looking at deals with luxury cars, balancing adjustments, partners and partnerships. It deals with the rules governing the use of low-value pools to certain low-cost assets and how things can be pooled together at certain values. It deals with situations in which partners in a partnership decide to carry on their business through a company structure, thereby changing the value of the entity through which they operate. The expenditure that may be put out by somebody raising funds or raising equity in the business—having somebody come in and establish a working partnership by their bringing funds in and, in that way, changing the structure and the value of a business—is also a factor which is covered in detail by the legislation. The cost to stop carrying out your business—the process of winding up, the sales, the accountancy process and the notifications that are necessary—are also dealt with in the legislation. One area of particular interest that I note is that of the provisions which are intended to cover factors of last resort. It does not intend to encompass all so-called black hole expenditure. Subsection 40-880(3) is amended to add further exclusions from deductibility to ensure that the section operates as intended.
There are a number of rules in this black hole area, and if there is any area of controversy, it might be in regard to the black holes. What goes into this area is a matter that has been dealt with at length. In particular, I am indebted to the Parliamentary Library for the work that they have done in making an assessment of these black hole areas. With regard to the provision of last resort, expenditure should not be deductible under this section if it is not already recognised elsewhere in the income tax law, to the extent that it is not included in the cost of a depreciating asset held by the taxpayer, or included in the cost of land or deductible under other provisions of the income tax law apart from subsection 40-880(3).

The policy intentions of this area are broad and have raised some comment and criticism. The criticism that I heard from people heavily involved in the industry was that, whilst they were consulted by the ATO—and in a courteous manner—the time that they had to make a contribution to this area was not sufficient for their comments to be taken note of, within a day or two, the explanatory memorandum was published. I just advise the tax office: actions like that arouse unnecessary criticism. Sometimes the criticism is not justified and sometimes it is. But I think every step should be taken to make sure that a basic grassroots consultation can take place. It is all right to consult the big firms, but it is the people in small practices who have to implement the legislation and they are the ones who have the most difficulty. It is all right to say that Australia should be comprised of only medium or larger businesses. That is not the way Australia works and that is not the government’s intention. The role of small businesses in Australia is very significant. They are the breeding ground for entrepreneurial activity that finishes up in large companies. They are the breeding ground for innovation. They supply so much of Australia’s employment. We just cannot walk away, for the sake of the convenience of the tax office or of any other process of administration, from the responsibilities that we should have to small businesses. I encourage the process of full and effective consultation.

I hope the inspector-general, in his role, is able to work out the consultative process fully. I would like, over time, to have some of those findings of the inspector-general made public so that people know that proper consultation has occurred, that the small end and the unusual are part of the process of consultation and that consultation has been effectively carried out. Those are important issues, and I think they are illustrated in this legislation. Whilst it is not retrospective in the proper sense of the word, because changes have been notified, the detail of the change is something that people were not aware of in full and so they now have to backtrack and make changes they did not expect to have to make.

The tests of the processes that are used to underline the capital allowances system in division 40 are set out in the explanatory memorandum not to this legislation but to the New Business Tax System (Capital Allowances) Bill 2001. Under that, a depreciating asset is defined. Land, trading stock and most intangible assets are not depreciating assets. Who is the holder of a depreciating asset is very important in the case of a business—whether the entity holds it, individuals hold it or some other organisation holds it. When the decline in the value starts is also important—at the point of purchase, at the point when it comes into operation or when it is first used or installed or ready for use. It may not be the day when the order is placed or when the exchange of contract is entered into. The calculations applied to a depreciating asset are pretty important, because assets, by commonsense one would realise, depreciate at a different rate, and so the formulas applied for different types of assets are also set out in the legislation.

How long an asset will last is pretty important too. Farm equipment has one set of depreciation life, computers have another, whereas sheds and equipment and plant that is contained in factories all have processes that have to be taken into account. The calculation of the value of an asset and what happens when you cease to hold that asset, the balancing and adjustment at the end of that period, also have to be considered. The pooling mechanism, which was an innova-
tion of this government—and a very welcome one—can be used as an alternative to calculating the decline in value using the general formula. There is a pool for in-house software development expenditure as well as for assets costing less than $1,000 that have declined in value below $1,000. That was an innovation for small businesses by this government—a very welcome one, a very simple one and one that has been greatly appreciated by the small business industry. It was a very good initiative for small business. There is a decline in value for certain primary production assets; the immediate deductibility for capital expenditure of some items that were allowed, particularly in the change in the tax system; and other capital items that are deductible over a period of time. The calculations by which these decisions are made are contained in that original legislation.

I referred to my concerns about black hole expenditure. The black hole expenditure, as I have indicated, refers to business related expenditure which was not recognised in the income tax law prior to 2002 and which has been allowed as a deduction thereafter. There are seven categories: expenditure to establish a business; expenditure to convert the business structure to a different structure; expenditure to raise equity for a business; expenditure to defend a business against takeover; the cost to a business of unsuccessfully attempting a takeover; costs incurred by a shareholder in liquidating a company that carried on a business; and, finally, the cost to stop carrying on a business.

All of those factors are contained in the black hole provisions. The amount that can be deducted is 20 per cent of the expenditure for the income year in which the expenditure was incurred and for each of the next four income years. Other technical amendments contained in the legislation cover issues that relate to the interaction of capital allowances with the goods and services tax and with the other provisions of the tax act, including the capital gains tax and STS taxpayers. All of these factors are included, making the change a fairly complex one, because it moves across a large number of areas in the tax act.

I just want to, in the final moments, draw to the attention of the House the timetable for business tax reforms which the government has entered into. The consolidated taxation of corporate groups had a commencement date of 1 July 2002; the general value-shifting regime, July 2002; tax relief for demergers, July 2002; stage 1, stage 2 and stage 3 of taxation of financial arrangements have varying dates from 1 July 2001 to 1 July 2003; and stage 4, which is tax timing rules, disposal rules and synthetic arrangements, 1 July 2004. This timetable has generally been adhered to by the government. I would encourage those involved to press on and get this done—with consultation, but expeditiously. I think that people want to move ahead and be assured that they can have confidence in the Australian tax system.

I would encourage those working in the field to look at whether or not we can successfully benchmark against comparable nations to our own advantage, so that we can in fact say that we have a system that does work for the benefit of the Australian community at large but also is not an unnecessary impediment in time, effort or detail for those who are paying the taxation. So often we implement very complex legislation in order to prevent anybody avoiding taxation. There is a big cost to that, and a balance has to be struck for what is a reasonable amount of time that somebody who is an honest taxpayer should spend in making these calculations.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.10 p.m.)—in reply—I would like to thank the honourable members for Kingston and Mitchell for their contributions to the debate on the Taxation Laws Amendment Bill (No. 5) 2002. It was particularly interesting listening to the honourable member for Kingston. He diverted somewhat from the terms of the debate to talk substantially about the wine industry. Given the fact that he is a wine grape grower—

Mr Anthony—I’ll drink to that.

Mr SLIPPER—You will drink to it, will you? You can understand, of course, that the
member for Kingston does have a keen interest in this particular area.

Mr Anthony—Self-interest.

Mr SLIPPER—‘Self-interest,’ I think the minister said. In his speech, the member for Kingston asserted that the wine industry has similar trading stock issues and should have similar treatment to that which is proposed in the legislation before the House. I would like to point out to the member for Kingston that the measure contained in this bill provides a transitional provision to help oyster farmers comply with the existing trading stock rules. It does not provide an ongoing concession for oyster farmers. It seems to have escaped the notice of the member for Kingston that this is in fact the case.

The wine industry requested that the government allow them to use concessional valuations for their wine trading stock on an ongoing basis, by including prescribed minimum values for wine trading stock in the legislation. Most people would accept that there is no justification for the wine industry to have a special ongoing concessional value for their trading stock compared to other industries. It would be useful for the record to point out that wine producers already receive tax benefits, in the form of a four-year write-off of grapevine establishment costs, and other primary producer concessions. The measure requested by the wine industry is not the same as the current measure for oyster farmers. It ought to be recognised as well that the wine industry has suggested this through at least two approaches at different times. Either approach would significantly damage the principles underlying the trading stock provisions and distort the treatment of wine within the industry and in comparison to other industries. A concessional trading stock valuation would create a distortion in favour of higher cost producers, and most people would accept that is not a desirable way to go.

The member for Kingston in his address also expressed some concerns uttered by tax professional bodies about the standard of tax administration. I want to advise him that the Australian Taxation Office is working cooperatively with the professional bodies representing tax practitioners to address their concerns. The Commissioner of Taxation has given this matter very high priority and has appointed a senior tax officer to manage these concerns. It is my understanding that practitioners are now acknowledging the improvements in the system implemented by the Australian Taxation Office during this financial year.

The honourable member for Mitchell was critical of the ATO’s consultation process for capital allowances. He said that small businesses did not get enough time to comment and that the ATO should improve its consultation process. The government has charged the Board of Taxation with ensuring that effective consultation is in place and takes place in developing taxation legislation. The government announced in May that it was committed to effective consultation and to improving consultation processes. I am particularly pleased to be able to reassure the member for Mitchell in this respect.

I was, given our debate earlier this week in relation to the Inspector-General of Taxation, somewhat concerned again to hear the member for Kingston criticise this really important initiative which will, in fact, improve the administration of the tax law. The bill which went through the chamber established the new statutory office of Inspector-General of Taxation as an independent adviser on tax administration issues to the government. The office will thereby strengthen the advice that the government receives on tax administration and process. The Inspector-General of Taxation will improve the administration of the tax laws for the benefit of all Australians by providing a new source of independent advice to government on the effectiveness of tax administration.

I have to say that I remain perplexed by the opposition to this measure by the Australian Labor Party—it really is quite incredible. Many people, I think, are finding it difficult to follow the thought processes of the member for Kingston, as the responsible shadow minister, because undoubtedly he was the one who persuaded the opposition to take what is really quite an unacceptable position from the community’s point of view.

The Taxation Laws Amendment Bill (No. 5) 2002 demonstrates in another way the
government's commitment to a better tax system on two fronts: one is new responsiveness to emerging problems with the existing law and the other is the finetuning of tax reform measures. The first measure concerns the valuation of baby oysters for trading stock purposes. When it became apparent that oyster farmers should have been including oysters caught in the wild as trading stock and not treating them as a windfall gain, the government entered into discussions and consultations with growers to try to find a solution to the problem. I think the member for Kingston in his address in fact acknowledged that the government had moved speedily in this direction, and I thank him for his compliments extended to the government.

Oyster farmers who grow Sydney rock oysters catch the baby oysters by planting sticks or slats in the water. The young oysters, or spat, attach to the sticks and can mature there or be detached and placed in baskets until they are ready for harvesting. One of the problems is that it is very hard to do the necessary calculations. Oyster spat are microscopic, and maturing oysters—as you would know, Mr Deputy Speaker Jenkins—are indeed very hard to count. The other problem is that, in the first year, the spat or baby oysters are included as trading stock, resulting in the growers having a big spike in taxable income. The amendment gets around these problems by deeming an opening stock on hand at the beginning of the year to be an amount calculated on the basis of so much per stick or slat. This reduces the spike in taxable income and deals with the difficulties in valuing the oysters.

To take up again the point I made with respect to the plea by the member for Kingston on behalf of wine grape growers, I just want to re-emphasise that this is in the nature of a transitional amendment, because it only applies to the 2001-02 year. After this, the normal rules apply.

There has been much call for the second measure, which deals with a problem frequently encountered by people who trade in partnerships, although it will apply to other structures as well. For some time, the Commissioner of Taxation has been administering the law in such a way as to get around the problem, but recent court decisions regrettably mean that the practical approach of the Commissioner of Taxation is no longer possible. When a partnership or other structure is dissolved, the departing partner may be paid an amount representing work in progress; that is, work the ex-partner has done for a third party but which has not as yet been paid for. The departing partners have to include the work in progress payments in their taxable incomes. When the work is finally finished, the remaining partners include the actual payment from the third party in the partnership income. This means that the income is in effect double taxed—once in the hands of the partner and once as partnership income—and that is quite inequitable. To eliminate the element of double taxation, the partnership will get a deduction for the amount paid to the departing partner. Those people who have been involved in partnerships which have dissolved know that dissolving a partnership or a business is rarely easy, and this should remove one area of uncertainty from the process.

The next measure in the bill makes clarifying and technical amendments to the capital allowances system. The capital allowances system was introduced on 1 July last year to streamline the different depreciation and capital allowance provisions in the income tax law. It was one of the major advances in the business tax reform program but, since it was introduced, experience with the law has revealed that it does require clarification and a number of technical amendments.

One feature of the capital allowances system is the deductibility over a period of five years of seven items of expenditure known as 'black hole' expenditure, because they are not recognised anywhere else in the income tax law. I believe this is a matter referred to by the member for Mitchell. It has become clear that the law covering the deductions for black hole expenditure can be read to cover expenditure that it was never intended to cover. Apart from being contrary to policy intent, this exposes the Commonwealth to a potentially significant loss of income—and that is not something to be desired. As well
as the technical amendments and corrections, the black hole expenditure provision will be further elucidated to make sure that taxpayers understand when it is meant to apply.

The last measure in the bill makes consequential amendments to complete the process of bringing pay-as-you-go withholding into the recovery by estimates regime. When pay-as-you-go was introduced, steps were taken to bring pay-as-you-go withholding into the recovery by estimates regime. That would mean that where, for instance, an employer withheld tax instalments from salary and wage payments and did not remit the money to the tax office, the commissioner could take action to recover an estimate of the withheld amount without having to establish the exact amount of the debt. The employer could not frustrate the recovery action by refusing to provide the information needed to prove the exact amount owing. Unfortunately, however, the necessary consequential amendments to give effect to the intention to apply the estimates regime to PAYG were not made. The Australian Taxation Office now considers that actions based on estimates of PAYG debt would be unsuccessful.

These amendments strengthen the armoury of the Commissioner of Taxation in the fight against tax avoidance. I commend this bill to the House, I thank the opposition for its support and I present corrections to the explanatory memorandum.

Question agreed to.

Bill read a second time.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.22 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

COMMITTEES

Publications Committee

Report

Mr RANDALL (Canning) (5.23 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.


HEALTH INSURANCE AMENDMENT (PROFESSIONAL SERVICES REVIEW AND OTHER MATTERS) BILL 2002

Second Reading

Debate resumed from 27 June, on motion by Mr Andrews:

That this bill be now read a second time.

Mr STEPHEN SMITH (Perth) (5.24 p.m.)—The opposition supports the Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002. As the title of the bill indicates, it deals with the Professional Services Review Scheme and other matters—or one other matter—that relate to the treatment of people who suffer from cleft lip or cleft palate.

First let me deal with the Professional Services Review Scheme. The bill amends the Health Insurance Act 1973 to clarify the operation of the professional services reviewed in the PSR Scheme, the scheme which regulates fraud and inappropriate practice, in particular overservicing in relation to medical services. A major focus of the Professional Services Review Scheme is to prevent, detect and investigate fraud and inappropriate practice with regard to medical services for which a benefit has been paid under Medicare. Under the PSR Scheme, there is a staged process in which statistically high servicing is investigated and translated into clinically inappropriate practice.

In 1998 a legal challenge to certain aspects of the PSR Scheme resulted in amendments being introduced in 1999 to rectify technical deficiencies in the scheme relating to the need for the Health Insurance Commission to particularise the conduct of medical practitioners in the investigative and adjudicative processes of the commission. The Labor opposition supported those 1999 amendments. A further challenge was brought against the amended act in the 2001 case of Pradhan v. Holmes and Others. In that case, Justice Finn of the Federal Court criticised the 1999 amendments as lacking in clarity.
The amendments seek to fix the problems identified with the 1999 amendments. The amendments relate to five main areas: the objects and outline clauses, the replacement of the investigative referral process with a request process, the inclusion of a formal review stage following the investigative referral request, clarification of the need to particularise conduct and its effect on jurisdiction, and increased procedural fairness protection at various stages. These amendments are technical in nature and are designed to ensure that the investigation of fraudulent and other inappropriate medical practices is not subject to legal and administrative challenge. I am not aware that members of the medical profession or its representative organisations such as the AMA have raised any concerns relating to the provisions of the bill. On that basis, the opposition regards these amendments as technical and in a good cause, and supports them.

As I have indicated, the other area of the bill relates to cleft lip and cleft palate sufferers. The bill seeks to amend the Health Insurance Act 1973 to extend the Medicare eligibility for cleft lip and cleft palate sufferers who have been certified by the minister before their 22nd birthday, allowing them to claim until their 28th birthday. Medicare treatment is currently available for a prescribed dental patient, defined as a person under 22 years who suffers from a cleft lip or cleft palate condition that has been certified by an approved doctor or dentist. A prescribed dental patient is also any person who suffers from another condition and has been certified by an approved doctor or dentist that has been determined by the minister to fall within these provisions. The bill will extend the definition to include persons under 28 years of age who have been certified as suffering a cleft lip or cleft palate condition before their 22nd birthday. The extension of the age limit to 28 will enable the program to cover the period in which the jaw continues to grow.

The opposition supports that measure, but I have received representations from Cleftpals, a volunteer, nonprofit organisation that supports people who suffer from, or whose family or friends suffer from, cleft lip and/or cleft palate. Cleftpals argues that a small number of people with cleft lip and/or cleft palate will continue to need treatment after the age of 28 for their condition. Cleftpals also argues that those people who initially received treatment many years ago are unable to access more advanced clinical procedures because of the age cut-off. An extension of this cut-off period to the age of 28 will not significantly help those people who have been unable to access more advanced clinical procedures because of age.

The government has estimated that the amendment as proposed in the amendment bill to increase the upper age limit for cleft palate treatment will result in ‘only a small financial increase to Medicare’. The explanatory memorandum does not quantify the amount of the increase. It states:

The Department has been advised that a minimal number of existing patients would require continuing care beyond that which is now provided. While extending the availability of cleft palate treatment to persons aged more than 28 would not cause substantial additional cost to Medicare, it is acknowledged that there would be some additional costs. The government not having quantified the cost for those from the age of 22 to 28 other than by referring to ‘a small financial increase’, the opposition has considered the representation of Cleftpals to extend the age limit for treatment beyond 28. I might just take the opportunity to quote, at some length, representations made to me by Cleftpals. I think the representation more than adequately summarises the recommendation and I will read it into the record. It says:

A cleft of the lip and or palate occurs approximately once in every seven hundred live births in Australia. Cleft conditions occur spontaneously, as part of a syndrome or as genetically inherited defect and are currently the second most common birth defect in Australia. Any child born with a cleft condition needs many years of ongoing treatment in a wide spectrum of specialist areas however, in some cases dental treatment and some areas of reconstructive plastic surgery may be required throughout the person’s life. The level of intervention and treatment can range from minimal in the case of a cleft lip child through to intensive with many years of ongoing speech therapy, palatial surgery, orthodontic work, dental
procedures, bone grafts, hospitalisations and countless hours spent in appointments and check-ups.

In Australia we are recognised as world leaders in the treatment of cleft affected children, with our unique multi-disciplinary ‘team management’ approach, now being adopted worldwide. At the 9th International Congress on Cleft Palate and Related Craniofacial Anomalies in Guttenberg, Sweden in 2001 thirteen members of the Western Australian Cleft Team alone were invited to present papers, with 20 representatives from Australia in total. This was the largest singular country representation apart from Sweden, and highlights the ability of Australia in this field.

The representation goes on:

... many cleft affected adults express despair at the inability to afford essential dental and orthodontic treatment, which is directly a result of their cleft birth defect, many problems are related to dental deterioration and includes the use of implants to strengthen bridgework. Many of these adults have had treatment over 25 years ago when reconstructive maxillofacial plastic surgery and dental treatment was not as advanced as the services cleft affected children in Australia receive today.

The representation goes on:

... under the current dental scheme because its coverage of orthodontic cost directly associated with the cleft condition currently expires at the age of twenty-two. Even though the proposed changes extend the age to twenty-eight we feel that it is more appropriate to extend the age to cover a cleft lip and/or palate person’s lifetime. We believe such a change would allow the few cleft affected people who need further intervention after the ages of 22 or 28 to advantageously access required treatment without there being too much of an increased financial burden on the Medicare system.

Cleftpals is also concerned that the scheme needs to be more reflective of the advancements in treatment that have occurred within this area over the last ten years, these treatments including implants and ‘cosmetic treatments’ such as scar revision and palatal reconstruction are benefiting today’s cleft kids and we feel that should be available to all cleft affected people if the need does arise. We are world leaders in the care of Cleft lip and/or Palate children let’s make ourselves the world leaders in care of adults affected by a cleft palate or lip condition as well!

As a consequence, given that it would require additional financial appropriations by the Commonwealth to extend funding to those beyond the age of 28, I am not in a position to move a detailed second reading stage amendment. However, I move:

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

“while supporting the provisions of the Bill, and welcoming the proposal to extend Medicare benefits in respect of people suffering from a cleft lip or cleft palate condition, the House acknowledges that a small number of people may need treatment for these conditions after reaching the age of 28 years and calls on the Government to allow treatment beyond this age if approved by the Minister for Health”.

When you look at the amendment bill, schedule 2, item 2, you see that it inserts a new definition of prescribed dental patient to mean: (1) a person who is under 22 years of age and has been issued with a certificate stating that the person is suffering from a cleft lip and cleft palate condition, and/or (2) a person who is between 22 and 27 years of age who has been issued with a certificate stating that the person is suffering from a cleft lip and cleft palate condition and whose treatment commenced prior to turning 22 years of age, and/or (3) a person who is under 22 years of age and has been issued with a certificate stating that they suffer from a condition determined by the minister.

The thrust of the second reading amendment would be not to cover just those categories but to cover treatment beyond the age of 27 if certified and determined by the minister. What is the public policy rationale? The public policy rationale is that, on the government’s own acknowledgment, the financial implications of what it is proposing are small. It follows logically that the financial implications of what I am proposing would also be small in the context of the Medicare scheme generally. But so as to ensure that it was restricted to those cases which would be regarded as appropriate, the certification process of the minister is suggested.

I compliment the government on the bill that has been put before the House. This condition is a terrible affliction for the small number of people who suffer from it. The consequences for the taxpayer of moving to assist are, in the greater scheme of things,
quite small, and it logically follows that I should make the suggestion I have made. My suggestion is made with the best of intentions and I hope that the government might consider it. In the course of the second reading debate, either here or in the other place, the government might be in a position to give some indication of its acceptance of it so as to enable—not in this place but perhaps in the other place—a government sponsored amendment.

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

Mr Fitzgibbon—I second the amendment.

Mr CADMAN (Mitchell) (5.36 p.m.)—I thank the previous speaker, the member for Perth, for the manner in which he has moved his amendment. I know that the government will consider such a sensible proposal. I am not in a position to know whether or not it can be implemented, but I guess he will find that out at a later point. The main provision of the Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002 is to make some changes to the Professional Services Review Scheme. It was substantially amended in 1999, first of all, following a detailed review by the Professional Service Review Committee. The committee looked at the PSR arrangements, and it was made up of representatives of the Australian Medical Association, the Health Insurance Commission, the Professional Services Review and the Department of Health and Ageing.

In November 2001, the revised arrangements came under the scrutiny of the Federal Court in Pradhan v. Holmes and Others. The court made findings which suggested that the legislative amendments made in 1999 following the review may not have had the effect intended by the review committee. I will refer to some of the cases and processes which are outlined in the Professional Services Review annual report 2000-2001. It makes interesting reading in terms of the way in which the review process has taken place and the way in which the intended changes will apply. The intention of the amendments in this legislation is to address certain issues identified by the Federal Court and to clarify the intended operation of the PSR Scheme as envisaged by the recommendations of the review committee and the legislation.

The process of review for a doctor or medical person who is not playing the game really hinges on three points. There are three points or stages of review. The first is that the Health Insurance Commission request for review is based on broad statistical data on services provided. They look across the conduct of medical practitioners and say whether or not there are an extraordinary number of particular procedures carried out by a general practitioner or whether a large number of patients are seen over the period of a year. The second point is the director’s review, where the matters are further refined and service is identified for committee consideration. The third stage is the PSR Committee investigation, where the conduct in connection with the provision of the specified services is examined by a committee of peers.

The ultimate responsibility in all of this is via peer review. A group of trusted and worthy individuals appointed by the various professional bodies have a look at the conduct of one of their peers. They make a decision about whether or not that person has been behaving in a manner which is appropriate. Of course, in the ultimate event, there is a fourth tier or step, which involves the imposition of a sanction of some sort or other. The Health Insurance Commission’s reason for limiting the scope of subsequent investigations arises from these court cases. I think, at this point, it would be a good thing to draw the attention of the House to some of the instances that are contained in the annual report of the Professional Services Review.

The first one I want to identify is Dr James Tankey, a general practitioner in Ipswich in Queensland. The Health Insurance Commission stated that he rendered 27,048 services during 1994 at a cost to Medicare of $580,576. The HIC doubted whether the appropriate level of clinical input had been given to make that number of services over a period of one year. The determining officer had a look at the whole process and found that Dr Tankey had developed a consistent
pattern of extremely high and rapid throughput of patients and had abdicated from the professional responsibility required of allocating an appropriate time to elucidate and address patients' health problems and to record a proper medical history. There were a number of other factors involved.

The determining officer directed that Dr Tankey be counselled, that he repay Medicare a total of $258,277.45—it would be very interesting to see how they arrived at that figure, but I will leave that to one side—that he be fully disqualified from Medicare for six months and that he be disqualified in respect of certain items for 12 months. Dr Tankey did not agree with that, so he requested a review by the PSR Tribunal, which doubled the amount and said, 'Righto, chum, you're going to pay $580,576—the full amount that we think you took out of Medicare.' They otherwise affirmed the original decision. He went to the Federal Court on nine questions of law, and the court restored the original determination—they knocked it back and halved it.

Off it went to the Federal Court, and the full bench of the Federal Court said, 'No, they were right. You pay the $580,000-odd after all.' So there was a bit of ping-pong with this one, but there is no doubt about it: there was general agreement of some abuse, overservicing and lack of attention to the details—

Mr Fitzgibbon—It sounds like your threshold for unfair dismissals. Fifteen, 20—grab a figure out of the air.

Mr CADMAN—Well, there is a lot of money involved, so I suppose somebody has to be prepared to say, 'We need to come to a sound conclusion on this one.' An interesting case is that of Dr Jessica Ho, who is a general practitioner in Springvale South in Victoria. She was referred to the PSR in April 1997 on account of her high overall volume of service. She was investigated, and she had rendered 19,749 services during the year, costing Medicare $420,243.90. The review concluded that she had consistently rendered brief consultations with questionable clinical input, her rendering of acupuncture was unacceptable, her procedures for storage of vaccines at proper temperatures were inadequate, her knowledge about restricted pharmaceutical benefits was inadequate and her care of patients with chronic conditions was sometimes inadequate, and there were a number of other items. It finished with the committee making a decision, and she was asked to repay Medicare only $4,104.85, which was subsequently reduced.

I include those examples so that we can grasp what this is all about. It is fair enough to say that if the courts are uncertain as to the intent of the parliament then changes are needed. Therefore, I am in support of this legislation. Arguments would be put by some that certain human rights factors, legal rights factors or natural justice processes are not being observed. But, at the end of the day, I take comfort from the peer review process, where a bunch of highly skilled professionals have a look at a colleague and decide whether their practice is appropriate. I have no trouble with that. We should not have some bureaucrat or administrator deciding what they think doctors should be. That has nothing to do with what I might think about bureaucrats or administrators; I think it is appropriate in this area of health that somebody who is remote and properly qualified should look at this matter and that there should be more than one person making that decision. I wish to conclude my consideration of this aspect of the bill by saying that it is during the process of peer review that the committee is able to properly assess the appropriateness of the conduct of the person under review. That enables the committee to make its finding and to report to the determining authority. The determining authority then looks at the conclusion and decides whether or not a process involving the imposition of a sanction is necessary. The sanction can take the form of a fine or it can involve having a doctor removed from the practice of certain, or all, services.

I wish to draw the attention of the House to the fact that we as a nation need to apply ourselves to health matters. I have become aware of the situation in New South Wales, and it concerns me that there are long waiting lists. I am told there are 50,184 people currently awaiting elective surgery in New South Wales hospitals. Many people—
5,796—have waited for more than 12 months for their surgery compared to half that number four years ago. I am also told that 9,000 patients—approximately 31 per cent—who required admission to a hospital ward were forced to wait for more than eight hours. That is not a good record. I would like to see the New South Wales government apply itself to rectifying these problems. We can deal with the doctors here, and that is proper, but that area of health in New South Wales deserves serious attention.

Mr Brendan O’Connor (Burke) (5.48 p.m.)—I rise to support the Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002 and, in doing so, I support the second reading amendment moved by the member for Swan. I welcome the member for Mitchell’s comments about the bill; in fact, I agree with much of the sentiment which he expressed. I also welcome his view that there may be the possibility of the government considering the amendment, in light of comments made by the member for Swan and, I am sure, comments made to the government by organisations related to this matter.

The bill, in essence, is a good bill, but it could be a better bill. The bill seeks to amend the Health Insurance Act 1973. It has essentially two main aims: to clarify the operation of the Professional Services Review Scheme and to extend the Medicare eligibility for cleft palate and cleft lip sufferers who have been certified before their 22nd birthday to allow them to claim until the age of 28. The PSR Scheme commenced in July 1994, replacing the Medical Services Committee of Inquiry, which previously had responsibility for policing overservicing. Its purpose is to deal with inappropriate practice under Medicare. Its major focus is to prevent, detect and investigate fraud and inappropriate practice in relation to medical services for which a Medicare benefit has been paid. This scheme replaced the concept of excessive servicing with one of inappropriate practice, which goes further than the earlier definition and covers conduct in connection with the rendering or initiating of services which one’s medical colleagues would consider unacceptable.

As indicated by the member for Swan and the member for Mitchell, a series of legal challenges, most recently Pradhan v. Holmes and Others [2001], has resulted in these amendments being progressively introduced to further clarify and define the conduct of medical practitioners in the investigative and adjudication processes of the commission. Many of the presiding justices in these cases noted that the potential for a denial of natural justice due to the imprecise nature of some of the definitions in the legislation was obvious. The amendments were intended to ensure that the review process remained workable by strengthening procedural fairness requirements protecting medical practitioners under review. The present proposed amendments are technical in nature, as has already been mentioned, and are designed to ensure that the investigation of fraudulent and other inappropriate medical practices is not subject to legal and administrative challenge. It also should be noted that the Australian Medical Association has not raised any particular concerns about the provisions of the bill in this area. The amendments relating to the PSR Scheme should therefore be supported and will be supported in this place.

The other provision is the matter relating to the proposed cut-off age for cleft palate and cleft lip patients to be covered by Medicare. At the moment the cut-off is the age of 22, and this bill provides for its extension, if you like, to the age of 28. According to the explanatory memorandum accompanying the bill, the department has consulted with the Australian Dental Association and the Australian Centre for Dental Specialists regarding the extension of the age limit for access to the cleft lip and palate scheme, enabling the program to cover the period during which the jaw continues to grow.

The Australian Dental Association supports extension of the age limit but believes the extension should ideally be indefinite. This corresponds with the position of Cleftpals, the volunteer nonprofit organisation referred to by the shadow minister. Cleftpals maintains that access to treatment over the patient’s lifetime more accurately reflects the clinical needs of people with this condition. In addition, Cleftpals argues that those who
initially received treatment years ago are unable to access more advanced clinical procedures because of the cut-off, and extending the limit to 28 will not help those patients. The proposed cut-off is therefore arbitrary in nature and does not reflect the true nature of the condition or its progression over the life of the patient. Extending the date indefinitely would place no unreasonable burden on the taxpayer, as has already been mentioned, and would ensure that the patient could receive ongoing care appropriate to their condition, provided they meet the accepted definition of ‘prescribed dental patient’ as certified by an approved doctor or dentist. This bill should be supported in principle, with the second reading amendment relating to the extension of Medicare for cleft palate syndrome.

Ms HALL (Shortland) (5.54 p.m.)—I rise to add my support to the Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002 and to the opposition amendment to the second part of the legislation. In doing so, I would like to run through what the bill is about and concentrate on a couple of features of this particular piece of legislation. The bill amends the Health Insurance Act 1973. It clarifies the operation of the Professional Services Review Scheme, the PSR Scheme, which regulates fraud and inappropriate practice in relation to medical services. It also extends the Medicare eligibility for cleft lip and cleft palate sufferers who have been certified from their 22nd birthday to their 28th birthday. This is something that is most admirable, but I will touch a little later on how I feel there is room for a further extension of this.

I would first like to spend a little time discussing the Professional Services Review Scheme. A major focus of the PSR Scheme is to prevent, detect and investigate fraud and inappropriate practice in regard to medical services for which a benefit has been paid under Medicare. Under the PSR Scheme there is a staged process in which statistically high servicing is investigated and translated into inappropriate clinical practice. I would like to touch on that for a moment. I realise that the changes in the bill are quite technical in nature but I want to put in a little word of warning here. Within my electorate of Shortland there is a severe shortage of doctors in the northern part of the Central Coast. We have one doctor per 2,500 people living in the area. Constituents have come along and spoken to me about the fact that their doctor has been investigated under the scheme and has been accused of overservicing.

Currently in this area people wait between seven and 14 days to see their doctor, and doctors are finding that they are really stretched to the extreme. They are faced with having to see somebody and either rush them through or work longer hours. I have discussed this with medical practitioners and they have raised with me their concerns about this particular matter—that they feel very intimidated and feel that they are in a bind. They need to see their patients but on the other hand they feel that they are being watched over and that if they do see that extra patient or push up the numbers of patients that they are seeing then they will be investigated for overservicing. I can think of four doctors off the top of my head who have received letters and have been investigated.

Nobody could be more supportive than I am of the need to ensure that doctors and other health professionals are entitled to be paid under Medicare. Nobody could be more committed to the fact that they should not overservice, that they should not abuse the scheme. It is there for the benefit of all Australians; it is not there to be exploited by doctors or whatever the profession. It is not there to be abused; it is there for the people of the area. But quite often you have a number of patients who need to be seen, a number of people who are ill and seek medical treatment, and there are not enough doctors to service them within the time that meets the requirements of the scheme, and this can be a problem.

In 1998, there were some legal challenges to certain aspects of the PSR Scheme that resulted in amendments in 1999 which rectified these technical deficiencies. The Labor Party supported them, and we are supporting this bill now. I support the changes but I have words of warning from the real world about how this has impacted on people in my area and on some of those truly dedicated
doctors. The current bill seeks to fix the identified problems with the 1999 amendments. They relate to five main areas: the objects and outlines clauses, the replacement and investigative referral procedures with a request process, the inclusion of a formal review stage following the investigative referral requests and clarification of the need to particularise conduct, and the effect on the jurisdiction. The bill will also increase procedural fairness protections at various stages. The legislation is designed to ensure that the investigation of fraudulent and inappropriate medical practices are not subject to legal and administrative challenges. It is interesting to note that the AMA has not raised any concerns with the provisions of the bill, and I again emphasise the tiny concerns that I have about this part of the legislation.

Another area of this bill refers to extending the availability of Medicare funded treatment for persons suffering from cleft lips and cleft palates. As you know, they are quite debilitating and embarrassing medical conditions for the people who suffer from them. Medicare treatment is currently available for prescribed dental patients under the age of 22. This legislation will extend that to persons under the age of 28. It is important to note here that Cleftpals, a volunteer, non-profit organisation which supports persons with cleft lips and cleft palates, argues that a small number of people continue to need treatment after they have turned 28. It is interesting to note that there have been a number of advances in that area. By limiting treatment to persons under 28, we are preventing people having access to a treatment that is superior to previous treatments, a treatment that has been developed over time and a treatment that will result in a much better quality of life for people who suffer from cleft palates and cleft lips.

It is very good that this legislation is being extended to include those who are up to 28 years old. But I believe it should be extended to people of all ages so that the few people—and I emphasise ‘few’—who have not had the appropriate treatment and are over the age of 28 are able to access that treatment. There would be an additional cost, but it would not be substantial. It is a cost that would not blow the health budget. If the government were to look at it and accept the amendment, the increased burden on consolidated revenue would be very minimal.

In conclusion, the amendment moved by the member for Perth should be supported. It is a very reasonable amendment. I call on the government to accept it. We should be cautious about the changes being made to the Professional Service Review Scheme. There should not be any bureaucratic overkill. We need to be very mindful that there are areas, such as in my electorate, where there are chronic shortages of doctors. What may look like overservicing or even medical fraud in those areas, in fact, may just be a very dedicated doctor ensuring that their patients—the people of Australia—are cared for.

Mr FITZGIBBON (Hunter) (6.05 p.m.)—As the seconder of the member for Perth’s amendment, I want to take a couple of minutes of the chamber’s time to lend my support to that amendment. I acknowledge, as have all speakers on our side, that the Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002 is a very good bill. It is welcomed by the opposition. But as the shadow minister, the member for Perth, has pointed out—and has been backed by other speakers—this could be a better bill. I urge members of the government to consider Labor’s amendment.

It has always amazed me that dental health generally does not form part of the Medicare system and that teeth are not considered to be part of the anatomy of a human being. Any older Australian who faced the misfortune of dental practices in earlier days—and would have lost many if not all of their teeth—would know only too well that teeth are an intricate part of one’s anatomy. Therefore, they should be treated as such and should be covered by Medicare. That is not a criticism of the government, of course; it is a criticism of governments both present and past.

Much has been said about fraud within the medical community and some has been said also about access and the affordability of access to doctors. Bulk-billing is a matter I want to touch on briefly. In my electorate, bulk-billing occurs in around 52 per cent of
consultations. The fact is that low-income families and pensioners in my electorate have great difficulty in accessing a GP. It is no wonder that there is so much difficulty with our public waiting lists and with accessing hospital doctors at present, right throughout New South Wales but particularly in my electorate.

I have some very strong views about this. Because we have so many doctors in the cities, including Sydney of course, we are in effect getting an overservicing of people in those areas, and because we have too few doctors in my electorate we are getting an underservicing of patients there. That has obvious ramifications for family health and for individual health. It also means that a disproportionate share of the Medicare rebate is going to those who live in the cities, where access and equity of access to a doctor is much easier. My view is that we have to strike a system where that inequity is turned back to rural areas—a system which, for example, would return the contributions from those in my electorate to the Medicare pool back to our local area. Maybe that could be done through a Medicare rebate differential or by other means. I see that money going back to areas like my Hunter region and being used to fund programs developed by our local urban and rural divisions of general practice. They could be programs that encourage GPs to co-locate, securing economies of scale and providing situations where administration staff could be shared; or programs to promote the greater use of practice nurses so that a GP’s time is not taken up so much by procedures that can be adequately performed by practice nurses.

The reality in my electorate is that, if you are a low-income worker, retiree or pensioner, you do not have access to bulk-billing at all. There are very few doctors in Muswellbrook, for example, who bulk-bill, and they do so on the basis of individual merit. There is no particular tripping wire—it is not if you are a pensioner, a retiree or unemployed; the doctors there make an individual assessment on a case-by-case basis. I understand that in Singleton there is no access at all to bulk-billing. GPs right throughout the electorate are now charging a copayment to pensioners who roll up expecting to be bulk-billed. These are serious issues. There is no greater need in our society than the need to ensure all Australians, including low-income people, have access to adequate health services. It is a real issue for parties on both sides of the parliament. I hope that in the not too distant future we can put in place measures that address this very serious issue.

Mr HOCKEY (North Sydney—Minister for Small Business and Tourism) (6.10 p.m.)—On behalf of Senator Patterson, who is responsible for the Health Insurance Amendment (Professional Services Review and Other Matters) Bill 2002, I have been asked to summarise the debate and thank honourable members for their contributions. The bill contains a number of amendments to the Health Insurance Act. It contains a review of professional services. The main amendments relate to the Professional Services Review Scheme. This scheme commenced in 1994 and is concerned with the conduct of health professionals participating in Medicare and the Pharmaceutical Benefits Scheme. The scheme is a process for reviewing and investigating the provision of services by a person to determine whether the person is engaged in inappropriate practice in the rendering or initiating of Medicare services or in prescribing under the Pharmaceutical Benefits Scheme. So the essence of the scheme is one of peer review to ensure that the technical and professional issues of providing services are appropriately considered in the review process.

Members will also be aware that Medicare and the PBS comprise one of the largest programs administered by the Commonwealth government. This investment needs to be protected, particularly in relation to accountability, the public interest and the standard of health care attracting Medicare and very generous pharmaceutical benefits. Providing this protection is the principal objective of the Professional Services Review Scheme. I thank all parties for their continued support of the scheme.

The bill also proposes changes to the Cleft Lip and Cleft Palate Scheme. The proposed changes will enable eligible persons requiring ongoing treatment for cleft lip and cleft
palate conditions to claim Medicare benefits under the scheme until their 28th birthday. Under the current arrangements, in order to be eligible for Medicare for cleft lip and cleft palate treatment a patient must be a person who has not attained the age of 22. The current age limit was established on the basis that cleft lip and cleft palate patients would generally have completed most specialist dental work associated with their condition once their facial growth was complete. However, the age limit of 22 has created some difficulties as some patients require ongoing treatment beyond their 22nd birthday as their facial growth continues or where scheduled surgery has not been possible until after attaining 22 years of age.

The Department of Health and Ageing has advised me that only a small number of existing patients would require continuing care beyond that which is now provided, so this measure will have a minimal impact on Medicare outlays. I note that the honourable member for Perth has moved a second reading amendment to the bill, noting that the opposition supports the provisions of the bill and asking that there be provision for certain treatments being funded for those people who might be beyond 28 years of age.

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I have been advised that the government on this occasion will not be supporting the second reading amendment. We are a little unclear as to what the opposition’s proposals are and how they would operate. Also, we are unclear about how the opposition are proposing to fund their amendment. Of course, we are all in the business of accountability; that is what this bill is about. We would like the opposition to give us a very clear indication of how their proposed scheme will work and how it will be funded. Then I am sure that Senator Patterson, being the very understanding person she is, will have a look at the proposal and, when this bill goes to the Senate, consider it in full. It is a very serious issue. I commend the bill in its current form to the House.

The DEPUTY SPEAKER (Mr Mossfield)—The original question was that this bill be now read a second time. To this the honourable member for Perth has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.
Original question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Third Reading

Mr HOCKEY (North Sydney—Minister for Small Business and Tourism) (6.16 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

DISABILITY DISCRIMINATION STANDARDS FOR ACCESSIBLE PUBLIC TRANSPORT 2002

Consideration of Senate Message

Message No. 135 of 23 October 2002 received from the Senate acquainting the House that, in accordance with subsection 31(3) of the Disability Discrimination Act 1992, the Senate has approved the Disability Discrimination Standards for Accessible Public Transport 2002, made under subsection 31(1) of the Act.

Ordered that the message be considered forthwith.

Mr HOCKEY (North Sydney—Minister for Small Business and Tourism) (6.18 p.m.)—I move:
That the House, having considered Senate Message No. 135 of 23 October 2002, approves, in accordance with subsection 31(3) of the Disability Discrimination Act 1992, the Disability Discrimination Standards for Accessible Public Transport 2002, made under subsection 31(1) of the Act, as approved by the Senate.

The transport standards are a practical demonstration of the government’s commitment to facilitating participation in community life by people with disabilities. They provide practical measures to be taken by transport operators and providers so that public transport will become more accessible. They will not be of benefit only to people with disabilities; the standards will provide benefits
to all users of public transport, particularly the elderly and those travelling with young children. The standards were developed in close consultation with all relevant sectors of the disability community, the transport industry and all levels of government. The product is, as a result, a sensible and workable framework for the elimination of disability discrimination on public transport. I thank the opposition for their support in this matter.

Ms ELLIS (Canberra) (6.19 p.m.)—I thank the government for the opportunity to make a few brief comments. These standards are the result of a great deal of work over a number of years involving many people, including, among others, representatives of the transport industry and the transport sector generally and representatives of people with disabilities. To say these standards have been a long time coming is not a criticism; it is a note that they have taken a long time to get to this point, which is a very welcome point from our perspective. We do not want to see any delay at all in the introduction of these standards. So I am sure you would understand our disappointment when the Democrats lodged an amendment in the Senate in recent times. One could understand the intent, but unfortunately this was an ill-conceived action. It was done with little or no consultation with industry or the sector involved.

The issue at the heart of the amendment—that is, the cost of travel incurred by carers when accompanying a person with a disability—had been discussed and considered at length during the consultation and work leading to the point we are at today. This is not an issue that can be advanced further by an ad hoc amendment such as that proposed. Most importantly, to persist with this amendment would lead to a delay—I understand of some months at least—in the adoption of these standards, which is something we wanted to join with the government in seeing achieved today. We were pleased therefore to see that the Democrats—on advice, I understand, from many people in the disabilities sector—have used better judgment and withdrawn their amendment. We are pleased to see that decision and therefore welcome it very warmly. I join with the minister at the table, the Minister for Small Business and Tourism, in welcoming these standards. They are a very important development in the area of disability services in this country and one that I know the sector at large will welcome and work with positively into the future.

Question agreed to.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT BILL (NO. 1) 2002

Cognate bills:

AUSTRALIAN HERITAGE COUNCIL BILL 2002

AUSTRALIAN HERITAGE COUNCIL (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2002

Second Reading

Debate resumed from 27 June, on motion by Mr Zahra:

That this bill be now read a second time.

Mr KELVIN THOMSON (Wills) (6.23 p.m.)—I am pleased to have the opportunity to speak on this package of heritage bills. I acknowledge that these bills have been substantially rewritten since their original release, when they constituted a comprehensive attack on heritage protection in Australia. Nevertheless, the rewritten bills still constitute a reduction of effective heritage protection in a number of important respects, as follows. First, the present Australian Heritage Commission has a broad range of functions; the replacement Australian Heritage Council will be an advisory body only. Second, the definition of actions which trigger heritage consideration has been narrowed, deleting matters such as the provision of grants and the granting of authorisations. Third, the decision to list places presently lies with the Australian Heritage Commission; the government proposes to transfer this previously independent, technical, merits based decision to the minister. Fourth, the government is proposing to reduce the heritage protection provided from what is known as ‘a place and its associated values’ to just ‘the values of the place’.
Fifth, the government has not honoured its commitment to transfer Commonwealth places on the existing Register of the National Estate to the new Commonwealth Heritage List. This failure could have important adverse consequences for the future of Commonwealth assets around Australia, such as the Georges River in Sydney, Myilly Point in Darwin or Point Cook and Point Nepean in Victoria. I will come back to these examples in more detail later. The Howard government’s plans to sell off Norfolk Island leasehold land for a song is evidence that it should not be entrusted to ensure proper heritage protection for Commonwealth assets. Presently gifts of land and donations to the Register of the National Estate are tax deductible; the Commonwealth proposes to remove this. Finally, presently the Australian Communications Authority has to consider impacts on the environment regarding communications facilities where a place on the Register of the National Estate is affected. The Commonwealth proposes to remove this provision.

Not all of the provisions in these bills are bad; some are welcome. But Labor do not wish to see existing heritage protections removed and, where we believe that existing protections are being watered down, we will move amendments to reinstate them. If our amendments are not carried or supported, we will vote against the bills. I want to go through a number of examples, which I think will do two things: one, they will illustrate why these amendments are necessary and why we have come to the position that we have and, two, they will demonstrate this government’s poor record and lack of commitment to heritage protection.

The first example I want to refer to is in my own state of Victoria, at Point Nepean. Point Nepean is on the Register of the National Estate. It is described in its database entry in the Register of the National Estate as being of natural environmental significance because of the collection of relatively undisturbed coastal resources. Point Nepean is also important as a major and integral link in the Victorian coastal defence system, which contributed to making Port Phillip Bay reputedly the most heavily defended harbour of the late 19th and early 20th century in the Southern Hemisphere. The fortifications at Point Nepean are the best examples of the development of military technology in the Port Phillip Bay network. Point Nepean is also the site of a significant, but relatively recent, historic event in that the then Prime Minister, Harold Holt, disappeared while swimming at Cheviot Beach back in 1967.

It has this national cultural and historical significance, plus landscape and environmental importance. But we have a situation where the federal Department of Defence is seeking to dispose of two parcels of land, totalling in excess of 300 hectares, adjacent to the existing Point Nepean part of the Mornington Peninsula National Park. As Environment Victoria, one of the organisations campaigning against such a sale, says, ‘Needless to say, the developers are lining up to get their hands on this prime real estate.’ This idea is being opposed by a diverse range of community organisations, including the Nepean conservation group, the local ratepayers and residents association, the historical society, the chamber of commerce and the local council, which all want the land to be handed over to the state government for preservation in perpetuity.

Environment Victoria goes on to say: However, understandably, the state government will not accept the site unless the Commonwealth cleans up unexploded ordnance and chemical contamination, and upgrades the poor and hazardous state of the heritage listed buildings. Point Nepean is too valuable and too important to simply be sold off to the highest bidder. The land is surrounded by the Mornington Peninsula National Park; it should become part of the park, not an eyesore which disfigures the park. I visited the site earlier this year with my wife. We took the transporter down to Point Nepean over the Queen’s Birthday weekend. There is no doubt in my mind that this area is part of our natural and cultural heritage. It is on the Register of the National Estate, and these values need to be recognised and protected.

Some people may ask why it is that a Labor person is interested in this area which is, by reputation, a playground of the Liberals. Firstly, Labor has a strong track record of
interest in this area. Indeed, the Point Nepean National Park, now known as the Mornington Peninsula National Park, came about as a result of the transfer of Department of Defence land from the Hawke Labor government to the Cain Labor government, so we want to defend that track record. Secondly, if this land is sold for residential development, no working-class people will end up living there; it will be mansions for multimillionaires. I say that this land should be a playground for all Victorians, not just the private property of a few. Environment Victoria have raised this issue with me. They have expressed concern about the process, about the way in which it is being dealt with. I congratulate them on their campaign. I think it is right that Environment Victoria and other groups need more time to assess the consultant’s report. I have written to Senator Hill, the Minister for Defence, seeking more time. But, whatever process is used, there is only one outcome that will satisfy the cultural and natural heritage value of this site—that is, incorporation into the surrounding Mornington Peninsula National Park.

I raise the issue of unexploded ordnance. The federal government apparently want to sell off this land rather than pay the cost of cleaning up unexploded ordnance and decontaminating the site. Firstly, they contaminated the site; it is their responsibility to decontaminate it. Secondly, I observe that this is not the approach that Prime Minister Howard took in his own backyard in Sydney. The federal government are presently spending in the order of $12 million in decontamination works on Department of Defence land on the Sydney Harbour foreshore before handing that land over to the New South Wales government to manage as a national park—an identical situation. If it is good enough for the Sydney Harbour foreshore, it is good enough for Port Phillip Bay.

Regrettably, just recently correspondence has come to light in which the Prime Minister wrote to the Victorian Premier to tell him that the Department of Defence would be selling Point Nepean on the open market—a move that opens the door to multimillionaire mansions, threatens the natural and heritage values of the site and shuts the door on plans to include this area in the Mornington Peninsula National Park. That letter was in response to a request from the Victorian Premier for the Commonwealth to transfer the land to Victoria for inclusion in the national park after the unexploded ordnances and chemical contamination had been cleaned up and heritage buildings on the site restored. The Prime Minister’s response displays an appalling lack of commitment to preserving both our natural and our cultural heritage sites. The Prime Minister is treating the people of the Mornington Peninsula with utter contempt. His letter makes a mockery of the consultation process established by his own defence minister. I call on him to withdraw that letter and extend the time available for consultation until the end of February so that there can be a fair dinkum consultation process and not a sham. As I said before, this is not the approach that Prime Minister Howard took in his own backyard in Sydney. If it is good enough for Sydney Harbour then it is good enough for Port Phillip Bay.

The question arises as to what this has to do with the bills in front of us. The answer is: quite a lot. Firstly, we have a watering down of the protections available for land on the Register of the National Estate that is in Commonwealth hands. One of the major deficiencies of the package of bills before us is that, once the legislation comes into force, no places will be listed on either the Commonwealth or the national lists. When the department was asked about this at estimates, they said that they thought in the order of six places a year would be added to the list, compared with the current number of some 1,300 on the Register of the National Estate. The government initially gave an undertaking to have all Commonwealth places on the Register of the National Estate immediately placed on the Commonwealth list, but that is not what the bills before us give. The government has reneged on that. Without such protection, Commonwealth properties in transition from Commonwealth to other ownership may be vulnerable to inappropriate developments or actions.

Secondly, there is the issue of a covenant. When we saw the first version of this legislation back in 2000, it said that the basic re-
sponsibility of departments like Defence, under a sale or lease contract involving Commonwealth property, would be that they must include a covenant, the effect of which is to protect the property's national heritage values. In the version of the bills now before the House, the department has an out. Its responsibility is to include that covenant unless it is satisfied that, having regard to other means of protecting those values, including such a covenant in the contract is unnecessary to protect them or is unreasonable, or including such a covenant in the contract is impracticable. We see here a weakening in the provisions of the legislation. If this legislation is passed unamended, it will be easier for the Howard government to sell off Point Nepean to the highest bidder without its heritage values being taken into account. The federal and state members for this area must talk to the Minister for the Environment and Heritage, Dr Kemp, and demand that he accept the amendments that Labor intend to move on this point. They have been involved in the campaign to protect Point Nepean, and they should be commended for that, but it is no good just talking the talk. You have to put your hand up when it matters, and it matters now.

The second example I wish to raise concerns land on the Georges River foreshore in Sydney, land between Sandy Point and Mill Creek which was also Department of Defence land but which has since been transferred to the Department of Finance and Administration. I have recently received correspondence from the Sandy Point Progress Association. This issue was raised with me earlier this year, and I will come back to that. The Sandy Point Progress Association say that the land in question is a small, isolated residential area created in the 1950s and that they have witnessed the slow degradation of water quality in the Georges River over the years and the reduction of tree cover—which inevitably occurs in residential areas. They believe development on the land adjoining Sandy Point would lead to degradation of the land and the waterways as well, and they strongly believe the land in question should remain in public ownership and be transferred to the New South Wales National Parks and Wildlife Service for inclusion in the Georges River National Park.

Indeed, it is correct that the New South Wales National Parks and Wildlife Service is more than willing to take over this area. The New South Wales Minister for the Environment, Bob Debus, wrote to the federal Minister for Finance and Administration putting forward this proposition, observing that development of this 170 hectares of bushland would threaten several species, including koalas. Indeed, that assessment is supported by, for example, Leigh Martin of the Total Environment Centre, who says:

It's high-quality environmental land, with significant wading-bird habitats, quolls and koalas, and rich Aboriginal heritage ...

I mentioned earlier that this matter was raised with me earlier this year. I went and had a look at the bushland along the Georges River with two of the state members of parliament, Alison Megarrity and Alan Ashton, as well as Mr Martin and a local environmentalist, Sharyn Cullis. Certainly, the land struck me as having substantial conservation value.

The federal government has undertaken some studies of this land, but it has not made those studies publicly available. I think that before we can go any further in terms of the assessment of this land, those studies ought to be made available. There is every indication at present that the land is going through a sale process and will be flogged off to the highest bidder. This would be unfortunate. It has considerable environmental and public space value that would be compromised by residential development. The government should make its studies available. I wrote to the Australian Heritage Commission raising these issues. They wrote back saying:

... parts of the area in question have been nominated to the Register of the National Estate, none are listed.

For your general interest, I understand the area includes regionally significant populations of a number of water birds listed at State level, as well as potential habitat for a wide array of other migratory birds listed at both the international and Commonwealth level. In addition, the site provides an important buffer to the Georges River.
wetlands that are considered regionally significant.
That is quite a vote of confidence in the significance of this land, coming from the Australian Heritage Commission. They also point out:
An environment assessment and a Planning Study covering cultural heritage have been prepared for the Department of Finance and Administration’s Property Group by consultants Planning Workshop Australia, as part of the property disposal process.
Unfortunately, the Australian Heritage Commission have not made those documents available to me, but I believe that the government does need to make those documents available, rethink the process that it is going through with that Georges River land and support its environmental and heritage significance.

The third area I wish to raise concerns Norfolk Island. Norfolk Island is a terrific asset, and I had the opportunity to visit it at the start of the year. Crown leasehold land constitutes around a quarter of the island. It has long played an essential role in protecting Norfolk Island’s natural and cultural heritage, because crown lease land cannot be subdivided. A review by the Commonwealth government in 1990 recommended the retention of crown leasehold and the policy of no subdivision. While the Howard government commissioned a report last year on the national environmental significance of the leasehold areas, it failed to ask the authors to consider landscape values, which it should have done, and it has failed to publicly release the report, which it should have done as well.

The other unsatisfactory feature of the Howard government’s process to date is that the Australian Heritage Commission has put on hold indefinitely consideration of nine nominations of Norfolk Island land, including crown lease land, for the Register of the National Estate. I am concerned that the proposal to sell off the crown lease land will, first, adversely affect the beautiful Norfolk Island coastline with residential subdivision and resort developments. We do not need another Gold Coast there. It will adversely impact on seabird life—the crown lease land includes nesting sites of the rare black noddy tern—and it will threaten areas of Norfolk Island rainforest. I am also concerned that the asking price for the sale of a public asset appears extraordinarily low. The transfer fee proposed is just 10 per cent of the unimproved capital value as at 1996, plus a $200 government fee. You are getting a situation where properties are being proposed for sale for as little as $2,000 to $3,000—they are going for a song.

Norfolk Island has remained magnificent for centuries because its earliest inhabitants had the wit and wisdom to recognise its beauty and to preserve it. Way back in 1794, Superintendent King prohibited the cutting of vegetation along the cliff tops, considering it essential to leave a shelter-belt around the coastline fringe. Again, way back in 1856, Captain Fremantle read out a proclamation which stated that the whole of the coastline was to be preserved as public property. The Howard government needs to show the same kind of foresight as these men did, or Norfolk Island’s dramatic and beautiful coastline could be irreparably damaged. As against the kind of foresight that those people showed, when Minister Tuckey was asked about this issue of the Norfolk Island crown lease land, he said that those who were concerned about it were more communists than real environmentalists. It is a sad reflection on that minister and his commitment to heritage protection, but it is one of the issues which we need to consider in the context of this bill.

The final example I want to speak to is the future of the Myilly Point Heritage Precinct in Darwin. The Howard government needs to end speculation over the future of the Myilly Point Heritage Precinct, and it should transfer the titles of Burnett House and Mines House to the Northern Territory government. I have had the opportunity to visit Burnett House and Mines House and discuss their heritage value with the National Trust. I am concerned by the failure of the Commonwealth government to take appropriate action to ensure the future of these important heritage places. They were built on stilts and designed specifically for the tropics. Burnett House is one of four remaining pre-World War II houses designed by a talented archi-
tect of the time, Beni Burnett. The houses were built for senior public servants in 1939 and, since that time, they have managed to survive damage from bombing during World War II and Cyclone Tracy.

The Commonwealth government has called for expressions of interest from the public for the ownership, management and use of these houses. But the National Trust of Australia (Northern Territory) have been caring for the houses and maintaining and developing them for the last 15 years. They now stand at risk of losing them. I believe that the trust has the passion, the expertise and the credentials to look after the houses. They are the most appropriate body to ensure that these important heritage assets are preserved for future generations. The Commonwealth government is being shortsighted and greedy in expecting the trust to compete on the open marketplace for the houses. The Commonwealth government should transfer the titles of the houses in question to the Northern Territory government, who can then lease the houses to the trust. That would ensure that the houses are retained and maintained to ensure access by all Australians for their pleasure and enlightenment.

During the consideration in detail stage of the debate on these bills I will go into more detail, but in the remaining time available to me I want to go to some of the more detailed questions in the legislation. The government introduced their original ‘ambit claim’ form of this legislation last term. They have now amended it to address some—but by no means all—of the concerns raised about the original regime during the Senate references committee inquiry into the bills. A new version has satisfied some of the detractors of the government’s 2000 version of the legislation, but has left others strongly opposed. Some elements of these bills do indeed strengthen heritage protection. However, we feel strongly enough that we intend to seek amendments to those elements of the bills that represent a reduction of existing protection to heritage places.

First, there is the decision-making process. The downgrading from an independent decision-making body, the Australian Heritage Commission, to a ministerial advisory body, the Australian Heritage Council, is not acceptable to Labor—or, I might add, to other groups and individuals as well. This is a fundamental change to the philosophical underpinning of the legislation and is not supported by heritage and conservation organisations, which see it as a politicisation of heritage protection. The best protection for our national heritage is provided by an independent, expert decision maker and not by the environment minister. Labor believes firmly that the assessment process and the decisions to list or de-list should be non-political and therefore free of ministerial interference and political bias. What possible improvement to the protection of Australia’s national heritage is to be gained by placing the decision-making processes in the hands of the environment minister rather than a body of experts expressly brought together for the purpose of making such decisions? Minister, Australia’s natural heritage should not be your baby alone. We intend to move amendments to reinstate the functions and powers of the Australian Heritage Commission and to retain its title.

Let me turn now to the definition of ‘action’. Labor is concerned at the watering down of the term ‘action’ in the 2002 version of the bills. It is not as inclusive as it is under the existing Australian Heritage Commission Act. The deleted references concern things such as provision of funding via grants and the granting of authorisations, including permits and licenses. This weakening of the definition is another example we have of the environment and heritage minister giving with one hand and taking back with the other. I therefore propose to move amendments to include those Commonwealth actions for heritage items included under the previous Australian Heritage Commission Act that have now been deleted and to ensure that things such as the making of Commonwealth decisions on grants are now included.

There are a number of areas where I think that amendment is needed in the area of management plans, strategies and commission functions. When we are talking about management plans for national heritage places in Commonwealth areas, I think the
The minister should be required to consult with the Australian Heritage Commission in preparing an advice for the purposes of that section. When we are talking about endorsing management plans for Commonwealth heritage areas, I think the minister should be required to seek the advice of the commission prior to deciding whether to endorse a management plan for a Commonwealth heritage place. When we are talking about heritage strategies, I think the minister should be required to seek the advice of the commission prior to deciding whether to endorse a management plan for a Commonwealth heritage place. When we are talking about heritage strategies, I think the minister should be able to approve a heritage strategy prepared by an agency, not just receive a copy of one. Prior to approving a heritage strategy, the minister should be required to consult with the commission. Prior to submitting heritage strategies to the minister for approval, Commonwealth agencies should be required to seek the advice of the commission.

When we look at the functions of the Australian Heritage Council, we think it should be able to provide advice directly to Commonwealth or state agencies as well as to any other person who seeks it. When we talk about heritage assessments and registers, if a Commonwealth agency identifies a place as having Commonwealth heritage values in its register, then we should have a nomination of the place or places for inclusion in the Commonwealth Heritage List. We also need to do better in protecting Commonwealth heritage places sold or leased. We have concerns that these provisions of the legislation are open to abuse or provide too wide a discretion on the part of the minister.

I mentioned earlier the question of protection of ‘place’ or ‘values’. It is a point of contention that the Commonwealth is proposing to afford heritage protection to the heritage values of the place rather than to the place itself. Labor believe that the legislation should continue to protect places, including their associated values, as opposed to just relying on values. We reject the suggestion that this would somehow restrict the number of places which could be considered. We have always supported protection of a heritage place and its associated values rather than just the values.

I mentioned earlier that one of the major deficiencies of the current bills is that, once the legislation comes into force, no places will be listed on either the Commonwealth or the national list. I note that I am running out of time. There are issues here that I intend to pursue in the consideration in detail stage of the debate. I do urge the government to look seriously at the need for amendments to ensure that these bills do not amount to a reduction of heritage protection. Australia’s heritage is a wonderful heritage. It is deserving of the highest possible standards of protection. Labor will ensure in debate on this legislation that we do not get to a situation where important heritage protections are reduced or watered down.

Mr BILLSON (Dunkley) (6.53 p.m.)—In rising to speak on the Environment and Heritage Legislation Amendment Bill (No. 1) 2002 and related bills, let me reassure the shadow minister for the environment that there is no watering down of protection of heritage sites. I do not know what it is; there must be something in the water when it comes to the Labor Party and heritage protection that results in shadow spokespersons not actually getting across the content of these bills. Maybe they are not interested in the facts that run against the arguments put forward, or maybe they are not sufficiently engaged in the shortcomings of the current regime to see that these changes are a great advantage over what we have at the present time. It may be all of those things, and I am sure the shadow minister will get across the brief. As he is new to the portfolio, perhaps it is a lack of understanding about what the current heritage protection regime looks like.

We have a heritage protection regime at a national level that lists things. The idea of an outcome is to get it listed. Of itself, the listing does not mean a whole lot. It brings with it some persuasive value, and it provides some informational function to the community about the site and things of value that are worth taking some notice of. Sure, it does those things. But if there is a bulldozer coming towards it, you have a problem. It is a toothless regime, put in place more than 25 years ago, that promises much but delivers very little. Everybody that I have spoken to in the area of heritage public policy knows that it needs to be changed. The state, terri-
tory and Commonwealth governments have all agreed that there is a need for clarification of the roles and responsibilities of the Commonwealth and the states and territories and that there is a need for some protective measures with teeth. That led to recommendations in 1997 through an agreement between the Commonwealth and the states and territories. It seems that there was no argument about a need for change until today—until the shadow minister talked about somehow losing protection.

Let me remind the shadow minister of the current regime. We have about 13,000 places listed on the Register of the National Estate. That is impressive and, if you are planning to travel somewhere, it is a useful indicator of where places of heritage value can be located and what those values look like. That is important; that is informational. Where there is some threat to those values, what happens? People say, ‘It is registered on the National Estate.’ You hope that that is persuasive, but you cannot be certain. You hope that the states and territories and local governments have some protection regimes at their level that could prevent the compromising of those values. That is the hope. But of itself the list does very little, and this is what seems to be missed by the shadow minister.

The existing Register of the National Estate laws include no protection orders. There is nothing preventing the demolition of any heritage place. The limited procedural safeguards that may apply in some cases need an indirect trigger—something unrelated to the act of damaging those heritage values—to actually instigate some consultation. That could be a foreign investment approval, or it might be something else. This results in great and highly unacceptable uncertainty, confusion and delays for everybody. This package of legislation is designed to provide clarity, teeth and purpose to the heritage laws that are overseen and implemented by this parliament.

The proposal before us is to have sites of national heritage significance included as key areas of responsibility which require the engagement of the Environment Protection and Biodiversity Conservation Act. That is important, because the EPBC law provides a framework for the genuine protection of those sites. It is not a symbolic listing. If you are listed as an area of national heritage significance, it generates a whole requirement on the government of Australia. There is actually a need to put in place a heritage preservation management strategy and plan. Once you list if you have actually got to do something about it. If it is important enough to list, there is an obligation to act. That is not there at the moment, and the shadow minister for the environment, new as he is to the portfolio, wants to talk about those things. There is no obligation to do a darned thing if something is listed under the current register. So how can that be a watering down of the protection? It is utter nonsense.

Perhaps a further briefing from the officials may help the shadow minister to realise what utter nonsense some of these supposed bases of concern are. The same process triggers an obligation to protect, conserve and manage the values that have led to a site being included on the national list. There is a positive obligation on the Commonwealth to act, prepare, plan and put in place a regime to make sure that those values of national significance are protected. That leaves behind the symbolic virtue of listing under the current regime. How is that a watering down? It isn’t. Nobody thinks it is a watering down. The opposition are looking to oppose a piece of legislation and trying to dream up some arguments for it. Their arguments are not embedded in anything to do with what is actually in the act. I have said that the current regime is toothless; let me give an example. Sites that are presently listed have symbolic value, and one would hope that the public awareness that is generated out of a site being listed on the Register of the National Estate may bring about a degree of circumspect conduct by people. That is the hope.

Contrast that with this package that we are discussing today. Sites listed on the new national register will need to be supported by the management plan—and I have talked about that—to ensure that their heritage values are properly conserved. The new regime will also contain an assessment and approval process for actions which may have a sig-
nificant impact on those heritage places. Penalties of up to $550,000 for individuals and $5½ million for corporations are available where their actions damage the heritage values that gave rise to the site being listed. Those are serious penalties. That is a serious responsibility that the Commonwealth carries forward with the plan to protect those values. If someone acts to compromise those values, there are some serious options available that may even lead to a seven-year jail term.

Contrast that with the symbolic ‘I hope somebody takes notice of it’ persuasive value of a site being listed on the Register of the National Estate. There are no penalties under the current regime. There are no prison sentences. You might get somebody saying something nasty about you but that is about it. One hopes that the state, territory and local government heritage regimes have something in place that is more than just a slap on the back of the hand. This package gives clarity about whose jurisdiction certain heritage sites are in and ensures that those jurisdictions are commensurate with the significance of those heritage values. Sites of local significance come under local government jurisdiction; sites of regional significance may come under the jurisdiction of local and state governments together; sites of state significance come under state government jurisdiction. If it is a national heritage issue, the feds turn up and they are serious about it by putting time, resources and legislative teeth behind the protection of those sites. That is the package that is being discussed today.

So issue No. 1, the watering down of protection, is by any measure utter nonsense. There was an issue about the Heritage Council’s independence. The shadow minister asked: ‘Why should they have to report to the minister? Why can they only make a recommendation?’ The reason for that is that a listing generates serious public policy consequences for which someone needs to be responsible. A listing is serious enough to require resources to be put in place to prepare and implement the management plans, and serious enough that it could lead to a seven-year jail term. Someone has to be responsible for that. It seems perfectly reasonable that a public consequence of that significance needs to be endorsed by the minister. The Heritage Council can make that recommendation. The minister is very wise and will take the advice of experts and those in the field and assess what needs to be done to protect those values. So that is where the independence comes in.

What the shadow minister also failed to grasp is that the current 13,000-site register is going to be maintained and updated. Its persuasive informational value will be carried forward. And guess what can go on that? Whatever the Heritage Council decide. They are free to list things on that register to achieve exactly the same persuasive and informational value that the current law puts in place. Nothing is lost. So where are the Labor Party coming from on this subject, other than trying to whip up a bit of a storm and rebuild their appalling heritage protection and conservation credentials. Not only did the broader Australian public recognise that at the last election but the voters of Cunningham certainly knew that as well. The narrowcast message in Cunningham was from the Labor Party running around saying: ‘Don’t trust the Greens. If you go down their greenhouse pathway, it is going to be the ruination of the economies around Cunningham.’ That was the narrowcast message.

Yet today you can read in the local media that Simon Crean wants to promote the greenhouse agenda of the Labor Party because it is somehow different. It is different; it is different depending on whom they are talking to. That is what is different about it; it is nothing to be proud of. The message that went out from the Labor Party in Cunningham makes a mockery of the self-important, grand statements of the Labor Party on greenhouse issues. When push came to shove and they had to face the electorate they went to water. That is the difference between the Labor Party and the government: they have different messages and have not quite managed to work out where they are at.

There was a proposition around the narrowing of the definition of ‘actions’. Even that is wrong. What you have here is a series of actions embodied in the Environment
Protection and Biodiversity Conservation Act, which the Labor Party did not think were a problem when that package was passed. They were okay with it then; why is it different now? It is different now because they are trying to find something to stand for. Why not go back, change their view and say that when part of something they thought was okay—a child of that parent legislation—is discussed then somehow that is different. That is what we are seeing here today. What the Labor Party are putting forward as a basis for opposing this is just nonsense.

We have national protection areas that trigger a whole range of responsibilities and requirements on the Commonwealth and on those people who interact with those sites, so as to preserve those values. We have the carrying forward of the register, and that is exactly what we have now. It is being updated. It is able to be independently added to by the Heritage Commission, and we have even added some horsepower to that register. If a site happens to be a Commonwealth site that is listed through this low-rent process, which does not have to generate management plans and the like, the Commonwealth will take that decision seriously enough that it will honour and protect those values on its own land and as it affects its own actions. So even on that second tier of protection basis that is carried forward under this legislation, there is stronger protection. So I am not sure where the shadow minister and the Labor Party have been. They seem to have missed the entire point of this particular package of reforms.

As I said, it is supported by a COAG agreement, it is embedded in the Environment Protection and Biodiversity Conservation Act and it is a truly national scheme for conserving Australia’s heritage assets. It provides national leadership. It provides clarity for those people who are engaging with these sites. It is almost a micro-economic reform where there is clarity, purpose, strengthened powers and outcomes that we can be proud of. Under this legislation you will not need to shop around, hoping you stumble across the government authority or level of government you need to talk to to actually get some answers around this area.

This legislation also moves us offshore. In this package there is the authority for sites outside the Australian jurisdiction to be incorporated. Why is that important? It is important because so much of our heritage and our development as a nation happened somewhere else. I particularly refer to our involvement in armed conflicts offshore in terms of the service of our veterans and some of those battles which helped not only carve out our Australian character but also protected our country and the values which have taken us forward. I am sure that my friend and colleague the member for Deakin will talk about that further. He has done the Kokoda Track walk. That is an example of where this heritage protection regime can extend to offshore sites of national heritage significance to Australia that are not actually on our own land.

With the cooperation of the governments that manage those sites, we can put in place the same management plans and regimes to protect and invest in those heritage values for the future. Those important sites, where young men and women have died to protect what we believe in, need to be part of that picture. The Kokoda Track is one—and there are a number of others, such as Gallipoli and, certainly, other sites in Papua New Guinea—where our greatest service personnel held back the marauding enemy to make sure that our nation was protected. So you have offshore protection as well in this package. One thing that comes through this is that the government will instigate what is likely to be a thematic approach to heritage protection, a subject like the gold rush, and will embrace the different areas that have been part of our golden history—excuse the pun. It might be something to do with our eucalypt ecologies that are quite unique to our community.

Today, I put on the record my support for a proposal from Professor Peter Cullen to create some heritage rivers. There is a very small percentage of our waterways that are in the condition they were in before extractive activities and land management practices changed their composition. We should be saying, ‘We’ve got a few of these rivers left. They are in pristine quality. They represent the heritage of our nation, the condition of
our natural systems before we started expanding our agricultural production activities—let’s declare them heritage rivers.’ Professor Cullen is right to identify that as an area of our heritage that is under threat. We still have some remnant waterways that embrace all of those qualities that were very much a part of our early development as a nation, and we should celebrate those. So I add my support not only to the idea of the member for Deakin, Mr Barresi, for offshore veterans sites but also to the question of heritage rivers. I think it is an important initiative, and it can move forward under this regime.

There is also an issue that arose in the contribution by the shadow minister. This idea that we are losing something is just nonsense. I would like to back that up with some examples of where the Labor Party sought to mislead and deceive the voters of Dunkley prior to the last election. For reasons I cannot quite understand, the Labor Party sent out leaflets printed in the office of the local state member claiming that the local heritage sites ‘could be lost to the bulldozer’ because of heritage protection reforms. It caused great outrage and concern in our local community, to the point where we had to invest funds to clarify the situation and inform the local community about how they were again being misled and lied to by the Labor Party. The information was blatantly incorrect and designed to mislead, and the shadow minister is carrying forward that tradition in his contribution today. The only thing that was in danger was the truth. The only thing endangered by the Labor Party’s campaign at that time was the truth. We had to get out there and inform people about what was going on, how we were adding a new layer of protection for areas of nationally significant heritage values and the positive obligations it placed on those charged with managing those sites.

Let me move on. There are other spurious grounds for objection raised by the shadow minister. He is talking about the difference between place and values. What we are trying to do is provide enough clarity for people to do the right thing. Could you imagine the confusion if you were in Kakadu and there was an area of world heritage, which is already triggering certain obligations under the Environment Protection and Biodiversity Conservation Act, and then there was a part or an adjoining part of it in another area that had some nationally significant values? Rather than actually protect those nationally significant values, the shadow minister wants to protect the whole lot. He wants to protect the whole site, even if it is entirely unrelated and entirely disconnected. Even if it is in an entirely separate eco-community, he wants to protect the lot.

Certainly in my area on the Mornington Peninsula in Victoria, one of the best ways we can protect sites of heritage and conservation value is to inform people about why they are important. Where you have a site where there are some national heritage values, surely the values themselves need to be the object. You might move to facilitate interpretive centres, access, signage and information for people on the site adjoining or nearby—or even some distance away so as to not compromise those heritage values—to inform people about why they are important. I think, overall, if people are informed about these important heritage and conservation values, they will respect them and protect them. But the shadow minister says, ‘No, keep them off the sites.’ What if we listed something down my way as a heritage site—say, Emily Park Homestead. Under the regime that the shadow minister is advocating, what do we do about the athletics track that happens to be on the same site? What do we do about the soccer field? What do we do about the kids’ playgrounds? What do we do about the nonsense being put forward here by the Labor Party as a basis to oppose this long-awaited, widely supported and endorsed proposition?

My final comment in the time available is to do with Point Nepean. My friend and colleague the member for Flinders is making sure there is an active and engaging community consultation process there, carrying forward the work of the former member for Flinders, who made sure that the defence department carried out a thorough, proper and complete assessment of heritage and conservation values on the site.
Mr Kelvin Thomson—But the Prime Minister says you are going to sell it.

Mr BILLSON—That is a community consultation process that is under way. I suggest the shadow minister catches up and makes some input rather than just criticising. (Time expired)

Mr KERR (Denison) (7.13 p.m.)—I believe that debate on issues of this importance is not particularly enhanced by allegations of dishonesty. The background to the Environment and Heritage Legislation Amendment Bill (No. 1) 2002 is that, a couple of years ago, proposals were put forward by the current government which, had they been implemented, would have seriously reduced the protection available to heritage sites within the Australian community. That legislation provoked a storm of protest from all affected interest groups, and the present legislation we have before us is a significantly revised package which does contain a number of important improvements. Nonetheless, it can be improved further and it ought to be improved further. This parliament should resist passage of legislation that in any way diminishes the protection that we should accord to heritage and environmentally important sites within the Australian community.

This is not an issue which ought to be debated in a partisan sense. But, unfortunately, as is inevitable in a parliament where the government does not bring the opposition parties into direct consultation at an early stage in the evolution of such legislation, the ultimate debate about whether the legislation is to be passed and whether amendments will be made to it eventually comes down to the struggle between the government and the opposition. In this instance, the opposition has put forward a series of significant and important amendments that will, if passed, improve the protection of those sites and that will, if not passed, mean that the legislation will be in danger of not passing this parliament.

Let us look at some of those issues. I want to focus not on the complexity of the legislation but on some key issues which have been drawn to my attention in the past by those concerned about the environment, and issues which I believe are critical to our reflection on this legislation. Firstly, it is important that we get correct the definition of the triggers that give rise to protection. This legislation defines an action that gives rise to the triggering of protection in a way which has been watered down since the previous versions of the bill. The definition is not as inclusive in the Australian Heritage Council Bill 2002 as it is in the existing Heritage Commission Act 1975. The weakening of that definition and of the trigger that gives rise to protection obligations is one of those issues which has been raised not in a partisan sense but by organisations such as the International Council on Monuments and Sites, ICOMOS, and the Australian Conservation Foundation.

Secondly, relating to those circumstances in which sites gain protection, a provision in this legislation reserves the ultimate decision to the minister. In the existing legal framework, there is an arms-length process to determine whether or not a site is listed for protection or for those elements of the act which give rise to obligations under Commonwealth law. Under the new proposal that we have before us, the minister will ultimately decide whether or not a listing will proceed. There will be an independent process to determine whether a recommendation for a listing is to be made but, ultimately, the minister will be in the position of making the final determination. That means that we could have a circumstance where ministerial power and the possibility of political interference in those processes gain dominance over the objective assessment of the heritage value of sites. I think that these issues can be worked through, but the opposition would oppose the ministerial decision making power. The opposition are moving amendments to reinstate the independent listing process. We accept that actions which give rise to penalties will remain subject to ministerial approval.

There is another set of issues that is very important in relation to the management of sites. One of the circumstances that is not present in the bill, which gives rise to the obligations for protection to be considered, is a trigger that comes into effect with the potential disposal of Commonwealth lands. It has been the practice of this government to
divest itself of significant properties. Over recent years, we have seen large divestment programs for the Department of Defence and for other Commonwealth departments. Many of the properties which are being divested have heritage significance. It is possible, where a divestment occurs, for the Commonwealth to place on the title caveats that are designed to protect that heritage status. But, unless a trigger device is instigated upon a disposal, that obligation is not necessarily there. The listing process now will be transferred. Once the property becomes not a Commonwealth property but a state property or a property outside Commonwealth jurisdiction, it will be subject to state based regimes.

One of the real issues is the protection of Commonwealth heritage places that are sold or leased. There are significant concerns that the proposed system would be open to abuse or wide discretion. The Minister for the Environment and Heritage is given, at best, a secondary role in relation to a decision of a Commonwealth agency to divest and whether or not to place a covenant on a sale or lease contract. A wide range of interest groups concerned about the protection of Commonwealth sites, including the National Trust, would prefer the minister to be advised at least 30 days in advance of the execution of any contract and to be required to give approval. The ACF has also sought the removal from the bill of section 341ZE(2)(a) and 341ZE(2)(b), which allow an agency to decide that a covenant would be unreasonable or impracticable.

They are significant issues. There is no doubt that the arrangements that are being put forward under this legislation have been designed to at least extend some obligation of reflection and thought about whether or not such protection should be provided. I do not wish to be overly partisan in relation to this, and the opposition recognises that the arrangements have been introduced with proper regard to the concerns that I am raising, but they do need improvement. They can well be improved. It ought to be within the wit of the government to pick up my suggestions for an improvement in this area.

Flowing on from the issue that I have raised in general terms there are those issues relating to interim protection for heritage properties. One of the major problems with the current bills is that once the legislation comes into force no places will be listed on either the Commonwealth or national lists. There are some indications from the department of the environment at the estimates hearings that in the order of some six places a year are intended to be added to the list, but of course there are some 13,000 properties on the current Register of the National Estate. The government had undertaken to have all Commonwealth places on the Register of the National Estate immediately placed on the Commonwealth list but that has not been given effect to in this legislation. Without such protection, Commonwealth properties in transition from the Commonwealth or to other ownership will be vulnerable to inappropriate developments or actions.

It is no surprise to any member of this House that there is a long list of properties which may be subject to such concern. There are many Defence properties earmarked by the government for sale, such as on the Georges River near Sydney. Other examples are the Milly Lily Point heritage precinct in Darwin and the Norfolk Island crown lease land. I think the shadow minister referred particularly to the Norfolk Island example. The government is preparing to convert Commonwealth leasehold land to freehold and that is occurring without full scrutiny under the heritage legislation. A lot of these properties are important environmentally and they offer a significant opportunity for the community to enjoy our historic cultural and environmental heritage. But if we lose those opportunities because of inappropriate disposals and the implementation of an ideologically driven program of disposal of Commonwealth assets through the privatisation regime and the asset sales program, then we will lose forever very important sites that matter to our community.

There have been examples of Commonwealth properties with significant heritage values being sold off by the government rather than being transferred to the management of the states, for example. Where the
states have acquired heritage property in recent times they have been required to purchase those properties on the open market regardless of their conservation and heritage values. Of course, that imposes a significant cost on the transferring states that actually acquire those properties.

That is in marked contrast to the way in which disposal of heritage properties operated through the period of the previous Labor administration, where in most instances where properties had a significant heritage value that value was recognised in arrangements that were entered into with the states. I might just give a small example from my own experience. The old Customs House in Hobart, a magnificent building on the waterfront near the Hobart docks, was transferred by the Keating government to the Tasmanian government as the administrative facility for the Tasmanian Museum and Art Gallery for a peppercorn rental. The reason it was so transferred under those arrangements was because of a perfectly reasonable recognition that, had full commercial terms been required, firstly, it could not have been acquired by the state economically and, secondly, the state would then have the ongoing maintenance obligations of the property to maintain it in an appropriate way so that the actual cost of acquisition to the Tasmanian community would be far higher than would have been possibly justified from their point of view, yet it mattered to us as part of the heritage of our community.

These are important issues and so the interim arrangements for heritage protection and the way in which these intersect with the new legislation are issues that we believe need more attention. We believe, particularly in relation to Commonwealth properties, that those that are already owned by the Commonwealth should be placed immediately, as part of this interim arrangement, onto the list of Commonwealth heritage sites. If that is done and then the other mechanisms that are included by way of notice and proper arrangements in the normal course that we would hope to be implemented—much improved, I hope, if the government accepts the submissions I am making; even if they are not improved, at least they would come into operation under the arrangements for the possibility of the imposition of covenants on those properties—at least that would be a significant step forward and would mean that the Commonwealth would have to take into account those heritage values before any disposal.

There are many other issues which are important in relation to this legislation and I wished to have the opportunity to speak further on it, but this session is coming close to an end and I understand, Mr Speaker, that before 7.30 and the adjournment you have an announcement to make, so I will bring my remarks to a close.

The SPEAKER—I thank the member for Denison for his accommodation. In fairness, I should inquire as to whether he has concluded his speech or would seek leave to continue speaking when the debate is adjourned.

Mr KERR—I think the memory and patience of the House might be such that after a fortnight where I actually left off might not be within the memory of anybody, so I will bring my remarks to a close.

Debate (on motion by Mr McGauran) adjourned.

PARLIAMENT: PARLIAMENTARY SERVICE COMMISSIONER REPORT

The SPEAKER (7.28 p.m.)—Earlier this year, together with the then President of the Senate, I commissioned the Parliamentary Service Commissioner, Mr Andrew Podger, to inquire into certain aspects of the administration of the parliament. On 30 September 2002 the commissioner provided his report to me and to the President. Before the President and I make decisions in relation to recommendations made in the report, we feel it important to provide it to all members and senators for their consideration. Accordingly, I now table the report, together with a copy of the commissioner’s covering letter and a draft research paper prepared at the commissioner’s request tracing the history of previous attempts to make structural change within the parliamentary administration. The President and I intend to consider the matter further at the end of November and would accordingly welcome any written comments
The President and I have also written to the heads of parliamentary departments asking them to circulate the report to staff. We would welcome written comments on the report’s recommendations from those who serve the parliament as well as from any other interested parties, also by 22 November 2002. Electronic copies of the documents I have just tabled will be made available shortly on the parliament’s Internet site. They can be found by going to the publications link on the parliament’s homepage.

Wednesday, 23 October 2002

ADJOURNMENT

The SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

Australian Federal Police: Investigation

Mr KERR (Denison) (7.30 p.m.)—I rise this evening to speak about a serious breakdown of the proper procedures of investigating allegations of misconduct within the Australian Federal Police by the Office of the Commonwealth Ombudsman. I do this by way of a case study of the experience of Mr Grahame Wheeler. Mr Wheeler was by all accounts an upstanding member of the Queensland community. He was well respected in business generally and was appointed a justice of the peace. It was in 1993 when in his capacity as a JP he issued a search warrant that his nightmare began.

During the course of an AFP investigation into an officer who was suspected of some wrongdoing, Mr Wheeler also became the subject of a suspicion that he had conspired with that AFP officer to falsely date a search warrant and had had an ‘improper relationship’ with that AFP officer.

The investigation led to charges being laid against the AFP officer. The charges against that person were dismissed. However, mud sticks. The allegations against Mr Wheeler became known, and Mr Wheeler’s professional standing and his sense of place and position in society were shattered. Mr Wheeler complained that the AFP’s investigation, which had implicated him in alleged wrongdoing, had been improperly motivated and poorly conducted. It is now plain that the initial investigation, while perhaps well motivated, was more than usually zealous and indeed was deficient in a number of regards.

At all stages, Mr Wheeler asserted that he was completely innocent of any wrongdoing. It is after this point that the matter moves beyond the personal tragedy of Mr Wheeler to the effectiveness and adequacy of the Commonwealth institutions set up to deal with complaints against the AFP.

To his disadvantage, rather than Mr Wheeler’s concerns being acknowledged and taken seriously, years of avoidance and cover-up and a general failure of frankness ensued. This extended beyond the initial internal investigation by the AFP and into the heart of the Ombudsman’s office. In the grievance debate in the next parliamentary sitting week, I will detail more of the matters that lead me to speak so forcefully on this issue. They are serious. This parliament has given the Office of the Ombudsman the job of investigating a citizen’s complaints against the AFP. The most senior staff within the Office of the Ombudsman failed to discharge properly the duties that the parliament has given to them.

I accuse the Ombudsman of having established processes for reviewing allegations of misconduct within the AFP that did not prevent matters being investigated by staff with close personal and professional relationships to those being investigated. I accuse the Ombudsman’s office of either wilfully or negligently participating in a cover-up of misconduct. My concern is not to trawl over the mistakes made during the original investigation. Police investigators are human and like every human institution they are prone to the occasional error. Even serious mistakes will occur, and those that occurred in this case may not warrant more than an acknowledgment and apology to Mr Wheeler or, at most, a reprimand.

My concern is instead to shine a spotlight onto a record involving evasiveness, prevarication, inappropriate procedures and too in-
timate relationships between senior staff of the Ombudsman and serving and former AFP officers. Close professional and personal relationships between senior staff of the Ombudsman and departmental officials may be encouraged in the general circumstances of the Ombudsman’s work but in matters in which the office is acting as a police integrity watchdog they are entirely inappropriate. I make these serious accusations, and they are not made lightly.

Mr Wheeler was not provided with either the AFP reports or the Ombudsman investigator’s reports. It was not until Mr Wheeler made FOI requests that he was able to obtain a copy of a report dated 2 July 2002, addressed to the AFP Commissioner. The report focused on recent events and not the reasons behind the commencement of Operation Graft, which was the codename for the original investigation. However, the 2 July Ombudsman’s report did admit that both agencies were inept in handling Mr Wheeler’s complaint. In the report, the Ombudsman agreed with Mr Wheeler that the AFP’s internal investigation was flawed, incompetent and incomplete.

I will place more detail on the parliamentary record when I resume my comment on 11 November but, in opening up this matter, I wish to stress that nothing can be done to restore the reputation that Mr Wheeler has lost and no apology can undo his hurt. Some good, however, can come from this if we recognise that this case exposes serious structural deficiencies that need to be reformed within the Ombudsman’s office. It is vital that we have confidence in the body we have empowered to deal with allegations of police misconduct within the AFP and misconduct within the National Crime Authority or the proposed Australian Crimes Commission. Finally, I understand that there are outstanding FOI requests which ought to be provided, going to Mr Wheeler’s concerns about cover-ups within the Ombudsman’s office. I hope that by the time I speak again those documents will have been provided to him.

Middle East: Israeli-Palestinian Conflict

Mr ANTHONY SMITH (Casey) (7.35 p.m.)—In tonight’s adjournment debate, I take the opportunity to again address the topic of Israel and the distressing spate of suicide bombings that have been perpetrated upon that country and its citizens over a long period of time. In recent days we have seen yet another despicable attack on innocent Israeli citizens with the blowing up of a bus that killed 14 people and injured more than 40 others. As with so many previous attacks, these criminals planned and executed their attack with the aim of killing as many men, women and children as possible. And, also as with so many previous attacks, Islamic Jihad have claimed responsibility.

As I have said previously in this House, there is unfair and unjustified criticism of Israel in many media and political circles. Much of the criticism seems to be based on the premise that, because the conflict is ongoing and because various attempts at peace have failed, there must be an equality of blame on both Israel and its enemies. This is an easy and intellectually lazy cop-out, which holds that both sides should be able to work things out and, if they cannot, both are equally to blame. It is an approach which might be attractive until the facts are examined.

Those facts are that since its birth Israel has been a nation constantly under attack and that the aim of those opposed to Israel is to destroy it. It is an aim that saw Israel attacked upon its formation and has forced it to defend itself ever since. It is an aim that the terrorists attacking it today continue to hold. This is not a debate about borders; their aim is to destroy Israel and to wipe it from existence. Despite this, some commentators—and unfortunately some members in this House—choose to ignore the facts. In recent debates in this House, some members opposite have gone so far as to argue that the Israeli Prime Minister is a war criminal for simply defending his nation and his people against terrorists.

Those opposite might try and cling to the fact that because I am of a different political persuasion my argument can be dismissed. But it is not just me and so many others in the community who are appalled at the recent decline and amazing degeneration of Labor thinking on the issue of Israel, it is
some of their very own senior members. On Monday, former Hawke government minister and renowned Labor figure Barry Cohen belled the cat on the despicable change in attitudes towards Israel by the current Labor opposition. The *Australian* reported that in a letter to the Leader of the Opposition, Simon Crean, Barry Cohen outlined how shocked and appalled he was by the extreme anti-Israel remarks by a number of Labor backbenchers, including the members for Watson, Sydney, Banks and Prospect. Let me quote Mr Cohen:

For Israel’s sins to be attacked without placing it in the context of a 60-year campaign to destroy the state is dishonest and vicious in the extreme. When these speakers fail to mention the endless massacre of civilians by homicide bombers supported by Hamas, Hezbollah and Islamic Jihad, who state that they will never accept a Jewish state, then we have a situation that goes way beyond legitimate criticism of Israel. It is blatant anti-Semitism.

The Labor Party under Bob Hawke showed principled leadership in support of Israel’s simple right to exist. In contrast, as Mr Cohen rightly points out, the current Labor leader is quite happy to sit by while his party pursues two distinct and separate policies. The Leader of the Opposition not only has to make a choice, he also needs to address the fundamental reason so many of his backbenchers, particularly from New South Wales, have changed their position on Israel and the Middle East. He needs to ask himself whether it has anything to do with the corrupting influence of the rampant branch stacking in the Labor Party in some of their seats.

**Isaacs Electorate: Community Services**

**National Service Medals**

Ms CORCORAN (Isaacs) (7.39 p.m.)— A little while ago I visited the Chelsea Fire Brigade to present them with an Australian flag. This was not my first visit there by any means, but it is the second time in 18 months that I have presented them with a flag. Chelsea is very close to the beach, and flags do not last long in the salty air and the wind that blows through that area. I want to talk about Chelsea Fire Brigade tonight to put on record the good job they do and to encourage any-one interested in learning about firefighting to consider joining Chelsea.

Chelsea operates 24 hours a day, seven days a week, mainly with volunteers. There is always one, and sometimes two, paid staff on duty, but in times of an emergency volunteers are called upon. Chelsea currently has about 25 volunteers. This is a pretty good number for them, but it has not always been this good. Chelsea is recovering from a drought of volunteers, and many of those working there now have less than two years service. This means that volunteers are applying themselves diligently to their training schedule. The night I was there they were off to the local watercourse to learn about pumping.

All volunteers undergo training which is competency based, and it takes about six or seven months to get through the training that allows you to, as they call it, get ‘on the truck’ and get called out. Chelsea is looking for more volunteers. Anyone can volunteer, provided they are prepared and able to undertake the training requirements. Chelsea is a very happy gang of committed people. Training is one night per week—every Monday—and there is a meeting once a month. Volunteers can move into specialty fields after their preliminary training if they wish. I encourage anyone in the area who is interested in learning about firefighting to get down to Chelsea and meet the crew there.

The second matter I want to talk about tonight is national service medals. Over the last five months I have had the pleasure of presenting national service medals to a number of my constituents in Isaacs. All of these men have told me that they feel extraordinarily proud and honoured to have had their service finally recognised. They are all proud to be able to serve their country by their period of national service, and it is fitting that this service has now been recognised. I want to put on record in the House my thanks to the following ex-servicemen to whom I have had the pleasure of presenting medals: Robert Warren, Charles Briggs, Les Williams, Frank Phillips, Leonard Mether, John Johnson, William Satchwell, Robert Mango, Albert Kuffer, Ron King, Howard Coleman, Jack Wylie, Graeme Mitchell, Don Ingram,
Ronald Smith, William Brown and Terry Treloar. The awards ceremonies we held were relaxed and informal occasions, and the men lost no time in exchanging their stories with each other and telling me about their experiences. Their national service experiences vary, but they are all very pleased to have their service recognised.

The final matter I want to talk about tonight is not such a happy one. Like most other members of parliament I have received a number of calls from constituents about Centrelink debts. This is not a new problem but it seems we are not getting anywhere in trying to fix it so I am raising it again. In the case of Sue, she has been in touch with Centrelink on approximately 13 occasions over the last two years, informing them each time of changes in either her or her partner’s income. But despite this diligence she has ended up with a debt. Her concern is that any changes to her estimated income only take account of her income from the time she notifies Centrelink of the change. For example, if she notifies Centrelink in April of a change, the payments are adjusted from that April until June. This ensures she will always have a debt because payments are not adjusted for the entire financial year.

The families that I speak to try to do the right thing. They do not want to be in the position of having a debt to the Commonwealth, but the current system of payments means that the only sure way to avoid a debt is to wait until the end of the year to receive the benefit. This is not much good if you actually want to eat during the year. The other advice being given to these families is to overestimate their income. The problem with overestimating, as my constituents have found to their horror, is that they often end up not being eligible for a health care card. This means having to pay the full price for medicines and visits to the doctor, with no hope of a rebate being paid at the end of the year. This system requires substantial changes to accommodate the needs of Australian families. Surely it is not too much to ask that families be paid the correct rate at the correct time, when they most need it.

Hinkler Electorate: Childers

Mr NEVILLE (Hinkler) (7.43 p.m.)—As honourable members may be aware, the Palace Backpackers Hostel in Childers was the scene of a horrendous fire, which claimed 15 lives, on 23 June 2000. Members will be pleased to know that it will be reopened this Saturday at 11 a.m. While this event marks the closure of a dark chapter in the small town’s history, we must remember that for the families who lost loved ones the scarring will be eternal. Hopefully this opening will add some solace to that grief. Around $1.7 million from all levels of government has gone into the rebirth of the National Trust classified building. There were contributions from the Commonwealth of $412,500 immediately following the fire and a pledge of $50,000 from the Prime Minister for a memorial. Yesterday the Commonwealth announced a further $137,500, making a total Commonwealth contribution of $600,000.

It will now house downstairs a visitor information centre and upstairs an art gallery and a memorial room dedicated to those who lost their lives in the fire. I have not yet seen the memorial room, but I am told it is simply stunning and a very moving exhibit. Many dignitaries will be present in Childers on Saturday, including: the Deputy Prime Minister; the Queensland Premier, Peter Beattie; the Isis Shire Mayor, Bill Trevor; the diplomatic corps; and many other visitors. I would like to pay tribute to the leadership of Bill Trevor during the troubled two years that followed that dreadful fire. More importantly, 13 of the families of the 15 victims, those young travellers who escaped the flames and local residents who heroically dealt with the immediate and ongoing aftermath of the tragedy will have a chance to remember those who died and to honour those who have seen the project through to its conclusion.

A new backpacker facility will be built immediately behind the century-old structure. This will breathe new life into a town which has experienced more than its fair share of sadness during this time. In short, there will be three purposes for this facility. First, it will be a memorial to those 15 young people who died so tragically and who
should be remembered. Second, it will be the restoration of a pristine National Trust building with all its heritage values. Finally, it will become a new and vibrant centre in the middle of Childers, with an art gallery, a tourist information centre and the memorial room.

I feel a great deal of empathy with the parents who lost children and loved ones in the Bali massacre last week. I am sure those parents—those 13 families—who come to Childers will empathise with those people in Bali who are still waiting to find their loved ones and take them back to Australia. I remember vividly that it took us in Childers two weeks or longer to identify the victims; in fact, one has never been identified. That was in Australia with the best police and forensic assistance available, so you can imagine how much harder it is going to be with the greater number in Bali. It will be a great day for Childers. It will be a lasting memorial for young people. The carefree young people who were killed in Bali were the same sort of young, innocent people who were killed in Childers. Three days from the opening of the new facility, we can honour both groups. We can remember those who were killed in Bali and honour those we commemorate with the opening of this new backpackers lodge in Childers on Saturday.

**National Asian Languages and Studies in Australian Schools Strategy**

Ms KING (Ballarat) (7.48 p.m.)—I rise to speak on the issue of government cutbacks to the National Asian Languages and Studies in Australian Schools Strategy, NALSAS. The Commonwealth and all state and territory governments initiated NALSAS on a bipartisan basis in 1994. The strategy was to assist government and non-government schools to improve participation and teaching in four targeted languages—that is, Japanese, modern standard Chinese, Indonesian and Korean—and to support Asian studies across the curriculum. These languages represent the dominant economies in Asia. With the federal government now withdrawing its funding, there is uncertainty that the states will be able to continue the program on their own.

The teaching of Asian languages is complementary to our export industry and enhances future employment prospects for many young Australians. Whilst this issue may not have a dramatic effect on our nation right at this minute, the ramifications will be seen in years to come. Languages are becoming more and more important because we are not just selling goods to Asia but are providing service based industries, which are much more language intensive. This has been particularly relevant in areas of tourism, financial services, accounting services, legal services, consulting services—not to mention the importance of language on the Internet. To highlight the effect that this government decision has had, I would like to draw the attention of the House to a letter I recently received from Ms Natasha Hoare. Natasha is a year 9 student from Damascus College in Ballarat. This year, Natasha and other students in years 9 and 10 from Damascus College attended a ‘Why Study Indonesian?’ day in Melbourne. Natasha tells me that it was at this event that she learnt about the funding cuts the government is making to the NALSAS program. Natasha says:

We are concerned that there will not be opportunities for days such as Thursday, supported excursions. We get funding from NALSAS at Damascus College to go on holidays to Indonesia, for staff in-service days and things such as the Language Market, which is a computer program to help us learn languages other than English. There will not be as many advantages for us and for other kids learning Asian languages in the future, as we have. All of these things will be cut off at the end of the year.

Natasha’s letter is concerning on two fronts. The first is the lost opportunity for students like Natasha, who will no longer be able to study Indonesian and Indonesian culture. In a regional environment with limited opportunities to go elsewhere for such study, I am concerned that the government is limiting the capacity of students to engage in and learn about Asia. The second and equally concerning issue is the long-term impact this will have on our capacity as a nation to engage with Asia, to understand not just its language but its politics and culture. The government appears blinded on this issue and more concerned about the short term
than the long term. This government is without vision on this issue.

The NALSAS not only benefits the students who learn this language but also will have a dramatic effect on future trade and military negotiations with Asia. This government has disengaged with Asia. These are important ties for Australians and we must continue to understand that, whilst we have important relationships with our traditional allies, we must continue to foster our relationships with our Asian neighbours. In conclusion, I would like to echo the words of Natasha from Damascus College. She says:

It is important for us at Damascus College, the community of Ballarat and the Australian community to learn Asian languages, as the Asian community and people are our closest neighbours.

Natasha Hoare has a better long-term vision of the future direction of our country than the Howard government.

The SPEAKER—I note this is a little departure from the normal forms of the House but, on the authority of the member for Lalor and the member for Corangamite, can I extend to the member for Ballarat the best wishes of the House for the happy event next Saturday, when I understand she and her finance, Mark, are to be married. I wish them every future happiness.

Ms King—Thank you.

Employment: Mature Age Employment Advantage

Mr BILLSON (Dunkley) (7.52 p.m.)—Could I add my best wishes to the member for Ballarat. I am sure the nuptials in Daylesford will be huge, that there will be helicopters overhead and it will be in New Idea and Woman’s Day—‘Career woman bonding with a bloke’. It is good stuff. Congratulations and a happy future to the pair of you.

I rise tonight to talk about the mature age employment advantage. I have briefly mentioned it in this House previously. We are midway through the eight-segment program, which is an innovative and locally developed pilot program to improve the employment prospects of the over 45-year-old job seekers. It is going on. We put an article in the local newspaper, and within three days we had the program filled. It is an example of mature age employment and the issues mature age job seekers face. It is a real and live issue in a way that was highlighted by the Nelson committee some years ago. In 1997, the Australian Bureau of Statistics reported that half of the men over the age of 45 were out of the work force through retrenchment, redundancy or retirement. The unemployment rate for mature age people is lower than that for the general population, while the rate of long-term unemployment is much higher, representing, as the Nelson committee said, ‘the tip of an iceberg of quiet anguish’.

The point that was being made there was that, for many people over the age of 45 who find themselves out of work, a number will not return to the work force, and that creates a great deal of personal and financial stress and hardship in their life. It also represents an enormous missed opportunity for our nation and our economy. The mature age employment advantage initiative that we have devised and developed as a community collaboration involves local employment service providers, and training and career advisers. It is supported by the peninsula job team and the area consultative committee, South East Development Inc. The eight sessions over October are at no cost. Participants needed to show that they were sincere and genuine in their commitment, apply for one of those 20 places and, in return, commit to attending all of those eight sessions.

The sessions incorporate career and life planning. There are many people that undervalue their own skills, and then when they approach an employer they are not always confident enough in their own capacities to be of value to that workplace. An example may be someone who has worked in a traditional industry for a number of years and finds themselves out of work, but goes looking for a job with a title like the job they used to have, whereas what they have learned and what they are able to contribute in workplace competencies is far broader than their job title in the particular industry in which they worked. What we are doing through the career and life planning coaching segment is opening up that world of opportunities that a mature age job seeker has be-
before them, if they have a relook at their capacities and the skills in their kit bag of abilities, and how they can be very attractive to a probably much broader range of employers than they ever imagined. Beyond the career and life planning segment, there is computer training, support for job search techniques and tactics that respond to the changing labour market and changing workplaces, and also some fun workshops on personal presentation and a serious one on wellbeing. Many mature age job seekers appear to not take care of themselves at the time of their hardship and that can be not only bad for their health but also bad for their employment prospects. I am hopeful that the success of this program will provide a model for similar initiatives right across Australia.

Research suggests that economic and social drivers will, over time, increasingly promote mature age employment, but those of us who are in this mature age employment advantage collaboration believe that more immediate action is required to ensure that the talent and capacity of the current mature age job seeker is not lost to the economy, and also to abate the significant personal cost of their joblessness. Employment Solutions, SkillsPlus Peninsula and South East Development are the key sponsors of this project and they combine with Life Futures, Peninsula Health and VFI Studios to deliver a program that offers a huge advantage for mature age job seekers. We are tackling the barriers mature age job seekers face head on with this program and seek to enhance their employability by unlocking their own capacities and the potential these experienced people offer in a way that makes employers stop, take notice and seek out mature age job seekers for their workplaces. In parallel, we are tackling some of the biases many employers have against mature age job seekers and dispelling the myths about mature age job seekers—myths that are unjustified, that represent an unjustified barrier to workplaces having an age balance in their work force, where they can take relatively young people and seasoned campaigners like the member for Corangamite and create a better workplace out of that mix of capability. (Time expired)

**Environment: Kyoto Protocol**

Mr JENKINS (Scullin) (7.57 p.m.)—On different occasions I have taken the opportunity to indicate to the House the economic benefits as well as the environmental benefits of Australia signing up to the Kyoto protocol and ratifying it. Yet again, we have found this month, with the decision of the European parliament about its regime for carbon trading, that Australia’s present position has put us outside of a bandwagon that we should be joining. I have indicated before that there is economic benefit to a whole range of Australian firms through us participating in what is the largest of the two international camps on the way we should address present things to do with climate change.

At present, because we have aligned ourselves with the United States, we are seen as separate from what the rest of the world is doing and the regimes that they are putting in place on important measures to do with not only environmental benefits that we can achieve through the Kyoto protocol but also those things that are developing in the trade in environmental goods and the like. But, in distinct terms, this is a very important step that we should see the government reconsider. I note that the environment minister is shortly to go to New Delhi, where there is to be a further discussion by the international community about matters to do with climate change. I hope that he sees the folly of our present position. We have set ourselves apart from the wider global community, only having the United States as an ally in what is necessarily a significant international problem where a result will only be achieved by concerted collective action by a number of nations. I hope that we see the government reconsider its position and see that it should be signing up and joining with the wider community. In conclusion, Mr Speaker, in a world that has many dark spots, can I join with you, along with the honourable member for Lalor at the table and other members in the chamber in wishing the honourable member for Ballarat all the best for her wedding on Saturday.

The SPEAKER—Order! It being 8 p.m., the debate is interrupted.
NOTICES

The following notices were given:

Mr Pearce to move:

That this House:

(1) recognises the importance and value of all children learning music as part of their school education;

(2) appreciates how the learning of music can provide additional benefits to a child’s overall academic and educational development;

(3) acknowledges the significant contribution and effort that people from all walks of life make to their local communities through music and arts initiatives, particularly those that support our youth;

(4) recognises the positive link between the wellbeing of our youth and their appreciation and active participation in music activities; and

(5) calls on the Government through the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) to actively support and encourage:

(a) an increased presence and heightened importance of learning music within the various education curricula throughout Australia; and

(b) an increase in funding for school music education programs from respective State and Territory governments.
Wednesday, 23 October 2002

The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Employment: Statistics

Mr SAWFORD (Port Adelaide) (9.40 a.m.)—It is nice to be vindicated. During the last parliament—in fact, three years ago—I said in this House, in this chamber, in committees of both a joint and party nature, that the unemployment quantum in this country was 2.1 million, made up of 700,000 unemployed, 700,000 underemployed and 700,000 who had been locked out of the labour market. A lot of government members took the stick to me. They said that that could not possibly be true. In fact, even some colleagues on my side said that I was overstating the problem a bit. I am grateful to Tim Colebatch, Economics Editor of the Age, for reporting the release of the Bureau of Statistics information yesterday in his column under the heading ‘Australians want work, more of it’. He confirmed my hypothesis and quantum guess of three years ago. As I suspected, I was essentially correct. I said that there were 700,000 unemployed. The Bureau of Statistics stated that in September 2001 the total number of unemployed was 509,700 full time and 162,800 part time, a total of 672,500—not far off 700,000.

I said that there were 700,000 underemployed. Actually, the bureau’s figure was 592,400, made up of 355,500 full-time underemployed and 236,900 part-time underemployed. I said that 700,000 Australians were not counted in the labour force who should be. The bureau’s figure was in fact 816,500, made up of 212,400 full-time and 483,200 part-time. I said that, three years ago, the total number of Australians who were underemployed and who were locked out of employment was 2.1 million. The Bureau of Statistics figure released yesterday for September 2001 was 2,081,400. I was spot on; my claims were correct. As I did then, I now challenge members of the government and members of other parties in the Senate to deny the fact that 2.1 million Australians want more work. That is a sad indictment of government at all levels in this country—federal, state and local. In the main, they have not taken in these figures and realised the damage that unemployment and underemployment have done to this country.

Government expenditure at all levels should have a job dividend. Infrastructure spending that increases the possibility of future investment should be supported, and those that do not should be deferred. A German study showed that if you spend $1 billion on roads you get 10,000 to 14,000 jobs. If you spend it on heavy rail you get 18,000 to 22,000 jobs. If you spend it on light rail you get 20,000 to 24,000 jobs. It is about time we looked at how we spend government money and thus get a job dividend.

Rural and Regional Australia: Taxation Zone Rebate

Mr HAASE (Kalgoorlie) (9.43 a.m.)—I rise today to bring further attention to the fact that we are emptying out our populations in regional Australia. For four years in this federal parliament I have been promulgating the fact that we need to do more to get people back into the bush. One of the ways that we got people into remote areas a long time ago was by paying them more money in the form of a taxation zone rebate. That was worth about five weeks extra wages per year then. That has now slipped back to the point where it is worth approxi-
mately half a week’s wages per year. The whole issue of taxation zone rebates needs to be revisited. We are paying for a great number of programs to attract members of the medical profession to the bush. I put it to you that if we had a bigger population in the bush we would not have to artificially support doctors to go there. We have a catch-22 situation: if we cannot get the doctors we cannot get the people, and if we have not got the people we will not get the doctors. We should address that by increasing the taxation zone rebate payments to residents of rural and remote Australia so that they have a reason to visit.

When people were paid extra money to go to remote areas, there was no compunction; people could say to their neighbours in the city, ‘I’m going bush to earn five weeks extra wages a year.’ Today, if they tell their neighbours in the city that they are going to the bush, the neighbours say they are crazy—that only missionaries, misfits and madmen go to the bush. It is not true. If we give people a financial incentive through their taxation to go to the bush, they will be able to proudly declare to their neighbours that this is their choice for economic reasons, and they will be considered as quite rational.

There is a phobia in suburban and city Australia about going where there is no high density population. I would urge every member of this House to play down that phobia. Go out and see rural and remote Australia so you can speak to your constituency and further break down this fear. We need rural and remote Australia to feed the rest of Australia. Let us not collectively let it down; let us put the word out that the bush is safe and fine and many happy families and well-balanced children are brought up in the bush. Talk to your constituents in city and suburban areas and urge them to give the bush a go. So many successful families did their 10 or 12 years there before secondary schooling and then returned to the city and gave somebody else the opportunity. It is something that could still be in vogue if taxation zone rebates were revisited. (Time expired)

**Greater Building Society Ltd**

Ms HALL (Shortland) (9.46 a.m.)—Today I wish to raise a constituent’s problem that was brought to me in my office last week. It is the case of Mr Ljubisa Ristisa of 37 Lindsay Avenue, Valentine, who is a disability support pensioner. In 1998 he built himself a house at that address. At the time he had all the money bar $20,000, which he borrowed from the Greater Building Society. Over the last two years, his pension had been going into his account on Thursdays, but his loan repayment had been coming out on Wednesdays. Every time that happened, he incurred a penalty of $50, which blew out to $1,742. The building society took him to court. His $20,000 mortgage has now blown out to $145,000 with costs.

The building society is auctioning his house next weekend. They have changed the locks and locked him out. Here is a man with very poor English skills who owned a very valuable house, thought he was doing the right thing and all of a sudden finds that he is about to lose absolutely everything. He was a building worker before suffering a severe injury. He put his money into building that house, but he was $20,000 short. Part of that $20,000 was used for an operation on his mother, who was injured in Serbia in a bomb blast at an airport, to remove the shrapnel.

Somebody who owes $1,742 is now going to lose his house because a lending institution has more money than he has. This is the kind of situation that we should all work together to ensure does not happen in a country like ours. He has been through the Supreme Court of New South Wales to the Court of Appeal. Maybe the technical aspects of the case mean that
this building society is legally within its rights, but morally I think we would all condemn its actions against Mr Ristisa. *(Time expired)*

**Canungra Light Horse Brigade: Peter Hilder**

_Mrs ELSON (Forde) (9.50 a.m.)—_The constituents of Ford were saddened to hear of the death of a very special man who played a very important role in our community. I would like to make special mention of him here today. Peter Hilder, of Tambourine Mountain, was the founding member of the Canungra Light Horse Brigade. He did a fantastic job of promoting the history of the Light Horse. Peter and his team would be seen at our local shows and local events, Anzac Day and commemorative services. He made the trip by horse to parliament about two years ago, and we witnessed a wonderful gathering of the Australia’s Light Horse Brigades on our front lawns here. Peter and his team spent the weekend competing in many organised competitions, and they went home as major winners.

Peter’s grandad was a Light Horse man in the Boer War. Dedicated to his grandfather’s memory, Peter wanted to make sure that our youth were aware of the Light Horse history and the courageous men who fought in that war. Peter spent many hours outfitting a caravan, a mobile museum, to take around to schools in Queensland. The many hundreds of displays, the authentic Light Horse memorabilia, and the video and computer presentations captured the schoolchildren’s imaginations. Peter was particularly delighted with the schoolchildren’s keen interest in all he had to tell them, and Peter proudly displayed in his caravan numerous letters from grateful teachers and students thanking him for his wonderful stories and for his free time.

Peter is going to be greatly missed by us all, and I know the brigade will not only continue his good work but will respect his memory by living up to the high standards he set for himself. My deepest sympathy goes to his wife Kay and his family members. Peter’s passing has left a great void in our community and he will be sadly missed.

I would also like to thank the Australian Fire and Rescue Service for their wonderful initiative with the blue reflector hydrant markers. As we travel our local streets we will see the blue markings, which indicate where our hydrants are. This saves many valuable moments when a house is burning and lives are at risk. I am absolutely amazed that our Brisbane City Council Labor Mayor, Jim Soorley, refuses to allow these blue reflector hydrants to be on the streets of Brisbane. I see them in Canberra, I see them in my area of the Gold Coast and all over Australia when travelling, but Jim Soorley has a beef with the fire brigade and he will not allow these reflectors to be put on Brisbane’s streets. How dare he put the lives and the property of the people of Brisbane at risk? Come on! Wake up to yourself, or I will push for national standards to be introduced to make sure that the people of Brisbane are protected.

**Immigration Detention Centres: Children**

_Ms PLIBERSEK (Sydney) (9.53 a.m.)—_An unreleased ChilOut report, the *Heart of the Nation's Existence*, shows clearly that children in Australia’s immigration detention centres are not being properly cared for. The report shows that Australasian Correctional Management, ACM, has not met the standards set by its contract with the government. There are 14 issues canvassed in the report: the direct abuse of children by ACM staff; pervasive and significant mental health problems in the children; detention itself being a detrimental environment for children; disintegration of families because of detention; children in detention not
being given the same rights or level of care to which any other Australian child is entitled; children in detention having a limited and inequitable education compared with Australian children; high school age children being given no education; food for children being inadequate and unsuitable, especially for very young children; inadequate health care and developmental care for children; the inadequate hygiene and clothing provided for children; lack of family and individual privacy; religious discrimination; and conditions being harmful for unaccompanied minors. The final area of criticism is the lack of sport, creative and hobby activities.

I believe that ACM have proven that they are unable to fulfil the terms of the contract they have signed with the government. I know that the reports are coming up for reallocation at the end of this year and I do not believe that ACM nor their sister company, Group 4, have proved that they are able to meet even the standards that are in place at the moment. I do not see how they will be able to meet the tighter standards that the government have claimed they are about to put in place. I think that the only solution is to return the management of the private centres to public hands and to ensure that the staff employed at those centres are not ex-prison guards but people who are experienced in dealing with traumatised people. Certainly I think that children in the detention centres should immediately be put into community care and that unaccompanied children should be in foster care right now. I know that there are some children who have, fortunately, been placed into foster care. I think this is a very important first step in making sure that these children do not continue to suffer. Families that have children should be allowed to live in accommodation in the community like the Woomera alternative detention trial, which has been very successful.

It is worth remembering that there are currently 309 children in detention: 149 in Nauru and 38 on Manus Island. Both of those groups have been there for over a year already. Many of the children in other detention centres have been there for periods as long as three years, I believe. The idea that these children grow up in environments in the desert in the middle of nowhere seems to me to be a disgrace.

**Rural and Regional Australia: Internet Connection**

Mr LINDSAY (Herbert) (9.55 a.m.)—I am angry that this country continues to tolerate the situation where people who live outside capital cities are considered to be second-class citizens. I intend to fight that notion with all of the resources available to me. As a matter of government policy, we should not allow it to continue. You are in that situation, Mr Deputy Speaker Causley, as is the member for Gilmore and perhaps even the member for Forde.

I have seen this happen most recently with the new digital age. Between the capital cities of this country, the bandwidth that is available is just light speed compared with the connection speeds available at a research institution like the James Cook University of North Queensland. If we do not hurry up and do something about it, our major tropical university—the major tropical university in the world—is going to be left far behind. I will not tolerate that. I want money allocated from the national communications fund in order to put a one gigabit per second link up the Queensland coast so that all of the universities in Queensland can enjoy the same connection speeds to the electronic world that the universities in the capital cities do. James Cook University, the CSIRO and the Australian Institute of Marine Science in Townsville are all world-leading research institutions. It is unfair that they do not have the
same Internet connection speeds that are available to the major Australian universities. It is going to hold us back.

I note that one of the recent Prime Minister’s fellowships was awarded to a Townsville scientist. In the last three weeks or so I was able to announce $2.6 million in new research funding for James Cook University. Our university, outside the sandstone universities or the Group of Eight, leads the country in the research it does, particularly in areas such as marine science. Those sorts of areas are going to be severely restrained, as are areas such as our latest addition in human genome research at the medical school. I will not stand for that. I want to see all of Australia’s universities having access to the same bandwidth as the capital city universities. I want to see that leading research continue in the regions of Australia. I want to make sure that we, in regional Australia, are not second-class citizens.

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

HEALTH CARE (APPROPRIATION) AMENDMENT BILL 2002
Second Reading

Debate resumed from 17 October, on motion by Mr Andrews:

That this bill be now read a second time.

Mr BILLSON (Dunkley) (9.58 a.m.)—The Health Care (Appropriation) Amendment Bill 2002 proposes to amend the Health Care Appropriation Act 1998. The good news is that this amendment is designed to facilitate the paying of a greater amount of funds to the states and territories for their public hospitals. The act provides the legislative basis for those Commonwealth grants under the financial assistance package negotiated as part of the 1998-2003 Australian health care agreements. That health care agreement processes the main way in which Commonwealth funds are funnelled to the states and territories for the provision of health care for all of our constituents, for all of our communities. Primarily, funding through this agreement from the federal government goes to funding public hospitals.

It is important to note that what has given rise to the need for this amendment is the fact that the Commonwealth is being exceptionally generous in not exercising some of the mechanisms within that agreement—mechanisms agreed to by the states and territories—that would have seen some downward pressure on those grants paid to the states and territories. Those particular measures relate to the private health insurance system and how, within those agreements, the public hospital system, with the agreement of the states and territories, would have seen an acknowledgment of an increased uptake in private health insurance by a reduction in some of the funding going to the public health system. The Commonwealth has decided not to exercise those provisions. That decision, along with the increased funding and some of the other indexation issues that are part of that agreement, has given rise to the amount included in subsection 4(3) being increased from $29,655,056,000 to $31,800,000,000. They are huge sums of money and they reflect the Commonwealth’s commitment to the public health system and, more specifically, hospitals managed by the states and territories.

What we are talking about today is amending that provision in the bill so that the Commonwealth can pay up to that amount. As I mentioned earlier, there were issues around the government’s decision to forgo the right to clawback any funding from the states in recogni-
tion of increased private health insurance coverage. There was also a decision by the government in August 1998 to offer the states and territories more funding under the 1998-2003 health care agreement. There was also a decision in December 1999 to recognise the importance of wages and salaries in the provision of health care. It is a labour intensive industry, and we have incorporated in the indexation mechanism for the grants a wage cost index to take account of how important wage movements are. There are also other routine indexation issues. The net result of this is that the Commonwealth can provide more money to the states and territories at a time when we are seeing remarkable increases and sustained growth in private health insurance coverage—something I think all of us who like that choice and recognise that the health system works best when the private and the public system complement one another would appreciate. Changes that the Commonwealth has introduced have transformed the private hospital system from what Russell Schneider at the Australian Health Insurance Association described as a ‘cottage industry’ into a growing sector.

In the principal city of Frankston in my electorate of Dunkley there is plenty of interest in co-locating a private hospital to the site of the Frankston Public Hospital and relocating the Frankston Tennis Club to another area of public open space and recreational facilities that was part of the old golf course. In our community, in particular, where we have strong private health insurance coverage, we are seeing that reflected in new investment with Peninsula Private Hospital. We are also seeing Beleura travelling well and the Bays Hospital Group have also been expanding to take up the extra demand. We are seeing more Commonwealth funding to the states and territories primarily going into the public hospital system at a time when we are also seeing a significant proportion of communities in all electorates across Australia with private health insurance. We are getting a growth in resources in the health care sector from both a public and private hospital perspective. That is something worth celebrating and it is why I think everyone would support the bill today. I cannot imagine too many people being unhappy with a bill that proposes to give more money to the states and territories for hospitals.

The key thing is that it is not the only area in which increased resources are showing the Commonwealth’s leadership in making sure that Australian citizens have the health care that they seek and that they rightly deserve. The increase in private health insurance take-up means a decrease in pressure on public hospitals. Minister Andrews, who has joined us in the chamber, is doing a remarkably good job in his portfolio. Hopefully I will be able to say he is doing an even more remarkable job if the aged care bed outcomes are attractive for my electorate—so there is some encouragement for you, Minister. Minister Andrews explained in his second reading speech how these changed amounts play out in the amendment to the upper level—the high watermark—of the funds that the Commonwealth can make available. If you look through the budget estimates, you see that there is population data factored into these estimates which the minister needs to take into account and there are some changes and finetuning in the appropriate distribution of funding responsibilities. In May 2003 we will know the precise make-up of the state and territory share of that growth in funding and we will see to what extent that increased upper limit is reached once those negotiations have proceeded.

It gives rise to something I would like to spend some time talking about. All federal members know of a concerned constituent seeking an earlier entrance into a public hospital for an operation or something like that. It is a long road to hoe as a federal member: our mechanisms
and our capacity to influence those decisions at a hospital level are fairly circuitous. As was mentioned earlier, the Commonwealth does provide a huge amount of funding to the states and territories. The states and territories supplement that from their own resources and then that goes to individual hospitals and health care systems. That is apportioned and management arrangements are made about how their facilities will operate. Then the patients come in and the facilities have to work through those decisions about priorities, about resourcing and about the pace with which non-elective and elective surgery is carried out.

Where we have a constituent who is not happy with the elective surgery waiting times—and in Victoria we have seen a lot of public discussion about how those elective surgery waiting times are stretching out more and more—that causes concern for them, particularly if they need a hip replacement operation. That is not viewed by the health system as the highest priority procedure, but for the person suffering the great deal of pain, discomfort and loss of mobility it is a vitally important procedure. As federal members we can seek to advocate our views to our hospitals; but at the end of the day it is a medical decision, it is a balancing of competing medical demands and a medical case needs to be made for an increase in the urgency of that procedure. The Frankston Hospital in my electorate of Dunkley has been quite open to representations along those lines, focusing on the issue of the medical urgency. That often involves providing advice to the patient that they really need to see their doctor and have their doctor argue the case to the registrars about the urgency of their procedure.

That is one issue, but the issue I wish to talk about today deals with accident and emergency departments. Much of the funding that goes through from the bill we are discussing today finds its way into the hospitals and then finds its way to provide that first response for people when they are feeling they need instant emergency medical attention. Frankston Hospital is a remarkable place. We had the good fortune and the misfortune of being in the location of the supplementary election that decided the fate of the government at the last state election. Besides the travelling circus of ministers, aspirant ministers, and promises, pledges and all those sorts of things, there was quite a deal of attention given to the Frankston Hospital. The then Labor opposition made a mountain of promises about that. I support the state member for Frankston, Andrea McCall, in seeking to make sure that those promises are kept. It is a little hard to know which ones were kept as there were so many. But, in fairness to the state government, there has been a lot going on at the Frankston Hospital and I will leave it to Ms McCall to work out whether it was everything that was promised.

Frankston Hospital has been a perpetual building site. It has been a place of ongoing redevelopment and expansion, much welcomed by the local community. Whether it is all that was promised is something that state political players can sort out, but it has been a place of great change and a very dynamic place. I would like to pay tribute to the board, the management and the staff at Frankston Hospital for maintaining and improving service levels at a time when their workplace has been a building site. The place looks like a war zone at some stages: there are bits of building hanging out in some places and in some corridors you walk through there are wooden panels to guide your way through. We went to some functions there for the Centenary of Federation because funding was allocated for a religious sanctuary within the hospital for all denominations, as people look to their faith to give them strength at a time when they are looking for healing and support. To get there, we had this rat run through the hospital. Why? Because there was so much work going on. But over that time the emergency department has continued to be, I think, the most remarkable performing emergency depart-
ment of the hospitals throughout Victoria. It has continued to soldier on, catering for an ever-increasing population in our region.

Home and community care is the great bane of many outer metropolitan members’ lives, and it may be that the minister at the table, the Minister for Ageing, would know this too. Why is it? It is because the Commonwealth hands over the money and then the states allocate it. In the past there has been a remarkable bias and higher per capita funding for home and community care services to the inner metropolitan areas, so they are luxuriating in resources for home and community care. But, if you happen to be a frail aged person eligible for home care assistance and living in an outer metropolitan area, you have got a real raffle on your hands. You have got a lot of work to do to get access to services that are not anywhere near the level or the duration that you would get in inner Melbourne. You may have exactly the same condition, and there may be exactly the same justification for services, but, purely because you are in an outer metropolitan area and there has been a historical bias towards higher funding levels in inner metro, you get reduced levels of service. That is unsatisfactory and successive state governments have wimped it; they have wimped reallocating and redistributing those funds more equitably across all of the community.

Why have they done that? Obviously, if you are luxuriating in services in inner metro, you do not want the money to disappear. You do not want a reduction in the name of equity just because some of your fellow Australians in outer metropolitan areas, who are in exactly the same condition as you are, are not getting anywhere near the same level of service. What has been the solution? The states, particularly Victoria, have constantly demanded growth funding. Why is this? That papers over the inequity in the way the current funding is allocated. They say, ‘Give us more growth funding’ so that they can play catch-up footy for the outer metropolitan and rural areas because they are not prepared to bite the bullet on the funding outcomes.

It is the same issue when it comes to the funding of emergency departments. The inner metropolitan areas in Melbourne have traditionally had a seven-layered arrangement for funding emergency departments. If you happened to be one of the big inner metro hospitals you had money; you had substantial funds. If you happened to be in an outer metropolitan community, such as the one I represent in Frankston, you had to make do with far fewer resources to begin with, a growing demand from a population that is ever-expanding in your catchment, and an expectation from the local community that all cases, irrespective of their complexity, can be accommodated. Gone are the days when the accident and emergency department could handle a nick or a cut. Critical rescue, emergency and urgent cases are all expected to be catered for in these outer metropolitan areas such as the one I represent.

To the credit of the state government, I think they have recognised the nonsense in the old funding model and they are moving to a different arrangement. That different arrangement will now provide other signals as to how funding will be provided. The changes have gone from the old ED categories, E1 to E7—I will not go into all the gory details—to what is essentially a two-tiered model. A two-tiered model should go some way towards addressing this inequity, but again they have failed to bite the bullet. In the case of the Frankston Hospital, the accident and emergency department is located, quite wisely, near the entrance; and just across the hall is a medi-clinic which is operated by local GPs and is funded through Medicare; you just swipe your card. So, if you have got a low-order GP kind of condition that needs to be attended to—it might be after hours or you might be having difficulty getting into a hospital;
we know about the shortage of GPs in the region that my friend the member for Flinders, Greg Hunt, and I represent—you go to the hospital and they say, ‘Right. Triage. Yes, you’ve got a GP thing. Off you go to the medi-clinic.’ You get attention, you get treatment, it is clocked up on Medicare, and the bill is sent to the Commonwealth. The consequence of that is that higher order, higher complexity cases end up going, as they should, to the accident and emergency department.

I have a slide here that is very hard to read into Hansard, but I will try to explain it. In the case of the Frankston Hospital, the number of rescue and emergency patients who are seen in that hospital actually amounts to the total number of cases seen in other hospitals. The average of patients in category 1, 2 and 3 funding, which is rescue, emergency and urgent, is actually greater than it is for some of the inner metropolitan hospitals. I wish to explore this issue further but today I simply want to highlight the fact that the funding level for one of the inner metro hospitals starts at about $9 million. For an outer metropolitan hospital it is about $5½ million. That is the starting position, and then there are some changes made in terms of throughput and the like. What is missed is the complexity. What is missed are the actual demands placed on those professionals who, in the case of the Frankston Hospital in the accident and emergency department, do a remarkable job.

I am calling for the Commonwealth, with the $30 billion funding allocation, to use those resources to give leverage to the states and territories to make sure that the accident and emergency services provided in outer metropolitan communities, like the community in the Greater Frankston-Mornington Peninsular area, are more responsive to the actual demands they face. It is a terrific hospital that is doing a terrific job under difficult circumstances. It deserves our support and it has a right to expect a proper level of resourcing—and whatever I can do to support that, I will.

Ms HALL (Shortland) (10.15 a.m.)—The Health Care (Appropriation) Amendment Bill 2002 amends the Health Care (Appropriation) Act 1998 and allows the Commonwealth to discharge its financial responsibilities under the 1998-2003 Australian health care agreement. Under the Australian health care agreement, the Commonwealth provides financial assistance to the states and territories for the provision of hospital services—hospital services that are very important in all communities, which we represent in this parliament. Under section 4, this amendment will increase the maximum amount that the minister may grant by way of financial assistance to the states and territories, or to a hospital, or to a person from $29,655,056,000 to $31,800,000,000. Also it requires the Minister for Health and Ageing to present to each house of the parliament, as soon as practicable after 2003, a statement of the total amount of financial assistance paid under section 4.

As you can see, this is a very important piece of legislation because it ensures the operation of our hospitals in the states and territories which we represent. I must say that, while this increase in funding is welcome, it is nowhere near enough. In looking at funding to hospitals, you need to look at a number of different issues, such as the changing demographics of the population. As everyone in this House would be aware, the Treasurer spoke at great length—and in a moment the Minister for Health and Ageing will be in the chamber—about the Intergenerational Report and the impact that the ageing population is having on our society. I happen to represent one of the older electorates and I see first-hand how the ageing of the population is impacting on the health services and hospitals within our area. So there is a need
for increased funding to the states for hospitals, based on the age of the population and the ageing population, and the associated complicated medical needs.

There is also a need for increased funding to hospitals because there have been technological advancements and there are new medicines and new equipment—these are all very expensive. If you speak to any health economist or anyone who is familiar with the health industry or involved in health administration, they will tell you just how technology and advances in that area are increasing the costs of health to our community.

There is a dilemma for government in the amount of money it wants to place in health. I see health as being one the most vitally important areas of government, and I have to say that people within the electorate that I represent also see health as one of the most vitally important areas of government. Recently I conducted a survey in my electorate; to date, there have been just under 2,000 responses, which is a significant number of the population of my electorate. That survey identifies that health is, by far, the most pressing priority for people living in the electorate of Shortland. Forty three per cent of those who responded to the survey identified health as being the most important issue. That was followed by employment and job creation of 19 per cent and education of 14 per cent. So you can see that, within this community—and I believe that my community is no different from any of the communities that other members of parliament represent—health is indeed seen as being vitally important.

Because many people have contacted my office about health issues over the last four years, I also included in that survey a section that related to health. The questions that I included on that survey related to doctors and bulk-billing; being able to see doctors locally when you are sick—and I will talk a little more about that and how this relates to funding of hospitals—the retention of Medicare; the increase in the price, as we all know, of scheduled drugs under the Pharmaceutical Benefits Scheme; the increased costs of prescriptions; whether or not we need a Commonwealth dental health scheme; being able to see medical specialists in your area; affordable private health; and the importance of paying the gap when you are in a private hospital. Overwhelmingly, people put within the top three: having a doctor that bulk-bills, being able to see a doctor locally when you are sick and retaining Medicare.

Within the Shortland electorate, there is a shortage of doctors and there is a shortage of doctors who bulk-bill. That is forcing residents of the area to go to hospital, to sit in the accident and emergency department of hospitals and to wait an inordinate amount of time to see the doctors. There is one general practitioner per 2,500 people on the Central Coast in my electorate. The national average, and the desirable average, is one per 1,000 people. So if you come from an electorate where there is not one doctor per 1,000 people, you need to be making a noise about it, because it means that the people of your electorate are missing out.

Because there are so few doctors to service so many elderly people, people are waiting between seven and 14 days to see their local doctor. This is unacceptable if you are really ill. That is why these people are going to the hospitals and waiting to see doctors. This situation transfers the cost of providing that service from the Commonwealth to the states. I see this as another factor in arguing for more money to be given to the states rather than less. It is also an argument for saying, ‘This money that has been given, whilst an increase is always welcome, it is insufficient.’

The Shortland electorate is the 12th oldest electorate within the country and it has the 10th lowest median income. Together these create a situation where people do not have a lot of
money and are unable to afford to pay for medical services up front. It is one of the lowest bulk-billing electorates within the country—only 60.5 per cent of the doctors bulk-bill. If you look at the services that are bulk-billed and break them up a little more, you will find that very few doctors actually bulk-bill. Just using a page in the phone book I did a survey of doctors in the northern part of the Shortland electorate. We contacted 24 doctors, and out of those 24 doctors only 17 bulk-billed pensioners. That is quite a serious situation. We have elderly people, we have doctors who do not bulk-bill and we have people having to wait a long time to see doctors. What does this result in? It results in people going to the public hospital system, increased costs for the states and a shortfall in funding to the states.

I thought I would quickly share with the House another survey that I conducted within my electorate with a social work student from Newcastle university. I spoke a little about this in the grievance debate on Monday. This social work student undertook a research project within the electorate based on a sample of 560 people over the age of 55. The majority of those people fall within the age bracket of 70 to 79. That was 45 per cent of the people. There were only five per cent in the 50 to 59 age group, 31 per cent were in the 60 to 69 age group and 14 per cent were in the 80 to 89 age group.

This survey identified health as being the most important issue for older people within the electorate. Once again, I think that most members would find that situation if they were to survey their electorate. I thought that I would put into Hansard a couple of comments that were made by those people that completed the survey and also run through a few issues relating to health. Some 88 per cent of the respondents to this survey—which was looking at quality of life issues—ranked good health as being very important to their quality of life. A further eight per cent ranked it as being important. Overall, 96 per cent of people put it in that category. The participants expressed a desire for more GPs, a return to bulk-billing by doctors and improved hospital services. Once again, this is showing the strain that the lack of bulk-billing is putting on doctors and also the importance of putting more money into our hospital system. The people that responded to the survey commented on the need for better health facilities, better health services, better hospitals and, more importantly than anything, more doctors in the area.

Minister, I think it is very important that we ensure that the states are adequately funded for health and that we take into account all those issues that I have mentioned: the ageing population; the changes in technology; the impact that this changing technology has on the delivery of health services, how it leads to an increase in costs; and the importance of really making a commitment to Medicare, ensuring that Medicare is retained and that doctors bulk-bill, because if they do not it is transferring the cost of the delivery of those basic health services to the states. Be it the state or the Commonwealth, the bottom line is that, if we do not have a properly funded health service in our communities, in our society, in Australia, it is the people that each and every one of us represent in this House that miss out.

Mr ANDREWS (Menzies—Minister for Ageing) (10.29 a.m.)—in reply—The Health Care (Appropriation) Amendment Bill 2002 proposes amendments to the Health Care ( Appropriation) Act 1998. Under the current Australian health care agreements with the states and territories, the Howard government is investing almost $32 billion in public hospitals over five years, a real increase of 28 per cent, or $7 billion, over the previous Labor government’s agreements.
As has already been outlined, this bill is a significant bill as it provides increased funding to the states and territories through the current Australian health care agreements. This includes the offer of additional funding to the states and territories, the indexation of the health care grants by wage cost index No. 1 and the government forgoing its right to claw back any funding from the states in recognition of increased private health insurance coverage. The bill also requires the minister to table in both houses of parliament a statement of the actual amount of financial assistance paid under section 4 of the act.

I thank all members who have contributed to this debate, and I thank the opposition for their support of this bill, which further illustrates this government’s strong commitment to health care.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

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

TORRES STRAIT FISHERIES AMENDMENT BILL 2002

Debate resumed from 16 October.

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.31 a.m.)—I move:

That this bill be now read a second time.

The purpose of the Torres Strait Fisheries Amendment Bill 2002 is to amend the Torres Strait Fisheries Act 1984 so as to allow for the Chairperson of the Torres Strait Regional Authority (TSRA) to be appointed as a full member of the Protected Zone Joint Authority (PZJA).

The PZJA is the joint Commonwealth and Queensland body responsible for the management of traditional and commercial fishing in the Australian waters of the Torres Strait Protected Zone. Under current arrangements, my colleague the Minister for Forestry and Conservation, Senator the Hon. Ian Macdonald, is chair and a member of the PZJA and the Queensland Minister for Primary Industries and Rural Communities is also a member.

As recognised in the treaty ratified between Australia and Papua New Guinea in 1985, the people of the Torres Strait have a unique relationship with the aquatic resources of their region. For thousands of years, members of their community have lived from the sea and their contemporary culture remains firmly rooted in these strong maritime traditions.

These cultural, social and economic ties are also recognised in the existing Torres Strait Fisheries Act, which under section 8 specifically requires the PZJA to administer the act with regard to the ‘traditional way of life and livelihood of traditional inhabitants’.

In light of these strong connections and the unique legislative framework for fisheries management in the Torres Strait, the Commonwealth and Queensland governments have agreed to strengthen the involvement of Torres Strait Islanders in the management of the area’s fisheries resources by appointing the TSRA chair to the PZJA as a full member.
As a full member, the TSRA chair will be involved in all future decisions on the management of the Torres Strait Protected Zone fisheries and will enjoy similar powers to those of the other PZJA members.

This bill contains the necessary administrative amendments to give effect to this appointment.

It should be noted that as Chair of the PZJA, the Commonwealth minister, will retain certain select roles and responsibilities that will be distinct from the other two members. Additionally, as the joint authority is established by an arrangement entered into by the Commonwealth and Queensland governments, the TSRA chairperson will not be empowered by the act to terminate the PZJA arrangement.

I consider that this appointment will be a significant step in realising the long-term aspirations of the islander people to have a greater role in the management of the region’s aquatic resources. I commend the bill to the House and present the explanatory memorandum.

Mr FITZGIBBON (Hunter) (10.34 a.m.)—I am pleased the Minister for Agriculture, Fisheries and Forestry has joined us. He might be able to take the opportunity during this debate on the Torres Strait Fisheries Amendment Bill 2002 to inform us whether he has been successful in achieving some payments for those people in the drought-affected areas of Brewarrina and Bourke. He indicated to the House yesterday that he was hopeful some payments might be forthcoming today.

Comprising more than 100 islands and stretching over 150 kilometres between Australia and Papua New Guinea is the area we know as the Torres Strait. It has a population of about 8,000 people dispersed over 19 small island communities. Deeply influenced by the sea, the Torres Strait people maintain a strong cultural maritime tradition. To protect the way of life and the livelihood of the traditional inhabitants and the marine environment, the Torres Strait treaty was entered into by the Australian government and the government of Papua New Guinea in 1985. Treaties, if properly and fairly constructed, are a means of achieving a win-win outcome for all the parties involved. For Australia, they maintain the sustainability of our natural resources and ensure an equitable and fair sharing arrangement of those resources between nation-states and can provide a means of empowering economically our poorer regional neighbours. In other words, with respect to the last point, treaties can provide the best and most effective way of providing foreign aid to our near neighbours.

A case in point is the Timor Sea Treaty. When that treaty is ratified, the fledgling country of East Timor will enjoy the lion’s share of revenue from what is known as the joint petroleum development area in the Timor Sea. Australia will also gain from that treaty. It will provide guaranteed revenues for the Australian people, and certainty and security for those investing in the area. Indeed, it is critical to Australia’s economic development and, in particular, to the development of the Northern Territory. Projects like the development of the Greater Sunrise and Bayu Undan gas projects cannot proceed without it—and the $3.4 billion Bayu project may not proceed if the treaty is not signed this year.

It disappoints me that the government is displaying a distinct lack of urgency with respect to this matter. Bayu Undan venture partner Philips Petroleum has expressed fear that delays in the finalisation of a unitisation agreement in the JPDA could result in the loss of its LNG contract with its Japanese customers. One of the conditions precedent of the project is the ratification of the Timor Sea Treaty. Appearing before the Joint Select Committee on Treaties on
Monday of last week, the First Assistant Secretary of the Department of Foreign Affairs and Trade, Dr Raby, indicated the government’s preparedness to risk, in the national interest, the $3.4 billion Bayu Undan project and its estimated $2 billion in revenue. I have asked the Minister for Industry, Tourism and Resources whether Dr Raby’s comments reflect the views of the government. My fear is that the government has in mind not the national interest but that of a particular venture partner in the Sunrise field. It certainly does not have in mind the interests of the people of East Timor.

It is premature in the extreme for the government to be insisting on the completion of the unitisation agreement prior to the ratification of the treaty. Rather, it should be concentrating all of its efforts on having the unitisation agreement finalised in the interests of all parties involved. I know that the East Timorese government has taken offence at claims by Woodside representative David Maxwell that they were deliberately delaying the unitisation agreement to gain economic leverage. I believe that this was a most unfortunate development. For the government to overtly communicate an insistence that the treaty not be ratified until the unitisation agreement is complete would be a mistake. Like the East Timorese, the government should reaffirm its commitment to completing the IUA by year’s end and to the ratification of the agreement, because anything short of that will bring problems for the East Timorese people and potential disaster for the people of the territory with respect to the Bayu Undan project. The government says that Sunrise is more important than Bayu, but we can have both if this matter is handled properly. Of course, a bird in the hand with respect to Bayu is worth two in the bush; members would be aware that there is really no firm plan for the development of the Sunrise field.

If the conditions precedent is not met for the Bayu project by March next year, the contract with its Japanese customers will collapse and, even if reconstructed, it may be reconstructed in a form that delivers to Australia a much cheaper price for its LNG—driven of course by the recent contract with China. It is time for the government to act and show some urgency with respect to that Timor Sea project.

To go back to the treaty I was originally referring to, the treaty established the Torres Strait Protected Zone, in which each country exercises sovereign jurisdiction for swimming fish and certain species on the respective sides of the agreed jurisdictional lines. In 1984, the Torres Strait Fisheries Act was passed, coming into force on the same day as the treaty, 15 February 1985. The purpose of this act was to give effect in Australian law to the fisheries elements of the treaty.

The purpose of this bill is to amend the Torres Strait Fisheries Act 1984 to allow for the appointment of the chairperson of the Torres Strait Regional Authority as a full member of the Torres Strait Protected Zone Joint Authority, a move fully supported by the opposition. The Protected Zone Joint Authority was established under the Torres Strait Fisheries Act, and its role is the management of commercial and traditional fishing in the Australian areas of the Torres Strait Protected Zone and designated adjacent Torres Strait waters. The Protective Zone Joint Authority is currently made up of the Commonwealth Minister for Forestry and Conservation and the Queensland Minister for Primary Industries and Rural Communities. The chairperson of the Torres Strait Regional Authority has been representing Torres Strait Islander interests at recent meetings in an advisory capacity. The amendment bill will formalise this arrangement and will allow the chair of the TSRA to become a full member of the Protective Zone Joint Authority. The formalisation of the role that the TSRA chairperson will
play in the PZJA recognises and strengthens the role of Torres Strait Islanders in the management of the area’s fisheries resources, and is strongly supported by the opposition.

It is important that we recognise the significant cultural, social and economic ties that the members of these communities have had for thousands of years with the sea and that their contemporary culture is intrinsically embedded in these maritime traditions. Although this has been a positive and responsible move by the minister, and one the opposition strongly supports, I understand that there are current issues associated with representation and consultation in the Torres Strait and an element of frustration by one group who were refused individual consultation on this bill. The minister might care to clarify that. The government has far from a good record in Indigenous affairs and should be mindful that, unless it allows a fair, equitable and transparent process of consultation on Indigenous issues, it will undermine the entire process.

Established in 1994 under the Aboriginal and Torres Strait Islander Commission Act 1989, the TSRA is a statutory authority with the stated objective to ‘strengthen the economic, social and cultural development of the Torres Strait to improve the lifestyle and wellbeing of the Torres Strait Islanders and Aboriginal people in the region’. This objective complements, reinforces and validates the role of the TSRA chairman as a full member of the TSPZJA. Significantly, section 8 of the Torres Strait Fisheries Act specifies that, in the administration of the act:

… regard shall be had to the rights and obligations conferred on Australia by the Torres Strait Treaty and in particular to the traditional way of life and livelihood of traditional inhabitants, including their rights in relation to traditional fishing.

Formal representation from the Torres Strait Islander community on the TSPZJA will ensure that their interests are truly represented and that they are not just observers of a process that governs their resources, traditions and culture. Labor commends the bill to the House.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.44 a.m.)—in reply—I thank the member for Hunter for his support for the Torres Strait Fisheries Amendment Bill 2002. I will not comment on the first three-quarters of his speech because it had absolutely nothing whatsoever to do with this piece of legislation, but I welcome his comments in support of the bill in his last few paragraphs. He mentioned the current dispute on this issue by one group of Torres Strait islanders. I presume he is referring to the Kaurareg people. I can give him a few details on that matter if he is interested.

The proposal for the TSRA chair to become a member of the PZJA was generated by the traditional inhabitants of the Torres Strait—including the Kaurareg people—and pursued by the TSRA as their representative body. There have been several opportunities for groups concerned about the proposal to raise their concerns through the TSRA, the PZJA or directly with the Queensland or the Commonwealth governments.

Last year the Kaurareg people were granted native title over the Prince of Wales, Horn, Entrance, Damaralag, Turtle, Packe and Port Lihou islands in the Torres Strait. All of these islands and their surrounding waters lie outside the Torres Strait Protected Zone. However, they are included as part of the ‘outside but near’ waters set out in the Torres Strait Treaty.

The Kaurareg people have a voice on the TSRA through the Horn and Prince of Wales islands. At its meeting in June 2002, the TSRA endorsed the proposal that the TSRA chairperson become a full and equal member of the PZJA. The TSRA is the most appropriate forum
for consulting with local Indigenous people in the Torres Strait, given the extent of its representation and its statutory functions.

I am aware that there are many issues surrounding representation in the broader sense in the Torres Strait. As the immediate past chairman of this particular body, I am certainly well aware of the issues that arise and the friendly rivalry between the people of the various islands. Because of its isolation there is often an absence of information flow, which is difficult for both state and Commonwealth governments to endeavour to counter. For a long period there were too few meetings, which adversely affected those involved in the decision making process. I understand it has always been difficult to get state and Commonwealth ministers together at the same time. More effort has been made over recent years to ensure that the meetings schedules are more regular.

I do not think that those concerns are any reason to delay the passage of this bill—and I know the opposition agrees with that. This bill will actually strengthen the consultation process and help make it much more inclusive. I thank the honourable member for Hunter for his support for the bill, and I commend it to the committee.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment

NEW PROCEDURES IN MAIN COMMITTEE

The DEPUTY SPEAKER (Hon. L.R.S. Price)—I remind all honourable members that in accordance with the Deputy Speaker’s statement of 17 September 2002, the House has permitted interventions in this chamber.

INDONESIA: TERRORIST ATTACKS

Debate resumed from 22 October, on motion by Mr Abbott:

That the House take note of the following paper.

That this House:

(1) expresses its outrage and condemnation at the barbaric terrorist bombings which took place in Bali on 12 October 2002;
(2) extends its deepest and heartfelt sympathy to the families and loved ones of those Australians killed, missing or injured in this brutal and despicable attack;
(3) offers its condolences to the families and friends of the Indonesians and citizens of other countries who have been killed or injured;
(4) condemns those who employ terror and indiscriminate violence against innocent people;
(5) commits the Australian government to work with the Indonesian government and others to bring those who are guilty of this horrendous crime, and all those who harbour and support them, to justice; and
(6) reaffirms Australia’s commitment to continue the war against terrorism in our region and in the rest of the world.

Ms ELLIS (Canberra) (10.48 a.m.)—These are the sorts of debates that we wish we never had to have. It is very important for members of this House to register our thoughts and feelings on an occasion such as this, not only on our own behalf but on behalf of our communities. Words appear to me to be quite understated when speaking on an issue like this. The
news of what occurred in Bali could only be met with the deepest of sorrow, the deepest of
sadness. That is how I felt when I first heard about what had happened. A stunned reaction
then comes over you. You have to try and absorb and digest the effects, occurrences, impacts,
damage—all these words come to mind—and come to some realisation about what really
happened.

In my case, as far as the ACT community is concerned, it appears that we have been very
fortunate that we are not on the list of communities that have carried death or injury. For that,
should that be proven to be correct, we can only be thankful. It also gives us an opportunity to
think about those other communities. The impact and the images that have been carried, par-
ticularly for those football clubs, have been an example of how a small part of our community
can be impacted on so greatly. That has really hit home.

On the Friday evening before the Saturday bombing in Bali, I was attending the presenta-
tion dinner of my own local football club, the Tuggeranong Cowboys, of which I am patron. It
is one of the first grade ACT teams in Canberra. We had our presentation night on that Friday
night, never knowing what was going to happen within the next 24 hours. It seems quite bi-
zarre that on that evening a number of our players bounded up to receive their presentations
wearing Bali T-shirts and Bali hairdos, having returned literally the day before. It was not un-
til early the following week, when we heard what had happened to all those other footy clubs,
that I began to try and imagine how we would have reacted if our team had been there 48
hours later. I cannot imagine it. It is impossible to. You can only begin to think about what
you would be feeling if those young men who we saw on that Friday night had in fact not
been there that night. It is reminders like that that really bring home the effect.

One of our high schools, Caroline Chisholm High School, had an excursion of quite a
number of their students in Bali at the time of the bombing. Their parents, friends and families
would have gone into immediate shock and distress. Thankfully, that group was nowhere near
that side of Bali at the time. The reaction of those families on receiving their people back in
Canberra safe and sound last weekend was written all over their faces. One can understand
why. Even though we have been fortunate in one sense, we have still had examples of close
contact.

On behalf of the Canberra community of my electorate, all I can do is to offer the rest of
the country where the impact has been so enormous our deepest sympathy and compassion
and every understanding that we can possibly offer to those people at this terrible time that
they are going through—a terrible time, I might add, that is going to go on and on.

I remember at the commemorative service a year on from September 11 the mother of one
of the Australian victims of that tragedy. She made the comment very loudly that, whilst her
family obviously will mourn every 11 September, they are going to be reminded by every-
body in a very big way of the impact. The impact is not something they can hold privately.
There will be a public display at the same time they have their private thoughts. The same
thing is going to happen to the families of the people in Bali. We need to keep that in mind—
that, while we stand with them, we need to also allow them the private space to react and
mourn in the way that they need to. I am not quite sure how we do that but we need to have
that in our minds.

It is very difficult to even imagine how one would react to a thing like this. We have learnt
a lot of lessons in this process, be they from the medical specialists, the evacuation teams, the
doctors, the nurses, the ambulance teams or the RAAF teams, all of whom performed in the most miraculous fashion. Even they are saying they learned so much in this process. It has also given us time to understand and appreciate the specialist levels we have in this country. What has been going on in the burns units and in other places around the country since this terrible occurrence has reminded me of how much we need to continue to invest—I am not just talking money here—in our faith and our understanding of what we can do. We must allow the continuing education and programs in all of our medical services, because it is through those processes that these people are able to do the miracles that they do. Our heartfelt thanks go out to every one of them. I am not quite sure how they have managed to do what they have had to do, because they are saying the stress has been enormous on them.

We need to pay due regard and give thanks to all of those people. We need to also remember the people across the water in Bali, the Balinese themselves: the victims, their families and the impact on their society, which is just as great as, if not greater than, the impact on ours. Economically they are going to be finding it very difficult for a long time and we need to keep that in mind.

One of the most positive things we could have out of this, I suppose, is to remember as warmly and as positively as we can those who have suffered, those who have lost their lives, the people they have left behind, those who are still fighting for their lives and those who will have a disability and be maimed from now on—and there will be many in that group as well. We also look forward to the day when some of us are able to go back to Bali. I went there many years ago now, and it is a place I fell in love with. We need to look forward to the day when we can go back and show the people there our appreciation, our belief in who they are and what they are, and assist in any way we can in their recovery. While we need to have recovery at home, we also need to have it in Bali.

On behalf of the electorate of Canberra that I represent, our thoughts and our prayers, whatever shape they may take, are with all of those people from Bali right across to here, be they victims, families, people in the process of assisting them or emergency workers. Everyone involved deserves our compassion, our tolerance, our understanding and our encouragement for their futures.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.56 a.m.)—The terrorists’ bombing of the nightclub in Bali on Saturday, 12 October will always be remembered as one of the greatest crimes committed against all Australians. On behalf of the electorate of Murray, I wish to extend my most profound sympathy to the individuals, families and friends personally touched by this tragedy.

In the first instance our hearts go out to the young Australians who were simply enjoying a holiday in a favourite place that has played gentle host to hundreds of thousands of Westerners. We also extend our sympathy to the other holiday-makers killed or injured and to the Balinese, who have willingly shared their beautiful island. No doubt they will continue to be victims of this atrocity for years to come as their fragile, tourist dependent economy teeters.

In an open, tolerant and peaceful country like ours it is difficult to imagine what religious teaching, education, parenting or life experience would produce human beings so twisted, so hating, so envious and so malicious that they would painstakingly plot to burn, maim and kill total strangers—men and women relaxing in a nightclub. When these criminals are located and brought to trial, it is important that we strive to understand what influenced and drove
them. This will be important in helping to identify any others who are likely to share their associations and mind-set. It will also be important so we can work to ensure that the elements which created the terrorism are never fostered or tolerated in our homeland.

The mass murders have given us reason to pause and think about Australia and Australians. It is important that we readjust our thinking about domestic security and about the security of Australians internationally. On the other hand, the terrorists would have succeeded to an even greater extent if they had stimulated a change in our culture away from an open-handed and carefree spirit to a more closed, isolationist or intolerant society. Mostly we gain a sense of who we are in a mirror held up by others. I was, therefore, very interested to read an editorial on the Australian response to the bombings in a UK broadsheet, the Telegraph, printed on Sunday, 20 October, a week following the massacre. Entitled ‘Once a Jolly Swagman’, the writer is considering our collective response to the attack. He reminds the British, however, that this is not the first test of terror or horror that has confronted Australia and Australians. I quote:

There has been talk in the last week of the Bali bombing representing ‘a loss of innocence’ yet the Australian has been in every conflict of the past Century. He was, most famously, at Anzac Cove. He was at Dunkirk and on the Burma Railway. He was in Vietnam and in the Falklands. He has always realised how (as he put it) bloody lucky he is to live in the most wonderful country on earth.

However, he also understands that in fulfilling the national desire to be part of the wider world there are obligations that, from time to time, he has to meet ...

The writer then describes what in his eyes is a typical Australian:

The Australian is physically robust and usually brave. He is hospitable. He is sustained at all times by the ethos of mateship, the freemasonry or Broederbond of the ocker. Mateship provides that sense of community to complement the profound patriotism.

I agree with this description. I am proud of it as a description of an Australian. Who will ever forget the last photos of the hundreds of Australians who were enjoying one another’s company in the Sari Club in Bali; friends who had played football together, women celebrating birthdays, men and women simply enjoying a lovely place, meeting one another and celebrating sheer pleasure in their surroundings, the food, the drink and the fellowship? During the attack, men and women tried to help one another despite the danger, but so many lives have been cruelly cut short.

Last Saturday, a week after the bombing, I was in another beautiful place experiencing the full joy of shared experience and a sense of community with nearly 1,000 fellow Australians. We were doing what Australians are famous for: we were all volunteering time and raising funds to help others less fortunate. This was the inaugural Relay for Life organised by the Shepparton Women’s Community Services Organisation. All that effort was to help victims of cancer. The event was held at Princess Park, a football oval in the heart of Shepparton in my great electorate of Murray, on the banks of the Goulburn River. The weather was superb and around the oval’s running track, cheek by jowl, were tents and awnings erected to shelter the dozens of community teams representing workplaces, schools, sports clubs and service clubs. Together they had raised over $130,000 for cancer research and treatment, and participants were determined to walk all day and all night in a relay for life. Among the teams were nearly 70 survivors of cancer and their carers. Around the track in small paper bags were candles
anchored in sand. Each paper bag was dedicated to a fellow Australian who had died of cancer or who was still fighting the disease. Those candles were like tiny headstones.

It is hard to describe the spirit that was evident in all who kept walking, jogging or racing around and around the oval, meeting and greeting friends, holding hands, making jokes, wearing outlandish costumes, belly dancing, drinking fizzy beer and wine, cooking barbecues, dancing to the bands, or having a massage for the cost of a gold coin donation. There were babies in prams, elderly couples and widows who could hardly walk unaided, but everyone was there to contribute in a way that the English writer understood to be typical of our great country. I was hugely proud to be part of that event. I was especially proud knowing that many of the people of the Goulburn Valley so generously pouring out their love and caring for the needy were themselves in quite desperate circumstances because of the drought.

At 9 a.m. on Sunday we all stood together in shorts and T-shirts for the national day of mourning ceremony to express our collective sorrow for the victims of the terrorist attack in Bali. During the minute’s silence, the birds sang and the leaves rustled in the gum trees. A single small plane flew overhead. The peace was palpable. Then we sang the national anthem played by the Wanganui secondary college band. It was a most fitting memorial and expression of solidarity as we remembered our fellow Australians brutally killed and wounded. A UK writer acknowledged that such is the essence of the Australian spirit. It is why we will survive and perhaps be strengthened in our resolve not to be changed or intimidated by the madmen who are terrorists. He wrote:

Your average Ocker loves nothing so much as his country ... You will see tears in the eyes of Australians of all ages after only a couple of bars of “Waltzing Matilda.”

They have a sense of nationalism that pervades everything, informs everything. There has been much debate for years in cricketing circles, for example about why Australians are so much better at winning test matches than anyone else ... the real reason is that they believe so ferociously that what they do, they do for Australia ... The sense of nationhood and community is cast iron ...

Once again, on behalf of my electorate of Murray, I send my sincere condolences to the families and loved ones of all those young Australians who lost their lives in Bali. As the federal representative of the people of Rankin, I think I can speak on their behalf in extending their sympathy and their support to the relatives and friends of those Australians who lost their lives. It is a terrible thing to lose anyone, but we are talking about young, fun-loving Australians in their late teens, their twenties and their early thirties. The mums and dads of these young Australians brought them up, loved them and became so very close to them and then, in the most unlikely of circumstances, lost them. It must be absolutely heart wrenching. It is almost unimaginable to try to understand what they are going through and the grief that they are experiencing.

This would have to be the greatest peacetime tragedy for Australia, at least since the Second World War. There were 500 or so Australians killed in the Vietnam War, which spanned almost a decade. On Saturday, 12 October, a week or so ago, around 120 young Australians were killed. That is a huge number of Australians who lost their lives. The Vietnam War
traumatised Australia for a very long time and continues to traumatise the families of veterans and those who were killed during the Vietnam War. The scale of what happened just over a week ago has probably not fully dawned on us, but it was a huge tragedy and a huge loss.

I also think of the nationals of other countries. Of course, our first thought and our first responsibility is to the Australians who lost their lives, but a large number of nationals of other countries also lost their lives including the Balinese who died that night. We should pause and think of the future of those Balinese who are dependent upon tourism for their livelihoods—and that is most of them. These are not wealthy people. They are trying to keep families together and they are on low incomes. The impact that the Bali bombing will have on their livelihoods stands to be quite severe. In the aftermath of the Bali bombings let us pause also to think of the future of those poor Balinese who now will be in so much more vulnerable a situation as a result of this murderous act.

When I spoke briefly on the bombing of the World Trade Centre I said that we must not and cannot avenge the death of innocents with the death of innocents. I repeat that here today: we must not and cannot avenge the death of innocent Australians with the death of other innocent people. I note that, in commenting upon the tragedy in Bali, the Prime Minister immediately indicated that there was no link between that atrocity and the entire issue of Iraq. He was right then, but he is changing his position on that now. Australians will not be fooled by claims being made more recently by the Prime Minister and claims by the US Administration that Bali and Iraq are linked—that somehow the case for Australian involvement in a unilateral action, or an action that is not conducted under the auspices of the United Nations, has been bolstered by the atrocities in Bali.

So the PM has moved from the position of saying quite clearly that they are not linked. He is now starting to prepare the groundwork for claiming they are linked—but they are not. No one seriously suggests that Saddam Hussein, as brutal a dictator and a killer as he is, was behind the tragedy in Bali. In fact, the Australian Federal Police have not indicated, and do not seem to know at this stage, who was behind the bombings in Bali. Certainly they are not suggesting that Iraq was behind that, although the Prime Minister is now saying, ‘This is all part of the war against terrorism,’ as if this strengthens the case for Australia supporting US military action against Iraq outside of the auspices of the United Nations. It does not.

There is a clear argument that Australia’s counter-terrorism resources in all their forms ought to be concentrated here in Australia and in our near neighbourhood—not in places far away. It is time that we protected Australia’s national interests, that we looked after Australia in respect of counter-terrorism rather than looked so much further afield. We need to take a principled position in relation to Iraq and not be fooled by claims that the Bali tragedy somehow strengthens the case for Australian military action against Iraq.

We will become even stronger in the aftermath of the Bali bombings if we commit to a triumph of light over darkness and if we are committed to a triumph of hope over fear. That is what will strengthen the Australian people out of the Bali tragedy; not some ill-considered retaliation in another country as if we were saying, ‘Someone attacked us, so we’ll attack someone else.’ That serves no useful purpose and it does not take Australia any closer to reconciling itself with the atrocities in Bali. I extend, as best I can, my own personal sympathies and support and I offer any comfort that I possibly can to the families and the friends of those who were killed in this tragedy.
Mrs BRONWYN BISHOP (Mackellar) (11.13 a.m.)—Together with others, I offer my sympathy and condolences to the families and friends of those Australians who were so brutally murdered in Bali. The constituents in my electorate have been blessed in that we seem to have been spared, but they mourn, together with the families and friends of those who have been lost. They understand the brutality of what was done, particularly to those young Australians exercising the freedom that we regard so correctly as a right—the right to be free. Yet it is that very right to be free that is threatened by the hatred that is shown for that freedom.

So many young people will never meet their potential—young people, as I said, who were exercising their freedom to enjoy the hospitality of the people of Bali, with whom great friendships have been built over many years. As you look at the photographs of those who have been lost, you feel, with the parents, that parents are not meant to have to bury their children. They are meant to grow old with them, enjoy them and see them reach their heights.

The shock that comes with so many deaths is the motive behind their murder, murder that was motivated by hate, hate of everything that those people stood for—not only the Australians but also people from other nationalities who were there—and with no care for the Balinese themselves. We are at war with terrorism, and terrorism knows no geographical bounds. Historically Australia has felt quarantined in a sense that we have not been invaded, although I had to walk the Kokoda Track to understand how close it came and how much we owed the diggers who fought on the Kokoda Track, particularly at the Battle of Isurava. We even kept the bombing of Darwin a big secret for so long. People haven’t realised that it was the same planes that bombed Pearl Harbour that bombed Darwin—that they flew 750 sorties—because at the time it was a question of security. Yet, in all the years that have passed we have never really let the rest of Australia know that 1,000 people died. So in a sense we have had a charmed life.

There are those who think that, if we put our heads in the sand, if we pretend we are a small target, we will not be included, we will be spared. I repeat: terrorism knows no geographical borders. It is our way of life and the things which we hold dear that we believe in, of which the equality of women is very much a part. The freedom that those young women exercised in enjoying themselves in Bali was something that other people hate.

Australia has never been one to shirk her duty. Australia has always been a nation that takes part and shares in international strife, where good people need to be counted. The war on terrorism is no exception. Again, we play our part. The JI in Indonesia, clearly linked with al-Qaeda, and the other terrorist groups that are around the world no doubt have their links in Australia. We cannot say we are immune. By pretending that we do not have a role to play in the international sense will not somehow quarantine us from something which is immediately on our doorstep because—I repeat—terrorism knows no boundary.

In this difficult time I think it is important that we start to acknowledge what we are fighting. Francis Fukuyama wrote in his famous essay *The End of History* that liberal democracy had been successful in overcoming communism and fascism, the two ideologies which had come out of the 1920s. Huntington has written about the ‘clash of civilisations’, but a more important voice I think is that of Daniel Pipes, who says that there needs to be an identification of militant Islamicism as an ideology which is just as much disdained by moderate Muslims as by people of the West.
We have to realise that the ideology of militant Islamism also emerged in the 1920s, along with communism and fascism. We just did not really notice until, in Pipes’s words, ‘the Shah of Persia was not only opposed but deposed and a militant regime came into place’. He makes the point that we need to support moderate Islam and recognise militant Islamism as an ideology instead of categorising it as a religious problem. I think he is right. I think Fukuyama was wrong; I think Huntington is wrong. I think Pipes’s voice is the voice of reason.

The immediate need for us as a nation is to again strengthen our resolve. We need to say that we will always stand up for the rights of the individual, that we regard every individual as an important person, that women are as important as men, that women’s rights are as important as men’s rights, and that the freedom to exercise those rights is fundamental to the Australian way of life. Our spirit as a nation will not be bent, and it certainly will not be broken. We have shown again and again in the short history of our nation that we are a resilient people who will always stand up for our values.

This is going to be a difficult time for us. As we mourn and reach out to the families and the friends who have lost the people they love, we must stand firm in our resolve that our freedoms are precious to us and will always be defended by us. We will always hold our heads high and say, ‘We are proud of the Australian way of life.’ And we want more and more people to be able to enjoy the freedoms that we enjoy. The freedom to worship and the freedom to be free are important. Again I say: we have to identify terrorism for what it is and we have to identify the people who perpetrate terrorism. We must know that the war on terrorism is right and we must never back away from it or pretend that we can somehow be cocooned from it. We cannot. We will remain the people we have always been—ready to play our part.

Mr SCIACCA (Bowman) (11.22 a.m.)—I rise to speak on the condolence motion moved by the Prime Minister. There is no question in my mind that Australia is presently at war with terrorism. I think about the lives of the people who were there, particularly those who were young. They were simply enjoying themselves at a holiday destination, and the fact is that they will not be returning because some bunch of scumbags somewhere around the world has decided to target people from countries such as ours, simply to prove some stupid point or to be fanatical followers of some fanatical religion. It really gives me little hope that, unless we tackle these people head-on, we are going to be able to do much about it.

I heard only this morning that the stepdaughter of one of our great athletes passed away from injuries sustained in the bombings. I look at the young lives which have now expired. I look at the fact that it is not correct and it is not right for young people to have their lives snuffed out, under any circumstances, let alone in circumstances like this, where they were only doing what many young Australians love to do: have a holiday in a picturesque location such as Bali.

I feel for all the relatives and friends, and particularly the mothers and fathers, of the young people who have died. As has been said in this debate by a number of people, there is nothing worse than to have a change in the order in which people should pass on. Parents should be buried before their children are—and not the other way around. Looking at a list of the names and ages of the people who have died, you can see just how terrible this whole episode has been.

A division having been called in the House of Representatives—

Sitting suspended from 11.25 a.m. to 11.40 a.m.
Mr SCIACCA—Before the division, I was saying that only a couple of weeks ago I happened to go to New York and I went to ground zero. Of course, ground zero is just a big hole. Effectively, when one looks at it one can only imagine the horrors of the September 11 attacks, to which I believe the Bali bombings are linked in the sense that it is another act of terrorism. I took the time to walk across the street to look at the messages, notes, telegrams and little flags that were on the fences across the road from ground zero. If you read some of those things, you cannot help but get emotional—in fact, I had to stop after about five feet. It brings tears to your eyes when you read the messages from families left behind by people who have been tragically killed—if it doesn’t, you have no heart.

The victims of the Bali bombings now join that band of over 100,000 Australians who have given their lives during times of war. In my view this is a war. There are people in the world who want to push their barrows and they are prepared to take lives. Life means nothing to them. They are the sorts of people who, because life means nothing to them, are prepared to give their own lives. How do you fight an enemy like that? That is the problem facing us as Australians and the problem facing the whole of the free world. We are fighting people who have no respect at all for human life, including no respect for their own lives.

I want to pay a special tribute to the heroes and the people who helped those who were in need on 12 October. One good thing about the Australian spirit—and there are many good things about it—is that, when we face adversity, we are capable of acts of heroism that we would never even think we were. This is what happened in Bali. If you are ever looking for silver linings in these dark clouds, you need only look at the many examples of Australians wanting to help other Australians. I pay tribute to them. There are so many stories that have come out and there are so many more that will come out.

With respect to the terrorists, I am afraid that I am not one of those who subscribes to the notion of turning the other cheek. I know that there are some who have spoken here who have said that you do not fix the problem by retaliating. But I put it to you that, if we were simply to turn the other cheek, what would happen is that they would think that we are a soft touch and that they can do it again. As much as I am a peace-loving person and I believe that wars are stupid and should not be fought, the fact is that we did not ask for this. We did not ask for Australian people to be killed on 11 September 2001 and we did not ask for these people to be wantonly bombed and destroyed on 12 October 2002.

My view is that any country or any person who harbours these murdering criminals is an accessory after the fact. I know that a lot of my own colleagues will not agree with me—and I am sure my very good friend sitting next to me now will not agree with me—but my view is that, if you are an accessory after the fact, if you are somebody who is harbouring people who are nothing short of murderers, then you need to be dealt with. Those who have been hurt and those who have been affected should have the right to stop them. If they are not stopped, they are going to do it again and they are going to do it again to our people. I would rather have one of our people saved than take the attitude of putting up my hands and saying ‘C’est la vie; what will be will be.’

I am probably in the minority in my own party: I think I am a good Christian; I think I am the sort that forgives. But it is hard to forgive stuff like this. All I say is that I want people in the community not to blame groups. Many good people in this country practise forms of the Islamic religion. We are not fighting the normal Muslim religion here; we are not fighting...
those ideals. They are good ideals; I have heard them. I have been to Muslim services and I
know that the vast majority of people in the world, particularly those who live in this country,
who practise Islam are wonderful people. But, when you have a bunch of ratbags who believe
that they will go to heaven and that there will be, I think, 72 vestal virgins waiting for them
and all this sort of rubbish, you know you are dealing with absolute madmen; you know you
are dealing with people whom you cannot possibly deal with, because they are irrational, they
are fools and they are criminals.

Australia, unfortunately, is at war now. I have no doubt that the people involved in the Bali
tragedy were targeted. I was overseas at the time. I was in Ottawa, Canada, in the House of
Commons, attending a conference called Global Parliamentarians Against Corruption. I am
very pleased that at that conference, at which some 170 parliamentarians represented 60
countries, a motion of condolence to Australians was moved. Those parliamentarians recog-
nised that, even though people from other countries died in the tragedy also, it was Australia
that was targeted; they recognised that we were targeted. People know that we go to Bali and
we love Bali.

Just to finalise my remarks, I will say this: my heart goes out to those who have lost loved
ones, particularly those parents who have lost children—young lives that have been snuffed
out; those who will not be able to live their lives, make their mark and leave issue; there is
nothing more tragic. One family, I notice—I think it is a Greek family; I cannot remember the
name but I cannot spell it, and so I will not put it into \textit{Hansard}—has lost three or four mem-
bers. That is tragic beyond conjecture. I can understand how that must feel to some degree—but
to lose so many people. My heart goes out to them; it goes out to everybody. I express my
deepest sympathies. In this time of grief for us, I say: let us not always turn the other cheek; in
my view, let us get these people and let them pay for what they have done.

FRAN BAILEY (McEwen—Parliamentary Secretary to the Minister for Defence) (11.47
a.m.)—I am very proud to stand in this chamber today and have my remarks associated with
those of my colleagues from both sides of the House. I have never seen this House speak with
such a united voice on any issue as with the tragedy of the terrorist attacks in Bali, where so
many of our Australian citizens, Balinese people and other young people from other nations
were tragically killed. I think every one of us speaking in this debate does so with a very
heavy heart. Most of us are parents, and it is a parent’s worst nightmare to be told of the death
of one of their children—and, to add to that, to be told that your child was killed as the result
of a barbaric terrorist attack. It is very difficult for any of us to really get our head around that
sort of tragedy. I want to place on record my deepest sympathy for all of the families that have
been affected by this tragedy; in particular, for those that have lost family members; and for
those families that presently, as we are speaking in this debate, are keeping vigil by the hos-
pital beds of their loved ones who are fighting for their survival.

Many words have been said in this debate; many accolades have been given to those people
who have responded so magnificently to this tragedy. I would like to pay tribute in this debate
to members of our Australian Defence Force. Operation Bali Assist, as it has become known,
represented the largest mobilisation of emergency military support in peacetime. Australian
Defence Force personnel have played an extraordinary role in what can only be described as
war like conditions. In the news footage and news broadcasts we have seen many of our men
and women in uniform performing many tasks that, I am quite sure, they never expected to be
called upon to do.
The ADF response was immediate with the employment of a RAAF C130 Hercules to aid emergency casualty evacuation followed by delivery of refrigeration containers and support personnel, including psychologists. But, most importantly, the ADF worked quickly to get the required equipment and resources into Bali. It certainly did not have the resources to cope with the extent of the blast and the tragedy that ensued. The ADF has provided five medical teams, totalling 41 personnel, to assist in patient treatment and transfer to Darwin, as well as other personnel, including technicians, psychologists, chaplains, linguists, drivers and support staff.

Military chaplains who have been sent across to Bali have been facing one of their toughest missions. They are trained to deal with members of our defence forces who are placed in very difficult circumstances, but in this instance they were on the front line, dealing face-to-face with civilians in the most awful set of circumstances. They are continuing to play an integral role in assisting the victims and comforting the relatives who are trying to come to terms with the scope of this tragedy. We must remember that our defence personnel are also mothers and fathers, husbands, wives, brothers and sisters and that they are not immune to the mental anguish that they have been through in the rescue and recovery process. We must remember that, like all of us, they feel this anguish.

I want to also pay a special tribute to the many groups and individuals including our police officers, our doctors, our nurses and our volunteers for their continuing help with the investigation, the care for burns victims and in the grim process of recovery. All of our hearts go out to those parents who will not get the remains of their loved ones. As has been pointed out—the Prime Minister has made special mention of this—identification and recovery have been made so much more difficult because we are operating in a foreign country with little resources.

One of the stories I heard—and there have been many highlighting extraordinary commitment—was that a team of 60 doctors and nurses operated for five days straight. They performed 30 operations on 24 victims throughout this time. I would also like to pay tribute to the media for the role they have played. They have not only relayed the stories of the sorrow, the tragedy and the loss, but also highlighted the bravery of those involved in many of the rescues. I am advised that many members of the media have assisted in rescue efforts: sifting through rubble and comforting victims. They, too, have been affected by this, as have our military personnel. The camera lens cannot obscure the pain and suffering when confronted with these events in close proximity. The rescue mission, in the first few hours, must have been one of the most frightening experiences for many of these people. Many of our nationals who live and work in Indonesia came to their aid, as did the Australian consulate staff. We place on the public record our genuine thanks to all of those people.

We have to ask ourselves what has come out of this tragedy. I cannot express it any better than the Prime Minister did when he spoke to the victims’ families in Bali and said that all of the victims were supported by 19½ million Australians. This has been one of the characteristics of the Australian people: in tough times we always bounce back and we always support our fellow Australians.

In the limited time I have, I want to place on the record my commitment to the war against terrorism. These bombings represent a brutal reminder that the campaign against terrorism is far from over. The awful event bears witness to the fact that terrorism can touch anyone any-
where. Like everyone else, I have spent this past week grappling with that realisation. The tragedy has served to remind us that the campaign against terrorism must continue with unrelenting vigour. We must work with our neighbours to rid our region of this growing evil. Of course we have learnt that terrorism is a global threat. It would be wrong of Australians to bow to an isolationist mentality in the misguided belief that non-action will protect us from such vile acts; it will not. This senseless, barbaric attack in Bali has been an attack on our easy, fun-loving Australian way of life. But our Australian tenacity to preserve our way of life, our freedom and our capacity to bounce back as a nation is stronger than ever. No terrorist attack will undermine the spirit of Australians.

Mr WINDSOR (New England) (11.57 a.m.)—I will speak briefly to this motion. Let me firstly express, on my own behalf and on behalf of my family and the constituents of the New England electorate, great sympathy to those who have suffered loss and tragedy due to the occurrences in Bali last week. It has been a very difficult time for all of us. It has been a very rude awakening for Australians that these sorts of activities can in fact happen to our young people and they can happen very close to home.

A lot of us have been to Bali. It is a beautiful spot and I hope that we do not abandon Bali as a place for a holiday. If we did that, we would be playing very much into the terrorists’ hands in terms of the purpose of these sorts of attacks. I encourage people not to forget about the people of Bali. This is not only about a tragedy in Australia; it is a real tragedy for the Balinese people and obviously it will have a great economic impact on their country.

As the tragedy unfolded, it came home to me quite strongly because that Saturday night was the 21st birthday of our eldest son. There were lots of young people engaging in frivolity, fun and laughter. Yet unfolding was a tragedy where similar people of similar ages, having good times and enjoying each other’s company, had their lives destroyed. It made me think particularly about the parents who have lost their children. When my wife and I visited Bali some 23 years ago, my wife was pregnant with our first child. Due to complications in the pregnancy that set in during our time in Bali, we lost that child. So, as the tragedy in Bali unfolded, it brought home to me the very real grief that the parents must be feeling. One can live with the loss of an unborn child, to a certain degree, but to lose a 23-year-old must be very tragic.

I would like to take this opportunity to thank the volunteers, the people who did get in and give people a hand. That is a very Australian trait we have developed and something we should hold very dear. To divert to another subject briefly, in our deliberations in the public liability debate, we have to make sure that whatever we do—irrespective of what it takes—enables voluntary organisations to exist in the future. If we lose that volunteer spirit, as was displayed in Bali the other day, we lose part of our psyche.

Watching the incident unfold on television the next day, the tragedy came home to me when I noticed an ex-resident, whose family still lives in the town that I come from—Werris Creek. It is a community of only 1,400 people. Eric de Hart, who was interviewed a number of times on television, was the sponsor of the Coogee Dolphins football club. He was very distraught at the loss of six of the team from that particular club. I pay tribute to Eric for the way he conducted himself—the grief he felt was obvious—and the way in which he was able to bring the message back to the loved ones of those who were lost.
There has been a lot of talk since the tragedy about what Australia should do in terms of terrorist activities. I would like to congratulate the Prime Minister on his handling of the circumstances in the last week. Obviously, it has been a difficult time for everybody. We have to remember that the Prime Minister, the Leader of the Opposition and the Minister for Foreign Affairs have to make important decisions on the run. We have to remember that they are human too. This tragedy has an impact on all people. We can always find things that we could have done better had we had another day to think about them. I am sure the Prime Minister would reflect on some things as well. As an Australian citizen, I congratulate him on the way he has conducted himself particularly in the last week.

I also get the feeling that, since this tragedy, some of the real heat may have gone out of the Iraqi situation. I encourage the Prime Minister and those present here today to think about how we should conduct ourselves in the global community from now on. I look at this particular case, that of Iraq and other terrorist activities in the world in a fairly simplistic way. These individuals are no more than the old school bully who had very little regard for property or people, who picked on people when they were in unfortunate circumstances or when they were down, and who maintained that sort of guerilla terrorist tactic in the playground. One way of getting rid of that problem is for the whole playground to turn around and say to the bully, ‘We do not want this activity happening in our playground.’ This is what we have to do here. To be successful—and I think there can be a successful campaign against terrorism—it is going to have to involve all the nations of the world, not just one, two, three or four. If we go in with just the United States—and I understand all the implications of our friendship with the United States et cetera—as two countries, that will defeat the purpose of what we are trying to achieve.

If any good can come out of the Bali bombings, it may well be that Australia and our near neighbours in South-East Asia come together in a closer sense of commonality to defeat these extremist terrorist groups. If we can do that with our near neighbours and encourage that sort of participation through the United Nations, I think there is a way of eradicating these terrorists from the surface of the earth. So I would encourage the Prime Minister to think carefully before committing our young people to any sort of ground war in Iraq. There are other ways of coming to grips with the problem. Obviously we have to deal with terrorism; we cannot just let the bully run around the playground forever. If we can get all the kids in the class to turn around and face him, I think the weight of numbers will have a dramatic effect.

One final thing: I know that this is not the first time this has been suggested, but obviously Australia will be doing something in the form of a memorial in Bali to recognise not only the Australians but also the others who died in this particular tragedy. A constituent of mine, Ms Fiona Taber of Armidale, has written to me—and I have actually written to the Prime Minister—suggesting that, rather than some grand monument, Australia’s contribution should be by way of medical facilities and a hospital, so that there can be a lasting recognition of the destruction that took place and of the tragedy that occurred. It would also encapsulate Australia’s health facilities and deliver some health care to the Balinese for the future. I think that would be the sort of epitaph that a lot of the young people who died would prefer to see. It would be a lasting contribution and it would send a number of other very positive signals in terms of the way that Australians feel about the Balinese and South-East Asia generally. So I would encourage the Prime Minister to take that suggestion on board; I know others have
suggested similar things. I think it would be appropriate that the recognition that Australia
gives to this particular tragedy be in the form of some sort of health care facility.

Mr Pearce (Aston) (12.07 p.m.)—I rise today in this chamber to offer my remarks on
the tragedy surrounding the Bali bombings. I do not have any scripted remarks; I would just
like to take a few minutes to express, on behalf of all the people of Aston, my outrage at and
condemnation of the most barbaric terrorist bombings that we have ever known in this region
of the world. I join all the other members of this parliament in supporting the motion put for-
ward in the House by the Prime Minister.

I cannot begin to know what the families and friends of those who were so sadly and so
suddenly lost on 12 October are feeling. Certainly, as a father, I can only imagine the deep
distress that one would go through after being informed that your children—or your partner,
your friends or your parents—had been taken from you. It is a tragedy that many members
have spoken very eloquently about, and that leads you to wonder what on earth you can take
out of such a terrible event. There is something—there is a message that we can take out of
these Bali bombings. In my view, it brings home to us the need for each and every one of us
to each and every day cuddle our kids and our partners and embrace our friends. It is impor-
tant to do that and to enjoy the time that you have with your children, your partner and of
course your friends, because they are treasured times in our lives.

Many people have gone to extraordinary lengths to try to help in this tragedy. We have
heard a lot about them. On behalf of the people of Aston, I particularly thank all of the doc-
tors, nurses, ambulance officers, volunteers and people who have come forward to help coun-
sel the people who are suffering—all those people who have helped in one way or another. I
thank members of the Defence Force, who have worked extraordinarily hard to help; mem-
bers of the various police forces, both those that have gone to Bali to be on location and those
working back here; and staff of the airlines that have assisted in one way or another. I espe-
cially thank members of the various government departments, particularly the Department of
Foreign Affairs and Trade. On the Sunday after the bombing, I called in to the office of the
Minister for Foreign Affairs and found a large complement of his team on hand working flat
out trying to help people. I also thank the members of many churches and many different
types of organisations which have, since 12 October, in one way or another, stepped forward
to help everyone they could who has been affected in whatever way through this tragedy.

In the case of my electorate of Aston, I regrettably inform the House that four constituents
have been affected very closely and deeply by this tragedy. There are Leanne Woodgate and
Samantha Woodgate of Lysterfield, two young and beautiful women who are today still suf-
ferring in hospital. There is Lynley Huegenin, 22, of Wantirna, who remains in hospital and is
still suffering. There is also Natalie Goold, of Ferntree Gully, who was expected to return to
her home from hospital yesterday.

I also particularly place on record my deepest sympathy for the family of Jessica
O’Donnell. She is not a direct constituent; she is a constituent of the neighbouring electorate
of La Trobe. However, my staff and I have spent a lot of time working with the member for
La Trobe to assist her parents in each and every way that we possibly could.

It is important that we as a nation do everything possible to ensure that such a tragedy is
never repeated. The government, together with the opposition, has put in place a range of pro-
grams and initiatives that will work towards eradicating any future incident like the Bali
bombings. But if we look to the future, we have to bear in mind the need for each and every
Australian—in fact, each and every person in this region of our world—to work together to
strive for peace and harmony in our nation, in our region and across the world. I have been
reminded of some comments that were made by our Prime Minister in May 2001 during the
events marking the centenary of our federation. The Prime Minister said:
We have built in this nation of ours a society of which we can all be justly proud, a society to which
people from all around the world have contributed, a society which is a model of cohesion, compassion
and decency and one in which we should express undiminished faith and hope for the next 100 years.
I cannot think of any more apt words than to say that in these times we should indeed express
undiminished faith in ensuring that, as a nation, we go forward and work to have cohesion, to
have compassion and to be decent in each and everything that we do. My heart—and, I know,
the hearts of all the people of Aston—goes out to all of those people who have lost their loved
ones. It is a tragedy and it is something the full breadth of which we as a nation are still com-
ing to terms with.

Since 12 October, we have seen extensive media coverage of this outrage. I join my col-
leagues in thanking those in the media for keeping the Australian public informed about this
tragedy. However, I make the point that, while we have had a dreadful tragedy and we have
had thorough and complete coverage of this tragic event, it seems to me that, if we are talking
about what sort of society we want to live in, what sort of culture we want to bring to our
children, to their children and to future generations, it is important to think about other ways
of doing things. It reveals to me that in the future as a society we should stress more and more
the positive things that happen in our lives, in our nation and in our world. It should not be
only tragedies that get page after page of coverage.

One of the best ways to beat these criminals is to keep revealing to them each and every
day the good things that are happening. So the next time something great happens in our na-
tion we should absolutely promote it. We should talk about it. We should talk about the posi-
tives of that great event, whatever it might be—a great cultural event, a great sporting event or
a great environmental event. It seems to me that we need to emphasise and promote the posi-
tive things that happen in this country. We should show the people of Australia and of the
world that we are a positive nation and that great things happen in our life. As I said at the
beginning, the key message that comes out of this tragic event for me is the need to ensure
that each and every day we cuddle our kids and our partners and we embrace our friends. We
should do that. I say to all the people who have now moved to heaven the following words
from the last verse of the letter of Paul to the Galatians: may the grace of our lord Jesus Christ
be with your spirit, brothers and sisters. Amen.

Mrs CROSIO (Prospect) (12.17 p.m.)—I join all members of parliament on both sides of
the House who have expressed their horror and disbelief and who have, more importantly,
praised the people affected by the dreadful events on 12 October 2002. When mention is
made in my electorate of what happened in New York on 11 September 2001 and in Bali on
12 October 2002 is, people say, ‘But we have lost so many people in other tragedies.’ I say to
them, ‘In a case like this, innocent lives have been lost through an act of terrorism. This is not
a war we are talking about; it is a terrorist act.’ That is why I believe that words have to be
expressed continually so that we will not be ruled by these terrorists.
To those who have lost their loved ones and those who are suffering, I say that words cannot describe the pain that you are now going through. Fortunately, I have heard of no-one in my electorate who was in Bali or who lost a loved one but, needless to say, we are all Australians and that is why I also rise to speak on behalf of my electorate. I know that every one of my people—man, woman and child—who live within the Prospect electorate would want me to express in this parliament their absolute horror about what occurred and to tell those who are grieving that we feel for you, we understand what is happening to you and, most particularly, we will always remember you.

I had a feeling of utter disbelief when news started to filter through about the tragedy. We can probably all describe what we were doing at that particular time. My first reaction, having a son who works throughout the Asian region, was absolute panic about where he was at that particular time. What was he doing? Was he on a plane? Was he in Indonesia, which he frequently travels to? I suppose in such a situation we all look inwards and work out first where the immediate members of our family are. So the first reaction I had was one of horror about what was happening.

I then started to listen to every bit of news that became available. I was honestly in utter disbelief—it cannot be happening. Then, as more and more information came through, we realised these young people who had gone on holiday and these parents who had gone with friends to enjoy a break—all of those innocents who had been farewelled with such joy at the airport—would not come back. I know we have to move forward but in moving forward we must never, at any time, forget those who have been lost. At the same time we have to also acknowledge, as other members have done, the work done by those fine men and women—particularly, as mentioned, those in the RAAF.

The RAAF carried out what has now been described as the biggest peacetime medical airlift in Australia’s history. I say to them, ‘We are just so proud of you.’ To all of those wonderful people who are working behind the scenes even at this very moment caring for the injured and looking after the families who have lost their loved ones and those who have suffered such great loss, we thank you most sincerely. It would be impossible, even in the debate that we have had on this, to name every one of those people who have done so much. So, collectively, we say to those out there that we appreciate and are proud of what you have done. Most importantly, what you have done is help your fellow Australians.

We can all judge after the event and we can also comment on what should or should not have been done, and I do not think a debate like this is the time for that. I was rather alarmed by what appeared in today’s Sydney Morning Herald. The headline was ‘Australians “intercepted” terrorist plot’ and read:

Australian intelligence eavesdropped on radical Muslim extremists discussing attacks on Australian citizens in the weeks before the Bali terrorist bombing, according to a report published in the United States.

It goes on to describe what is happening—and everyone can get the report and read it. We, as members of parliament, know that we cannot expect our foreign affairs minister to stand up in the House and talk about security, nor can we expect our Minister for Defence to do the same. But I was rather disturbed last night when the Minister for Defence on Lateline virtually stated that he was aware that the JI group, the Jemaah Islamiyah group, are in Australia. If that
is the case, I am pleased that we are going to have emergency legislation go through today to make sure that we take action against groups such as this in this country.

This alone should be prompting us to have a full investigation into what could be the concerns of many individuals around this nation. If there is any inkling of a doubt in anyone’s mind that information was available and it was not broadcast or that information was available that was of insufficient note to broadcast, then let us clear the air. Let us have a full and open inquiry into it. I know there are investigations going on and I know they will continue for a long time to come. But I know all of those people who have lost a loved one and all those people sitting next to their family members who are going through great suffering are asking, ‘Why?’ We join them in asking, ‘Why?’ I think each one of us, on both sides of the House without making a political issue about it, would like to request an investigation that is so broad that it does cover every area of doubt. If information was out there and we were not informed about it then we need to know.

If information was out there and it was only scurrilous like some of the rumours that are now being reported in the media, then we need to know that as well. We as parliamentarians are here not only to defend our nation and to speak for our Australian people but also to provide some security and protection in the future, and you can only do that if you acknowledge mistakes that have happened in the past. If you acknowledge that certain steps may have been taken or should have been taken but were not taken, then let us act on those. I do not think we have to hide from that. I do not think we have to stand up and say, ‘We weren’t certain but there could have been.’ I do not want to ever see that in the future.

We do not need another tragedy to have our minds focused on what we should be doing as a nation. We do not need another great loss of life and have us saying, ‘We need more interception to get rid of these terrorists.’ As previous speakers have said, we have to fight unitedly to rid the world of the terrorists. We have to do it in this country in particular and we have to be aware that we are not immune from it. In fact, I borrowed from my colleague the latest Time. In the edition of 28 October there was an interesting article—and we have all read them—quoting Ross Babbage, who is a leading strategy expert at the ANU, as saying:

'We’re not used to thinking about these sorts of threats in Australia, and for good reason—we have been immune. But the world is different now, and so is terrorism. We have to remember as the world changes that we are a continent removed at times, we think, from the rest of the world, but we are no longer immune. We have feelings, we have lost lives and we have had loved ones taken from us quite unexpectedly, not through tragedy or accident, but through a deliberate act. In future we will have to be mindful and aware that things like this must not be allowed to happen. At the same time, I know we cannot stop our lives. We cannot stop what we choose and wish to do, but we must at all times be protective of those who could be placed in danger.

I call on the Prime Minister, the Minister for Foreign Affairs and the Minister for Defence to make sure that we have the expertise in this nation—we know we do—to ensure that everything possible is provided to those experts so that they can carry out a full and thorough investigation, not only to protect those who have lost family members but also to protect future generations, and to ensure that as a nation we never again have to go through this grieving period. I know other events will occur. I keep thinking of the tragic train disaster in Granville in 1977, near my own electorate, and the number of lives lost there. Even though it
was a loss, its effect was quite different from the way a loss such as this affects you—an act that you know was deliberately done by terrorists. That is why we should do everything we can on both sides of the House.

The government have the direction, the means and the money to provide to our experts so that they can get on with the job and make sure that that investigation is thorough and open and that in the future we will know that we have truly learned from past mistakes. Let not the loss of life in Bali—not only Australian lives but also the Balinese and all of the other people who lost their lives—be in vain. Many people have quoted different texts. As I tried to comfort a person just the other day one came to mind. It was, *Without Goodbye*:

> *Without goodbye you went to sleep and loving memories are ours to keep. But we pledge that we will make sure that those who did this are brought to justice.*

**Mr TICEHURST (Dobell) (12.27 p.m.)**—I rise today to support the Prime Minister’s motion and commend him and the leadership team for the exceptional handling of this tragedy. Much has already been said by fellow members about the despicable terrorist act in Bali. It was an atrocious act that destroyed the lives of so many and one that will continue to wreak much pain and trauma in the months and even years ahead. Much has been said about how it has affected the people who live in our own electorates—their pain, loss and suffering. Like it or not, we have been thrown into a war against an invisible enemy. We are now in deep uncharted territory. It is an unfamiliar world that we now live in. We must all remain vigilant because, make no mistake, that fanatic-driven war is now on our doorstep. It is even more important now that we maintain our vigilance on border protection.

History has taught us there is a distinctively Australian spirit which stands tall in the face of any enemy. Over the years we have seen it in all its glory, time and time again, both in war and in peace. It is an inner strength we can depend on and be assured by. It will unite us against this unholy terror. We know we can depend on it because we saw the same spirit again in Bali from the young and the not so young. It shone through the devastation in spontaneous acts of courage by people who did not stop to ask why—they just did what they had to do.

Tara Edwards, a 23-year-old young lady from my electorate of Dobell on the Central Coast, had been working in Bali as a teacher. On the night of the terrible tragedy she had walked past the two nightclubs minutes before the deafening blast filled the air around her. Despite the shock and the sound of the explosion still ringing in her ears, she and her Welsh friend Emma Cort immediately returned to the scene. Without any thought for their own safety they did whatever they could to help. They calmed the injured, cleaned the hospital rooms and tried to help people find their friends and relatives. For two nights until dawn they worked in the hospital morgue, confronted by scenes of human carnage like nothing you would think could exist on this earth. When asked how distressing it was, Tara Edwards is reported to have said, ‘We had no time to think about the horror. We had to do it. There was no-one else there.’

There are many others who, at the time of the attack and during the days that followed, personified the brave Australian spirit. There are the survivors who stayed to help the injured, and those who tried to find those who were missing. There are the friends and relatives who frantically searched for, and who linger there with the fading hope of finding, their loved ones. There are the medical teams and the RAAF who raced to the scene of the devastation and made sure that within 48 hours all the injured Australians were safely back home. I had the privilege of spending a week at the RAAF base in Richmond. During that week, the medi-
cal teams were actually carrying out an exercise, and it really showed the preparedness of our services. I congratulate the people at RAAF Richmond because the exercises that they carry out regularly can be put into practice quite quickly. There are the people lying in hospitals around the country who, despite their trauma, must carry their shocking pain with dignity, and those who will rise against their injuries as they bravely face the days ahead. Then there are the mothers, fathers, brothers, sisters, friends and relatives throughout Australia who are struggling to come to terms with their grief but who will also catch the spirit and somehow find the courage to overcome their tragic losses.

It is a sad time in Australia’s history, but it is a time that will eventually allow us to move forward to a better place because, as we know, we can rely on the tried and tested character, that source of unlimited strength, that unique Australian spirit. For the present my thoughts are going beyond my own electorate to the people of Forbes, a country town in New South Wales. It is the place where I was born; a place of innocence and fond memories that I still hold dear; a familiar place where I spent some of my youth—certainly long before this terrible tragedy took the lives of three of its young men, innocent men who, in a distant country, tragically and unknowingly found themselves in the wrong place at the wrong time. There are others from Forbes who remain missing and injured. My deepest sympathies are not only with them and their families and the people of Forbes, but also with those people of my own electorate of Dobell who are suffering from this tragedy. While I want to share their pain and to carry some of their load, in reality, in my humble inadequacy, the best that I can do is to wish them all the strength of that Australian spirit, as much inner strength as they will need to overcome their heartache, their pain, their grief and their loss. God bless Australia.

Mr CHARLES (La Trobe) (12.33 p.m.)—I rise this afternoon to support, as have all my colleagues, the Prime Minister’s motion on the terrorist bombings in Bali. On 12 October the world witnessed, once again, a despicable act of hatred and violent murder of innocent people—this time mostly young and mostly Australians. We grieved along with the rest of the world as we lost Australians on 11 September 2001, but this act has touched us as I suspect no act of terror has ever touched Australia and Australians.

Bali was almost like another Australian state or city in our expectations of holiday time. On that night, those clubs that were destroyed by the frightening bombs were full of mostly young—some older—Australians and people from dozens of other countries around the world. The loss of life is appalling. In any sense, it is perhaps even more appalling because of its totally unexpected nature. The fact that terrorists went out of their way to attack tourists was, I have to say, a cowardly act.

We do not know what kind of terrorists struck those nightclubs in Bali. We do not know whether they were religious, ethnic or territorial terrorists. There are a number of kinds throughout the world today and there have been for some years past, but it seems to me, rightly or wrongly, that the incidence of terrorism is escalating rapidly and frighteningly. We cannot possibly know at this point in time why those evil people did that evil act. I hope that, with all the assistance that is in Bali now—from Australia, the United States, Britain and other countries—to help the Indonesian authorities, we will be able to find who initiated those actions, who drove the vehicles, who made the bombs and who created the carnage, because we must bring them to justice.
In order for us to be able to have finality, we must do everything possible to identify the remains so that the families and loved ones can come to an end of their grieving. We fear terror, but we cannot run away from terror. History has shown us over and over again that, if we run away, the terrorists are only emboldened by their own actions and they create further terror. We cannot run away. We cannot hide. If you run from bullies, they only become more bullying. As the Prime Minister said, we cannot roll up into a little ball and hope it will go away. We have to root out the terrorists and we have to bring a close to this time in history which is so frightening and so despicable.

The thing that has touched us more than anything from 12 October is the fact that the majority of the people in those nightclubs were young people just having fun—innocent young people just out to have a good time. My goodness, if we cannot go about our lives expecting to have a bit of fun every once in a while without having to look over our shoulder every five seconds to see what is coming down the pipe, we will have very sheltered, very uninteresting and very frightening lives.

It was, as many have said, a loss of innocence for Australia. I thought, in my naivety, that Port Arthur represented a serious loss of innocence. It did, but Port Arthur was a single act by a single madman. Cyclone Tracy in Darwin was absolutely frightening, and the devastation to Darwin was almost beyond description; the loss of life there touched all of us, as it did in the Newcastle earthquake and the Hoddle Street murders. But, despite the loss of life and the hurt, anguish and anger, somehow Bali was different—different I think because these were young people on holiday. There were some parents and some older people, but they were mostly young people on holiday, just having fun. Unnamed people purposely came and took their lives and then ran away. In the aftermath of that fireball, Australians demonstrated, both on the ground during the devastation and continuing later, the thing that we call mateship, and they demonstrated it in great measure. Australian mateship has once again survived tragedy, as I am sure it will do again and again in the future. We believe in doing all we can to help those who are in trouble.

May I say in winding up that I send my condolences to the families, friends, loved ones and acquaintances of all those who have been touched by this thing, either because they have been killed or injured or frightened in the attack or traumatised throughout or after the ordeal. It is in the nature of human beings that some of those who have gone through this ordeal will never recover; their lives will be touched forever. Some will go through a period of pain and grieving and will move on; they will get on with their lives. We must have the greatest feeling and the greatest regard for them all and offer our greatest condolences to all of them.

Mr NEVILLE (Hinkler) (12.40 p.m.)—I too would like to speak to the Prime Minister’s motion today and to say that, in my case, when I heard the announcement it was with a sense of disbelief. It very closely paralleled 11 September, when we switched on our television sets and radios long into the night. I remember my wife waking me up and saying, ‘I think you should listen to this.’ At first you thought you were watching some outrageous American movie, but all of a sudden it dawned on you that it was real. That same sense of disbelief wafted across me this time; and then, as the reports kept coming in, the absolute enormity of the event came into comprehension.

How anyone in such a cold, calculated and heinous way could set out to so wantonly and cruelly kill 180 of their fellow human beings simply defies belief. That one explosion could
be used to force people onto the street to increase the slaughter after the first explosion had occurred, with the intent of using that second explosion just to blow people to bits, elevates the incident—if ‘elevates’ is the right word—to an absolute outrage. The breadth of the tragedy is reflected in the 180 lives that were lost. That 90 Australians were killed fills us with grief and a sense of infinite sadness. As the member for La Trobe has just said, that young people going about their holiday experience in such an innocent and unobtrusive way, or groups of footballers celebrating the end of their season, could have been cut down in those circumstances again elevates our reaction to one of outrage.

Then we had the acts of heroism. They came to fill us with pride and admiration and the certainty that the Australian spirit is truly alive and well: people helping others over the wall or through holes; people who had left the club earlier coming back and going inside to pull their friends out—friends returning shows, to me, a great sense of courage—and doctors who were there on holidays immediately making themselves available at the various hospitals. Then there was the magnificent work of the RAAF in getting emergency personnel to Bali and taking out the wounded. The fact that that exercise was completed in 48 hours should again fill us with a sense of pride and admiration.

On behalf of my family and my electorate of Hinkler, I extend sympathy to those who lost family and loved ones. A special place in our hearts must be reserved for the families who are still in Bali or back in Australia waiting for identification and the ability to repatriate their loved ones’ bodies to Australia. That must be a horrific circumstance. I can empathise with that because not quite 2½ years ago in my own electorate we had the horrific Childers backpacker fire at the Palace Hotel. In the early hours after that happened, even for the whole next day, we had no idea of how many people were in there—whether it was five, 15 or 50. I can well empathise with the frustration that the families of those involved in the Bali attack must be experiencing because I remember how long the identification took in the case of the Childers fire. It took over two weeks—and that was with only 15 people. When I say ‘only’ that belies the tragedy in a way when you compare it with this one. With the best of Australian and Queensland forensic experts right on the spot in Childers, it took over two weeks to identify the various victims. In fact, one victim still has not been identified two years on. So in Bali, with 90 Australians and another 90 international and Balinese people, you can just imagine what a horrific job this is going to be. I do empathise with those families.

Fortunately, my electorate was spared any direct involvement, although in the electorates either side of mine—Capricornia and Wide Bay—people were affected by the tragedy. There was one tenuous link with my electorate: David Kent Jr, the son of David Kent Sr, from an English family that came to Gladstone some years ago, was killed in the tragedy. He was a man in his prime—41 years of age—still playing rugby. In his days in Gladstone he played in Central Queensland rugby union. He moved to Sydney and played for the Randwick club. He relocated to the Gold Coast. In fact, he was in Bali on a Singaporean rugby union tour. A cruel stroke of fate saw him there with those footballers at that time. I do extend my deepest sympathy to the Kent family, who live in my electorate.

Two things said this week at various functions in this parliament resonate with me. The first is that everyone thinks that by feeding the tiger the tiger will eat him last. Churchill used this during the Second World War, and I think it applies very much to the sort of atmosphere we live in today. We should not think that this wave of brutal terrorism is just going to somehow sweep across Australia and leave us alone. The other statement—repeated by the mem-
ber for Griffith at the prayer breakfast on Monday morning—which also resonates very much with me and is one that I have used very often in debating in the past but which really came home to me with a vengeance in this last week is:

All that is necessary for the triumph of evil is that good men do nothing.

Again, you can see a message there for us that we need not think that by rolling ourselves into a small ball, as the Prime Minister said, we are going to escape this dreadful horror. We need to confront it, and we need to eliminate it once and for all. There are other things I would like to say about this event but, in deference to my colleagues, I will not. I extend my sympathy to the families, especially to the families who are still waiting for that dreadful identification process to be completed. I salute those who acted with such bravery. I salute the medical teams that are still working against tremendous odds to save some of those who have survived. I trust that, although this is etched in our psyche as one of the seminal events of our history, good will come out of this and we will emerge as a stronger nation.

Mr BARRESI (Deakin) (12.50 p.m.)—It saddens me to rise today to support the Prime Minister’s motion. Like most members who have spoken before me, the events in Bali have hit all of us as parliamentarians hard. It has certainly made us look at our role as members of parliament in a new light. I trust that this ongoing reflection will continue to make us react in the way that we have in the last few days.

I offer my condolences to the families of all those who have died in the Bali bombing. My prayers and thoughts go to the parents who are still waiting for loved ones to be identified. I have two young girls missing from my electorate: Rebecca Cartledge and Jessica O’Donnell. Their photographs have been on the front page of the newspapers in Victoria on a number of occasions. We have seen their bubbly faces and their youthfulness in the swimming pool in Bali with some friends enjoying a moment of relaxation and humour. Their parents are going through incredible turmoil at the moment—a turmoil which we can only imagine.

Like a lot of young people, these girls would have gone to Bali with great expectation. They would have been saving their money and planning for their holiday for a long time. They would have arrived at the airport with great anticipation of a good time to be had. Jessica and Rebecca, who shared a house in Blackburn, went to Bali together as friends, and as friends they are now missing. I have spoken to Rebecca’s parents, who live in my electorate, a number of times. Jessica’s parents do not live in my electorate. Rebecca’s parents have welcomed the small gesture that members of parliament have made in contacting parents.

It was a distressing time for the parents last week. Not only were the girls listed as missing; the Herald Sun had them as dead. This would have been very distressing. One has to appreciate that, in a situation like this, parents hold on to any remaining glimmer of hope of finding their loved ones alive and well. Wayne Cartledge, Rebecca’s father, flew to Bali with DNA samples and a photo. The flight to Bali must have been one of incredible pain. While he was in Bali, he met with the Prime Minister. I know that he was very grateful to the Prime Minister, the Deputy Prime Minister and Leader of the Opposition for meeting with him and giving their time.

There is no doubt that prior to Bali there was an overwhelming concern in the community about a US-led pre-emptive military strike in Iraq—a concern that a lot of my constituents shared. We cannot view the events of September 11, the Bali bombings of October 12 and the atrocities occurring in Iraq separately. Whilst the connections are difficult to substantiate,
there is one aspect that binds the al-Qaeda network and the Iraqi dictator-terrorism. That terrorism is also now being spread by other terrorist organisations throughout the world. In our particular part of the world, the link has been made to the Jemaah Islamiah terrorist organisation; otherwise known as JI.

If nothing else, the very freedoms that we enjoy were not only threatened on September 11 but brought home to us on October 12 in Bali. As I have said in the past, Australia cannot, on some issues, claim to be part of a global society and, on others, retreat to create a Fortress Australia. To assume that by putting our head in the sand we are immune from terrorism is to deny totally historical evidence. Innocent civilians from New Zealand, England, Germany, Sweden and a number of other European nations lost their lives in the Bali bombing. Only recently we had the murder of innocent Westerners and non-Muslims in places such as Tunisia, Nairobi and Helsinki, and of course we had that attack on a French ship—to name but a few incidents.

You cannot try and buy protection from terrorists by ignoring them. It just does not work. You cannot simply say that the bombing in Bali was due to our hitching our bandwagon to the US effort. That really defies the evidence from around the world about where these terrorists are willing to strike. Fanaticism fuelled by ideological or religious fundamentalism is an important factor to be considered in this. The enemy of fanatical fundamentalist Muslims is not Australia but all Westerners. I know that there will be some in Australia who are probably questioning at this stage whether or not we should continue having a Muslim immigration intake. I say to those people that it is not the Muslims who are the enemies but it is certainly the fundamentalists who are the enemies. ‘Terrorism’ is another word for mass murder. The expectation is that governments will act against murderers, and this will be no exception. Inaction on this very difficult issue erodes all we have fought for in the past and what we stand for as a nation today.

Australia is coming up very soon to its season of festivities. There will be various sporting activities and outdoor celebrations. We are now required, as a result of what took place in Bali, to have a heightened sense of vigilance. Whether we are attending the Melbourne Cup, the Ashes series, the tennis or even a family barbecue or making a visit to the beach, our innocence is forever lost as a result of the Bali bombings. My prayers are with the missing. My prayers and my thoughts go out to the Cartledge and O’Donnell families and they go out to all those families who are still waiting by the phone for that phone call from DFAT to say that they have identified their missing loved ones. My prayers are for the family and friends who have lost someone and are now coming to grips with life without their loved ones. We are all there united in our support for the Australian families. We, as members of parliament, owe it to them to be vigilant against terrorism in our region and elsewhere by taking action as a government.

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Minister for Family and Community Services) (12.57 p.m.)—The mind of the government is concentrated on four matters of pressing urgency. The first is the identification and return of the remains of Australian citizens in Bali. The second is the restoration to health of the injured—all now repatriated to Australian hospitals. I want to particularly acknowledge the generosity of the pharmaceutical industry—companies in my own electorate such as Eli Lilly, Pfizer and Baxter Healthcare responded immediately to the crisis. Charlie Bonnici from Baxter Healthcare rang me in Canberra on Sunday to say that Baxter’s expertise in intravenous solutions would be made imme-
diately available to the International Red Cross along with a $25,000 donation. I see that Eli Lilly has contributed almost $10,000 worth of supplies to help treat sepsis and blood-poisoning and that Pfizer has likewise launched a Red Cross Bali appeal matching staff contributions along with the donation of medical consumable supplies. The third immediate objective is the capture and punishment of the criminals responsible for these acts.

Finally, we are engaged in assisting the families of the victims and indeed a grieving nation in a process of mourning. Last Sunday there was a national day of mourning and tomorrow, here in the Great Hall of the parliament, there will be a service involving the families of the victims. However, when the immediate challenges of this great tragedy have passed, we will turn our minds more and more to the causes of terrorism and to the character of Australia’s participation in the global response to terrorism.

I want to direct my remarks to the question of how we, not so much as a government but as a people, as a nation, as a culture, respond to the threat of terrorism. I begin with the object of the terrorists which, as the word implies, is to threaten, to intimidate, to destroy the quality of life which grows from the normally unquestioned trust between two unrelated citizens. This experience is causing us to hold in relief the value of this precious commodity of trust between citizens, this feeling that the price of civilisation is a submission of human beings to certain conventions of courtesy and to the rule of law, conventions like a willingness to submit disputes to an independent third party, giving up the tribal and barbaric instinct that one feels in the basal part of human nature to take the law into one’s own hands and to wreak revenge in response to injustice. Civilisation involves rising above those barbaric instincts which lie below the veneer of humanity.

I want to call on the best and highest instincts in the Australian people. I ask them not to give the terrorists the satisfaction of seeing us stoop to their level. I note that Martin Luther King Jr, in his great speech at Montgomery, when he was talking to his followers in the black civil rights movement—when blacks were being hauled out of their homes and strung up in trees, without trial, to chanting and cheering mobs—said to the crowd, ‘Let no man pull you so low as to make you hate him.’ As we reflect on the barbarity of these terrorists—the inhumanity and cowardice of a human being who would attack a civilian in peacetime, who would kill dozens of our citizens without notice, without warning, without declaration of war—that kind of cowardice can draw out the instinct of hatred and revenge in us for the sort of fear it can provoke. Inevitably, our hearts go out to the family members of those at Monash university who are trying to make sense of a senseless act of violence.

I am appealing to us to draw on the very best in our character. I do not want to see us go through a knee-jerk reaction of, for example, turning Parliament House into a bunker. I do not want to see us installing layer upon layer of security in areas of Australian life in which our citizens have come and gone freely without concern, without suspicion and without check. I want us to retain that sort of happy, phlegmatic character which is the archetype of what it means to be Australian now and certainly has meant in European Australia over the last two centuries. And I want to say that it is perhaps an unsettling truth—but, nonetheless, I believe a truth—that the Indonesian government today has a greater capacity to secure Australian citizens against future acts of terrorism than does the Australian government.

While we bring to bear the diplomatic machinery of government, it is not in our interests to browbeat, to bully or to seek to force the Indonesian government into action. Over the next
generation we have to recruit the goodwill of the Indonesian people to commit themselves to attack terrorism with diligence, determination and commitment, in part out of their friendship with the Australian people.

In spite of the deep sense of frustration that Australians may feel at the previous lack of intent inside the Indonesian administration to tackle this problem, it is my hope that we will continue to nurture, foster and strengthen that relationship on the basis of goodwill, friendship and, as much as possible, shared values.

As we think about security at home and how we respond to these threats of violence against civilians in peacetime, the court of equity, by analogy, is responsible for establishing the standard of negligence in commercial disputes. Some centuries ago the court determined that no-one would be held accountable for negligence who was subject to fraud by another party or was subject to a deliberate act of dishonesty. The logic of the court was that the whole of our economy functions on an assumption of trust and that if, in our policy, we remove the assumption of trust as the basis for human relationships—the assumption of trust that one person will repay their debts; that if they make a promise, they will fulfil it—then the whole system will come to a grinding halt.

In the same way we ought not to hope or wish for an Australia that is not capable of protecting itself against a malevolent malcontent who wishes to kill people in times of peace, nor do we want to live in a police state. We do not want to live in a constant high-security environment. We want to live in an open, trusting, laid back country which opens itself to the rest of the world, which engages with those who are different from us, which looks for the best in others and which draws on the best in ourselves. This is the character of the Australian people. It is our gift to the world. While Australia may have been changed by Bali, I hope it has not been changed too much.

Mrs GALLUS (Hindmarsh—Parliamentary Secretary to the Minister for Foreign Affairs) (1.07 p.m.)—I echo all the words of my colleagues today in standing here to say that in peacetime this was the most terrible thing that has happened to Australia and has come as a shock to the entire community. My special thoughts today are with those relatives of people in Bali who are now missing. Many of them have been confirmed dead and many of them are presumed dead. My thoughts are also with those families who really do not know where their loved ones are. They may have had children travelling in Bali and have not heard from them since the accident. They still could be alive in Bali and unable, because of lack of communications, even to know about the event, but they certainly have not called home. So my thoughts are with those families who wait by the phone hoping to get some news.

Australia’s immediate response to the tragedy was immense shock that a place of holiday and recreation for Australians and many other nationalities could be a point of terror. Our first priority was to get Australians there to assist the Indonesians in what for them was a horrendous task in an area that had only previously been known as a holiday destination. We immediately sent people from the Australian Federal Police, naturally from Foreign Affairs, from Defence as well as from other organisations who could assist. Our first priority, having reached Bali, was to repatriate the injured to Australia to give them every chance in the hospitals in Australia. In total, the number of injured repatriated was 113 Australians and 19 foreign nationals. Unfortunately, subsequent to that, several of those people who were very badly burned have died in Australian hospitals.
A second immediate priority was to secure the site, which I understand had not been secured prior to the Australians arriving. Then we had the task of identifying the bodies. You can imagine the absolute grief of the families who rushed to Bali and those who were able to identify the bodies of their loved ones but were not able to bring them home. That is one of the more difficult things that they had to face. But we understand that we are obliged, as are the Indonesians, to go through the proper process. There were, unfortunately, instances where people were wrongly identified. Because of that danger, we have insisted that we go with the approved process, which is to have a definite one of three: the dental records, the DNA or the fingerprints. The dental records can sometimes be enough without dental X-rays. However, you have to have at least four items listed on the dental record of changes to the mouth and teeth for that to even start to be useful, so in many cases the X-rays are needed.

The process is that this information has to be collected from relatives in Australia, which is extremely painful for them. That then has to be coordinated within Canberra by the AFP, and that coordination is not easy; there are 60 pages of material. Frequently, the dental records they receive from local family dentists are not sufficient. The family dentist does not have the expertise they need to fill that out. That has to be checked by experts either in Bali or here to make sure that the information is accurate. That material has to be processed. Material able to be scanned is scanned into computers and sent to Bali. But, where dental X-rays are received, they have to be sent by hand; you cannot take copies.

When you are relying on DNA, the analysis can take from three days up to months. That can be a very slow process. Where you have bodies that are identified, you really want to try to match up the ante-mortem and the post-mortem information so that these bodies can come home as quickly as possible. We are hopeful that in the next few days we will have a large number of Australians repatriated. However, it is a long process. I can understand the grief of the families who are waiting for the bodies of their loved ones to be returned home.

The Australian government has facilitated families to go to Bali to help in identification or just to be there to see what they can do for their relatives. The government has also paid for accommodation and travel, and in Australia it is assisting families to come to Parliament House tomorrow for the memorial service. That will be a day of intense grief for all of us as we share in this very difficult time for the families. The service is for not only the families but all of us here in Australia. Our thoughts go out to the families.

I want to also emphasise that we are doing everything we possibly can to get home those people who unfortunately died in Bali and to complete the identification of those who unfortunately are very hard to identify. Our thoughts are also with those families who have realised that they will never have their loved ones returned to them because where they were in the Sari nightclub was so close to the blast that they would have taken the full impact. For those families, and I have talked to all of them, there is an understanding that at least their loved ones died at a time when they were enjoying themselves and were happy and that it was all very quick. Certainly the majority of them did not have to suffer. Although that is of little comfort, it certainly is of some comfort. Today I would certainly endorse the motion of the Prime Minister and say that we in Australia are determined that the people who are in any way associated with this atrocity, who in any way helped bring it about, will be brought to justice—the full force of international justice.

Debate (on motion by Ms Julie Bishop) adjourned.

Main Committee adjourned at 1.16 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Australian Defence Industries: Sale**

**(Question No. 679)**

**Mr Murphy** asked the Minister representing the Minister for Finance and Administration, upon notice, on 19 August 2002:

1. Further to the answers to parts (2), (6) and (7) to question No. 394, did the Minister consult with the Minister for Defence prior to the sale of all shares in Australian Defence Industries (ADI) to Transfield Thompson-CSF Investments Pty Limited with respect to those matters raised in those parts; if so, (a) when and (b) what was the advice of the Minister of Defence prior to the sale of the former share assets of ADI; if no why not.

2. Further to the answer to part (4) of question No. 397, is he able to say who (a) are the top ten shareholders and (b) has a controlling interest, being a person holding fifteen percent or more shares, in (i) Transfield Thompson-CSF Investments Pty Limited, (ii) Transfield Holdings Pty Limited and (iii) Thompson-CSF group known as “Thales”.

**Mr Costello**—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:

1. The former Minister for Finance and Administration and the then Minister for Defence were jointly responsible for the sale of ADI Limited with the Minister for Defence having primary carriage of Defence issues. Ministers consulted at key stages in the ADI sale process. Those matters raised in parts 2, 6 and 7 of Question No. 394 were considered in the context of the ADI sale process and fall under the portfolio responsibility of the Minister for Defence.

2. No. While there is some publicly available information on the shareholding of the entities in this part of the Question, the Portfolio does not maintain current information on the shareholdings of those entities.

**Attorney-General’s: Staffing**

**(Question No. 766)**

**Mr McClelland** asked the Attorney-General, upon notice, on 19 August 2002:

1. Has the Australian Government Solicitor (AGS) been recognised for its efforts to assist staff to balance the demands of work and family life.

2. What was the nature of the award and what policies and practices have been implemented by the AGS which led to the award.

**Mr Williams**—The answer to the honourable member’s question is as follows:


2. AGS participated in a work/life initiatives survey conducted by Managing Work/Life Balance, a firm specialising in this field. The aim of the survey, which has been conducted in conjunction with publishing house, CCH Australia, for five years, is to identify what progress has been made in the implementation of work/life and diversity strategies within Australian organisations. The survey is open to all organisations in Australia and allows them to benchmark their work/life initiatives against other organisations. AGS was surveyed about the progress that it had made in developing work/life initiatives, its future intentions in this area and the likely impact of those intentions.

AGS was ranked 20th out of the 195 organisations surveyed. This was the first time AGS had participated in the survey.

The following work/life policies and practices which have been implemented by AGS, were part of the survey’s considerations:

- flexible working hours
- part-time work
- working from home
- relocation assistance
maternity leave
paternity leave
adoption leave
carer’s leave
bereavement leave
purchased leave provisions
studies assistance
time off in lieu
keeping in touch with employees on extended leave
First Aid room
internet access
influenza vaccinations
employee assistance program
salary packaging.

Finance and Administration: Staffing
(Question No. 807)

Mr Martin Ferguson asked the Minister for Finance and Administration, upon notice, on 20 August 2002:

(1) How many full time permanent staff, part time permanent staff, full time contract staff, and part time contract staff were employed by the Minister’s Department and agencies within the Minister’s portfolio as at 30 March 1996 and 30 June 2002.

(2) For each category of engagement referred to in part (1) and employed by the Minister’s Department and agencies within the Minister’s portfolio, where were such persons located in 30 March 1996 and 30 June 2002.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) The information sought by the honourable Member in relation to part (1)(i) and part (2)(i) of his question is not readily available and I am not prepared to authorise the use of the resources that would be required to provide that information. I am able to inform the honourable Member, however, that data on APS staffing as at 30 June 1996 is contained in the Australian Public Service Statistical Bulletin 1995-1996 which is publicly available.

The honourable Member should be aware, however, that changes in APS functions and administrative arrangements between 1996 and 2002 may render direct comparisons between the data for those years invalid.

Staff Numbers as at 30 June 2002

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(2) See (1) (i) above.
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| **Agencies**                     |                   |                   |                                        |                                        |
| **Australian Electoral Commission Staffing** |                   |                   |                                        |                                        |
| ACT                              | 144               | 14                | 20                                     | 1                                      |
| NSW Staff                        | 192               | 17                | 16                                     | 9                                      |
| NT Staff                         | 14                | 0                 | 0                                      | 0                                      |
| Overseas Staff                   | 0                 | 0                 | 0                                      | 0                                      |
| QLD Staff                        | 99                | 4                 | 4                                      | 1                                      |
| SA Staff                         | 51                | 5                 | 12                                     | 0                                      |
| TAS Staff                        | 24                | 1                 | 0                                      | 0                                      |
| VIC Staff                        | 130               | 33                | 3                                      | 2                                      |
| WA Staff                         | 57                | 3                 | 3                                      | 2                                      |
| **Total**                        | **711**           | **77**            | **58**                                 | **15**                                 |

| **Commonwealth Grants Commission Staffing** |                   |                   |                                        |                                        |
| ACT                              | 43                |                   |                                        |                                        |
| **Total**                        | **43**            |                   |                                        |                                        |

| **ComSuper Staffing**            |                   |                   |                                        |                                        |
| ACT                              | 289               | 24                | 37                                     | 4                                      |
| **Total**                        | **289**           | **24**            | **37**                                 | **4**                                  |

### Finance and Administration: Staffing

(Question No. 821)

**Mr Martin Ferguson** asked the Special Minister of State, upon notice, on 20 August 2002:

1. How many full time permanent staff, part time permanent staff, full time contract staff, and part time contract staff were employed by the Minister's Department and agencies within the Minister's portfolio as at 30 March 1996 and 30 June 2002.
(2) For each category of engagement referred to in part (1) and employed by the Minister’s Department and agencies within the Minister’s portfolio, where were such persons located in 30 March 1996 and 30 June 2002.

Mr Abbott—The answer to honourable member’s question is as follows:
This response has already been provided under Question on Notice 807.

Law Enforcement: Polygraph and Electronic Lie Detector Tests
(Question No. 888)

Mr Melham asked the Attorney-General, upon notice, on 29 August 2002:
(1) What is the cost of the trial of polygraph or electronic lie detector tests being undertaken within the Australian Security Intelligence Organisation (ASIO).
(2) When did the ASIO polygraph trial commence and when will it be completed.
(3) Is the polygraph trial conducted by ASIO personnel or by external contractors.
(4) In what States or Territories have polygraph examinations been carried out.
(5) How many ASIO personnel have been subject to a polygraph examination as part of the trial.
(6) How many ASIO personnel have been evaluated as (a) non-deceptive or (b) deceptive in their responses in polygraph examinations.
(7) Has the personnel security clearance status of any ASIO officer been changed as a consequence of a polygraph examination.
(8) Has the Government had any discussions or exchanges with US Government departments or agencies concerning possible requirements for polygraph testing of Australian personnel granted access to classified information released by the US.
(9) What system of professional training and accreditation applies to polygraph examiners in Australia.
(10) How many trained and professionally accredited polygraph examiners are currently employed by the Government.
(11) Are there any Australian national standards or other guidelines relating to the use of polygraph tests.

Mr Williams—The answer to the honourable member’s question is as follows:
(1) to (7) The trial of the polygraph being undertaken within the Australian Security Intelligence Organisation (ASIO) is still in progress. As stated in my press release of 21 September 2000, it is a voluntary trial being undertaken to evaluate the potential of the polygraph as a personnel security tool. For reasons of security, details of the trial are not being made public.
(8) I am not aware of any discussions between the Australian and US Governments concerning possible requirements for polygraph testing of Australian personnel granted access to classified information released by the US.
(9) The polygraph is not generally used in Australia so issues relating to training and accreditation do not arise at this time.
(10) The use of the polygraph by the Government is confined to the trial being conducted by the Australian Security Intelligence Organisation (ASIO). To assist in the trial, ASIO is using the services of two trained and professionally accredited polygraph examiners as contractors.
(11) The polygraph is not generally used in Australia so issues relating to national standards and other guidelines do not arise at this time.

Health and Ageing: Residential Aged Care Review
(Question No. 949)

Mr Murphy asked the Minister for Ageing, upon notice, on 24 September 2002:
Has he seen a report by Emma McDonald titled “Aged care: $7.2m cost of review questioned” on page 5 of The Canberra Times on 17 September 2002; if so, how (a) was the final total of $7.2 million determined and (b) does the Government propose the grant of $7.2 million be spent.

Mr Andrews—The answer to the honourable member’s question is as follows:
Yes, I have seen the report. $7.2 million has been provided over 2002-03 and 2003-04 to conduct a Review of the long-term financing options for the aged care sector and will take into account the improved care outcomes required from providers and underlying cost pressures faced by the sector. The importance and wide ranging nature of this Review is reflected in the level of funding that has been provided by the Government, which will ensure that the issues of critical concern to the sector and the community can be addressed.

The money will be used to fund a number of studies that will provide the necessary expertise to examine the complex financing and structural issues that the Review will be examining. It will also allow the Review to travel to State and Territory capitals and several regional centres, as well as publish and distribute discussion papers. Professor Hogan has generously agreed to do the Review for a nominal fee of $55,200 per annum in line with the fees paid under Remuneration Tribunal arrangements for part-time holders of public office.

The $7.2 million provided is considered an appropriate level of funding for such an important Review and represents less than 0.04 per cent of the total estimated appropriation for residential aged care over the budget and forward estimates period.