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

SITTING DAYS—2002

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

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

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

FRIDAY, 5 DECEMBER

Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002—
  First Reading ......................................................................................... 9693
  Second Reading ..................................................................................... 9693

Migration (Visa Application) Charge Amendment Bill 2002—
  First Reading ......................................................................................... 9694
  Second Reading ..................................................................................... 9694

Veterans' Affairs Legislation Amendment Bill (No. 3) 2002—
  First Reading ......................................................................................... 9695
  Second Reading ..................................................................................... 9695

New South Wales: Bushfires................................................................. 9696

Taxation Laws Amendment Bill (No. 8) 2002—
  First Reading ......................................................................................... 9696
  Second Reading ..................................................................................... 9696

Medical Indemnity Bill 2002,
Medical Indemnity (Consequential Amendments) Bill 2002,
Medical Indemnity (Enhanced Ump Indemnity) Contribution Bill 2002, and
Medical Indemnity (IBNR Indemnity) Contribution Bill 2002—
  Second Reading ..................................................................................... 9697
  Consideration in Detail ........................................................................... 9701
  Third Reading ......................................................................................... 9702

Medical Indemnity (Consequential Amendments) Bill 2002—
  Second Reading ..................................................................................... 9702
  Third Reading ......................................................................................... 9703

Medical Indemnity (Enhanced UMP Indemnity) Contribution Bill 2002—
  Second Reading ..................................................................................... 9703
  Third Reading ......................................................................................... 9703

Medical Indemnity (IBNR Indemnity) Contribution Bill 2002—
  Second Reading ..................................................................................... 9703
  Third Reading ......................................................................................... 9703

Broadcasting Legislation Amendment Bill (No. 1) 2002—
  Second Reading ..................................................................................... 9703
  Third Reading ......................................................................................... 9719

Taxation Laws Amendment (Venture Capital) Bill 2002,
Venture Capital Bill 2002—
  Second Reading ..................................................................................... 9720
  Third Reading ......................................................................................... 9729

Venture Capital Bill 2002—
  Second Reading ..................................................................................... 9729
  Third Reading ......................................................................................... 9729

Copyright Amendment (Parallel Importation) Bill 2002—
  Second Reading ..................................................................................... 9729

Ministerial Arrangements ...................................................................... 9744

New South Wales: Bushfires................................................................. 9744

Questions Without Notice—
  National Security .................................................................................. 9745
  East Timor: Civil Unrest ......................................................................... 9745
National Security........................................................................................... 9746
East Timor: Civil Unrest................................................................................ 9748
Distinguished Visitors......................................................................................... 9749
Questions Without Notice—
  National Security........................................................................................... 9749
  Science: Research and Development............................................................. 9751
  National Security........................................................................................... 9752
  Taxation: Families ......................................................................................... 9752
  Workplace Relations...................................................................................... 9753
  Immigration: Policy....................................................................................... 9754
  Workplace Relations...................................................................................... 9755
  Immigration: People-Smuggling................................................................. 9755
  Workplace Relations...................................................................................... 9756
  Terrorism: National Security ......................................................................... 9757
  Environment: Murray-Darling Basin System................................................ 9758
  Trade: Employment Opportunities ............................................................... 9759
  National Security........................................................................................... 9760
  Family and Community Services: Work and Family..................................... 9760
Questions to the Speaker—
  Questions on Notice ...................................................................................... 9761
  Questions on Notice ...................................................................................... 9762
Papers.................................................................................................................. 9762
Matters of Public Importance—
  National Security........................................................................................... 9762
Committees—
  Native Title and the Aboriginal and Torres Strait Islander Land Fund
  Committee ..................................................................................................... 9773
  Electoral Matters Committee—Membership................................................ 9773
Aviation Legislation Amendment Bill 2002—
  Report from Main Committee ....................................................................... 9773
  Third Reading................................................................................................. 9774
Research Involving Embryos Bill 2002—
  Consideration of Senate Message.................................................................. 9774
Parliamentary Zone—
  Approval of Proposal.................................................................................... 9774
Health Insurance Amendment (Professional Services Review and Other
Matters) Bill 2002—
  Consideration of Senate Message.................................................................. 9774
Bills Returned from the Senate........................................................................... 9774
Taxation Laws Amendment (Earlier Access to Farm Management Deposits)
Bill 2002—
  First Reading ................................................................................................. 9774
  Second Reading.............................................................................................. 9774
Copyright Amendment (Parallel Importation) Bill 2002—
  Second Reading.............................................................................................. 9775
Adjournment—
  Throsby Electorate: Illawarra Breast Cancer Support Group......................... 9785
HANSARD CONTENTS—continued

Baxter, Mr Robert: Replacement of Service Medals ........................................ 9786
Holt Electorate: Dandenong Valley Job Support ......................................... 9787
Science: Stem Cell Research ...................................................................... 9788
Transport: Shipping .................................................................................. 9789
Dickson Electorate: Community Service Groups ...................................... 9790

Statements by Members—
Australian Broadcasting Corporation ...................................................... 9792
Leichhardt Electorate ............................................................................... 9792
Capricornia Electorate: Veterans Affairs ............................................... 9793
Dickson Electorate: Envirofund Projects ................................................ 9794
Franklin Electorate: Staff .......................................................................... 9793
Rural and Regional Australia: Medical Scholarships .............................. 9795

Aviation Legislation Amendment Bill 2002—
Second Reading ........................................................................................ 9796
Consideration in Detail ........................................................................... 9816

Indonesia: Terrorist Attacks ..................................................................... 9817

Adjournment—
Women: Reproductive Rights .................................................................. 9822
Hawker, Mr Charles Allan Seymour ........................................................ 9823
Sydney Electorate: National Service Awards ........................................... 9825
Health: Childhood Obesity ...................................................................... 9826
Chifley Electorate: Telecommunications Tower ...................................... 9827
Economy: Household and Personal Debt ................................................ 9828
Colston, Former Senator: Criminal Proceedings ...................................... 9829
Petrie Electorate: National Service Awards .............................................. 9830
Banking: Services ..................................................................................... 9831
Health: Anaphylaxis ................................................................................ 9833
Shortland Electorate: Gracelands Christmas Display ............................... 9834
McPherson Electorate: Gold Coast Tourism ............................................. 9833
Aviation: Bankstown Airport ................................................................... 9836
Credit Unions ............................................................................................ 9837

Questions On Notice—
Superannuation: Pensions—(Question No. 835) ..................................... 9839
Ethnic Aged Care Services Grants Program—(Question No. 875) .......... 9839
Foreign Affairs: Iraq—(Question No. 976) ............................................... 9840
Defence: Inspector-General Staffing—(Question No. 989) .................... 9842
Small Business Answers Program—(Question No. 991) ....................... 9842
Migration Agents Registration Authority—(Question No. 1108) .......... 9843
Thursday, 5 December 2002

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

MIGRATION LEGISLATION AMENDMENT (CONTRIBUTORY PARENTS MIGRATION SCHEME) BILL 2002

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation) (9.30 a.m.)—I move:

That this bill be now read a second time.

This bill and the Migration (Visa Application) Charge Amendment Bill 2002, which I shall be introducing shortly, implement a new package of measures for parents who want to join their families in Australia.

These bills implement the government’s election commitment to increase parent migration.

There is currently a pipeline of 22,200 parents waiting to migrate to Australia.

The measures I am introducing will reduce this significantly by adding a further 4,000 places per annum to the 500 places per annum already available for parents.

During my extensive consultations on parent migration I have emphasised the need to find an acceptable balance between the costs and the benefits of parent migration.

On the one hand, we all understand the strong desire of migrant families to have their parents live with them in Australia.

On the other hand, we are all aware of the potential burden on our health and welfare systems from the entry of more older people.

As our population gets older the government must exercise responsibility in relation to our public health system and other programs paid for by the taxpayer.

A recent report by the Australian Government Actuary shows that parent migrants represent a very substantial cost in terms of public health and welfare programs.

There are higher costs for this category of migration because many of the parents are over the age of 55. The Labor Party, when in government, recognised these costs. It was they who introduced the assurance of support bond and the health charge in the early 1990s. The Labor Party government also introduced the balance of family test in the late 1980s. This test restricts the eligibility of parent migrants to those who have at least half of their children in Australia.

Although there are high costs associated with parent migration there are also substantial social and economic benefits.

Families with young children can benefit from the presence of grandparents.

Australia’s cultural life is enriched by the migration of parents and grandparents.

Research shows that parents bring economic assets with them.

They also contribute to the economy through the consumption of goods and services and the payment of various taxes.

In recognition of the benefits, the government is seeking a fairer contribution rather than a full recovery of the estimated costs of parent migrants.

My community consultations showed that many people are willing to make a fairer contribution to the costs associated with the migration to Australia of their parents.

This bill introduces a new parent migration visa category that allows parent migrants and their sponsors to do just that.

The key features of the new visa category are:

- applicants will be able to pay a one-off health charge of $25,000 per adult for a permanent visa;
- there will be an extended assurance of support period of 10 years instead of the current two years;
- there will be an increased assurance of support bond of $10,000 for the main applicant and $4,000 for other adult dependants;
there will also be the option of applying for a temporary visa which will require a payment of $15,000 per adult applicant:

- these people can then two years later, apply for a permanent visa by paying the remaining $10,000 per adult applicant health charge and the assurance of support bond;

- those on the temporary visas will have access to Medicare and work rights; and

- criteria that applicants meet at the temporary visa stage such as health, balance of family, and sponsorship, will not have to be completely reassessed.

Those in the existing parent pipeline who wish to transfer to the new category will not be charged again for the lodgment of the application.

As part of the package, the existing parent categories will remain open for new applications and we will double the number of places for existing parent visa categories from 500 to 1,000 places per year.

This will mean an increase in the opportunity for migration for those parent sponsors who cannot afford the costs of the new categories.

The measures will see the contribution of parent migrants to their combined lifetime health and welfare costs increase from 0.5 per cent to 12 per cent.

Through these measures we have found a balance which:

- allows more parent migration;
- acknowledges the costs and benefits of parent migration;
- sets a fair contribution level for parents and their sponsors;
- increases opportunities for those unable to pay higher charges; and
- ensures a fairer deal for the Australian taxpayer.

This is an important initiative—and one that is intended to maximise the number of parents who can successfully migrate to Australia. I thank Senator Bartlett, as Leader of the Australian Democrats, for his constructive contribution to the development of this package. I have given my friends on the other side of the House an opportunity to consult in relation to this matter as well. I hope they will see the good sense in these measures and see fit to support them. I commend the bill to the chamber and present the explanatory memorandum.

Debate (on motion by Mr Fitzgibbon) adjourned.

MIGRATION (VISA APPLICATION) CHARGE AMENDMENT BILL 2002

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation) (9.38 a.m.)—I move:

That this bill be now read a second time.

This bill complements the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002, which I have just introduced.

The amendments in this bill will ensure that the visa application charge for the proposed new contributory parent visas does not go beyond the visa application charge limit specified in the Migration (Visa Application) Charge Act 1997.

The amendments will increase the visa application charge limit, in relation to the new contributory parent visa classes, to $26,745 per applicant.

This amount will be indexed, in order to account for increases in health costs over time.

This index is to be compiled by the Australian Government Actuary based largely on health expenditure data provided by the Australian Institute of Health and Welfare.

The amendments do not change the visa application charge limit for any other type of visa.

These amendments are contained in a separate bill because they could be construed
as imposing a tax, and the Constitution requires that such bills deal with no other matters.

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

Debate (on motion by Mr Fitzgibbon) adjourned.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT BILL (No. 3) 2002

First Reading

Bill presented by Miss Jackie Kelly, for Mrs Vale, and read a first time.

Second Reading

Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (9.41 a.m.)—I move:

That this bill be now read a second time.

I am introducing this bill on behalf of the Minister for Veterans’ Affairs who, as the member for Hughes, has had to return to her electorate due to some devastating fires overnight.

This bill makes a series of amendments to the Veterans’ Entitlements Act 1986 to address a number of minor anomalies, to clarify aspects of the act and to align provisions of the act with social security law. These changes are designed to further improve the operation of the repatriation system and to ensure it is consistent with the social security system.

The bill includes amendments to provide for the continued indexation of the child related income support payments being received by a small number of persons in receipt of a service pension or income support supplement.

In 1998, responsibility for the payment of child related income support was transferred from the Veterans’ Entitlements Act to the Social Security Act 1991.

The amendments made in 1998 included a savings provision that preserved the payment of the child related payments to a small number of families who would have been financially disadvantaged by the transfer.

The government’s introduction of the family tax benefit in July 2000 and the associated repeal of the family payment provisions of the Social Security Act has resulted in the rate of the ‘saved’ child related payments to veterans’ affairs pensioners being frozen.

This bill will provide for the ongoing indexation of the saved child related payments in line with increases in the rate of family tax benefit. It will also give those recipients of the saved child related payments the opportunity to discontinue receiving the saved payments, if they would prefer to receive the family tax benefit instead.

Other amendments made by this bill provide for the payment of certain partner service pensions from a date earlier than the date on which the claims are lodged.

The amendments are a consequence of earlier changes that have made the partner of a veteran not eligible to receive a partner service pension unless the partner of the veteran has reached 50 years of age, or has a dependent child when the claim is made. An exception is made in the circumstances where the person is the partner of a veteran receiving the special rate of disability pension.

If a veteran’s claim for special rate is initially turned down, the partner’s claim will also be refused. If the special rate claim is later accepted on review, the amendments provide that the subsequent claim for partner service pension may be backdated to the date that the veteran becomes eligible for the special rate of disability pension.

The bill also includes amendments that are aimed at preventing the misuse of commutation provisions relating to the means testing of income streams for income support pensions. They strengthen and further clarify changes made in the Veterans’ Affairs Legislation Amendment (Further Budget 2000 and Other Measures) Act 2002.

These amendments will prevent the potential misuse of the commutation provisions where there is a succession of commutations of asset-test exempt income streams. Any overpayment of pension will be calculated from the commencement date of the initial asset-test exempt income stream purchased by the person.
This bill removes an unintended anomaly in the government’s pension bonus scheme. The amendments will enable certain persons who move from the social security system to the repatriation system, to carry over their periods of membership of the pension bonus scheme under social security law, to the scheme under the Veterans’ Entitlements Act.

A number of consequential and technical amendments are also included to ensure that the calculation of pension bonus accurately reflects the various circumstances that may apply to a person during their time in the scheme.

Finally, the bill will align the compensation recovery provisions applied to multiple lump sums of compensation with those that apply under the Social Security Act.

Following the receipt of lump sum compensation there is the determination of the ‘lump sum preclusion period’ during which a person’s pension will not be payable. The amendments ensure a consistent approach in the calculation of the lump sum preclusion period where a person receives a compensation payment in the form of more than two lump sums.

I congratulate the minister on the ongoing process of legislative improvement in the repatriation system under this government, with the aim of providing a system that operates effectively, consistently and fairly, to the benefit of the Australian veteran community.

I commend all her department who have worked so hard on this bill and the minister herself.

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

Debate (on motion by Mr Fitzgibbon) adjourned.

NEW SOUTH WALES: BUSHFIRES

Mr FITZGIBBON (Hunter) (9.45 a.m.)—Mr Speaker, with your indulgence, on behalf of the opposition, I extend best wishes to Minister Vale, her constituents and all those in New South Wales either affected by or fighting bushfires.

TAXATION LAWS AMENDMENT BILL
(No. 8) 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.

The main measures of this bill amend the income tax law and the petroleum resource rent tax legislation. Firstly, the bill adds a number of organisations to the tables that provide income tax deductibility for gifts to those organisations under the Income Tax Assessment Act 1997. The period of gift deductibility is being extended for two other organisations.

Secondly, the bill amends the capital gains tax provisions in the income tax law to take into account capital gains or losses while shares or rights are in an employee share trust. Broadly speaking, this measure will ensure that a capital gain or loss on subsequent disposal of the shares or rights by the employee is calculated from the time the shares are allocated to the employee in the trust. The counting of the 12-month ownership period for the capital gains tax 50 per cent discount will begin at the same time. Thus the treatment of shares or rights acquired under an employee share scheme operating through a trust will thus be better aligned with the tax treatment of shares or rights acquired under other employee share schemes.

Further, there will be technical amendments to the capital gains tax law and fringe benefits tax law to ensure that they operate as intended in relation to employee share schemes. The bill contains a series of other technical amendments to income tax legislation and other areas of the tax law.

The bill will give cooperative companies the option to frank distributions from assessable income of the current year. The measure gives cooperatives the same access to imputation credits as other companies, while maintaining the deduction for unfranked dis-
tributions for the cooperatives which prefer the deduction approach.

The bill also contains an amendment to rectify an anomaly in the reasonable benefit limit provisions of the Income Tax Assessment Act 1936. The purpose of reasonable benefits limit is to limit the amount of concessional taxed superannuation benefits received by a person. The amendment will ensure that the proportion of concessional taxation rebate available to a reversionary pension paid on death is the same as that which applied to the original pension.

The bill amends the Petroleum Resource Rent Tax Assessment Act 1987 to recognise expenditures associated with closing down a facility that has ceased to be used for a petroleum project but continues to be used under an infrastructure licence. This should remove a disincentive to the take-up of infrastructure licences. Without this change, there would be no tax concession for closing down expenses, such as environmental repair for facilities whose lives are extended by putting them to use processing petroleum from other projects.

The second amendment to the Petroleum Resource Rent Tax Assessment Act will produce more equitable and uniform taxing arrangements where the same facility is used for petroleum sourced from two or more petroleum projects. In these cases, the tax will be extended to include all petroleum activities related to that project in the tax calculations of the operator.

Clause 5 of the bill will ensure that no tax consequences arise for any person as a result of the corporate conversion of the Australian Gas Light Company from a company of proprietors established under NSW legislation to a company registered under the Corporations Act 2001.

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

Debate (on motion by Mr Fitzgibbon) adjourned.

MEDICAL INDEMNITY BILL 2002
Cognate bills:

MEDICAL INDEMNITY (CONSEQUENTIAL AMENDMENTS) BILL 2002
MEDICAL INDEMNITY (ENHANCED UMP INDEMNITY) CONTRIBUTION BILL 2002
MEDICAL INDEMNITY (IBNR INDEMNITY) CONTRIBUTION BILL 2002

Second Reading
Debate resumed from 3 December, on motion by Mr Andrews:
That this bill be now read a second time.

upon which Mr Stephen Smith moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“while supporting the passage of the Bills, the House:

(1) condemns the Government for not adequately recognising the medical indemnity insurance problem and not acting quickly enough to address its adverse effects, including higher medical costs and reduced availability of services for Australians and their families; and

(2) condemns the Government for failing to address the effects of higher medical indemnity insurance premiums on midwives, private hospitals, family planning clinics and aboriginal medical services; and

(3) calls on the Government to:

(a) assume a leadership role in the coordination of reforms necessary to State and Territory laws with the aim of uniformity in tort law reforms;

(b) consider putting in place a national scheme to ensure the long term care and rehabilitation needs of catastrophically injured Australians;

(c) ask the ACCC to ensure that whatever changes occur in medical indemnity insurance, no unfair or unreasonable on-costs flow to patients for the cost of their health care;

(d) play a more active role in bringing together medical defence organisations and representing them in negotiations with reinsurers; and

(e) support APRA with appropriate resources to fulfil its greater regulatory role in medical indemnity insurance”.
Mrs CROSIO (Prospect) (9.51 a.m.)—I rise today to speak in continuation on the Medical Indemnity Bill 2002 and associated legislation. As I stated on Tuesday 3 December, this legislation does not provide a long-term solution to the problem of medical indemnity insurance and, in particular, the increasing problem of the soaring cost of premiums. The package has failed to address the professional indemnity needs of health care professionals, such as midwives, and rising premiums faced by private hospitals.

As the member for Perth has stated in his amendment, the Howard government could do more to address the rising cost of premiums. It should assume a leadership role in the national coordination of reforms to state and territory laws with the aim of uniformity in tort law reforms. The government should require mandatory reporting of negligence claims and national data collection on health care negligence cases to assist in assessing where major problem areas and issues lie. It should also consider putting in place a national scheme to ensure that the long-term care and rehabilitation needs of our very badly injured Australians are taken into account. Other reforms that should be implemented by the government include representing medical defence organisations in negotiations with reinsurers, making the improvement of clinical outcomes—the reduction of clinical risk—a strong priority and asking the ACCC to ensure that no unfair or unreasonable on-costs flow to patients.

As I stated during the debate the other night, we as patients are more questioning of the medical opinions we receive; we no longer take a doctor’s word as gospel, as we did 20 or so years ago. This questioning—and, I suppose, a more cynical mentality—means that the community challenges the opinions of their practitioners. This mentality has also led to a more litigious society. I find this aspect quite disturbing. I do not challenge the right of people to use the courts to make claims against practitioners who have been hopelessly incompetent or criminally negligent. The system we have will always protect against this. However, we must take a stand against vexatious or spurious claims. We have seen over the last five years or so a large increase in advertising from law firms touting for business, particularly in terms of claims against the medical profession. This has put upward pressure on those claims.

The government should be quite active and coordinate the obvious reforms that are necessary to state and territory laws so as to create uniformity in tort law reforms. I know the New South Wales government has taken a lead in attempting to reform the tort law and has come under criticism from the Law Society of New South Wales. The Law Society’s vocal campaign against the reforms is not surprising, considering the burgeoning business of a number of its members in the compensation field. Governments, though, are elected to govern for all of the community—unlike the legal community, who are obliged to work only for individual clients. Therefore, the maintenance of the ongoing viability of a service as essential as the provision of medical services does not appear to be a concern to them. I understand that the government, in particular the Liberal Party, is a law society of its own, but I hope that the legal eagles are able to withstand the protests of their associates in the legal fraternity and actively promote reform.

The insurance industry overall has been struggling since the terrorist attacks in the US on 11 September 2001. In Australia we have seen the biggest collapse in corporate history. HIH Insurance Ltd was the second biggest insurer in Australia, but the strain of the market and other factors—which I will not pass comment on due to the current royal commission proceedings—have certainly contributed to its downfall. In this increasingly shaky insurance environment, medical defence organisations, MDOs, have come under increasing pressure. MDOs rely heavily on reinsurance to protect their financial position. MDOs are able to raise additional capital under their current structural arrangements by either charging increased subscriptions or calling on members for additional funds. In the last three years, four of the main MDOs have been required to call on members for additional funds.

The crisis involving UMP and AMIL has seen a large increase in the cost to medical practitioners of subscriptions to their MDOs.
The collapse of UMP could see 60 per cent of doctors without medical indemnity cover. The government had to act in such a situation, but the signs were surely there that it should have acted earlier. Serious questions must be raised about why the signs were not seen earlier, because the crisis regarding UMP had been raised with the government before the appointment of the provisional liquidator in May 2002.

I note that the government, as part of this legislation, is bringing MDOs into the ambit of the Australian Prudential Regulation Authority or APRA. However, the ability of APRA to actively regulate prudential issues has come into question in the wake of the HIH collapse. APRA must be provided with the appropriate resources to be able to fulfil its regulatory obligations. Some form of lip-service is not enough. We cannot have a situation where there are threats to the provision of basic medical services, and that is why the government should be active in the coordination and the representation of MDOs in negotiations with reinsurers.

We on this side of the House are also concerned that any on-costs are not passed on in a punitive manner to consumers. That is why we propose that the ACCC have the ability to police this. We all know what will occur if there is no monitoring of the situation. Those in the community who are least able to afford the cost will be the worst affected, and the danger is that the medical services that they deserve will be too expensive for them and out of their reach. This is of deep concern to me. I represent a constituency who have battled hard, day in and day out, to keep going in this increasingly tough economic environment. I personally will do all that I can to assist them in the provision of what I believe is a most essential service.

Even though I believe the government should be more proactive, more vigorous and have a long-term solution to the crisis, the situation as it stands now is too important for this parliament to do nothing. I support the amendment before the House and I hope the government will give it consideration.

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (9.58 a.m.)—I thank all honourable members who have taken part in the debate on the Medical Indemnity Bill 2002 and associated legislation. I have some sympathy with the comments that the member for Prospect made about advertising, but I do point out that this is a matter for legislation at a state level; in fact, in some states the kind of advertising that the member for Prospect referred to is not allowed. I think it would be sensible if that were the case around the country.

There are a number of points that I would like to make in relation to some of the issues raised in the debate and in the amendment proposed by the member for Perth to the second reading motion. First, it is simply incorrect to accuse the government of inactivity in this area. The fact is that we did not play any part in creating the problems in the medical indemnity market but, from the time that the problems with UMP emerged earlier this year, we have been diligent in taking action to resolve them.

We offered a guarantee to UMP before it placed itself in provisional liquidation. Once it had gone into provisional liquidation, we offered a guarantee to the provisional liquidator to allow him to continue to make payments and accept renewals. We have passed legislation to give statutory backing to that guarantee. We have consulted at length with a wide range of medical, insurance and other groups to develop a workable solution to the problems in the medical indemnity area. The results of that process are embodied in the legislation before the House today.

Another issue that was raised in the debate was the alleged failure of the government to deal with the effects of higher medical insurance premiums on midwives and private hospitals. This assertion is founded on the fundamental misconception that these groups purchase medical indemnity insurance. The reality is that most midwives are employees who do not need to purchase insurance at all, while private hospitals buy public liability insurance. As far as midwives are concerned, I am advised that 97 per cent of midwives are employees. Midwives are either employed directly by hospitals or on contract through an agency and therefore should be covered by their employer’s indemnity in-
surance. On this basis, nearly all midwives can continue to provide services to pregnant women and their babies. I understand that some self-employed midwives have had difficulty in obtaining cover. However, the Western Australian and ACT governments have apparently extended the coverage they offer to employed midwives to self-employed midwives, and I suggest other jurisdictions should consider similar action.

While I understand that the private hospital industry is facing large increases in insurance premiums and in the excesses that it will be required to pay if a claim eventuates, the size of these increases needs to be put into perspective. Using figures compiled for the industry by Trowbridge Deloitte, it seems that we are talking about an increase in costs, for both premiums and excesses, of about $8 a day in the very worst case scenario. I remind members that $8 a day is out of total costs averaging $600 a day. The government does not see the need for special assistance to help private hospitals deal with an increase in costs of about one per cent.

The member for Perth also raised the issue of long-term care schemes. The government has concluded that such schemes are not the best way of dealing with the issues around medical indemnity insurance. The fact is that the vast majority of people needing long-term care are injured at work or in motor vehicle accidents, not in medical incidents. These people are covered by workers compensation and traffic accident schemes run by the states. There would be nothing to stop the states, such as Victoria and Tasmania, with effective long-term care schemes for traffic accident victims from adding people with long-term care needs arising from medical misadventure to their schemes. There is nothing to stop other jurisdictions putting in place arrangements like those in Victoria and Tasmania to deal effectively with the needs of catastrophically injured people.

The Commonwealth has agreed to continue to work with the states and territories, through the Insurance Issues Working Group of Heads of Treasuries, on exploring options around long-term care costs. But we do not see action in this area as a short-term solution to the medical indemnity issues. The fact is that the real impact of long-term care costs on medical indemnity is the uncertainty such costs create for insurers. It is apparent that insurance markets currently have little appetite for taking on large and uncertain risks. This legislation addresses the insurance issue by meeting 50 per cent of the cost of payouts by medical indemnity providers over $2 million. This will significantly reduce the uncertainty associated with high cost claims in medical indemnity insurance. Another point raised by the member for Perth was resources for the Australian Prudential Regulatory Authority, or APRA. The government has always ensured that APRA is sufficiently resourced, and it provided an additional $12 million to APRA in the budget for its supervision of authorised deposit taking institutions and the general insurance industry.

In summary, let me say that this package of legislation deals with many of the issues besetting medical indemnity insurance. First, it removes the burden of unfunded ‘incurred but not reported’ liabilities from the industry and allows medical defence organisations that have not properly provisioned for these liabilities to make a new start. Without this measure, it is very probable that UMP would have already been placed in full liquidation by now, with an excess of liabilities over assets of $460 million. Some 60 per cent of doctors across Australia would be uninsured for incidents arising from their practice over the last several decades. The remaining six medical defence organisations would be facing major pressures in dealing with an influx of doctors trying to buy alternative cover. The legislation allows UMP and any other medical defence organisation with unfunded ‘incurred but not reported’ liabilities to wipe the slate clean and start afresh.

Second, the legislation provides for the Commonwealth to co-fund half of all payments by medical defence organisations over $2 million in respect of claims notified after 1 January next year. This will reduce the uncertainty around high cost claims and remove one factor deterring general insurers from entering the medical indemnity market. It should also allow medical defence organi-
sations to negotiate considerably reduced reinsurance premiums as their reinsurance contracts come up for renewal. This in turn will lead to reductions to the premiums that would otherwise be payable by members. Third, the legislation allows for the government to pay premium subsidies to doctors. We have already announced our intention to subsidise premiums for obstetricians, neurosurgeons and procedural GPs to cover half of the difference between the premiums they pay and the premiums of a comparator group.

The Commonwealth is also taking action in other areas. Legislation to give statutory backing to the guarantee to the provisional liquidator of UMP was passed earlier in these sittings, and legislation to bring medical indemnity insurers under an improved regulatory regime will be introduced into the parliament shortly. The Commonwealth is also working with the states in support of coordinated national tort law reform. We established the Ipp review of the law of negligence, and we continue to encourage the states to implement its findings through the Ministerial Meetings on Public Liability Insurance. The Australian Competition and Consumer Commission has been asked to monitor medical indemnity premiums to ensure that they are soundly based.

In conclusion, I foreshadow that I will be moving a set of government amendments in the consideration in detail stage to correct a technical problem with the Medical Indemnity Bill 2002. I commend the bills to the House.

The DEPUTY SPEAKER (Mr Wilkie)—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.
This set of amendments addresses a technical problem with the provisions of the bill. As the bill was introduced it included a reference to a person being a member of a medical defence organisation at a time when an incident forming part of the ‘incurred but not reported’ liability of the medical defence organisation occurred. Since the introduction of the bill, the government has been advised that at least one medical defence organisation has a liability in relation to ‘incurred but not reported’ claims against persons who are now members of a medical defence organisation but who were not members of the organisation when the incident occurred. This has come about because the persons were members of other medical defence organisations, the membership or business of which were subsequently transferred to the medical defence organisation which now has the liability.

The amendments generally have the effect of replacing the requirement that a person was a member of the medical defence organisation when the incident occurred with the requirement that the person has ‘incident occurring based cover’, usually known as ‘claims made’ cover, with the medical defence organisation for the incident. The amendments also change the definition of ‘incident occurring based cover’ to include cover provided under an arrangement between the medical defence organisation and a person other than the person who was covered. This deals with the case where the liability but not the membership of one medical defence organisation is transferred to another. These amendments do not alter the policy intent of the legislation as introduced and have no financial impact beyond that originally intended.
Third Reading
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (10.13 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

MEDICAL INDEMNITY (ENHANCED UMP INDEMNITY) CONTRIBUTION BILL 2002

Second Reading
Debate resumed from 13 November, on motion by Mr Andrews:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (10.14 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

MEDICAL INDEMNITY (IBNR INDEMNITY) CONTRIBUTION BILL 2002

Second Reading
Debate resumed from 13 November, on motion by Mr Andrews:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (10.14 a.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

BROADCASTING LEGISLATION AMENDMENT BILL (No. 1) 2002

Debate resumed from 14 November.
the bill are a holding action providing a short delay of six months to the HDTV commencement date to avoid short-term compliance problems in the period between 1 January 2003 and the passage and implementation of any legislative changes to the HDTV quota regime.

The government remains strongly committed to HDTV as an important element of the digital television landscape. HDTV, along with program enhancements (such as multiview programs) and multichannelling by the national broadcasters, are all aspects of the current digital television regime which will, over time, attract consumers.

Both in Australia and internationally there are now increasing signs that HDTV will play a key role in digital television take-up. A significant proportion of the set-top boxes sold to date in Australia have been HDTV boxes. In the USA, there is growing support from the production sector to produce digital product in HDTV. In Japan, it is considered that HDTV will be a primary driver of digital television take up.

However, the HDTV obligations on broadcasters in mainland state capitals should be delayed until 1 July 2003 to allow time for the detail of those obligations to be settled.

I present the explanatory memorandum to this bill.

Mr Tanner (Melbourne) (10.19 a.m.)—The opposition support the Broadcasting Legislation Amendment Bill (No. 1) 2002 that the government is putting forward to delay the coming into effect of the obligation with respect to high-definition television as part of the broader introduction of digital TV in Australia. We do so because we believe this is an unavoidable bridging mechanism to give some further breathing space to the government to get its act together to determine what it is going to do about the mess that has arisen in the introduction of digital television as a result of its policy position and the approach that it has been taking.

The opposition support this bill. I will be moving a second reading amendment which outlines a number of the broader issues that are at stake in the digital TV regime that the government is now in such a shambles about.

I wish to make some observations first about high-definition television. The government resolved several years ago that, as part of the introduction of digital TV, it would mandate broadcasting in high definition with the aim of ensuring that that technology became dominant in the new digital arena. We are the only nation in the world that has chosen to go down the path of mandating high-definition TV. One or two nations encourage it—such as the United States—but Australia is the only nation which has decided to go down this path. Other nations such as Britain have determined to make use of the spectrum which digital television unlocks because it is much more efficient than analog broadcasting in other ways. In Britain, for example, there are six digital broadcasting licences, each of them for the broadcasting of four separate channels or multiplexes as they are called there. As a result, 24 channels are open to be broadcast on the digital spectrum.

High-definition TV eats up a considerable amount of spectrum, although there are some developments under way which may diminish that. Nonetheless, by being mandated high-definition TV effectively ensures that the translation of analog to digital is in effect simply replicating the existing broadcasting regime in this country rather than opening up some of the much more substantial possibilities that digital broadcasting offers as a result of the much more efficient use of spectrum that it entails.

I believe we need to reconsider our approach to high-definition TV. The sale of high-definition sets have been minuscule and the price of those sets is still extremely high. There are some in the industry who argue that change is occurring and that there are signs of some take-off of sales. I am yet to be convinced of that. I believe that we need to have greater choice and that it is wrong for a government to mandate technology. To make a decision about how broadcasting will occur—not by way of standards where there is a legitimate role for government in seeking to ensure that there are uniform standards for broadcasting, but to mandate particular technology as the means by which digital broad-
casting will unfold in this country—I believe is a mistake.

How we are to go about remedying that mistake is an open question that the government is now grappling with. It is refusing to acknowledge that it made a mistake and to come to grips with the consequences of that mistake. For the past six to nine months we have seen regular articles in the Financial Review indicating that the government was considering allowing multichannelling, which is the primary alternative to the mandating of HDTV, and that it was on the verge of scrapping the HDTV mandate. Subsequent articles then suggested that the matter had been considered by cabinet and deferred.

There is considerable confusion on the part of the government about where it wants to head in the digital television arena. I believe we need to have a thorough across-the-board re-examination of our strategy in this country with respect to the introduction of digital television. Digital TV essentially entails three improvements: firstly, better reception, which, although ultimately not a big driver of consumer behaviour, is certainly useful and important for some people; and, secondly, interactivity, which ultimately will be a very significant economic factor in broadcasting but will take some time to take off. It will be some time before we are able to assess what kinds of applications will be economically powerful and which ones will fall by the wayside. That process of developing interactivity is also very much stalled. Thirdly, the most substantial opportunity that the introduction of digital television offers us is greater diversity, more choice, more channels. In 1998, the government chose, in effect, to avoid that path to ensure that we did not have more channels, more choice, greater diversity. The means by which they chose to do this was the mandating of high-definition television. I believe that this was a mistake and that we need to go back to square one in analysing where digital TV should proceed.

In some respects, the egg is a bit scrambled. We are not now in 1998 and considerable sums of money have been spent by investors, broadcasters and people who supply services to broadcasters on high-definition TV related investments. There are significant problems and associated collateral issues which need to be addressed if we are to seriously revise our strategy with respect to digital TV. I do not pretend for a moment that there is a simple way we can proceed to address these issues. I contend that the approach which has been taken up until now has manifestly failed. It needs to be revised. The government implicitly acknowledges that and has been tinkering at the edges with the minister implicitly suggesting that he now favours multichannelling with this bill to delay the introduction of high-definition TV and a range of other little hints and wobbles.

The government has failed to come to terms with the problem as a whole. It has failed to acknowledge that its previous approach has not worked, even though components of it, such as the ludicrous datacasting strategy, were stillborn because the licence conditions were so restrictive that no investors were interested in taking them up. This approach to the introduction of digital television has proved to be a failure.

I acknowledge that building an alternative approach will not be easy and it requires considerable public debate and open consideration of the alternatives. Therefore, I do not see this legislation as incompatible with that approach. In a small way, it enhances it because it gives a limited breathing space—a six-month breathing space—with respect to the mandating of high-definition TV. Indeed, it reflects a call that I made on behalf of the Labor Party some time ago for a moratorium on the introduction of high-definition TV, given that the government was clearly flirting with the idea of abandoning or seriously modifying the high-definition TV obligation.

I now call on the government to get serious about this issue, go back to the drawing board, consult all relevant parties and seek to build a much more viable consumer friendly and investment friendly digital TV regime. This will enable us to move forward into the digital age with greater choice, technology neutral regulation which allows the market to determine what kinds of uses will be made of broadcasting spectrum, a greater degree of regulatory certainty and minimal cost to consumers. These should be the objectives we
are seeking to pursue. The government has failed to get its act into gear and to determine in which direction it wants to head.

Ultimately, the introduction of digital broadcasting will unwrap some very significant benefits for this nation such as significant educational benefits, employment opportunities, greater entertainment possibilities and more choice for consumers. Thus far, it has been seriously retarded by the extremely restrictive and backward looking regime that the government introduced. We now have the opportunity to deal with the problems that have emerged as a result of the adoption of that regime.

I therefore indicate to the House, as I said at the outset, that Labor supports the bill because it makes some sensible modifications to the high-definition television regime. This is by no means the last word on this subject. I urge the government to deal with the issues here—multichannelling, datacasting, high-definition TV and the future of digital broadcasting—in a much more systematic and comprehensive way. The opposition stands ready to engage in a constructive public debate about the future of digital broadcasting. There are no necessary party political obstacles between us and the government on these issues. Ultimately, we all face the same complex and difficult questions. We need to have another look at these issues. We need to do it better. I urge the government to take that opportunity.

I move:

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

“whilst not seeking to deny the Bill a second reading, the House condemns the Government for:

(1) continued fiddling with its disintegrating digital television regime without addressing the overall problems inherent in the regime;
(2) refusing to acknowledge that its digital television regime is failing, particularly with respect to the very poor consumer take up of digital receivers;
(3) creating confusion in the broadcasting sector by promoting multi channelling but not acting to enable it to occur;
(4) maintaining a failed datacasting strategy which has been completely rejected by the media sector; and
(5) granting $260 million in digital television conversion funding rebates to the regional television networks to cover the cost of digital conversion without entrenching guarantees that existing services such as regional news services would be maintained”.

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

Mr Fitzgibbon—I second the motion 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 Melbourne 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.

Mr LINDSAY (Herbert) (10.29 a.m.)—I appreciate the opposition’s support for the Broadcasting Legislation Amendment Bill (No. 1) 2002. There has to be certainty, as has been pointed out, but I think there were some inaccuracies in the comments that were made by the previous speaker, the member for Melbourne. First of all, I want to make it clear that the government is not backing away from its commitment to high-definition television. It was right that the government mandated the introduction of HDTV. In the years ahead that will be seen to be a very wise decision of the government and, as it leads the world in so many other areas, Australia will lead the world in digital broadcasting technology.

Picking up on some of the technical matters in the bill, the measures proposed will not change the commencement of the HDTV obligations in areas outside mainland state capitals. Of course, as the member for a regional area—for Townsville and Thuringowa—that is of great importance to me. Actually, I obtained a set-top box about four weeks ago and I turned it on, but unfortunately there is no digital broadcast in my area, and it is not expected for another year. I am looking forward to seeing it arrive in October next year. This legislation will delay the commencement of the 20-hour per week HDTV quota obligations, but it will only be for six months. I think the industry appreciates that the government is moving carefully
and wants to make sure that the introduction of the new digital age proceeds as smoothly as possible.

I would like to comment on the second reading amendment moved by the member for Melbourne. I note that paragraph (2) of the amendment condemns the government for ‘refusing to acknowledge that its digital television regime is failing, particularly with respect to the very poor consumer take up of digital receivers’. That flies in the face of something that I saw only four weeks ago. The member for Lindsay and I went to Panasonic’s TV factory in Penrith, which is in the electorate of the member for Lindsay. I want to acquaint the House and my colleagues of the fact that Panasonic is the only company that makes television sets in Australia. Many people think that Panasonic large-screen sets are made in Taiwan, Thailand, Malaysia or Japan, but they are made in Australia and they always have been. While we were there the two-millionth ‘Made in Australia’ television set came off the production line. What a marvellous achievement by Panasonic; and, what is more, to the eternal credit of Australians, the profitability per set made is higher than any other Panasonic factory in the world. Right here in Australia we can compete and we can make television sets at a higher unit profitability than at any other factory in the world in the Panasonic organisation.

How is that related to digital? We saw the digital sets being made. The demand for digital sets is such that every digital set made by the Panasonic factory is basically sold before it comes off the production line. That is the extent of the demand. To have a second reading amendment which refers to ‘the very poor consumer take up of digital receivers’ is clearly not right. It is the same with other manufacturers who offer digital sets in Australia—people like Philips, Sony, LG and Samsung. They are in the marketplace as well and they are selling digital television receivers. What is driving these sales? This is a key point.

Before I make that key point, let me say that I had long held the view that, for the average consumer out there—for Mr and Mrs Suburbia—as long as their television picture moved and talked, they were satisfied; that was all they were interested in. I have seen shocking picture quality on people’s television receivers—people not noticing that the picture was full of ghosts or that there was sound distortion because of the ghosting. As long as it moved and as long as it talked, they were happy. But that is wrong in relation to this current digital age. I have come to that realisation, and the parliament should come to that realisation. What is driving the sales of HDTV is DVD technology.

DVD will probably be the biggest selling technology this Christmas in the shops. Once consumers see the brilliance and the quality of DVD—both in picture and sound—they want more. They realise that the pictures they are getting off air are substandard, and that will drive the move to digital television. As the previous speaker said, one of the advantages of digital television is that the reception is much better: the ghosts, effectively, do not appear; they are removed. You get a first-class picture even though you are receiving ghost signals. So I am very upbeat and positive. Because of the government’s proactive move in mandating the introduction of HDTV and the digital system, I think Australia will see a very big take-up of this technology as we proceed. I am not at all pessimistic, as the opposition seems to be, because of the evidence I am seeing in the marketplace.

However, there is one concern that I have at the moment, and it is a technical concern. Perhaps officers of the Department of Communications, Information Technology and the Arts who are in the parliament should take note of this. While there is a mandated standard for the broadcast of digital television pictures, broadcasters can interpret that standard in different ways. It is possible with the set-top box system of receiving digital television that if you tune to Channel 9 you might get picture and no sound, and if you tune to Channel 7 you might get sound and no picture. That happens right now.

We cannot allow that to continue. There is a solution. The set-top box makers need to put software patches into their set-top boxes to make sure that all of the different broad-
cast formats are received properly and seamlessly. We need to legislate for a small data stream to be available on perhaps ABC or SBS television so that the set-top box makers can send to the receivers across the country—no matter where they are—any software patches that are needed to correct the operations of the set-top box so that all set-top boxes in the country can receive all channels without any problems.

Some people listening to this might not think that what I have just said is the case. I can guarantee that it is exactly the case. I do not think that the manufacturers want free spectrum to transmit the software patches. I think they are prepared to pay the broadcasters to have that channel. But it will need legislation, I believe, to allow that to happen. That is why I say the department should take note of what I am saying.

I think the government is amenable to making sure that that occurs because the only alternative is for the set-top box manufacturers to go and visit every set-top box and upload the software patch that is needed. Clearly that comes at a cost, and I do not think viewers would be terribly happy to realise that they cannot get proper digital reception from every channel every hour of the day without having to pay somebody to come to their home to make an adjustment to their set-top box. I ask the department to have a look at that and see if we can get that sorted out as soon as possible.

The previous speaker also indicated that he was disappointed that the government was not going for multichannelling. He said that we are really going to have the same system as we have now but in digital. He did not think that is right, either. I would make two points about that. The first is on the question of more channels. As a long time participant in this industry, I can tell you that more channels are not necessarily better for the consumers. It is a mantra that you hear everywhere that more choice is always better. But there are some very significant downsides in more choice in public broadcasting.

The very significant downsides come from the fact that we are a small marketplace—that we have a small number of viewers—when you look at the costs of providing many channels of information and entertainment. I think that many of those listening to what I am saying will understand that when aggregation came along and we got three channels we did not get three times the quality of the programming. There are many people now who do not even have a television set because there are not a lot of worthwhile shows. I think that is a narrow-minded view. But you know what I am saying. A lot of the programming is repeat programming or low-quality, low-budget programming. Just adding a whole lot more channels does not necessarily improve what is available to viewers. I have access to pay television channels, I never watch them because there is just too much information being thrown and you do not have time. You cannot sit in front of a television set all day. The point that I am making is that more choice, more channels, is not necessarily the best outcome for viewers.

It is also not necessarily the best outcome because it could prejudice the financial viability of the free-to-air broadcasters. The last thing we want in this country is free-to-air broadcasters being in a position where they may not be able to continue to provide a quality service to those who wish to receive it. I am a fierce advocate for maintaining the financial viability of the free-to-air broadcast system in this country, and I do not want to see that prejudiced by a whole lot more channels adding a whole lot more cost and perhaps putting the financial viability of some broadcasters, particularly regional broadcasters, in doubt.

The other point I want to make is in relation to the idea that we will just get the same system. I think the previous speaker ignored the fact that once we go fully digital all of the existing analog channels will become available. They will be there vacant. There will be plenty of spectrum available. If the government down the track, the government of the day, chooses to look at multichannelling or some other variations, then that spectrum will be available. We have not in any way ruled out or ruled off our options for the future. I think it is wise and prudent that the government takes one step at a time and in-
roduces the new technology in the HDTV format. Then, if in the future there are further demands for spectrum, the spectrum is simply there.

Paragraph (5) of the amendment that was introduced indicates some concern that the government will not be entrenching guarantees that existing services, such as regional news services, will be maintained. Both the member for Hinkler, who is with me in the parliament today, and I are certainly strong advocates for making sure that there will be guarantees that news services will be provided in the regional areas. There is no doubt that broadcasters who are the holders of a licence to use scarce public spectrum should provide that and should keep that obligation to their local community. I know that the viewers in Townsville and Thuringowa want to see the provision of local and appropriate news services.

The Australian Broadcasting Authority has made draft recommendations to the government and the industry. The government sees that the ABA will allow the industry to respond to those draft recommendations. They will ultimately come back to the government as final recommendations from the ABA. I will, in no uncertain terms, be fighting to have those recommendations implemented in legislation. I am determined to see that broadcasters meet their obligations to their local communities. I refuse to have broadcasters who do nothing more than run a control room out of Sydney, Melbourne or Canberra with no regard to the interests of the regional areas of Australia. It is very important that local television stations be part of the local community and give something back to the local community in terms of their obligation to broadcast information of community interest. There is no doubt that that should be an obligation on the broadcasters.

So I reject paragraph (5) of the amendment that has been moved. If I have my way—and I know that a lot of my colleagues feel the same way I do—existing news services will be retained, and news services that have been cancelled will be returned to the airwaves and our local communities will have the opportunity to get that programming back. I again thank the opposition for their support for the technical matters in this bill. I think that through this we will see a further orderly move towards the introduction of the best television system in the world right here in Australia.

Mr SNOWDON (Lingiari) (10.47 a.m.)—I am pleased to be able to make a contribution to this debate, which largely deals with Australia’s community broadcasting sector. Hopefully, the Broadcasting Legislation Amendment Bill (No. 1) 2002 will strengthen a sector that has so far suffered from arrangements that were merely temporary. As the amendment points out, this debate raises other questions, which I will come to in a little while. The bill amends the Broadcasting Services Act 1992, the Radiocommunications Act 1992 and the Broadcasting Services (Transitional Provisions and Consequential Amendments) Act 1992 to provide improved licensing arrangements for community television stations in Australia. It also repeals provisions of the Broadcasting Services Act that prohibit the transmission of political advertisements during election periods. The High Court held those provisions constitutionally invalid in Australian Capital Television Pty Ltd v. The Commonwealth.

In 1991 I had some responsibility for radiocommunications in this country as Parliamentary Secretary to the Minister for Transport and Communications. At that time we saw the development of community television, which traces its beginnings to 1991, when the federal cabinet referred the issue of use of Australia’s six television channels to the Standing Committee on Transport, Communications and Infrastructure. On the recommendation of that committee the cabinet in 1992 instructed the Australian Broadcasting Authority to undertake a trial of community television. It was not until 1994 that the first community television licences were granted. Since that time community television licences have been granted both in capital cities and in regional areas.

The role of community television providers in this country is clearly an important one. These broadcasters provide services for community and educational purposes, and are not for profit. They fill a niche in the
television sector in Australia. Currently, they meet the needs of people who are not fulfilled by what is supplied by the commercial broadcasters. Unfortunately, some of these community television providers have struggled to be a great success because of the inadequacies of the regulatory framework. Since they were first granted, these licences have only been of a temporary nature, intended to suffice until a permanent arrangement could be properly arrived at. The uncertainty surrounding the licences has hindered these broadcasters. Given that until now there has been a question mark over the heads of broadcasters as to whether their licences will ever achieve permanency, it has been difficult for them to secure sponsorship. Lack of sponsorship has prevented these broadcasters from achieving the financial stability required to meet the high capital and operational costs of community television broadcasting. The ABA reported on this issue in July 2002 in its investigation into community television.

Further problems have arisen where community broadcasters have become too reliant on limited sources of income. When broadcasters find themselves in that situation, they may sell large amounts of air time to a small number of sponsors. In such a situation there is a very real possibility that these sponsors will effectively take control of the licence and exert their influence on editorial policy. If sponsors are given the chance to exert influence on the editorial policies of a community broadcaster, this surely creates a problematic situation where it is easy for the broadcaster to breach the conditions of their licence, which are that their services must be provided for community or educational purposes and must not be for profit.

To overcome these problems in the community television sector this bill seeks to create a permanent framework for community licences. It seeks to improve the accountability and governance of community licences and allows community broadcasters the opportunity to raise much needed funding through sponsorship. Community broadcasting licences will be defined in the Broadcasting Services Act 1992 in subsection 6(1).
applicant’s key officers have been convicted of any offences against the Broadcasting Services Act. The bill also seeks to resolve financial stability problems by allowing community providers to broadcast sponsorship announcements of up to seven minutes rather than the current five-minute limit. In doing so, community broadcasters should be better able to meet their high operating costs, improve the quality of their broadcasting equipment and produce greater quality programming in a greater quantity. Amendments to the Radiocommunications Act will provide that community television licences will remain effective for the remainder of the analog broadcasting—that is, until 31 December 2006.

This bill also does a number of other things. It is worth now contemplating the amendment which has been moved by the Labor Party. This amendment condemns the government for:

(1) continued fiddling with its disintegrating digital television regime without addressing the overall problems inherent in the regime;
(2) refusing to acknowledge that its digital television regime is failing, particularly with respect to the very poor consumer take up of digital receivers;
(3) creating confusion in the broadcasting sector by promoting multichannelling but not acting to enable it to occur;
(4) maintaining a failed datacasting strategy, which has been completely rejected by the media sector; and
(5) granting $260 million in digital television conversion funding rebates to the regional television networks to cover the cost of digital conversion without entrenching guarantees that existing regional news services should be maintained.

As you know, Mr Deputy Speaker, I live in a remote part of Australia but we are well serviced, in a broadcasting sense, by television stations. I live in Alice Springs, and we have a very good commercial station—Channel 7 Central—which has over the last couple of years started broadcasting out of central Australia. We also have Imparja, which is unique because it is an Indigenous owned company which has a footprint to broadcast services into most of South Australia, all of the Northern Territory, some parts of western New South Wales and parts of western Queensland. Because of the relationship it has achieved with other broadcasters, Imparja covers a huge area. Over time, Imparja has developed into a very good operation. Coralie Ferguson, the general manager, who is responsible for running that organisation in a business sense, has just finished up after working there for five years. She brought a discipline to that organisation which ensured that the quality and the range of its services were improved. Its standard of service is well appreciated by all the people in its viewing area. I wish Mrs Ferguson well in her new job, which I understand is to manage the responsibilities of all Channel 7’s regional stations in Queensland. I am sure she will do that with great aplomb and bring to her new job all the professionalism and the success she achieved at Imparja.

Like the member for Herbert—I understand he has some expertise in this area—I am a great advocate of free-to-air television. It is important to understand that Imparja is sustained partly by funds made available to it through ATSIC, and via another department, to pay the ongoing costs of satellite hire. I hope the government will ensure that these funding arrangements are guaranteed well into the future because it would be inappropriate and not good for the broadcasting sector to see Imparja fail, for whatever reason but particularly through no fault of its own, as a result of the costs it has to bear because of the transponder. I do not expect it will and I know it has been functioning extremely well. One of the good things about Imparja is that it has a locally based news service. As the local member, what pleases me is the effort that Imparja has made to ensure that it garners news from across the region it services—not just from Alice Springs. It takes newsfeeds, obviously, from other stations, but the local half-hour, six o’clock news service is locally broadcast and there is a lot of local content.

One of the interesting things they have done is to develop a character, Yamba, for a children’s program. This character is widely recognised throughout the community and is
an excellent marketing tool in attracting people to health and lifestyle issues—the sorts of issues which are important to people in this part of the world, remembering that the dominant population group outside the metropolitan area of Alice Springs is Indigenous Australians. In the area of the Northern Territory that Imparja broadcasts to, roughly 50 per cent of the population are Indigenous Territorians, so to have Imparja, an Indigenous owned television station, operate in this region is only appropriate. This parliament should commend Imparja for the work it does, for the way it functions and for the services it provides.

I can recall when Imparja first got its licence. There was a great to-do about this licence, as I am sure those of us who were around at the time will recall. There were people saying that, because it was an Indigenous owned broadcaster, they would not watch the television. Those critics soon learnt that this was a very good station which catered for the needs of the general community and which did extremely well in ensuring that its services were received right across the footprint.

The Labor Party will support this bill because we need to ensure industry certainty in the television broadcasting sector—we will not oppose it. But, apart from the aspects associated with community television, the bill essentially represents a continuing fiddling with the disintegrating digital television regime without addressing the overall problems inherent in the regime. The amendment which has been moved by the Labor Party addresses those issues.

Mr NEVILLE (Hinkler) (11.03 a.m.)—The Broadcasting Legislation Amendment Bill (No. 1) 2002 is essentially about a six-month delay in the requirement of broadcasters to deliver high-definition television. I was totally bemused by the presentation of the member for Lingiari because he was speaking to another bill. The member for Lingiari, unless I am mistaken, was speaking to the Broadcasting Legislation Amendment Bill (No. 2), which we have debated, which has gone through the Senate and which has received royal assent. While I am sympathetic to what he said about community television—I share his sentiments—I am surprised that he did not come to the body of this bill.

Mr Snowdon—A little earlier.

Mr NEVILLE—I think you are a little late, not early. It might have been a great opportunity to give the government a serve about the $260 million given to the regional broadcasters, but it certainly had nothing do with community television. I am equally surprised that the shadow minister did not send someone into the chamber to counsel him about this matter. We are discussing a very important matter here today. We are talking about the introduction of high-definition digital television. Australians have had a great romance with broadcasting and telecommunications for many years. We waited a little longer than most countries for black-and-white TV, but when we got it we embraced it readily. When colour television was introduced, we embraced it with considerable vigour. VCRs followed and now, as the member for Herbert said, we are enjoying a romance with DVDs. So Australians have a great love of that sort of technology. It goes beyond that, not just into broadcast communications but also into telecommunications, where our uptake of mobile telephony is among the highest in the world. We have also robustly embraced computers and what follows from that—the web, email and the like.

The opposition has been very critical today about the difficulties that have been encountered in introducing high-definition television, or digital television in general. I have been a keen promoter of this medium, along with the member for Moreton. We engaged with the television stations many years ago when it was first being spoken about. I am not spooked at all by a short delay to create some certainty in getting each step of the process of introducing high-definition television right.

We have to remember to look at the objective and not just be critical because things have not fallen into place as quickly as the opposition might like. They have been critical of us as if what is happening in Australia is something different or unique. It is not. In fact, talking about scrambled eggs, one only has to look at the American experience.
where there were all types, even different forms of digital television. There is the English experience as well. Australia may be a fraction slower on this, but I think we are doing the right thing in taking it one step at a time and doing it properly and carefully.

Digital technology in television will totally revolutionise the way we use our television sets. It will no longer be just a passive entertainment medium. It certainly will be that in terms of entertainment, but it will be more in that it will allow us to use our TV sets as a source of multiple entertainment media, a source of information and education, and a virtual computer with interactions to banks, the retail market, the stock exchange and a whole range of services. They will come in orderly steps. Digital TV is able to achieve this by the compression of the signal and the more effective and comprehensive use of spectrum. I do not think that we need to rush at this stage. As we know, metropolitan and regional stations will have to broadcast in both analog and digital media for eight years. At the end of that period, as the member for Herbert said, the spectrum of the old analog services will become available.

We need to remember, at this first stage of the introduction of high-definition and standard definition digital television, that it delivers a better picture, better sound and generally better reception, and it is a medium in which interference is less likely to occur. In its purest form, high-definition television offers us a brilliant picture. Those of you who have been to briefings in this new Parliament House in the Mural Hall where there are some high-definition monitors will note the brilliance of the picture. The government's idea in the first instance was to see if we could deliver it to all Australians. It was a lofty ambition. We thought the price of television sets would drop dramatically—and there were good grounds for believing that. I can remember just 12 or 18 months ago a DVD player for a television set costing between $400 and $600. Today, you can buy them in the range of $190 to $250. Sure, there are some more sophisticated ones, but for the price of a DVD player 12 or 18 months ago you can now buy a DVD and VCR combined. All these various enhancements to television have dropped very dramatically in price after their introduction. HDTV has certainly been slower in the uptake, and a set can cost anything between $4,000 and $5,000. In most instances, at this stage it also requires a set-top box.

There are estimates that there are between 20,000 and 30,000 receivers using high-definition television in one form or another. As I said, the cost of TV sets was much greater than originally anticipated. This led to a Productivity Commission report which drew attention to the cost, and the prospect that it would limit the service to a very small number of viewers. I think that was a very fair point. It counselled the government that standard definition television would be a much more productive use of the spectrum. It recommended that the matter of the uptake of high-definition television be left to the market and that, by the use of standard definition television, multichannelling be permitted. Despite this, the government is still committed to HDTV and is cautious about multichannelling, for a lot of the reasons that the member for Herbert outlined very comprehensively to the House.

In our 2001 election policy, we committed to more flexibility in the transmission of digital television to allow broadcasters to reach a target of 20 hours of high-definition television per week. We also said that we would allow advertising time to constitute part of that quota. On 27 August, Senator Alston confirmed that the time for the introduction of high-definition television would be extended for six months. That means that metropolitan stations would have until 1 July 2003 to introduce 20 hours of high-definition television. That would also apply to those larger regions that have embraced the medium already. They would have two years to introduce it and, had they started very early and that two years was exhausted, they too, like the metropolitans, would have until 1 July next year to introduce it. That will allow the government, in the coming seven months, to honour two other promises. I have referred to one of those, and that is that the advertising content would be counted as be-
ing part of the 20 hours of high-definition television.

The government has also agreed to look at ‘1,040 hours per year’. Although that is still the equivalent of 20 hours a week, this change would allow the television stations more flexibility in utilising that time. I believe that is a very sensible move, and it does two things. On the one hand, the bill and its consequences that we are talking about today say to the television station that we have a firm commitment to the orderly introduction of high-definition television. We could well be the first country in the world that has it on a broad scale. Certainly, if TV sets start to drop in value, we will be better positioned than any other country to deliver it. That certainty remains. As the member for Herbert has said, already television stations have put a huge amount of capital investment into their technology—their cameras and transmission facilities—to accommodate digital transmission’s very high standard, and it would be a pity just to let that fade. It would also be a pity not to apply this in such a way as to optimise the benefit for Australians at present as well as position ourselves for having high-quality digital television when the process moves forward.

However, we have also permitted standard definition to be introduced. That will allow people with a set-top box to enjoy an infinitely better picture than the one they receive under analog television, and it will also bring the price down considerably. Additionally, it will allow Australians to enjoy television in the 9 to 16 ratio—that is, what is called ‘wide-screen ratio’.

There is the matter of multichannelling, and I for one would like to see the government continue to examine this; in fact, I am a supporter of it. But I believe it should be introduced in an orderly fashion—that is, in the same way as the government has introduced high-definition television itself. Under high-definition television, we will have an enhancement channel where, when you are watching the football or the cricket, you will be able to turn to crowd scenes, to the scoreboard and things like that as part of the process. I do not think it is a bad thing to utilise the spectrum more effectively when we are not broadcasting in HDTV. We could offer Australians a better service in standard definition at those times when high definition is not required. So I would urge the government to continue to look at limited multichannelling. As we become more familiar with this medium, the time will come to re-examine datacasting. I believe that, when we next do that, there will be a stronger and more focused uptake than there was with the first attempt.

The opposition have taken a very negative view of this matter. They have not offered a better vision of what high-definition television could do for our country. They have a mixture of critical and pious amendments. Their fifth paragraph refers to news services. While they might be critical of the fact that regionals appear to have acted in bad faith in not maintaining their newsrooms, if they want to see the government’s commitment to retaining or re-introducing newsrooms in both television and radio, they should read the cross-media bill—and the opposition will have the ability to either approve or disapprove of this bill in the Senate. If the opposition are so committed to the return of newsrooms, they will get the opportunity to demonstrate it in the Senate.

As I understand the bill, to gain an exemption for a cross-media purchase, especially with television and radio, a requirement will exist to re-establish a newsroom or a news service, if there is not one already in place in that particular facility. I for one am all in favour of that. I share the view of the member for Herbert. As he has said, he and I are committed to seeing that all television stations and all radio stations that enjoy the use of the spectrum in this country have a requirement to the communities that they serve to provide news services and community announcements. It is not enough to hub out of capital cities or regional centres such as Townsville, Albury, Bunbury or wherever you like and just offer Australians a generic service. That is turning the regional radio or TV station purely into a conduit, and it is more than that. It should be part of the social engagement of the media with the community and of the community with the media. If you do not achieve that, you are offering
people in regional and rural areas something less. In the cross-media bill, the government is committed to reversing that trend.

The government is out to remove another anomaly with radio which, by the misuse of section 67 of the Broadcast Services Act, permits a network to obtain three stations in a market and then remove one—and it is generally the AM station, whereby the network forces listeners to listen to its two FM stations. That is not acceptable. That is not competition, that is not diversity and that is not localism. Both sides of the House should be quite firm in their determination to see that that does not happen.

Coming back to the Broadcasting Legislation Amendment Bill (No. 1) 2002, I think the government is moving in the right direction, and it is doing so in an orderly and sensible fashion. During this time of extension, the government will prepare other amendments to allow still more flexibility, while retaining the principle of 20 hours of high-definition broadcasting; it will allow flexibility there and also with advertising. I commend the bill to the House.

Mr HATTON (Blaxland) (11.23 a.m.)—The member for Hinkler and the member for Herbert, in their contributions in this debate on the Broadcasting Legislation Amendment Bill (No. 1) 2002, have been very positive about not only the government’s decision to do what they have done in this bill—give an extra six months for the broadcasters to get their act together—but also the initial decisions taken. I could probably be here for about 20 seconds if I just said that the purpose of the bill is to delay the commencement of high-definition television obligations on broadcasters for six months until 1 July 2003, we are not against that, we will support it, thank you very much—all finished. But it ain’t that simple, so I might spend 20 minutes talking about it rather than 20 seconds.

It is not that simple because, if you make a dud decision in the first place, you have to live with the consequences. Why are we here looking at this bill, which is a holding action only? It is a case of ‘Let’s delay it for six months while we continue to try to work out what we might be able to do that might actually work in some fashion reasonably’ or ‘What will we do while we keep talking to Kerry and Kerry and Rupert, and those who are supposed to front up with the money to provide full HDTV broadcasts, and see whether they really want to do it?’ Perhaps it was wrong to be pushed by some of them into a position where we mandated HDTV.

It is one of the delicious ironies of the original decision that even an entity such as the Productivity Commission—an entity which a number of people in the parliament are not really enamoured of; most Treasurers, I think, were not enamoured of it, I think it is only the current one who is really enamoured of the Productivity Commission and what it came out with—had a look at the prospect of what to do with HDTV. It listened to what people had to say and said, ‘Yes, there is going to be a set of significant problems,’ and put out a report in March 2000. It is just wonderful the things that it said, because they were so dead accurate. But this is the very best of it. There were two recommendations. The first was that HDTV should not be mandated but should be left to the market. You would expect the Productivity Commission these days to say that—it should not be mandated, it should be left to the market.

People might be misled into thinking that a free-marketeering government like this one would believe that the market should have been able to determine whether or not it could afford HDTV or whether another solution, such as standard definition television—which has been taken up in a number of places around the world—might have been the way to go. It may have been an interim action, it may have been a holding action like this bill, or it may have recognised the current nature of the market and the future probable nature of the market over the next number of years. It may have steadily moved towards expanding the capacity of our broadcasters and others who would seek to provide information over standard digital TV receivers to give a great deal of choice, a great deal of depth and width to the experience that they could provide people with. Instead of that, what have they come up with?
When the government legislated, they said, ‘You can have a concoction. We will keep analog going until it is supposed to run out. Then we will have a little bit of a look at it; we might actually keep it going in certain circumstances for a bit longer, but basically there is a dead end at the end of the period and that will free up spectrum.’ When we were in government we got flogged, day in and day out, by the current government because of the problems that arose as a result of saying that analog telephone handsets should go. They made an enormous cry about that. We eventually got superior digital technology—CDMA and now CDMA 2000—working within Australia. It provides a range of services. Some people argue, though, that the analog service in the country was a lot better. But sometimes you have to mandate. Sometimes you have to put down the broad framework in which people need to move. But I do not think we needed to mandate HDTV.

The picture is wonderful. It is absolutely superb. I would like an HDTV television, but would I front up and pay $4,000 or $5,000 to buy one? What I would have to take into consideration is: would my wife agree to my buying a $4,000 or $5,000 HDTV set just because I wanted a good picture or because I made up a series of arguments about how compelling it was that we should have this new piece of equipment? I am in enough trouble as it is, with the digital stuff that I buy in the computer area. In a family you have to make decisions that affect the other person, and our family is similar to families the length and breadth of Australia.

For people who are looking at spending $800 or $900 on a digital set-top box—that is a significant amount of money to front up with. But if they want to spend four or five grand on the full-bottle digital TV set, they are going to think twice about what they are doing. That is why there are only about 16,000 digital devices—as the explanatory memorandum says—or 20,000 to 30,000 digital devices. ‘Digital device’ is a wonderful term, isn’t it? They are not really TVs; they are digital devices. Actually, I am not sure whether Xbox is included in that, or whether Sega and Nintendo digital devices are included, but we will just take it that that is not the case but that either a digital set-top box or HDTV is in all of that lot. Some people have more money than brains and they will spend tens of thousands of dollars on setting up a home cinema. Maybe I have that kind of idiocy but I do not have that kind of monetary capacity. I would like to be on the planet longer and not have my wife come after me if I did so abuse her financial sense.

You can have the ultimate in terms of a digital TV experience—HDTV. But, if you are going to do it and if a so-called freebooting, free marketeering government mandates that you do it, properly you ask why—as we did at the time. There are only two quick, simple answers to that question. Their first names are Rupert and Kerry—not Stokes, the other one, the bigger one, the one who controls PBL and the one who controls the company that still has the highest ratings of any in Australia. For those companies, significant funds have been involved in moving to HDTV but, when they came around to flog the idea to people in our caucus committees, the people associated with those major players thought the idea was a terrific thing. HDTV is a good thing, if your family and your country can afford the investment in it. Serious problems arise in adopting that mandated standard. The essential thing is that it gobbles up spectrum like it is going out of style. There may be a release of further spectrum in 2008—that may be extended because we have an interim extension of six months here—when analog TV gets knocked off, but that really will not make up for the extent of gobbling up that HDTV does. The alternatives that you could interpose into the marketplace by using standard definition television are enormous, when you compare the amount of bandwidth taken.

This government will not look at multichannelling, except for, in some circumstances, what they mandated in relation to SBS and the ABC. That was only after enormous pressure. Initially, they were not going to allow any at all. Certainly they do not like datacasting. They do not like the prospect that those who are not powerful within our broadcasting community—those
who are not the big players—might provide a service through datacasting that allows a similar experience to that which we have by accessing digital services through our computers, particularly as the very slow take-up of broadband means eventually that more and more people, one would hope, will have that kind of access to those services—a multilayered set of services.

The idea of mandating HDTV and loading that onto people and the prospect that the Minister for Communications, Information Technology and the Arts is also thinking about following another US example—the government is pretty good at that; we have a few examples of them following US models. Given the fact that it has such poor take-up of HDTV, the US is looking at the prospect of mandating that every set sold in the United States in the future should include a digital receiver. If it determines to go down that track, what is the cost? At the moment, it is about $US100 or over $A200 on the cost of any TV. We are in a particularly difficult situation if we think it is just $US100. Look at the size of the US market with over 280 million people, last time I looked. This very substantial market had NTSC; we have the European PAL system, shared between us, the Japanese and the Europeans. Sure, there is a big market there, but there are also TV production costs that cannot be absorbed worldwide because we have different sets and different usages.

It was not a smart move in the first place to have put up a dud mandated policy. We were criticised by this current government when they were in opposition. They thought some of the stuff we did was of that character—I beg to differ. In a policy area that is extremely difficult, things can be overridden greatly because of changes in technology, and we know from day to day, and certainly from year to year, that dramatic changes can take place. That is why a tortoise based approach to this would have been good: slow and steady wins the race. Taking the hare approach to this and mandating HDTV is yet another instance of us not really making decisions but saying, ‘Let’s put it off until we can see if we can get a set of proposals that work.’ For that small number of viewers where there is a premium product paid for at a premium price, it may be that it could expand—and that is being lost.

The member for Herbert—currently in the chair—argued quite cogently that, if you look outside HDTV at what is happening in people’s homes and at what is happening with DVD players and the manner in which they are bought, there may be a change in that whole dynamic. The change in the dynamic could be that, when people get used to high-quality, high-definition pictures, it will change their expectations. We know that DVDs have had the fastest take-up ever of any product in the history of Australia. Australians are great early adopters. They have adopted DVDs like they are going out of style. That may well change people’s expectations; it has certainly entirely changed the way in which the video store is run. It is possible that the market for that higher definition picture may in fact develop, and people may then go on to spend the $4,000 or $5,000-plus to buy the full set. I think that would take some considerable time. I still have significant doubts.

The fundamental thing that the government has not ensured is the strength that is there in standard definition digital TV. Standard definition can offer not just multichannelling but datacasting. It can offer the kind of experience that people who are lucky enough to access it through computers can have: rich, varied, full flavoured, with a great deal of depth and very quick interchange of bits and pieces of information. What you can do as well—and this is a key, important thing—is change the way you think about and access information, because part of it has to do with processing.

One problem that is not looked at often enough is how people interact. People say that television is purely a passive medium—that they are only receiving. That may be the case, but perhaps they want to only receive. But the dominant mode for the future in pay TV and public broadcast may be that people will not want to interact with television in the same way they interact with computing devices. Perhaps they will not want to watch television in their lounge rooms because they will have developed a particular mode of
interaction with visual material. Maybe they will want to keep that aside to use in the computer room. Despite the convergences, we do not have a one-device-fixes-all solution.

My guess is that the dominant mode will be to set it, receive it and play it, with the mode being predominantly passive—certainly a lot more passive than reading a book. When you read a book, you have to imagine what you are reading and you have to construct it in your head. One of the great problems we face is that, worldwide, the material that people watch does not exercise their intelligence or require them to construct material in their heads. There is also not enough sensitivity, depth or challenge.

The movies of the 1920s, 1930s and 1940s were sophisticated and they challenged and broadened people because they engaged them and demanded interaction. There are some film-makers who still engender that, and we need a lot more of them. If a medium could offer layered interactions through standard definition television by enabling you to have a number of channels running at once, you could take in different sources of information at any one time. How well you process it would depend on how you have adapted to it and how you process the varied information. However, it is possible to do it and to have a richer experience as a result.

The diverse but multilayered work in the computing area can be transferred into the television receiver mode, which can be run extraordinarily well through SDTV. The image quality is enough to make a big difference between the old analog stuff and SDTV. Most importantly, it offers flexibility. By using standard definition television, you can do a whole range of things. Because there is less spectrum, you can do a great deal more by reutilising aspects of that spectrum.

The government has found itself in a hole again. It made a dud decision in the first place, which was even knocked over by the Productivity Commission. The decision was so appalling that even the Productivity Commission could not stop themselves from putting it straight to the government that it should not have mandated it and that there should have been broad multichannelling.

Given that series of problems, the shadow minister for communications moved a significant amendment to this bill. The first paragraph encapsulates the problems that I have been talking about. The government is ‘fiddling while Rome burns’, as Nero did many years ago. The government has continued to fiddle with its disintegrating digital television regime without addressing the overall problems inherent in the regime—nice idea, brilliant picture but it costs enormous amounts of money. Maybe the market is not ready for that mandated experience.

I say to the government: stop mucking around and fiddling at the edges. Get stuck into a complete review. Overhaul it, and let us put a package together that works. Let us take into account that knocking off datacasting, as the government was utterly determined to do, was a bad move. The government looked at multichannelling but pulled back. We know that it is because of the pressures of the major players—Kerry and Rupert—and the people who work for them. If the government had not mandated it, it would not have the problem. It could have mandated standard digital television like some other countries have done and had an efflorescence of use rather than a little candle down at the end of the passage flickering away because you have only a maximum of 30,000 sets out of the one million a year that are sold. This has been a problem in market terms. That is just the first.

We run to another five condemnations of this government over this. I have spoken for almost 20 minutes. I will finish off by saying that, in two of the remaining five, the government has refused to acknowledge that its digital regime is failing, particularly with respect to the very poor consumer take-up and the fact that the government did not promote multichannelling. The government has gone for high-quality vision, but you need flexibility. It is the strength within the system and the ability to use this medium in a range of different ways—most of which one would think we might be able to imagine but certainly some of them are entirely unenvisaged at this point in time. This system can interact directly with broadband computers.
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (11.43 a.m.)—The Minister for Science is unable to be in the chamber today so, on his behalf, I have undertaken to sum up the Broadcasting Legislation Amendment Bill 2001 and to thank members who have taken part in the debate. The bill amends the Broadcasting Services Act 1992 to delay the start date of the high-definition television obligations on commercial television broadcasting licensees and national broadcasters in mainland state capitals for six months until 1 July 2003. For broadcasters in Australia’s mainland state capitals, the requirement to commence transmission of HDTV and to transmit it at least 20 hours per week is currently to commence from 1 January 2003. On 15 October 2002, the Minister for Communications, Information Technology and the Arts announced the government’s decision on changes to the HDTV quota arrangements in line with the coalition’s 2001 election policy to consider legislative amendments to annualise the HDTV quota—1,040 hours per year—and to include advertisement time in the quota in line with Australian content programming standards.

The government remains committed to HDTV as an important element in the digital television landscape. Legislative amendments to provide this flexibility in the calculation of the HDTV quota cannot be put in place, and broadcasters would not be able to make appropriate programming plans to reflect these decisions before the current commencement date for the HDTV obligations of 1 January 2003. Therefore, the provisions of the bill are a holding action, providing a short delay of six months to the HDTV commencement date to avoid short-term compliance problems in the period between 1 January 2003 and the passage and implementation of any legislative changes to the HDTV quota regime. Given the amendment moved by the opposition, I remind members opposite that digital television is in its infancy throughout the world; therefore, it is not surprising that, as with other emerging technologies, take-up is modest.

The basic policy principles underlying the digital television conversion framework are clear: a conversion from analog to digital television with minimal disruption to viewers; stability and certainty for the television industry; the introduction of a range of new services; and a range of options for viewers in terms of equipment capability and price, including low-cost entry products. The government continues to monitor both local and international progress in the take-up of digital television, including scope to improve outcomes for consumers. Access to additional content through new channels is one possible option.

It is entirely appropriate for the government to monitor developments and respond, where appropriate, to an evolving commercial landscape. This bill makes relatively minor amendments to the legislative framework for the introduction of digital television. It does not represent a move away from the basic policy principles. Digital television offers benefits to Australia. Digital services have commenced in metropolitan state capitals and a number of regional areas. Let us move forward to enable consumers to enjoy these benefits and to make the transition to digital services as smooth as possible. I commend the bill to the House.

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

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

Third Reading

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (11.47 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.
TAXATION LAWS AMENDMENT
(VENTURE CAPITAL) BILL 2002
Cognate bill:
VENTURE CAPITAL BILL 2002
Second Reading
Debate resumed from 4 December, on motion by Mr Slipper:
That this bill be now read a second time.
Dr EMERSON (Rankin) (11.48 a.m.)—The Taxation Laws Amendment (Venture Capital) Bill 2002 and the Venture Capital Bill 2002 extend an exemption from capital gains tax to a wider range of pension funds than the US pension funds originally legislated. The reason for the expansion of the coverage to other countries and more generous treatment in terms of the width of this exemption from capital gains tax is that it has been observed that, despite prophecies that money would come rushing into the Australian venture capital market from US pension funds, that has not been the case. So the argument is that, in order to unlock this massive flow of venture capital funds into Australia, we need to be even more generous in the exemption from capital gains tax of investments from those funds.

I hear this all the time in relation to capital gains tax, as if it were some insidious tax that sucks all the incentive out of a market economy. This tax was introduced in 1985 by the previous Labor government. The tax rate was at the full marginal rate, but the base was indexed—that is, the base of the tax was adjusted for inflation. As introduced in 1985, it was a concessionary tax. It was designed to stop the conversion of income into capital gains as a vehicle for avoiding tax. I remember when the estimates of the revenue that would be generated were first presented; they were of the order of $25 million a year. In fact, many multiples of that are being collected through the capital gains tax. The reason is that the amount of conversions of income into capital gains going on at that time was much larger than had been anticipated and estimated by Treasury. In fact, Treasury conceded that the figure that they had put in was nothing more than a guess. The capital gains tax has been collecting a lot of revenue because of that capacity and disposition within the Australian community to seek to convert income into capital gains.

In its review of the business taxation system, the government came to the conclusion that this capital gains tax, which was already concessionary, should be made even more concessionary and as a result halved the rate of tax—though it did remove the indexation so that the capital gains tax would be assessable on nominal gains, not on real capital gains. We were told then that this halving of the capital gains tax rate would unleash a new flurry of investment activity, including at the more speculative end—the venture capital end. That has not really transpired either. So, after having legislated the exemption from capital gains tax of venture capital obtained from US pension funds, we are now back in the parliament to widen that exemption.

I support the bill but I do not share the optimism of the government in terms of the flurry of international investment that it expects will be created as a result of changes to the capital gains tax. I would like to see Australian investors and the Australian government take a more realistic position in relation to the capital gains tax. It is not an insidious tax that stifles all incentive in this country; it is a very reasonable tax. I do not want to be in this place too often defending further and wider exemptions from capital gains tax.

I know that is the philosophy of the coalition government. It has never liked the capital gains tax in this country. It opposed the introduction of the capital gains tax in 1985. If it possibly could, I am sure it would seek to abolish it altogether. That would allow a reversion to the practice of converting income into capital gains and thereby avoiding all tax, such as the capacity the minister for taxation has in her arrangements: if there is a tax, it is fair game to avoid it. That is not the approach of the Labor Party. We believe that taxation should be paid fairly and people at the higher end of the income spectrum should not get concessionary treatment in relation to taxation. The minister for taxation should certainly not get concessionary treatment in relation to taxation.
Mr Cox — The Minister for Employment and Workplace Relations said they were just inadvertent mistakes.

Dr Emerson — Inadvertent mistakes of course, as the shadow minister has just pointed out to me, can be very profitable. If you manage to type the wrong entry into your pecuniary interest declaration or in relation to an enrolment, you can possibly get a windfall gain as a result of such inadvertent mistakes. Surprise surprise, the windfall gain in relation to stamp duty or land tax is very substantial indeed.

The DEPUTY SPEAKER (Mr Lindsay) — The member will return to the substance.

Dr Emerson — We are dealing with capital gains tax. We know that it appears there will be capital gains tax liability in relation to this particular property, but that will be upon realisation. We know that the capital gains tax introduced on 19 September 1985 is a tax on realisation. If they ever move out of Paradise Road, we know that the tax commissioner will be there with a full assessment of capital gains tax liability and that is as it should be.

Ms Worth — Mr Deputy Speaker, I rise on a point of order as to relevance. The member opposite has other opportunities to raise allegations against ministers. I suggest that he take that form rather than include it in debate on other legislation.

The DEPUTY SPEAKER — I thank the parliamentary secretary. I understand the member for Rankin had recognised that and was moving on.

Dr Emerson — I have said all I wish to say in relation to that matter. As I was saying, when the parliamentary secretary stood up, I want to move on. It is to these matters I wish to move.

Mr Cox — To issues of integrity in the capital gains tax regime.

Dr Emerson — Yes. They are important issues which deserve a full and thorough debate in this parliament, and I have made a contribution to that. The purpose of this legislation is to encourage the venture capital market in Australia. The venture capital market has grown quite substantially over the last few years. I hear from representatives in parts of the industry that there is a big imperfection in the venture capital market in Australia. Therefore, the venture capital market needs massive new subsidies. It needs relief from taxation and, of course, from that insidious capital gains tax. The fact is the Australian venture capital market was a small market about 10 years ago but it has grown very substantially since then. It could be bigger and it would probably be in Australia’s interest if it were.

Talking to representatives of superannuation funds, by way of example, they say to me that there is money for venture capital in Australia but there are not enough good projects to put it into. I hear that all the time. However, I hear from project proponents that there are all these good ideas but there is not enough money to fund them. It is worth contemplating the possibility that some of the ideas that are put forward might not necessarily warrant funding through the venture capital market. If there is an imperfection, it may well be the disconnect between the very early research into a possible scientific breakthrough and the couple of hundred thousand dollars — the pre-seed funding, the seed funding — to take that to another stage.

Overall, the venture capital market, which is a further stage involving possibly millions of dollars, has come along in leaps and bounds in this country. On the face of it, I do not see cases for further taxation concessions in relation to venture capital. I also point out that, because of Labor’s superannuation policies and the reforms that were implemented in the Hawke-Keating years, there is now a total of around $577 billion in superannuation fund savings in this country. Of that, in the order of $200 billion is invested overseas, so things have changed quite dramatically in the last 15 to 20 years. When we were very short of capital 15 to 20 years ago, there was not much of a domestic savings pool. The current account deficits were widening because we needed to borrow more money from overseas to finance domestic investments in Australia. That has changed quite fundamentally to the point where $200 billion of Australian savings are going over-
seas for want of investment opportunities in this country.

A problem with all this is that superannuation fund managers do not have the time or the capacity to go around looking at each and every project that is seeking, perhaps, $100,000. The energy and time involved mean that superannuation funds simply will not do that. In my policy discussion paper *Thriving industries in an innovative Australia*, I suggest that maybe there is a way of linking entrepreneurs with that early stage of scientific research on university campuses. That is something that I would urge the government to do, because the scientists themselves are not commercially oriented and perhaps do not see the commercial potential in what they are doing or, alternatively, are not aware of how they could modify the scientific work that they are doing to attract commercial funding.

I also propose the formation of two or three major new or expanded science parks, where we do get a better interaction between the private sector scientific community and the academic community. There is a weakness in this country in the interaction between the two. Mr Deputy Speaker Lindsay, I know that in another capacity you are the member for Herbert. James Cook University in Townsville in your electorate would be a good example of where great gains could be made through the greater commercialisation of the scientific research that is going on there. The parliament as a whole should think about ways of getting that closer merging of interests between the commercial world and the academic world.

Another suggestion that I have raised in relation to the 125 per cent government R&D tax concession is the idea of extending eligibility for that tax concession to private sector spending on the salaries of academic researchers. Whether it would be a consultancy or paying half their wages or paying all of their wages, that outlay by private sector business could be eligible for the 125 per cent R&D tax concession or the premium rate of 175 per cent. We float the possibility of a premium rate of 200 per cent.

These are some positive, constructive ideas that are floated in this policy discussion paper, about which I am now receiving a lot of comment from industry, industry associations and the scientific community. We need to develop well-considered policies that are not based on voodoo economics—the sort of mysticism that, if we just reduce the capital gains tax rate a little bit, all these fantastic creative forces will be unleashed in this country. I do not believe that sort of mantra holds very much credibility under proper analysis.

The government is seeking to do something in relation to venture capital through this particular piece of legislation, but I would describe its efforts in relation to innovation in this country as, at best, half-hearted. I will point out a number of atrocities on the part of this government in relation to promoting private sector research and development in this country. In 1997, in its first budget, the government cut the 150 per cent R&D tax concession to 125 per cent. In relation to exports, it put a cap on the Export Market Development Grants Scheme. A program that was already in place matching business angels with the scientific work going on in this community was abolished. More recently, the R&D Start program was stopped. Now it has started again. As I have said recently, this stop, start, stop—or is it start, stop, start?—approach to the R&D Start program means that investors who are looking at expanding their R&D activities in small and medium sized enterprises cannot plan this sort of research and development activity with any certainty whatsoever. If the government feels it is running a bit short of money, it is just as likely to freeze the R&D Start program again.

With much fanfare, of course, the minister announced just the other day that the R&D Start program would be restarted after having been stopped. What the minister did not reveal was that, at the same time, the government had made the decision to cut the COMET program. What is COMET? It is the Commercialising Emerging Technologies program. It is the old story: what the government gives with one hand it takes away with the other. It has got a research and development encouragement program for small and medium enterprises called the R&D Start
program. Commercialising Emerging Technologies is directed at the same concern; that is, the need to provide greater encouragement for small and medium enterprises that are investing in innovation in this country. The government restarts the R&D Start program and at the same time it reduces the COMET program, cutting the number of business advisers from 17 to 10. The government said, ‘Oh, that was just because we had an overlap in the scheme.’ In July of last year, before the election, again with much fanfare, the then Minister for Industry, Science and Resources, Senator Minchin, announced that the COMET program was being expanded from 10 to 17 advisers. Now that the program has been cut back, he is trying to pretend to the Australian community that somehow that expansion was never to take place. What the government gives with one hand it takes with the other. That is what is happening in the research and development community of this country. They are looking at the government and cannot understand what is going on in terms of any sort of coherence in support for research and development in Australia.

The Productivity Commission has just brought down its interim report in relation to the Pharmaceuticals Industry Investment Program—PIIP. It has effectively recommended its abolition. Here is another program that is supposed to be supporting innovation, this time in the pharmaceutical industry, and the Productivity Commission is recommending that it be abolished.

What is the net impact of all this? The fact is that, under the previous Labor government, private spending on research and development rose strongly in each and every year as a proportion of GDP up to 1996. If I had the graph with me, it would be quite clear, because there is a steep climb. The peak is reached in 1996. Then in 1997, upon the government’s announcement that it would be cutting the 150 per cent R&D tax concession back to 125 per cent, Australian private spending on research and development began to fall, and it has fallen in each and every year of this government at the same time that other countries have been expanding their investment in research and development activity.

In 2000-01, spending on R&D did rise a bit as a proportion of GDP but the Australian Bureau of Statistics official forecasts are for it to fall again as a share of GDP this year, all the while the rest of the OECD is surging ahead. We are falling behind in the innovation stakes; we are falling behind alarmingly. An index that we prepared shows that Australia scores five out of 10, ranking us behind 16 OECD countries. The reason that we even get a five is that we are quite good at absorbing overseas technologies. We are quite bad at developing our own technology and are very bad in terms of research and development spending by the private sector.

I call on the government to have a fresh look at Backing Australia’s Ability. It should not be back-ending Australia’s ability as it presently is. There should be a genuine commitment to research and development in this country. We support this legislation, though I have to say I remain somewhat sceptical about the claimed benefits of providing further exemptions from capital gains tax for the venture capital market, because the venture capital market has come on in leaps and bounds in the last 10 years.

Dr WASHER (Moore) (12.08 p.m.)—I thank the member for Rankin for supporting the Venture Capital Bill 2002 and the Taxation Laws Amendment (Venture Capital) Bill 2002. I will address a few issues the member for Rankin mentioned. I agree that there are issues we still need to look at, like the universities’ fringe benefits tax problems and capital gains tax problems in commercialising some of their science. I think this will be looked at by this government. I also thank him for bringing up superannuation as an issue. The community’s reluctance sometimes to participate as actively in superannuation is related to a surcharge that is ridiculously high. I seek his cooperation in helping us reduce that and in getting greater incentive for people to invest in such a wonderful thing. The other thing is that capital gains tax under this government was halved, and that has also been a major incentive to business.

Another thing the member for Rankin mentioned was the 150 per cent tax deducti-
bility for R&D and that when I made my maiden speech in this parliament I was enthusiastic that we should have retained that. Unfortunately, as the member for Rankin pointed out, investment in science is not always investment in good science. Unfortunately, there was a high level of rorting that was inappropriate. The actual money invested did not reflect outcomes, which is what we really wanted. Hence, it was changed. I want to re-emphasise that: the money invested that was measured and quoted does not reflect outcomes. However, let me come back to this bill. Thanks again for supporting it.

We have all heard and used the expression ‘nothing ventured, nothing gained’. It can be used to describe any number of situations in everyday life: for instance, you cannot expect good exam results if you do not study—my father told me this, and I found out the hard way that he was right—you cannot win on the sports field if you do not accept the challenge and enter the tournament; and you cannot become a federal MP without having the courage to stand. In other words, you have to commit to something to be a part of its success. The expression can also be applied to venture capital, and commercial and scientific opportunities. Without venture capital, many innovative companies and businesses would not grow from infancy to maturity. No venture—or in this case no venture capital—means no gain or no business growth or expansion.

I want to discuss the fact that the member for Rankin mentioned that there are some things in this country that are not worth investing in. I will give you some examples of things that were worth investing in and we lost. It is a very significant issue in Australia at the present time. The global economic uncertainty and share market volatility have had very adverse effects on investor confidence, while not diminishing the number of requests for funds. In fact, the number of requests for funds is rising in this country.

This imbalance in supply and demand has serious implications for businesses, given that venture capital is a key ingredient for the formation of new companies and the growth and expansion of fledgling companies. This applies particularly to the biotech and information technology sectors. These innovative businesses rely heavily on attracting venture capital to become established and then prosper and grow. Innovation is the key to prosperity because it is the engine that drives job creation by inspiring small businesses and opening up opportunities at all levels.

This legislation to create a more favourable tax regime for foreign investors is important because venture capital is a critical ingredient for the commercialisation of good ideas. We need to encourage foreign investment so that the venture capital industry in Australia grows and our bright and innovative scientists and inventors see the fruits of their labours become commercial realities.

Australia has no shortage of inventions that have had a significant impact on the world. The black box flight recorder is a good example. Sadly, these days we hear too much about this black box flight recorder. It was one of the many inventions by Australians which have had an impact on air travel. Back in 1884, Lawrence Hargrave conducted experimental flights with box kites, pioneering the way for heavier-than-air flight. In 1889 Lawrence Hargrave developed an engine with revolving cylinders attached to propeller blades and powered by air compressors. It played a major part in the development of aviation in Europe. And in 1965 Jack Grant from Qantas invented the inflatable aircraft escape slide that doubles as a life raft. All of these men had groundbreaking ideas that have gone on to become commercial successes. But it was not easy.

Dave Warren, who invented the black box flight recorder in the mid-fifties, could not get his idea off the ground, so to speak. It was not until 1958 that the British and Canadians saw the potential of the black box. Back in Australia, continuing lack of support meant that, as the idea finally took off around the world, it was companies in other countries which moved ahead with development and captured the growing market.

That is a situation that we can no longer afford to accommodate. If we are to move ahead to become more competitive in the international marketplace, we must keep Australian talent in Australia and turn Aus-
Australian innovation and ideas into commercial success stories at home. And to do that, we must encourage venture capital investment. This legislation does just that, by removing the barriers to offshore investment.

These reforms are a significant step towards a world’s best practice system that will help retain and grow Australia’s intellectual property. We do not want to see young, innovative companies moving offshore because of a shortage of capital. Also, the greatest intellectual property in this country is of course our people, and they too move offshore. We do not want the biotech or IT equivalent of the black box flight recorder to be developed overseas and to create jobs and income offshore that could have been created here for the benefit of Australians.

The Taxation Laws Amendment (Venture Capital) Bill 2002 will encourage additional investment into the Australian venture capital market—something it badly needs at the moment—which in turn will give a much needed boost to the venture capital industry. This will be achieved by removing the tax disincentives for foreign investors, putting Australia on a more competitive footing internationally.

This will be achieved in two ways. Firstly, the tax treatment of two types of limited partnerships, venture capital limited partnerships and Australian venture capital funds of funds, will be amended. These partnerships will be taxed as flow-through entities, which means the partnership itself does not pay tax. Instead, the tax liability and the profit from the venture will flow through to the ultimate investors. This measure is in accordance with internationally recognised best practice for venture capital. Secondly, foreign investors who are tax exempt residents of specified jurisdictions or partners in flow-through limited partnerships that satisfy certain conditions will be exempt from tax on profits on the disposal of investments in eligible investee companies. An eligible investee company is one whose assets do not exceed $A250 million at the time of investment.

This dual approach recognises that venture capital limited partnerships with flow-through taxation treatment are the preferred investment vehicle internationally. For Australia to compete internationally for venture capital we must offer the same exemption from taxation on gains from the sale of those investments. Without these changes Australia will lag behind other modern economies in the crucial areas of science and innovation because of insufficient funding. Similar reforms were introduced in the United Kingdom in 1987 and generated a boom in venture capital investment there.

The Venture Capital Bill 2002 will establish a registration and reporting process for venture capital limited partnerships, Australian venture capital funds of funds and eligible venture capital investors. This process will maintain the integrity of the measures and ensure that compliance with the tax concession can be monitored. The Pooled Development Funds Registration Board, which was established under the Pooled Development Funds Act 1992, will administer the registration of these limited partnerships. The board will be supported by AusIndustry and the Australian Taxation Office. The board will also have the power to deregister venture capital limited partnerships and Australian venture capital funds of funds for failing to comply with eligibility requirements and for not meeting registration or reporting requirements.

These two bills form a crucial part of the government’s program to encourage new foreign investment into the Australian venture capital market and further develop the venture capital industry. These measures will unlock the potential for the more rapid growth of Australia’s venture capital market, which in turn will assist in realising Australia’s innovation potential. This government recognises that turning innovative ideas and scientific advances into commercial successes will be one of the key elements in Australia’s future prosperity.

An internationally consistent tax regime is critical to attract highly skilled international venture capital managers to Australia. Such managers will contribute to the expertise and competitiveness of Australia’s venture capital industry, which in turn will attract venture capital funds from offshore investors. These measures will bring Australia into line with what is currently recognised as best practice.
within the international market and will give
the venture capital sector a much needed
boost. I commend this bill to the House and
thank the opposition for their cooperation.

Mr SLIPPER (Fisher—Parliamentary
Secretary to the Minister for Finance and
Administration) (12.19 p.m.)—in reply—
The government would like to express its ap-
preciation to all those honourable mem-
bers—including your good self, Mr Deputy
Speaker, in your capacity as the member for
Herbert—who spoke on the venture capital
bills currently before the chamber. Given the
importance to all Australians of the measures
contained in these bills, the government was
pleased to receive the support of the opposi-
tion and indeed all honourable members. The
measures deliver in full on the government’s
election commitment to provide a world’s
best practice venture capital investment ve-
hicle. They will also improve Australia’s
access to overseas expertise for start-up and
expanding companies—a critical element in
realising our innovation potential and ensur-
ing maximum leverage for the government’s
$2.9 billion Backing Australia’s Ability ini-
tiative.

In summing up this debate, as I usually do
I would like to comment on a number of the
remarks made by various honourable mem-
bers. The member for Kingston pointed out
that the opposition supports the bill, and that
support is indicative of the quality of the
legislation being introduced by the govern-
ment. This legislation is the result of close
consultation with the venture capital industry
and is therefore responsive to the special
requirements of that industry, particularly in
a global context.

Mr Cox interjecting—

Mr SLIPPER—We are pleased that the
member for Kingston recognises virtuous
legislation when the government introduces
it, as it does so often. We in government are
confident that the measures contained in
these bills will open the way to significant
increases in the levels of venture capital
funding and to further development of the
Australian venture capital industry.

The member for Farrer recognised the
high-risk nature of venture capital and the
special need to provide incentives to attract
overseas funding for venture capital in Aus-
tralia and a best practice environment for
effective management of venture capital
business. As the honourable member indi-
cated, the new investment vehicle this legis-
lation provides for foreign venture capital
investors will directly address the competi-
tive advantage issues Australia faces in at-
tracting overseas venture capital. As the
honourable member has indicated, this is
absolutely critical in today’s global economy
environment where capital is highly mobile.
As the member for Farrer so aptly con-
cluded, ‘brighter days for venture capital’ are
indeed something that Australia can now
look forward to as a result of this very posi-
tive legislation.

The member for Herbert—somebody you
know quite well, Mr Deputy Speaker Lind-
say—fully supports these bills. He pointed
out to the chamber that the bills will strongly
benefit Australia and enunciated the benefits
the bills will provide in driving increased
research and development activities in the
private sector. The honourable member also
succinctly highlighted the critical element
contained in these bills that is expected to
unlock latent capital for start-up and ex-
panding businesses—namely, the provision
of a framework to ensure internationally
consistent tax treatment for foreign venture
capital investors. Mr Deputy Speaker, I am
sure you will convey our thanks to the hon-
ourable member for Herbert when you next
talk to him.

The member for Rankin is a regular con-
tributor to debate in the chamber. It is reas-
suring that he supports the bill, but he noted
that he does not share the optimism of the
government that the changes will produce
the level of investment sought. He was criti-
cal generally of the watering-down of the
capital gains tax, including in this measure. I
want to reassure the honourable member for
Rankin that this legislation does not water
down the integrity of the capital gains tax
regime. The legislation does, however, es-

tablish an internationally competitive
framework for venture capital investments,
and one would have thought that that is a
good thing. By treating the gains of interna-

tional investors in a similar way to how those gains are treated in their own countries, this measure will encourage additional international investment into the Australian venture capital industry and will facilitate the development of the venture capital industry. It does this by removing direct disincentives to investment. Our nation and its economy must be the very strong beneficiary of these important reforms.

The member for Moore, in his own inimitable style, addressed the chamber and was supportive of the legislation, as one would expect. I thank the honourable member for Moore for his contribution to this debate and for his compelling and cogent arguments supporting this measure’s ability to assist in the commercialisation of innovative products. For a very long time, the member for Moore has taken a keen interest in this aspect of productive commercial activity. His expression ‘nothing ventured, nothing gained’ is indeed appropriate in the context of venture capital.

In response to the member for Kingston, who queried whether I could provide a breakdown of the revenue implications of the venture capital measure, I am pleased to advise the member that the measures are estimated to cost $21 million in 2003-04, $25 million in 2004-05 and $30 million in 2005-06. This cost is based on projections of the existing levels of venture capital investment and takes no account of the potential second-round revenue gains elsewhere in the economy that may arise from any additional venture capital investment. There is no cost associated with any additional foreign investment attracted by the measure. This is because these investors would not have invested without these measures, so no tax would have been otherwise collected.

The difference in the original costing for this measure of $60 million over the forward estimate period to the current costing of $76 million has been fully disclosed by the government in the latest Mid Year Economic and Fiscal Outlook, released by the Treasurer last week. This noted that, as part of the government’s wider venture capital reforms, legislation would be introduced to effect capital gains tax treatment, as from 1 July 2002, dealing with carried interest. The cost associated with this improvement to the venture capital measure is disclosed as $1 million in 2003-04, $5 million in 2004-05 and $10 million in 2005-06.

The member for Blaxland commented on certain remarks I made when summing up another bill, the Commonwealth Volunteers Protection Bill 2002, in the Main Committee yesterday. He took exception to certain remarks that I made with respect to the level of his contribution to the chamber. I think I suggested that he was filibustering. I regret if the honourable member took exception to my remarks. They were meant in a light-hearted way and they were certainly not intended to offend.

The member for Eden-Monaro took exception to the assertion by the honourable member for Blaxland that the government’s prior initiatives with respect to venture capital had failed. The member for Eden-Monaro highlighted the significant increase in venture capital investment in Australia since the Howard government came to power in 1996. It is difficult to compare the performance of the venture capital industry under the two governments because the industry is still relatively immature compared with other countries, notwithstanding the rapid growth in recent years, and because the available figures for earlier years are based on small and somewhat irregular samples. What can be said is that, in comparison to the very rapid growth in annual raisings in the period since this government was elected, the amounts raised during the years of the Keating government seem to have been declining; venture capital investments have also increased rapidly since this government was elected; and, acknowledging the initiatives of the previous government, this government has adopted a number of additional initiatives to develop both the venture capital market, such as the Innovation and Investment Fund program, and the capacity of potential investees to more effectively access that market—for example, the Commercialising Emerging Technologies Program and the ABS venture capital survey in 2001.

So we are pleased with this bill. We are particularly pleased with respect to the ini-
Representatives and the positive outcomes that will result from its passage through the parliament. These measures will realise the potential for increased foreign investment in innovative Australian projects and thereby promote expansion of Australia’s venture capital industry. This is a critical element in realising Australia’s innovation potential, which is a key to the future prosperity of this nation. The measures provide an internationally competitive framework to encourage additional non-resident investment into the Australian venture capital markets, particularly by tax exempt foreign investors, who are the greatest potential source of new investment funds. Private equity has financed some of the world’s key players in the new economy, like Apple computers and Cisco Systems, but also has the potential to provide the commercialisation leg-up for smaller Australian innovators.

However, innovation is not just the province of high-tech industries; it is also essential to the future of traditional sectors such as agriculture, manufacturing and mining. For example, venture capital has played a key role in the development of Australia’s resources and mining industry by providing equity for mineral exploration. Our venture capital market is small by world standards but it is growing. This new framework will make Australia more attractive in a difficult international environment. It means increased private sector investment in R&D and commercialisation of new ideas and technologies, be it in the biotech, IT or manufacturing sectors.

The framework for venture capital concessions contained in the Taxation Laws Amendment (Venture Capital) Bill 2002 provides three key initiatives. Firstly, tax flow-through limited partnerships have been established: venture capital limited partnerships, Australian venture capital funds of funds, and venture capital management partnerships. The flow-through tax treatment of these limited partnership is a critical aspect of these measures because they are the internationally recognised venture capital investment vehicles through which foreign investors invest in new and expanding businesses. Venture capital limited partnerships will see many foreign investors independently funding or pairing with local fund managers to identify and invest in Australian projects. The venture capital limited partnerships will provide the additional encouragement needed to attract many foreign investors who have been looking to make their investment elsewhere.

Secondly, non-resident investors who are either tax exempt residents of specified jurisdictions or partners in a flow-through limited partnership who satisfy certain conditions will be exempt from tax on profits on the disposal of investments in eligible investee companies. The measures extend the tax exemption for eligible investors to all tax exempt residents of Canada, France, Germany, Japan, the United Kingdom or the United States of America; venture capital funds of funds established and managed in Canada, France, Germany, Japan, the United Kingdom or the United States of America; and taxable residents of Canada, France, Germany, Italy, Japan, the Netherlands—excluding the Netherlands Antilles—New Zealand, Norway, Sweden, Taiwan, the United Kingdom or the United States of America which hold less than 10 per cent of the committed capital in a venture capital limited partnership or an Australian venture capital fund of funds.

Finally, the venture capital manager’s share of gains on eligible venture capital investments will be taxed as a capital gain. This is consistent with international practice and will ensure that leading international venture capital managers locate in Australia and contribute to the expertise and competitiveness of Australia’s venture capital industry.

The Venture Capital Bill 2002 establishes a registration process for venture capital limited partnerships, Australian venture capital funds of funds and eligible venture capital investors to ensure the integrity of these measures. The PDF Registration Board will administer the registration of the venture capital limited partnerships and, supported by AusIndustry and the Australian Taxation Office, will provide the public face and a first point of contact for the measure. To ensure that the new arrangements are under-
stood in overseas markets, the national investment agency, InvestAustralia, will be asked to develop a strategy to promote them in the international marketplace. The development of these measures has benefited from the close involvement of the venture capital industry, particularly the key industry body AVCAL. This consultation will ensure that the measures reflect the requirements of the industry and are responsive to the key drivers of venture capital investment. This has been a very useful debate, these are very important bills and I commend both of them to the chamber.

Question agreed to.
Bill read a second time.

Third Reading

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.35 p.m.)—by leave—I move:
That the bill be now read a third time.
Question agreed to.
Bill read a third time.

VENTURE CAPITAL BILL 2002

Second Reading

Debate resumed from 14 November, on motion by Mr Slipper:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.36 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

COPYRIGHT AMENDMENT (PARALLEL IMPORTATION) BILL 2002

Second Reading

Debate resumed from 13 March, on motion by Mr Williams:
That this bill be now read a second time.

Mr McClelland (Barton) (12.36 p.m.)—The opposition will be opposing the second reading of the Copyright Amendment (Parallel Importation) Bill 2002. Essentially, the subject matter, on the one hand, is dry insofar as it deals with a technical copyright issue. However, on the other hand, it is a vitally important issue for the development of Australia's new economy and creative industries in terms of its proposal to remove the restrictions that currently exist in respect of the parallel importation of software products, books, periodicals and print music in circumstances where there are Australian creators or producers of that material, obviously with the copyrights to distribute that material in Australia.

The issue is fundamentally one of how we protect the intellectual property that exists in these creative endeavours. Fundamentally, we believe that watering down or removing the restrictions on parallel importation has the potential to significantly damage and retard the development of these important industries. Indeed, we go so far as to say that essentially the government's proposals are an example of ideology masquerading as policy. The bill is substantially identical to the bill which lapsed at last year's federal election. That bill, the 2001 bill, was examined by a Senate committee and received a worse than lukewarm response, even from government senators. The picture which emerged from the evidence given to that committee was that the bill was more likely to damage Australia’s creative industries than provide any tangible benefits to Australian businesses or to Australian consumers.

At the election, Labor gave a commitment to the Australian people to oppose the bill and to pursue the extension of our very successful 'use it or lose it' policy that applies in respect of books. We have proposed extending the policy to software products, books, including electronic books, periodicals and print music. Indeed, we are fortified in our decision to oppose the bill by the Howard government’s comprehensive failure to address those matters of concern which were raised by its own senators in that Senate committee. Essentially, the committee found that there is a distinct lack of evidence justi-
fying this winding back of the protections in respect of the parallel importation of these products. If you read the report, you can very quickly see that the government senators themselves felt that their ability to analyse the competing arguments involved in this debate was impeded by the narrow terms of reference that had been established by the government itself. The government senators observed:

"It could be argued that there is a substantial difference between the market for some books and the substantial profit that may be derived from those owning copyright in other, more popular, products. However, the construction of the terms of reference does not allow this type of exploration.

That was the government senators themselves saying that the terms were unreasonably restricted by the government itself. They said specifically in that document that they were unable to consider differences in the respective markets between these items: books, periodicals, music and computer games.

The guts of the evidence that was relied upon by the government is price data published by the ACCC, most recently in 2001. This data was the subject of great criticism by, in particular, the current shadow Treasurer in his speech when the equivalent of this bill was last before the parliament prior to the last election. I will not go over the current shadow Treasurer’s analysis of the data but, by way of summary, the data attempted to show that the price of books and software in Australia is higher than it is in the United States or the United Kingdom. They did an averaging of the data over a 12-year period and, looking at the trend in the recent years, there is very little if any difference between the pricings in Australia, Great Britain and the United States. Not only that, as the government senators indicated in the report to which I have referred, the ACCC did not take into account factors such as freight costs, conversion costs and discounts. Indeed, the senators observed the situation in these terms:

The absence of consideration of these factors does weaken the ACCC’s case, because it is difficult to determine the original cost in the United States or the United Kingdom, and therefore whether the apparently excessive prices are the result of a number of factors which may have little to do with parallel importation.

In the face of those doubts regarding the validity of the data, or at least the validity of the conclusions based on that data, and finding out the underlying factors, the Senate report recommended that the government undertake an independent study of the relevant issues to really get to the bottom of the argument and bring out the true facts. Bearing in mind the significance of this issue, the development of Australia’s creative industries and tampering with the regulatory framework that exists or, as we will indicate in a second reading amendment, having what exists in Australia as a generally intricate regulatory framework and then throwing open our industries to the pressures from overseas, such as dumping, return of remainder copies of items and the like, without basing it on a detailed and rational analysis of this data is a high-risk strategy. But the risk will fall on these emerging and important creative industries and, of course, Australians who are employed in these industries.

It is regrettable that the government has failed to accede to that recommendation, considering that the committee’s government senators were in favour of it being made. Essentially, we are being asked here to take the government at its word: firstly, with the existence of a price differential between Australia, Great Britain and the United States; and, secondly, with the answer being the removal of parallel importation restrictions. Quite frankly, the government has not made out a case for that to occur. Indeed, in that report to which I have referred, that is acknowledged again by the government senators. Referring to the government’s removal of parallel importation restrictions in the area of music CDs, they say:

Evidence produced by the music industry demonstrated that there are no consistently lower prices available for top selling CDs, and no evidence was provided to demonstrate that consumers of items other than popular music obtained any benefits at all from parallel importation. They further say:
A number of outcomes appear to be promised by this legislation, but the extent to which such expectations may be realised is unclear.

Here again, government senators indicate that the case has not been made out that facilitating parallel importation is of benefit to Australian consumers. It certainly does present a considerable risk to Australian creators and Australian producers. It is important to put the likely impact that parallel importation will have on those industries into context with this government’s truly abysmal record with the promotion of research and development. One of its first acts was to reduce the research and development tax concession from 150 per cent to 125 per cent—and this was at a time when our regional competitors were sitting on an encouragement for research and development in their countries of about 200 per cent. I will put it by way of an analogy. A Rugby Union team has 15 players; this government has said to Australian industry, ‘All right, your two breakaways or your two fly-halves will be off the field for the entire game and the lock forward will play only half a game,’ but the other team have another five players on the field. Who is going to win that game in the long term? It will be the team with the greater resources. Other countries, our regional competitors, are prepared to back their industries, but this government is not prepared to back Australian industries.

Looking only at jobs and investment in the video games industry, it is commonly assumed that our only video games are those which are imported from overseas. In fact, at least 1,000 employees are involved directly in the production of video games in Australia. It takes a lot of money just to develop one game—a lot of money. But it is a developing industry. There are 1,000 employees directly involved in the production of video games. In many cases, they are highly skilled, technically advanced employees, having skills that one would think should be developed from the point of view of the broader industrial development of our computer hardware and software products. There are 1,000 employees directly involved in the production of these games, not to mention literally thousands involved in the retailing of them—and not only through major stores, such as your Harvey Normans, but also through smaller businesses, such as Games Wizards and other local enterprises.

With the removal of restrictions on parallel importation, whether you like it or not, we will see an increase in piracy. However, even without that increase in piracy, just being able to suck into the country dumped copies from overseas will put a large number of those smaller retail outlets out of business. It will prejudice the employment of not only those directly involved in the industry but also those who are involved in retailing. That, in itself, indicates how penny-wise and pound-foolish this decision is because of the loss of revenue that the government will have as a result of a decline in those industries.

The Games Developers Association of Australia has expressed concern that the imposition of a regime of parallel importation will jeopardise the growth of this promising local industry. The association has drawn attention to the need to simplify the regulatory framework to encourage greater local investment in its industry. But without addressing those regulatory strictures that are imposed on our industry, the government wants to open our industry to cheap imports from overseas—and I say ‘cheap imports’ not in the sense of price but in the sense of quality: dumped, superseded items and so forth or pirated copies. The Howard government is not working with the industry to free it from unnecessary regulatory burdens. The Howard government is continuing to arrogantly persist with its ideological push for more parallel importation. It is not standing by and protecting our Australian industries, these important emerging developing industries, but keeping the regulatory structures in place while throwing them open to these international pushers.

Authors and publishers likewise have drawn attention to a range of adverse consequences the bill would have for Australian writing and publishing. The Australian Society of Authors has pointed out that the proportion of total book sales in Australia represented by books originating in Australia has risen from 10 per cent in the mid-1970s to more than 60 per cent in the late 1990s,
which shows a tremendous growth in Australia’s literary culture and in the publishing industry. One foreseeable consequence of the bill will be to allow for overseas editions of Australian authors’ books, including remaindered editions, to be sold on the Australian market. That is significant not only for the publishers, which can be more substantial corporations, but also from the point of view of Australian authors who will receive reduced royalties on non-remaindered overseas editions and get absolutely no royalties at all on the remained ones.

It is difficult to escape the conclusion that parallel importation would undermine the incentive to promote Australian authors overseas and to seek out overseas rights to sell Australian written publications on the overseas market. Surely the Liberal Party does not want to see fewer Peter Careys, Kate Grenvilles, Colleen McCulloughs, Thomas Keneallys—and I could go on for a page naming internationally respected Australian authors who will all face difficulties if this legislation is passed. Any emerging young writers will face even greater difficulties.

A significant issue which the government has failed to address is the effect that this legislation will have on piracy. It is commonsense that the more channels of importation you have without standard identification of the source of the manufacturer, the easier it will be to bring pirated copies into the country. Yet this is a subject on which the Howard government has had almost nothing constructive to say and has done virtually nothing about. I refer, for instance, to the tone of the Minister for Communications, Information Technology and the Arts, Senator Richard Alston, this year when, in an interview to the *Australian Financial Review*, he virtually ridiculed the matter. He referred to ‘the myth of an Australian piracy problem’. The minister had obviously forgotten the conclusions of the unanimous cross-party report of the House of Representatives Standing Committee on Legal and Constitutional Affairs. It concluded, relevantly, on piracy in three key areas. First:

> Commercial-scale infringement of copyright, including piracy and bootlegging, is a significant and costly burden on many Australian industries that rely on creative endeavour.

That is a specific cross-party finding. Second:

> While there are a few documented cases in which organised crime has been linked to copyright infringement, there is sufficient evidence from industry to support a linkage between the two.

It is a perfect money launderer for organised crime to bring in pirated computer games, books and other products. Third:

> Infringement of copyright is likely to increase in the future.

Again, a warning to the government from the committee. The government may be forgiven for forgetting about that report, because it was handed down some 24 months ago. It is my experience that there are talented members from both sides of the House on that committee, and its recommendations have just been ignored for the past 24 months. To do that is an insult to the committee and to the parliament.

But the proof of the pudding is in the eating, I suppose, and the government’s head-in-the-sand attitude was shown to be truly out of step when, in September of this year, the New South Wales police announced that they had seized 20,000 videos and CDs believed to be part of an international piracy syndicate. The government said, ‘There may be a bit of a problem here’ but, in what appeared to be a bit of a panic, the Attorney-General issued a press release to say that there was this new-found piracy problem. A fortnight after the seizure, he hailed as a great success the prosecution of a man who had pleaded guilty in the Penrith Local Court to selling pirated DVDs at the Penrith markets. That person agreed to forfeit a mammoth 237 pirated DVDs—

**Dr Emerson**—Did he keep the other 23,000?

**Mr McCLELLAND**—Yes, or his contacts behind him: we do not know the full extent of the kit there. He also agreed to pay a fine of $5,000. But that is just no comparison to the extent of piracy that clearly is occurring in the community and that this government has done nothing about. The fanfare that the Attorney-General created about that
guilty plea, the forfeiture of a relatively small number of DVDs and what is, in the overall scheme of things, the payment of a minor fine, tends to show that the government is just coming to realise that this is a big problem on the horizon. Despite that, it is winding back parallel importation restrictions without putting any steps in place to address the matters that have been referred to it by the cross-party legal and constitutional affairs committee.

I acknowledge that late last year the government finally did establish a government industry consultative group on intellectual property enforcement. We believe, on the information available to us, that a federal police officer has also been designated to take specific responsibility for intellectual property crime intelligence collection. That is a start, but it is only a start. The government has been put on notice for a long time about this problem and literally has just put its toe—not even its foot—in the water in regard to doing something about it.

When we press the Attorney-General on the government’s slowness in responding to these reports, he says, ‘You have to be careful. These areas are complex. There must not be a knee-jerk reaction.’ We agree with that. There needs to be a sensible and balanced approach, but we would like to see some reaction.

Dr Emerson—Any reaction!

Mr McCLELLAND—Yes, any reaction. On the other hand, in fairness to the Attorney-General, the representatives of the Attorney-General’s Department let it slip recently in the Senate estimates process that the person sitting on reform in this area is perhaps the Minister for Communications, Information Technology and the Arts as opposed to the Attorney-General. Whoever it is, they had better get on with the job of reforming this area and protecting these important emerging creative industries against what is an increasing assault by pirated copies on a substantial scale—with evidence suggesting, as the House of Representatives Standing Committee on Legal and Constitutional Affairs indicated, the involvement of organised crime. It is gross neglect, at best, for the government to fail to do something about this.

The standing committee made a number of relevant recommendations on ways forward to address the issue of piracy. They recommended that the documentation which commercial importers were required to complete when importing a product into Australia should include a declaration to the effect that the product has been made in Australia. They recommended that the Copyright Act should be amended to provide greater deterrence. They recommended that the Minister for Justice and Customs, in conjunction with the Commissioner of the Australian Federal Police, should establish within the Australian Federal Police a task force for the enforcement of intellectual property rights, comprising representatives from state police forces, Customs, the Attorney-General’s Department and industry policing bodies, with the performance outcomes of the task force to be contained in an annual report.

Those recommendations were sensible. However, more meat needs to be put on the bone of those suggestions. We appreciate that it is not a straightforward area, but the government has not even made a start. However, despite not protecting the industry and despite not doing anything about the regulatory regime which applies to these emerging industries in Australia, the government is removing protections. What do we say? We are not saying that we are going to just reject this. We are suggesting that the best answer is the ‘use it or lose it’ regime that has applied to books since 1991. Basically, it applies in the following manner. Non-pirated copies of a book first published overseas can be brought into Australia if the book was not published in Australia within 30 days of the first overseas publication, or an order for the book is not met by the copyright owner or the licensee or agent within 90 days of the order, or the order is a single non-pirated copy of a book that fills a verifiable order from a consumer, or if it includes multiple non-pirated copies of a book to fill a verifiable order from a not-for-profit library. Essentially, that is the guts of it.

Australian consumers do not need to be prejudiced by this. They have to have books
available in Australia at a reasonable commercial price within a reasonable time, or they can import items for their own individual use, or not-for-profit libraries can import books, but it does not enable this wholesale importation from overseas for commercial purposes. Thus the guts of where the opposition are coming from is to protect Australian industries but, at the same time, to ensure that, while these important emerging Australian industries are protected, Australian consumers are not prejudiced. Quite frankly, if the government is prepared to come to its senses, drop its ideological obsession and stand up and speak the language of defending these important emerging creative Australian industries, we will certainly work towards achieving outcomes, as we will in the area of copyright reform generally and, in particular, in addressing piracy.

In conclusion, I note that it beggars belief that the government is pushing forward with its agenda of relaxing parallel importation restrictions when that is going to be an impediment, we understand, to its negotiation of a free trade agreement with the United States—which appears to be the government’s only constructive international agenda at the current time. It is extremely disappointing that, when there is so much to be done by government to foster and develop Australia’s innovative, knowledge based industries, the Howard government has run out of puff and ideas and has fallen back on tired, ideological and flawed proposals such as this bill. On that basis, I move:

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

“the House declines to give the Bill a second reading and condemns the Government for proposing to further remove protections against the parallel importation of software products, books, periodicals and print music in circumstances where the Government has failed to:

(a) address concerns about increased piracy by responding to the House of Representatives Standing Committee on Legal and Constitutional Affairs 2000 report on copyright enforcement Cracking down on copycats;

(b) adduce properly researched and credible evidence that the removal of parallel importation restrictions has resulted in lower music CD prices for consumers; and

(c) reform and simplify technical and regulatory guidelines that place strictures on the development of Australia’s computer software and computer games industries”.

The DEPUTY SPEAKER (Ms Corcoran)—Is the amendment seconded?

Dr Emerson—I second the amendment and reserve my right to speak.

Mr BALDWIN (Paterson) (1.07 p.m.)—Today I rise to speak to the Copyright Amendment (Parallel Importation) Bill 2002. Under the current regime, Australian copyright owners can control the importation of printed material or software for commercial distribution. This can lead to high prices, delays in access to material or a lack of access to some material altogether. Parallel importation reduces the potential for artificially high prices being charged in the Australian market by introducing competition, or potential competition, by reason of providing alternative legitimate supply to that of the copyright owner or exclusive licensee. It is likely to increase consumer access to printed material and software—that is, it creates the conditions for lowering the prices and increasing the commercial supply of a more current and wider range of printed material and software.

The coalition has made significant achievements in the copyright area despite being hampered by an opposition that refuses to support reform in the public interest, including opposing measures it recognised as a good idea when in government. Labor’s record on parallel importation would lead one to believe that it does not want to support consumers by allowing the potential to lower prices, and it does not want to support businesses in this country either, which in turn create jobs. Labor backflipped on the parallel importation of compact discs. In government, Labor promised to lower the price of CDs, but it caved in to pressure from multinational sound recording companies and left consumers to pay higher prices for CDs. In opposition, under further pressure from multinational record companies, it tried unsuc-
cessfully to block the coalition’s legislation to give consumers cheaper CDs.

It was the coalition that succeeded where Labor failed in delivering cheaper CDs to Australian consumers. Labor continues to pander to the interests of multinationals with the recent announcement of its ‘use it or lose it’ policy on parallel importation. During debate in the House of Representatives on the coalition’s new parallel imports bill, Labor made it clear that it would rather support multinationals than consumers. Labor’s policy will only ensure that the big overseas companies retain their monopolies and that Australians keep paying too much for copyright material. An independent committee recently confirmed that the benefits of these high prices flow primarily to foreign rights holders, while the corresponding costs are borne by Australian consumers and industries.

In July 1998, the coalition successfully implemented reforms to deliver a cheaper and wider range of CDs for consumers. In doing so, the coalition ended multinational control of the importation of legitimate sound recordings. This has increased competition, increased choice and lowered prices. At the time, some critics said that the relaxation of parallel importation restrictions for sound recordings would devastate the Australian music industry. Some went so far as to say that 50,000 jobs would be lost. However, since the 1998 reforms the music industry has in fact grown. The industry is reported to have grown by 2.9 per cent in 1999. Despite unfavourable exchange rates, music prices have lowered since the parallel importation of music.

The Australian Competition and Consumer Commission found that the national average CD price in specialist music stores was $27.92 or 6.1 per cent lower in December 2000 than the average price before the reforms. In December 2000, the average price of CDs at selected non-specialist and discount stores was $22.80 or 18.3 per cent less than the average price at a specialist store. In December 2001, Target and Kmart were selling top 40 CDs for under $20 and JB Hi-Fi were selling top 20 CDs for $12.99. Clearly, it is now possible for consumers to access top-selling CDs at a price that is over 30 per cent cheaper than it was prior to parallel importation, and in some cases consumers pay less than half the recommended retail price.

In February 2001, the Attorney-General introduced legislation to remove restrictions on the parallel importation of books, computer software and related products. This legislation passed the House of Representatives in June 2001 but lapsed with the calling of an election. Following the election, this bill has been re-introduced. The Copyright Amendment (Parallel Importation) Bill 2002 will allow Australian importers to obtain these products and make them available to consumers as soon as they are released anywhere in the world. This will also pave the way for future cost savings for both consumers and Australian business. It will mean that more suppliers will be able to distribute the product among a greater number of retailers and, in turn, this will benefit consumers through competition. Parallel importation frees up distributors to get the best deal, both in price and range of legitimate material, for their business and for their consumers. Distributors would not have to obtain stock from the Australian copyright owner, who would otherwise control the market.

Speaking from my own experience in the importation industry—I was involved in importing scuba diving equipment through a company I set up called Scuba Industries of Australia—I always found it fascinating that, under restricted access, the materials I brought in from America for the Australian market I was actually able to obtain more cheaply in Singapore than in the US. In both countries licensed product was available on the market. Under the current regime we have restrictive measures which drive up the market price purely to benefit a foreign multinational company. It is time that these reforms were introduced and approved to benefit consumers.

There is a range of groups in the community who will benefit from these reforms. Consumers will potentially have lower prices and a greater choice of products. Suppliers will potentially have increased access to materials, such as a cheaper and better range
of computer games, business software, personal finance software, magazines, journals, books and printed music. As in the case of CD prices, the amount and timing of any price reductions are difficult to predict. The legislation would remove barriers to competitive pricing and increased availability of printed material and packaged software. Market forces—including exchange rates, the willingness of existing businesses to take advantage of new opportunities, the number and type of new entrants in distribution and the types of adjustments in trade—will determine the nature and timing of the benefits.

Students have the potential to benefit from these reforms, with cheaper prices and greater access to printed material such as textbooks and software. Primary schools, high schools and tertiary education institutions will have the ability to access competitively priced and specialist materials such as journals, textbooks and software. Professional associations will be able to import material to fulfil their specialist needs, such as legal trust accounting software, the latest version of a medical journal, training manuals or agricultural journals that can be sourced for associations and/or members at very competitive prices. Businesses and all levels of government will potentially have a lower cost for their software and printed material, and this saving can be passed on to consumers and taxpayers. There will be new opportunities, particularly for small businesses, for the importation and sale of printed material and software to fulfil specialist needs, and the possible expansion of industries reliant on copyright, such as the arcade game industry.

The information economy will benefit from allowing the importation of legitimate physical products on the same basis as the downloading of legitimate material from the Internet. Australians will have access to competitively priced copies of developer software, enabling them to compete better domestically and globally. Australian e-commerce booksellers and packaged software distributors can potentially be more competitive in the international marketplace due to their ability to source inventory from the cheapest wholesaler. Existing retailers, such as newsagents and booksellers, will be able to negotiate better terms of trade for the copyright printed materials and software that they stock, thereby providing better services to their customers. The availability of full parallel imports is likely to open up opportunities for smaller booksellers in more specialised niche markets, such as medical textbooks. Musicians are expected to have access to cheaper printed music, a better range of music and faster availability.

This legislation deals with copyright material only in the form of sound recordings, software, video arcade games, books, periodicals and printed music. This bill will allow sound recordings with associated copyright protected material—called 'accessories' in the legislation—such as a short film clip, a poster or the printed lyrics of the songs on the CD to be legally parallel imported along with, or as part of, the music CD. Software will be able to be parallel imported by distributors for commercial resale. This would include business, home, educational and games software, interactive encyclopaedias and e-books. Most data in electronic form would also be able to be parallel imported. This is a welcome reform, given that the ACCC reported in 1999 that businesses and consumers have to pay on average 27 per cent more for packaged business software than their US counterparts.

Video arcade games will be able to be parallel imported on the same basis as software. This industry has seen its share of restrictions on parallel imports. From 1991 through to 1996, the amusement machine industry grew substantially. During this time, arcade operators were able to access overseas machines without needing to seek the permission of the exclusive distributor of those machines. In 1996, the industry was made up of some 1,200 small businesses, employing over 7,000 people and with a turnover of around $650 million. But, due to a 1996 court decision, the industry has been effectively subjected to parallel import restrictions, which, according to a submission by the National Amusement Machine Operators Association, resulted in limited distribution options impacting on both operators and consumers. To give you an example,
prior to the restrictions of parallel imports in 1996, games could be purchased for around $20,000 throughout Japan and the USA. But, because imports were restricted through two set suppliers, the cost of the machines went through the roof and, a few years ago, went up to $40,000 per unit.

The repeal of the parallel import restrictions will assist operators to procure their equipment from alternative suppliers. The legislation also applies to books, periodicals and printed music. The 1999 ACCC report found that, for best-selling paperback fiction, consumers in Australia were paying 30 per cent more than those in the USA. Under the reforms, magazines and professional journals will be able to be parallel imported from one year after the legislation comes into effect. This delay caters for the specific contractual arrangements in this industry. Here you have a bill that will support consumers, in the way of potentially cheaper products, and will also assist small businesses and open up business opportunities. Copyright owners will continue to be able to determine: the price and conditions for the use of the material they import or reproduce; if and when their material is released; the exercise of other copyrights, such as public performance and communication to the public by electronic means; and, in the case of software and sound recordings, their rental. I urge the Labor Party to look seriously at this legislation, which goes a long way towards balancing the needs of copyright owners and copyright users. Our consumers and businesses will be able to get the best deal on legitimate printed material and software, and copyright owners will continue to be fairly remunerated. I commend this bill to the House.

Mr KERR (Denison) (1.19 p.m.)—I rise to speak on the Copyright Amendment (Parallel Importation) Bill 2002. The opposition does not, has not and will not support this legislation. An amendment to the second reading motion for this legislation has been moved which identifies a number of circumstances where the government has failed to address concerns that have been raised through committees of this parliament or to provide researched information that would enable it to justify the claims that it puts forward. The amendment points out the regulatory failures to which the government has thus far subjected the industries that are affected by this legislation.

I suppose it is worth while reflecting a little on some of the underlying principles. One of the curiosities that I find in debates of this kind is that we are constantly assailed by arguments that consumers will be better off, by reason of the cutbacks that are being proposed, through the protection of those who have the ownership of intellectual property. The first point I make is that the intellectual case for that assertion has significantly and singly been absent in production. A series of contested propositions has been put forward, particularly by Allan Fels, Chairman of the ACCC, to the effect that there would be very large price reductions. Yet, when changes were effected at his instigation in relation to some of these industries, we saw none of the predicted price reductions. All the surveys and independent assessments that have been referred to have been afflicted by the same failure to develop a coherent and justifiable research rationale that would support the contentions that are being put forward. So underlying the basic proposition that you will get consumer benefits of a significant degree is essentially an ideological assertion rather than a researched, substantive proposition.

The second point I make is that it says something about our attitude to intellectual property as such. If we were, for example, talking now of taking away the property rights of Australians who draw water from allocated public goods, we would find many on the government side who would quite properly say that this is an issue of balancing interests, but the property interests of those who have exercised those rights are at least a significant factor that has to be taken into account. If we were, for example, to argue for the reduction of cost to consumers by affecting the property interests of producers of material goods—those who make physical objects—by imposing some liability to deliver their products to the market under a different regime, we would have those who normally defend private property interests screaming from the rooftops. Yet, when it
comes to intellectual property, in a sense it is not really property; it is not really something that a person who produces, manufactures or distributes has a real entitlement to. We can be quite free in the way we confer on others the benefits that go with ownership of those rights; we do not really have to take into account the interests of those who have developed the products, who have written the books, who have made the music or who have produced the films which are the subject of our discussion today.

With intellectual property, the intangible interests that we are discussing are the only way by which those who produce those goods are remunerated. There is no physical object for which a writer gains their remuneration. They gain their remuneration through royalties and the like which flow from the sale of their products. The musicians, the artists and the producers own the invisible band of intellectual product rights which we attribute value to—and that is the biggest growing sector of our economy. It is a significant and growing sector where Australia has a natural advantage. We are one of the greatest producers of intellectual property in the world.

If we do not treat those inchoate and invisible rights seriously and have respect for the fact that intellectual property has real value to the producers and that it is the way in which those persons are remunerated, we will undermine and undercut the effectiveness of those industry bases. The musicians, the artists and the producers own the invisible band of intellectual product rights which we attribute value to—and that is the biggest growing sector of our economy. It is a significant and growing sector where Australia has a natural advantage. We are one of the greatest producers of intellectual property in the world.

If we do not treat those inchoate and invisible rights seriously and have respect for the fact that intellectual property has real value to the producers and that it is the way in which those persons are remunerated, we will undermine and undercut the effectiveness of those industry bases. The musicians, the artists and the producers own the invisible band of intellectual product rights which we attribute value to—and that is the biggest growing sector of our economy. It is a significant and growing sector where Australia has a natural advantage. We are one of the greatest producers of intellectual property in the world.

If we do not treat those inchoate and invisible rights seriously and have respect for the fact that intellectual property has real value to the producers and that it is the way in which those persons are remunerated, we will undermine and undercut the effectiveness of those industry bases. The musicians, the artists and the producers own the invisible band of intellectual product rights which we attribute value to—and that is the biggest growing sector of our economy. It is a significant and growing sector where Australia has a natural advantage. We are one of the greatest producers of intellectual property in the world.

Ms Julie Bishop—Certainly amongst the best media performers.

Mr KERR—Certainly amongst the best media performers. But it is not a case that has been sustained by credible research. The argument diminishes the effective capacity of those in the industries that we would wish to develop—industries that we are best positioned to develop and have a great opportunity to develop because we have a strong base of highly technologically skilled, English-speaking and creative people in this country who can exploit these opportunities.
Yet we are, in a sense, willing to subject their interests to some sort of larger ideological flight of fancy that is put forward by this legislation.

I find it curious that the party which normally is the first to speak out in defence of private property rights is so indifferent to private property rights when they take the form of intellectual property. In fact, it is almost as if somebody who is successful and effective in marketing and developing new technologies or developing literary skills ought be punished by making certain that they cannot exploit the economic advantage that flows from being successful in that field. In no other field of endeavour do we approach a sector in such a way.

I want to mention briefly what I think is also a significant flaw; that is, that we have not put in place any framework that would give anyone any confidence, if there were a system of parallel importation, that that would not be an open door for piracy. I served on the House of Representatives Standing Committee on Legal and Constitutional Affairs which examined this issue in the last parliament. That committee concluded that there was a significant piracy problem and made a series of recommendations, such as requiring different documentation for commercial importers—including a declaration that the product had been made in Australia or, if it had not, that the making of the product would not constitute an infringement of copyright—and requiring that the Copyright Act be amended to provide deterrents and facilitate prosecution of copyright infringements, and that the AFP establish task forces to deal with it.

Coming back to the starting point, this government has done virtually nothing to deal with the problem of organised piracy in the intellectual property field. It is curious that this form of property just does not seem to be properly and highly valued. It is curious because it is immensely valuable. If we had a system where physical property was being stolen and people were being deprived of material possessions, we would have police in their thousands chasing down the people responsible. We would have a real crisis on our hands. If people’s households were being broken into or their businesses were being raided and their physical property stolen, it would not be a question of designating one member of the Australian Federal Police as having nominal responsibility for chasing down that violation of property rights. It would be a crisis. We would be out there screaming to the rooftops that we had an upsurge of crime, that people’s property was being taken from them and that something had to be done about it. We know that, whenever these circumstances arise, when people’s property is stolen, that is exactly the reaction. Yet when the property that is stolen is intellectual property—we see many instances of the importation of pirated materials; taking the rights of intellectual property holders and treating them as nought and effectively stealing money that is due to them under the law—our response is trivial. Our government’s response essentially has been to shrug its shoulders. It is offensive to all those people who are in an area of the Australian economy which really does deserve better.

Given our present situation, where there are a high number of infringements, how much greater would the problem be if we had a regime of parallel importation, licensed in this manner? Why would the problem be that much greater? The problem would be that much greater because at the moment if there is identification of nonlicensed materials coming into the country, it can automatically be assumed that they are pirated. It ought be easy, if we put resources into it, to have a fairly effective enforcement regime. We do not have an effective enforcement regime. We do not put resources into it. We leave it to those who have private property rights largely to enforce their own rights. We do not do this anywhere else. A person whose bank account is robbed is not expected to send out a private posse to hunt down the thief, yet with intellectual property that is exactly what we do: we expect the person who has been robbed to pay for the posse to hunt down the thief.

It ought be possible to deal with these issues reasonably effectively. Once you bring in a parallel importation regime you have a situation where the fact that the goods com-
ing in are not licensed to come in cease to be material. It may well be that the goods were produced in some other jurisdiction or in some other territory under a subsidiary licensing arrangement of which the distributor in Australia has no knowledge. Customs would not be able to identify such a situation. It would be very hard to prove any offence in terms of a broken chain of authority, and what is now a significant problem for those in intellectual property industries would become a very significant problem—a disastrous problem. And let us not diminish the degree to which the problem already exists. In September, New South Wales police announced they had seized 20,000 videos and CDs as part of an international piracy syndicate. I am certain that is only the tip of the iceberg. Anybody of any wit will know that you can go to any number of Sunday markets and to many different outlets in Australia and acquire products which, on the face of it, appear to be pirated—and probably are. It is a big industry. It is a multibillion-dollar industry worldwide, producing not just CDs but pirated toys, pirated apparel—pirated products of all different natures.

What do we have? As a result, the federal government has been able to point to one prosecution of a man who pleaded guilty in the Penrith local court to selling pirated DVDs at the Penrith market. He forfeited 237 pirated DVDs and paid a fine of $5,000. That was the subject of a massive press release, an enthusiastic statement from the federal government, as if this were cracking down on it. The real problem is the international abuse on a large scale. As this government turns its back on the need for adequate protection of our borders against this issue, why would those in the industries that are affected have any confidence that this government would increase the surveillance if it brought in parallel importation? I have no such confidence.

The whole approach of this government thus far has been essentially to say that there is a myth in relation to piracy. The Minister for Communications, Information Technology and the Arts spoke about what he called the myth of piracy. I do not know which brown paper bag the minister has been living in; he obviously does not do his own shopping, have children or have any experience of the world. If he had any experience of the world, he would know that this is far from being a myth. It is certainly far from being a myth for those who are in the recording, the film and television or the apparel and toy-making industries, as we heard in the committee inquiry. We essentially have a framework which is being put forward by the government with a simple assertion that this will make for cheaper products for consumers. It is ignorant of the fact that it would do profound damage to those significant industries which are developing and growing in this country. (Time expired)

Ms JUNIE BISHOP (Curtin) (1.39 p.m.)—In taking up some of the points raised by the member for Denison in his remarks, I point out that the Copyright Amendment (Parallel Importation) Bill 2002 is in no way a repudiation of the importance of copyright to the functioning of our economy and the creativity of our society. This bill is less a matter of balancing competition policy and intellectual property law and more a recognition that the ban on parallel importation is a matter of trade and not copyright. The items we are discussing in this chamber in this debate are not fraudulent, not pirated and not copied. They are genuine goods produced by their legitimate manufacturers. All the present ban on parallel importation does is prevent manufacturers from artificially dividing their markets into subsections to minimise external price pressures. By lifting the ban and allowing the parallel importation of computer software, computer games, books, periodicals and sheet music into Australia, this government is simply repudiating a marketing strategy and not a principle of intellectual property law.

Yes, it is true that industry interests have identified piracy as their principal reason for continuing parallel importation restrictions. In a 1992 submission to an inquiry by the Prices Surveillance Authority, diverse software companies, including Microsoft and Borland International, considered increased piracy an important reason for their opposing an end to parallel importation restrictions.
However—and let me remind the House, given the amendment circulated by the members opposite—in its report *Cracking down on copycats*, the House of Representatives Standing Committee on Legal and Constitutional Affairs found that the link between parallel importation and importation of pirated products was weak. The member for Denison spoke of the problem with piracy per se; sure, but he should not try to confuse parallel importation and piracy.

I spoke on the previous incarnation of this bill about 18 months ago, and I recall at the time I had been somewhat despairing that the Senate had referred the Copyright Amendment (Parallel Importation) Bill 2001 to the Senate Legal and Constitutional Legislation Committee for consideration—perhaps it was just the sense of inevitability. In any event, the committee tabled its report on the bill on 23 May 2001. Although the majority report supported the bill, it expressed concerns about a number of issues. Parliament was subsequently prorogued before debate on the bill concluded, and the bill lapsed. So the bill before the House today, the Copyright Amendment (Parallel Importation) Bill 2002, takes up where the previous bill left off. Thus, I speak again to commend this bill to the House.

Parallel importation is the importation into Australia of works that have been legitimately purchased overseas—that is, purchased without infringement on the copyright of the creator in the overseas country. This bill will lift draconian and anachronistic restrictions on parallel importing of legitimately produced books, periodicals, printed music and computer software products, including computer based games. I guess one of the reasons I was overcome with a sense of despair when the original bill was diverted into the senatorial swamp was that there have been numerous other inquiries into Australia’s parallel importation rules over the last 15 years. Each has held that the removal of these absurd restrictions would be, in the words of the Attorney-General:

... in the best interests of consumers, the education sector and business.

Mr Henry Ergas and the Intellectual Property and Competition Review Committee undertook one recent review of parallel importation rules. The Ergas committee, like its predecessors, recommended the repeal of parallel importation rules, with a 12-month transitional period allowed for books. It is interesting to note that the Ergas committee concluded that such liberalisation would, in its words:

... enhance competitive neutrality, both as between types of copyright material and as between the industries and activities that rely on copyright protection and those that do not; it would enhance competition in the supply of copyright materials; and it need not compromise the efficiency of copyright enforcement or the goals of the copyright system.

As such, the Ergas committee was suggesting that, despite the opposition of some groups, the committee took the view that parallel importation would not have a detrimental effect on the holders of copyright.

Dr Eden Woon, the director of the Hong Kong General Chamber of Commerce, similarly argued in a submission to the Commerce and Industry Bureau of Hong Kong that parallel importation of computer software should be considered more as a trade matter than a matter of copyright protection. In June 2001, I observed in my speech in the second reading debate on the original bill that in my seat of Curtin, with its multitude of technologically aware and progressive small businesses, the importance of easy and efficient access to new technologies and new products was vital to commercial success and community development. Eighteen months on, that observation remains true.

It is absolutely vital, in an economy where business technology changes rapidly and where technology can give a business a critical competitive edge, that small and big businesses can easily access technology. If there are genuine goods that have been produced overseas that may be purchased at a lower price, then it is my view that the federal government has responsibility not to impede that purchase. This is not simply an abstract exercise. As the Attorney-General noted in his second reading speech on this bill, the ACCC has confirmed that for paperback fiction bestsellers the price difference
between Australia and the United States averaged more than 30 per cent between 1995 and 1999. Similar findings were made in relation to software, with the ACCC concluding that over the past 10 years Australians have paid an average of 27 per cent more than Americans for packaged business software. Not surprisingly, lobbyists for the manufacturers of books and software will argue that somehow these figures are overblown—that is their job. But it is not the job of the opposition, and I would be disappointed if they were prepared to dismiss the work of the ACCC on the say-so of Microsoft or the Australian Visual Software Distributors Association.

There is also a fallacy of logic in this rearguard action by opponents of parallel importation. If the price differential is as low as they say it is, then surely parallel importation offers no substantive threat to Australian production. But of course Australian consumers are attracted to the purchase of software and books overseas. There is an economic imperative to seek out such goods, avoiding as it does the artificially inflated prices created by Australian import restrictions. Already the electronic commerce opportunities offered up by the Internet are challenging the status quo. While technological barriers erected by manufacturers may still be stifling the importation of software, books—more easily transferable internationally—are being increasingly purchased by Australian consumers through firms such as Amazon.com or Barnes and Noble online. This is in no way a repudiation of the importance of copyright to the efficient functioning of our economy and to the creativity of our artists, authors and inventors. As I said, this bill is not about balancing competition policy and intellectual property law, as the member for Denison and, indeed, the Bills Digest suggested; it is recognition that the ban on parallel importation is a matter of trade, not copyright.

I return to this suggested link between parallel importation and importation of pirate products, as the member for Denison noted and to which the amendment circulated by the opposition refers. The opponents of reform have sought, quite frankly, at every juncture of this debate and elsewhere to confuse the two issues—the issue of parallel importation and the issue of piracy. It was a tactic adopted by the recorded music industry during debate on the now Copyright Amendment Bill (No. 2) 1998. But just as the rhetoric suggesting 50,000 job losses in that industry has disappeared into thin air—while the jobs have remained behind—so the allegations that reform of CD imports would precipitate gross piracy in Australia have been found to be groundless.

As the Attorney-General mentioned in his contribution to the debate thus far, the recording industry grew by 2.9 per cent in the year after the CD reforms. Today many top-selling albums are over 30 per cent cheaper than before 1998, despite the introduction of the GST and despite unfavourable exchange rates against the Australian dollar. What is more, the Australian Institute of Criminology’s 2000 report found that there was little evidence of an increase in CD piracy. As I noted in this House when I spoke on the previous incarnation of this bill, an important feature of the proposed legislation is that it does not affect infringements relating to hard copy disks and downloading illegal copies from the Internet. On this basis, it would seem that industry opponents of parallel importation are trying to protect their own market share rather than being invigorated by the challenge of competition.

My reference to the CD debate brings me to an associated issue which is also subject to the provisions of the bill. This concerns attempts by some Australian rights holders to circumvent the 1998 liberalisation of CD imports by providing additional material on what are primarily sound recordings. The intention is that by introducing this secondary material the rights holders can claim that the CD is not in fact a CD and ought to remain subject to the restrictions on parallel importation that apply to, for example, films. This bill will shut off this loophole by allowing for the importation of copyright protected accessories but not feature films.

As to the matter of feature films, I understand that the Attorney-General and the government have not fully assessed the effect of the parallel importation of such films. It is
noteworthy that the report prepared by Mr Ergas’ Intellectual Property and Competition Review Committee concluded that the Australian film industry had failed to make the case that parallel importation of films would be to the detriment of Australia. I sympathise with the position taken by the Intellectual Property and Competition Review Committee. In all these matters of trade it is incumbent upon those who would deny other Australians the opportunity to import these items to make the case that government intervention is warranted. It is not the responsibility of those other Australians to make the case for the removal of such restrictions. Where a cogent and compelling case cannot be made for the retention of barriers to trade, then those barriers should be lifted.

I think it is fair to say that the Labor Party acknowledge that their approach to this legislation would thwart the ambitions of Australian consumers. Previously they tried to make the point that the Howard government’s policy was to just drive down prices—that the government are entirely driven by consumer interest. We are interested in consumers and we are interested in the education and business sectors, which will benefit from these reforms. We are not proposing draconian, neoprotectionist policies. We are not proposing monopoly distribution and import restrictions that will be only to the detriment of Australian businesses and consumers. Labor’s attitude to this issue is demonstrated through their amendment. They are not about promoting innovation and excellence in business; they are about imposing expenses, controls and regulations that will only damage the economy. The coalition are interested in innovation, excellence and competitive prices. I for one respect and believe in the benefits of free enterprise. I commend this bill to the House.

Dr Emerson (Rankin) (1.56 p.m.)—It is great to be here sharing some thoughts with the assembled multitude on the virtues and deficiencies of the Copyright Amendment (Parallel Importation) Bill 2002. This bill, if enacted, would relax restrictions on the importation of copyrighted material, such as books, computer software and computer games. Where copyright has been observed and royalties paid in respect of an Australian creator of intellectual property, the bill would allow, at the same time, the importation of that material from another country. Obviously, there would have to be some advantage to the importer in bringing that material into this country.

In the first instance, a number of areas I will traverse relate to the need to protect Australian culture. I have a very strong view about not allowing anything that would weaken our culture in respect of books. I do have a different perspective in relation to computer games. I think the arguments are not quite the same. I question the totality of Australian cultural content in the creation of computer games. Computer software falls into a different category because it is a business input. I would be interested in the measures that genuinely reduce business inputs in this country rather than those that do not, such as the application of the GST.

The nub of this problem is the question of piracy. The reason Labor are opposed to the relaxation of restrictions on parallel importation, as proposed by the government, is that we remain gravely concerned about piracy in this country. For two years now the government has had the benefit of a parliamentary committee report entitled Cracking down on copycats. It is a very important report because it outlines a series of measures that the government could adopt to crack down on piracy. A fundamental reason we take this position in relation to parallel importation is the complete lack of government action in cracking down on copycats, in cracking down on piracy. If there were some genuine government action on that front, it might affect the way I approach the issue in relation to computer software but it would not affect the way I approach the issue in relation to books, because Australian cultural content should be protected and must be protected. That is why we have moved a second reading amendment calling on the government to be far more vigilant and effective in relation to copycats and piracy.

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

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Minister for Veterans’ Affairs will be absent from question time today. The minister is visiting the Holsworthy area, which is in her electorate, in the wake of the bushfire damage caused yesterday. The Minister for Foreign Affairs will answer questions on her behalf.

NEW SOUTH WALES: BUSHFIRES

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—On indulgence, Mr Speaker, whilst on the subject matter of the Minister for Veterans’ Affairs’ visit, I speak on behalf of all members of the House in expressing our concern for the people of New South Wales who are being so badly affected by these terrible bushfires. A few moments ago, I spoke to the Premier of New South Wales and indicated to him that, if any further appropriate Commonwealth assistance were needed, it would be made available. The House would be aware of the shared funding arrangements between the Commonwealth and the states regarding both the transportation and operating costs of the three helitankers and, of course, the operation of the natural disaster relief arrangements whereby, once agreed thresholds are reached, the Commonwealth meets 50 per cent and potentially 75 per cent of state costs incurred for financial help and rebuilding.

The Australian Defence Force has been asked to provide assistance, such as food and accommodation for interstate firefighters and the use of defence refuelling and airfield facilities to support aerial firefighting. If there are other practical ways in which the Commonwealth government can help, I indicated to the New South Wales Premier that they would be made available. Once again, we express our unbounded admiration for the brave and professional firefighters, most of whom are volunteers and exemplify yet again the great Australian volunteer tradition which always rises to the occasion and comes to the surface at a time of national challenge. Our thoughts are very much with those people who are fighting these fires. We fear that this could be but the beginning of a very bad fire season, not only in parts of New South Wales but in other parts of Australia. Let us all do everything we can to help these people and again express our great admiration for the firefighters and for what they have done.

Mr CREAN (Hotham—Leader of the Opposition) (2.03 p.m.)—On indulgence, Mr Speaker, I join with the Prime Minister in expressing the support on this side of the House for all efforts to be made to protect the homes and the lives of people who are threatened again, particularly in New South Wales—it could happen elsewhere in this country, as the summer season approaches. I remember last Christmas visiting scenes of bushfire devastation in New South Wales. According to Premier Carr today, the conditions, with the high temperatures and the high, gusting winds, are in fact worse than at Christmas of last year. In the latest reports, areas of the Blue Mountains and around the Shoalhaven are under threat.

I welcome the Prime Minister’s commitment of Commonwealth resources, because we do need the commitment of the Commonwealth. This is a national tragedy. It requires a national response. We do need national resources, we do need more dedicated research and we need more done to protect our volunteer firefighters. I also join with the Prime Minister in again placing on the record our tribute to those volunteers who give so freely of their time to protect lives and homes. These are worrying times for many people who live in those areas of New South Wales but most worrying of all for the volunteers who go out to try to stop and prevent bushfires. These are people who deserve our full support. Their commitment makes a great contribution to the national effort and the national response. Our hearts go out to them, and we stand ready to support whatever assistance the Commonwealth can give to the state government in fighting this renewed threat. Unfortunately, it is not a new threat; it seems it comes around too frequently and too devastatingly.
QUESTIONS WITHOUT NOTICE
National Security

Mr RUDD (2.05 p.m.)—My question is to the Minister for Foreign Affairs. Is the Minister for Foreign Affairs aware of a report in today’s Age newspaper about the Prime Minister’s recent statements on a preemptive strike, which states:

Foreign Minister Alexander Downer met representatives of all ASEAN nations, reassuring them that Mr Howard’s comments were intended for domestic consumption and that Australia had no plans to land forces on their shores.

Minister, is the Age report accurate when it states that you assured the ASEAN ambassadors that Mr Howard’s comments were intended for domestic consumption only?

Mr DOWNER—The Age report was drawn to my attention this morning, and I can confirm that the Age report is not correct. Not only is it not correct, not only did it not square with my own memory, but I checked—

Opposition members interjecting—

Mr DOWNER—I am trying to help you. It is so hard with the Labor Party. You struggle to help them! I said, if you had listened, not only could I not recall having said this—I was about to say something else—but I checked the record. The record confirms that not only was this very constructive and very positive meeting and an opportunity to reinforce something that we think is important and have been successful in achieving—that is, regional cooperation on countering terrorism, and that work is continuing to progress—but also, as I said to the meeting, the Prime Minister was saying to the Australian people that the government would do everything it could to protect them from terrorist attacks. Any Prime Minister, I would have thought, would say that to his or her people, and I made that point as well. I did not say that the Prime Minister is making remarks on the one hand for a domestic audience, hoping that an international audience would not hear them, and that he has a different message for an international audience. I said absolutely nothing of the sort.

East Timor: Civil Unrest

Mr HAWKER (2.07 p.m.)—My question is to the Prime Minister. Would the Prime Minister inform the House of recent developments in Dili following the recent violent demonstrations?

Mr HOWARD—As I know the House will be aware, yesterday there was a large civil disturbance in Dili involving about 600 people. There have been reports of a number of deaths. It was indicated to me this morning in circumstances I will come to in a moment that the number of people whose lives were lost was some three or four. The situation was calmer this morning; nonetheless, it is still very tense. I inform the House that two Australian Federal Police officers sustained minor injuries, one requiring medical treatment, when the UN police compound was stormed. No other Australians were injured. Our embassy advised Australians registered with the embassy to remain indoors. Australians in the affected areas were evacuated, and we are continuing to monitor this situation very closely. The welfare of Australians in Dili is our top priority.

I very strongly condemn—as I know all members of the House will condemn—this violence. There is no excuse to resort to this action for any grievance. This morning I telephoned the Prime Minister of East Timor, Mr Alkatiri, to convey the government’s sympathy and concern about the loss of life and the damage involved. The Prime Minister’s own home was completely destroyed by fire during the demonstration. I said to Mr Alkatiri and his government that, although it was up to him as the leader of a sovereign independent country to resolve the situation, Australia is a close friend to East Timor and is willing to help if that help is required and that help is asked for.

I told the Prime Minister of East Timor that we were willing to do what we could to help East Timor to develop the capacity to better handle law and order problems, and we will look at providing additional assistance to help develop the capacity of the East Timorese police and the East Timorese judiciary. It was very plain that the Prime Minister appreciated my call. It was an opportunity for me to remind him that, although East
Timor is now an independent country—and it is some three years since the INTERFET intervention following the independence vote that ultimately led to the independence of East Timor—it remains a country for which many millions of Australians have great affection. We are concerned about her future as a nation. It is a small nation, but if well and prudently governed it does have more opportunities, because of its resource endowments, than many other countries of a similar size. We are concerned. We are sorry about the loss of life. We will help if help is sought. The thoughts of the Australian government are very much with the East Timorese government and people at this very difficult time.

National Security

Mr CREAN (2.11 p.m.)—My question is to the Prime Minister. I ask whether he has also seen the report in today’s Age newspaper that the foreign minister was questioned about that related to his meeting with the ASEAN ambassadors last night. My question is in relation to a quote from that article, in which the foreign minister pledged that Australia would drop suggestions that the United Nations charter be changed to allow pre-emptive strikes on foreign soil. Did the foreign minister make that pledge last night? Prime Minister, haven’t you promised the opposite—to seek to change the UN charter to accommodate a doctrine of pre-emptive strikes?

Mr HOWARD—The answer to the first part of the question is that I have not seen the Age report. The question of what was said by the foreign minister is a matter for the foreign minister. I have every confidence that any account given of a meeting attended by the foreign minister will be a very honest and very professional account of what was said. Although I have not seen the Age report, I have seen a transcript of a press conference addressed by the Leader of the Opposition this morning. It is a very interesting press conference. Amongst other things, he asked me to apologise for what I said.

Honourable members interjecting—

The SPEAKER—Order! The Prime Minister has the call. He has the right to be heard in silence. He is not being assisted by people on either side of the House.

Mr HOWARD—This is a very significant thing, and I want to pursue it a little further. The Leader of the Opposition, the alternative Prime Minister of Australia, asked me to apologise for saying that I would do what was necessary—absent another alternative—to defend the interests of this country against a potential terrorist attack. Let me read my answer to the question again for the benefit of the House, for the benefit of the Australian people and for the benefit of anybody who is interested in following what is involved. I had this to say:

Oh, yes. I think any Australian Prime Minister would. I mean, it stands to reason that if you believed that somebody was going to launch an attack against your country, either of a conventional kind or a terrorist kind, and you had a capacity to stop it and there was no alternative other than to use that capacity—

I repeat ‘there was no alternative other than to use that capacity’—

then of course you would have to use it.

Mr Speaker, I ask the Leader of the Opposition: should I really apologise for saying that? Should any Australian Prime Minister apologise for saying that?

Mr Crean interjecting—

Mr HOWARD—I know exactly what I said. I said it deliberately. I said it because it was correct.

Mr Rudd—Mr Speaker, I rise on a point of order on relevance. The Prime Minister was asked specifically about changes to the UN charter.

The SPEAKER—The member for Griffith will resume his seat. The Prime Minister has the call. There is no point of order.

Mr HOuard—With the greatest of charity and respect to the Leader of the Opposition, there is really nothing in those words that requires an apology.

Mr Crean interjecting—

Mr HOWARD—The Leader of the Opposition was calling upon me to apologise for something I had said. What I said was in furtherance of the interests of the people of
Australia. I was asserting a position that I believe any Australian would want their Prime Minister to assert, whether he was a Liberal Prime Minister or a Labor Prime Minister. The question of the United Nations has been raised, and I will come to that in a moment.

Interestingly, there has been a change in the opposition’s reaction on this issue as it has developed. On 20 June I was asked a question about this same issue, and this is what I had to say then:

Well the principle that a country which believes it is likely to be attacked is entitled to take pre-emptive action is a self-evidently defensible and valid principle and I don’t think you need a government decision to say you agree with that. I mean let me make it very clear if I were presented with evidence that Australia was about to be attacked and I was told by our military people that by launching a pre-emptive hit we could prevent that attack occurring I would authorise that pre-emptive hit and expect the Opposition to support me in the process.

That is what I said on 20 June. That did not draw any rebuke from the opposition. Yet, in its breadth and in concept, the principle I then enunciated was no different from the principle that I explained, albeit in even more qualified terms, on the Sunday program in answer to Laurie Oakes’s question. Yet, interestingly, no comment was made by the opposition. I did not have the member for Griffith or the Leader of the Opposition coming out and saying, ‘That’s terrible. You have to apologise.’ They did not say that I had to apologise for saying that.

Mr Rudd—Mr Speaker, my point of order goes to relevance. The Prime Minister has been going on for several minutes now and has not touched on the changes to the UN charter.

The SPEAKER—The member for Griffith will resume his seat. There is no point of order.

Mr HOWARD—It was a perfectly reasonable statement of a totally defensible principle. I did not make that statement lightly, I did not make it belligerently and I did not make it carelessly; I made it conscious of my responsibilities to the welfare and the interests of the Australian people. In those circumstances, I am staggered that the alternative Prime Minister of this country should ask me to apologise for the statement of a principle designed to protect the security and the interests of the people of this country. I am staggered that the alternative Prime Minister of this country should invite me to do that.

As to the question of the United Nations, the existing United Nations charter is the subject of debate and discussion in relation to this issue. There has been no government decision made in either direction. There is properly a debate as to whether the existing self-defence language of the charter continues to be appropriate at a time when aggression is defined by the atrocities of al-Qaeda in Bali, Washington and New York, the Middle East and East Africa, as opposed to when the notion of self-defence had in mind the response of countries such as Poland and others when German tanks rolled across their
borders in 1939. Self-evidently, the world has changed and the world has moved on—and that properly provokes a debate. We have not made a decision to argue for a change in the UN charter. The defence minister has not said that; I have not said that. The question of whether at some stage the United Nations charter should be changed is something about which there will be debate, but as to any suggestion that there has been a government decision either way, there is nothing in the language or on the record that suggests that.

The kernel of this issue is very simple. I made a totally proper, defensible, correct, deliberate and careful statement directed towards the national interest. I made that statement initially on 20 June. It lay dormant and unrebuked by the opposition. Quite clearly, the opposition did not know what to say at first after I made the comment on Sunday. They waited to get guidance. They finally decided to do something about it. Now, we have this extraordinary assertion by the Leader of the Opposition that I should apologise for saying that I would do what was necessary to defend the people of this country. I find that an extraordinary argument.

East Timor: Civil Unrest

Mrs MOYLAN (2.23 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of action the Australian Embassy in Dili has taken in response to the recent unrest? Are Australians in Dili at risk?

Mr DOWNER—I thank the honourable member for Pearce for her question. The Prime Minister said a little about this in answer to the question before last. Let me repeat that the Australian government and, I think, all Australians are very disturbed about the violence that took place in Dili yesterday and also the demonstrations that took place the day before. The United Nations has so far confirmed that there was at least one death, although that number may increase. Indeed, my information originally late last night was that two people had been killed, but I now understand that only one death has occurred. Information from our embassy is that Dili has been largely quiet overnight and the situation has remained quiet this morning, although it is tense. The embassy is closely monitoring developments, obviously with the safety of Australians as our top priority.

Australian police are part of UNPOL, the United Nations police unit. I believe three Australians were deployed to assist in managing the disturbances yesterday. Under the UNMISET mandate, the United Nations retains responsibility for East Timor’s internal and external security. Two Australian police officers received minor injuries from rock throwing. Otherwise, there are no reports of Australians harmed. Yesterday, the embassy advised Australians registered with them to remain indoors. Australians known to be working in the affected areas were evacuated by the embassy staff. A number of Australian civilians gathered at the embassy yesterday and 24 Australians elected to stay at the embassy overnight and were accommodated by the post.

Peacekeeping force guards, who were put in place at the embassy some time ago, are remaining at their posts. These guards comprise, in the main, Australian soldiers. Some Australian commercial interests and assets in Dili have been affected and the embassy is staying closely in touch with those who have been affected by the violence. I understand an Australian owned supermarket in Dili, for example, has been burnt down.

Australia took part in a major United Nations coordinated needs assessment for the East Timor police service, which took place over the last few weeks. AusAID and the Australian Federal Police will now examine what additional support they might provide to the East Timor police service. Obviously, that is going to be a very important priority as, in the fullness of time and will inevitably happen, the United Nations leaves East Timor.

In a democracy like East Timor, all citizens have the right to express themselves freely—if of course they do—but with that right comes the responsibility to act peacefully and within the limits of the law. As the Prime Minister has made perfectly clear, Australia will continue to stand by East Timor as it works its way through the diffi-
cultures of the last two days and to meet its broader security challenges. We continue to contribute some 25 per cent of the United Nations Peacekeeping Force looking after East Timor’s external security and we have a strong presence in the United Nations police presence.

DISTINGUISHED VISITORS

The SPEAKER (2.27 p.m.)—I notice in the gallery the Hon. Jocelyn Newman, former senator and former minister of the Commonwealth parliament. I extend to her a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

National Security

Mr CREAN (2.27 p.m.)—My question is to the Prime Minister and I ask: does he accept that the war against terrorism requires regional cooperation? If so, are you aware that the response to the words, which you have so strongly defended here again in the parliament, from the Philippines through its national security adviser, Roilo Golez, included the following:

This, Mr Howard’s statement, to me is quite arrogant and because of this I have recommended that we review and go slow on the proposed antiterror pact with Australia because they might use this for their pre-emptive strike agenda.

What steps have you taken personally to correct this interpretation by the Philippines? How can you seriously claim to build the climate for peace and cooperation in our region when your statements are interpreted in that region as provocative and unnecessary?

Mr HOWARD—I am aware of those remarks made by the person from the Philippines. I am also aware of some other remarks. Also, as a consequence of other events only a few weeks ago, I am conscious of the reaction in Indonesia for example to the ASIO raids. There were expressions of concern about the cooperation between the Australian police and the Indonesian police in the Bali investigation. There were suggestions then being made that that cooperation would be put at risk because of the raids. That did not materialise. I do not think there is any doubt at all that the close security cooperation between Australia and other countries in the region will continue because the basis of that cooperation is a well-grounded mutual interest in working together to fight terrorism. We have an interest in cooperating with them and they have an interest in cooperating with us.

The Leader of the Opposition says, ‘What have you done?’ I have done two things. Firstly, I have stated in a completely non-belligerent fashion a completely unexceptionable principle—and a principle that I would have thought enjoyed bipartisan support. Indeed, I held that view until this morning, when I heard this quite remarkable statement. Can I just gently remind the opposition leader again. He was asked on 2 December, three days ago—

Mr McMullan interjecting—

The SPEAKER—I am listening to the Prime Minister.

Mr HOWARD—I listened to the Leader of the Opposition. This is an important issue.

Mr McMullan—You are not answering the question.

The SPEAKER—The member for Fraser!

Mr HOWARD—I am treating his question courteously.

Mr Crean—you are not answering it.

The SPEAKER—The Prime Minister has the call. The Leader of the Opposition understands the obligation he has to allow the Prime Minister to respond in silence.

Mr Crean—Mr Speaker, I raise a point of order, which goes to relevance. It is essential for this parliament to be addressed honestly and frankly by the Prime Minister on what he has done to correct the record in the Philippines.

The SPEAKER—The Leader of the Opposition has raised a point of order on relevance. The Prime Minister’s response was relevant to the question asked, and I recognise him.

Mr Crean—Mr Speaker, the Prime Minister believes he has answered my question and is going on to talk about what I have had to say. This parliament and the people are entitled to know—
The SPEAKER—The Leader of the Opposition understands that I can only accommodate him on a point of order. If he does not have a point of order—if there is not a standing order in some way being abused by what has happened—he does not have the call.

Mr Crean—My point of order is on relevance.

The SPEAKER—I have indicated to the Leader of the Opposition that on the matter of relevance I have determined that the Prime Minister is in order.

Mr Crean—Can I address you on that point, Mr Speaker?

The SPEAKER—You can. I will hear the Leader of the Opposition, but I am not prepared to entertain the matter of relevance.

Mr Crean—My point on the question is that the parliament is entitled to know what the Prime Minister has done to correct the record and the interpretation in the Philippines of his statements. That is the simple question.

The SPEAKER—The Leader of the Opposition will resume his seat. The Prime Minister is responding to a question. The Prime Minister is in order.

Mr Howard—As I was saying, he was asked on 2 December—

Mrs Crosio—No, you were asked.

The SPEAKER—The member for Prospect!

Mr Howard—He was asked the following question:

Getting back to the threat of a terrorist attack, though, if you became aware of that and it were imminent, you may not have time for talking. Would you support a pre-emptive strike in that case?

Answer from the Leader of the Opposition: That is a different proposition.

Mr Crean—It is.

Mr Howard—Oh, it is? He then went on to say:

Under the UN charter, there is already the capacity for member nations, in self-defence, and where they can identify clear and present danger, to take appropriate action.

If the Leader of the Opposition was saying on 2 December—

Mr Crean—It is your provocative statement.

The SPEAKER—The Leader of the Opposition on a daily basis needs to be reminded of the obligations he has under standing orders, which are precisely the same as everybody else’s.

Mr Swan—Mr Speaker, on that ruling of yours, the Leader of the Opposition has been subjected to a series of questions from the Prime Minister. You can hardly complain if he gives the answers.

The SPEAKER—There is absolutely nothing inconsistent with any comment made from the chair. The Prime Minister has the call.

Mr Howard—What the Leader of the Opposition said, in effect, in that answer was that it was perfectly legitimate for the leader of a country to enunciate the principle that I had enunciated. Now he is asking me to apologise for saying something that he, in substance, agreed with only three days ago. The measure of his confusion on this is quite extraordinary. The Leader of the Opposition has talked about correcting the record—he said that in his question. If he is talking about the statement I made on the Laurie Oakes program, there is no correction needed, because what I said on the Laurie Oakes program, I meant. What I said on the Laurie Oakes program was right. What I said on the Laurie Oakes program was not directed to our friends. I have made it very plain by public statements that no belligerence was intended.

To start with, when I said it on 20 June, you did not hear a peep out of the opposition. You heard nothing from 20 June because they had not seen any headlines, so they decided it wasn’t a goer. This is a great way to construct an alternative foreign policy for the people of Australia! I repeated, in substance, what I said on the Laurie Oakes program not directed to our friends. I have made it very plain by public statements that no belligerence was intended.
Prime Minister of this country. They then decide to give it one question in the parliament, I think on Monday, and then they run away from it for the next two question times. Now they decide this morning that they are going to call on me to apologise for something they ignored on 20 June; were uncertain about how to respond to last Sunday; and initially, in substance, through the Leader of the Opposition, agreed with. And now they are turning around and saying that I should apologise for it.

As I have indicated before: what I said on the Laurie Oakes program, I meant. I meant it because I think it is wholly unexceptionable, wholly proper and wholly to be expected that a serving Prime Minister of this country would be willing to behave in the manner I outlined, subject to the qualifications I then enunciated. I said here on Monday and repeat it today: if I were not willing to behave in accordance with that principle, I would be failing the most basic test of the great office I now hold.

Science: Research and Development

Mr NAIRN (2.38 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister update the House on the measures the government is taking to support Australia’s best and brightest researchers and ensure that we harness the benefits of their work for the future prosperity of the nation?

Mr HOWARD—I thank the member for Eden-Monaro for that question. I know his very well-founded and longstanding interest in matters relating to the research future of Australia. I am delighted to inform the House that, following extensive consultations, the government has selected and announced four national research priorities to focus our investment on research in key areas that can deliver significant economic, social and environmental benefits to this country.

This is the first time that the Commonwealth has set national research priorities. I want to express my thanks to the Minister for Education, Science and Training; the Minister for Science; the Chief Scientist, Dr Robin Batterham; Dr Jim Peacock; and many others who advised the government in relation to the selection of these four priority areas. The four priority areas are: firstly, an environmentally sustainable Australia; secondly, the promotion and maintenance of good health; thirdly, frontier technologies for building and transforming Australian industry; and, finally and very importantly, safeguarding Australia.

The impetus for establishing these research priorities came out of the Backing Australia’s Ability program that I announced at the beginning of last year—a clear, sharp edged, forward looking, practical program to build and expand the research and scientific base of Australia. It is a program that has already resulted in many of the best and the brightest returning to Australia to carry on their research careers because this increasingly is seen as a country for the best and the brightest, whether you were born in Australia or you wish to come to this country.

As a first step towards implementation, all Commonwealth research and research funding bodies will be asked to submit plans to the government by May 2003 outlining how they propose to support the four priorities. The government has also announced a major exercise to take stock of the state of Australian science by mapping science and innovation activities across the private and the public sectors. I have written today to state and territory premiers and chief ministers outlining the four priority areas and seeking their support for this very important national initiative.

Because today has been the occasion for a meeting of the Prime Minister’s Science, Engineering and Innovation Council, I take the opportunity of recording my gratitude to this body—which I have the privilege of chairing—for the advice and counsel it has given to the government in so many important research, scientific and education areas. We were reminded at that meeting of the Prime Minister’s science council this morning that the original inspiration for the establishment of the national CrimTrac database—which proved to be so crucial in supplying the DNA methodology, if I can put it that way, for the identification of the victims of the Bali atrocity—came out of a recommendation of the science and engineering council back in 1999.
It is a classic area of cooperation between the Commonwealth and the states where we have a common database. We do not have a rail gauge problem in relation to the database that exists there. Just as we have to sweep away those differences in other areas, we were able to do it here. We were reminded by one of the task groups today that reported on some of the scientific aspects of the fight against terrorism of how tremendously important having a national database was.

That council has been invaluable and I know that my ministerial colleagues and I draw great benefit from it. It brings together the cream of the scientific community in Australia and it is another example of the willingness of this government to see science as being not only important but crucial to the future of this country. I have said it before and I will repeat it here today: I want to arrive at a situation in this country where the achievements of our men and women of science are as lauded, revered, respected and talked about as the achievements of our magnificent sports men and women.

National Security

Mr Rudd (2.43 p.m.)—My question is to the Prime Minister. Prime Minister, I refer to your statement on Sunday in support of the possibility of a pre-emptive military strike against the territory of another state. Is the Prime Minister of the view that his new doctrine of pre-emptive military strike applies also in the reverse—that is, that other nations in our region now possess the same right to engage in a pre-emptive military strike against the sovereign territory of their neighbours, including the sovereign territory of the Commonwealth of Australia?

Mr Howard—I would like to correct the fact base of the question. I did not assert, as the member for Griffith so trickily suggests, that we were—

Honourable members interjecting—

Mr Howard—I never used the words he attributed to me; I did not. This is what I said:

... I think any Australian Prime Minister would. I mean, it stands to reason that if you believed that somebody was going to launch an attack against your country, either of a conventional kind or of a terrorist kind, and you had a capacity to stop it and there was no alternative—

I repeat ‘no alternative’—

other than to use that capacity, then of course you would have to use it.

They were the words I used. I stand by those words. I said them deliberately. I do not withdraw them, I do not resile from them. I do not apologise for them. The member for Griffith is clutching around for a question because his leader has made such a hash of this issue by calling on me to apologise for something he actually agrees with. That is the tangle into which the Leader of the Opposition has got himself. In those circumstances—

Mr Rudd—Mr Speaker, I rise on a point of order on relevance. Whatever the premise of the Prime Minister’s—

The Speaker—I warn the member for Griffith!

Mr Howard—The member for Griffith asked me about other countries. I say—through you, of course, Mr Speaker—to the member for Griffith that I am elected to speak for Australia. Other people are elected to speak for their countries, and I will leave it to them to speak for those countries.

Taxation: Families

Mrs Elson (2.46 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the number of Australian families that have benefited from the baby bonus? How does the baby bonus help reduce the tax burden on Australian families?

Mr Costello—I thank the honourable member for Forde for her question and for her interest in the baby bonus, which is one of the policies the government took to the last election and which we introduced in March of this year. The idea was that women who had to go out of the work force to have a child be given the benefits of income tax averaging. While you are in the work force you pay a high rate of tax, but when you go out of the work force and have no income you lose the benefit of the tax-free threshold. If you are given the right to average income, you can bring down your overall tax liability. Farmers have the right to average income,
artists have the right to average income—why should women who are having babies not also have that right? In addition to that, for those who were not in the work force before they had their child, there was a minimum payment of $500.

The payments became available on tax returns from 1 July 2002, and I can inform the House that since that time a total of 118,000 Australians have received a baby bonus payment. That is $38 million worth of assistance to Australia’s families. If you have not been out of the work force for a full year, you pro rate. In the first year there was an average payment of $340, allowing for pro rating. The vast majority of those payments went to people with taxable incomes of $20,000 or less. So it was real help for families at the time women were leaving the work force to have their first baby and it helped them over some of those costs. What else can you do to help families? The government increased family tax benefits as part of its new tax system with $2 billion a year back in July 2000.

Mr Tanner—Your argument is so weak you have to move on! Pathetic!

Mr Costello—The government also introduced the first home owners scheme—a grant of $7,000 or $14,000 for a new home during the period it operated. What else can you do to help families in Australia today? Low interest rates help families. Imagine the terrible turmoil and difficulty families would be having if home mortgage interest rates were at 17 per cent in Australia. Imagine the difficulty of that. Being able to take advantage of low interest rates is of great benefit to families. So who stands against the baby bonus? Who stands against $38 million to young families? The Australian Labor Party does.

Mr Tanner—Paid maternity leave; what a disaster that would be!

Mr Costello—The Australian Labor Party stands against the baby bonus and against helping first-time mothers. The Australian Labor Party has indicated that the baby bonus would be at risk under a Labor government. Not only the baby bonus but also private health insurance is at risk under Labor. They want to take away up to $1,200 a year for the private health insurance rebate. Why would Labor want to take these benefits away from families? They do not understand the help families need and they never understood low interest rates. They have opposed the baby bonus and they are threatening the private health insurance rebate—these are a tax in relation to families.

Mr Tanner interjecting—

Mr Costello—It is the coalition that looks after families and will continue to do so.

The Speaker—I indicate to the member for Melbourne that persistent interjecting is grossly out of order.

Workplace Relations

Mr McLelland (2.50 p.m.)—My question is directed to the Minister for Employment and Workplace Relations and concerns the Federal Court case of the Employment Advocate and the CFMEU and Williamson, known as the Abigroup case. Minister, can you confirm that the Federal Court found that the two men called by the government as witnesses lied to fabricate a case against the CFMEU? Did the court not then dismiss the case and order the two government witnesses to personally pay the legal costs of the CFMEU and its official? Minister, can you confirm that your predecessor, Peter Reith—on advice from Jonathan Hamberger, the Employment Advocate and Mr Reith’s former political adviser—granted these two men an indemnity after they had been found by the court to have lied? Minister, can you explain how taking the unprecedented step of paying almost $100,000 of taxpayers’ money for fabricated evidence against a trade union is consistent with your notion of the rule of law?

Mr Abbott—I thank the member for Barton for his question. I appreciate that this is an important topic and that he has an understandable interest in it, so let me give him a little bit of background. In February 2000, the Employment Advocate commenced a prosecution, as I understand it, against a un-
ion, a union organiser and a company because of what it regarded as breaches of the freedom of association principles of the act. In November 2000, as I understand it, that action was dismissed by the Federal Court. Shortly thereafter, the union in question proceeded against the Employment Advocate and the witnesses used by the Employment Advocate for costs. In December 2000, the then minister for workplace relations provided an indemnity to the witnesses in question on the not unreasonable grounds that people who give testimony on behalf of the Commonwealth should be supported. I have carefully considered the issues which have been raised by the member for Barton and I am quite confident that both the Office of the Employment Advocate and the former minister have acted with perfect propriety in this matter.

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane should be more worried about pre-emptive strikes from the chair right now.

Immigration: Policy

Mr CIOBO (2.54 p.m.)—My question is addressed to the Minister for Immigration and Multicultural and Indigenous Affairs. Will the minister advise the House of the economic benefits flowing from the government’s migration policies. Is the minister aware of any other policies that may impact upon these benefits?

Mr RUDDOCK—I take the opportunity of thanking the honourable member for Moncrieff for his question because it enables me to bring to the House’s attention the advances the government has been able to make in producing an immigration program that produces very substantial benefits for Australia. The program now has enormous credibility and relevance to the community at large. We have reshaped the legacy that we were left with—a skilled program of a mere 29 per cent—when we came into office. The program today has a skilled component of the order of 58 per cent. That is a very signifi-


cant shift which has produced substantial benefits in economic terms and which gives the program credibility when arguing before the broad Australian community for support for migration as a national interest program. Access Economics have recognised that our current program brings fiscal benefit—said to be of the order of $4.3 billion, over the forward estimates of the Commonwealth budget. Over a 10-year period it is of the order of $32.7 billion—if this year’s program and its composition are maintained.

Skilled migrants provide most of that benefit. The rebalancing of the program that we have been able to achieve has meant that we have been able to maintain the commitment to family and humanitarian programs—programs which do impact quite negatively on the budget. I table for the benefit of members a chart which simply demonstrates—this is the median point—that $49.8 million per thousand migrants comes from the business migration program and $37.7 million per thousand skilled and independent migrants is credited to the budget. The humanitarian program—and one understands the reason for these costs—is a cost of $28.2 million to the budget. This is a table that will be very useful to people who want to be able to explain how a balanced, structured immigration program that is highly skilled brings demonstrable benefits for the Australian community.

I have been asked whether there are any alternative programs. I have looked closely to find alternative programs. I have not seen full reporting of a lot of the detail, and it might help if people were to focus on some of that detail. When I turn to an alternative program advanced by the Labor Party, I find that on page 34 it says:

There has been a change in the humanitarian program under this government and the proportion of places has fallen.

It has fallen because the number of places has risen, but the humanitarian program has remained constant. It is pointed out that it has fallen from 18 per cent to just 10 per cent. It then goes on to say:

We will address that within the current immigration intake numbers.
So the Labor Party are saying they have in mind increasing the humanitarian program by as many as 9,000 places. You cannot go out and argue that you want the figure to go from 10 per cent to 18 per cent unless by implication you are saying that you expect a major increase—and the increase is 9,000 places. They remain silent on where they will achieve that change, but I am sure they would not be achieving that change by denying an Australian spouse an entitlement to be reunited with their partner. I am sure they would not be doing that. The shadow minister nods, so I take that as agreement. So she is saying, ‘We will increase the humanitarian program at the expense of the skilled program’—it is perfectly obvious.

What does that mean? You have to ask yourself whether this was a policy for the moment or a policy for the next election. If it is a policy for the next election, then the Labor Party’s fiscal credentials need to be closely examined. If this is a policy for the next election and the Labor Party is going to shift 9,000 places from skilled migration into the humanitarian program, what it is talking about—on the preliminary advice available to me—is a net loss to the budget over the forward estimates of $1.2 billion. If you look at the forward estimates, the cumulative effect of that is $28.5 billion over 20 years. I have not started costing this policy yet, but the preliminary estimate for just the first significant change advanced by the Labor Party attaches that sort of cost. I am sorry I was not invited to that meeting today. I might have been able to save the Labor Party from the embarrassment of having presented proposals that would have such a disastrous fiscal impact.

**Workplace Relations**

Mr McCLELLAND (3.01 p.m.)—My question is again to the Minister for Employment and Workplace Relations. It follows his previous answers in respect of the Abigroup case. Minister, isn’t it the case that, on the evidence before the Federal Court, one of the witnesses indemnified by the government, Mr Carson, paid to the other, Mr Lyten, $1,000 per week in cash or cash cheques for his part in the attempted scheme of entrapment but that Mr Lyten declared no wages income in his tax returns? Why have you required taxpayers to pay almost $100,000 on behalf of an individual who not only was found to have told lies to fabricate a case but appears to have understated his income? Given your much stated belief in the rule of law, Minister, what steps have you taken to find out whether the Employment Advocate, Mr Hamberger, was aware of the scheme of entrapment and what steps have you or Mr Hamberger taken to refer this evidence of apparent tax evasion to the Australian Taxation Office?

Mr ABBOTT—Again I thank the member for Barton for his question, although I would take issue with the facts that he claims in his question. My understanding of the two gentlemen in question is that one was an employer and the other was an employee, and that is why there was some payment from one to the other. But let me make a few general points. First, law enforcement agencies need to use witnesses. Second, sometimes those witnesses turn out to be less reliable than we might hope. Third, in the case of the Employment Advocate, one failed prosecution out of 19 is not a bad record. Fourth, I have complete confidence in the actions of the Employment Advocate.

Mr McClelland—I seek leave to table a transcript of proceedings where there was a discussion of the non-disclosure of income on the part of Mr Lyten.

Leave granted.

**Immigration: People-Smuggling**

Mr BALDWIN (3.03 p.m.)—My question is to the Minister for Foreign Affairs. Would the minister update the House on the practical steps Australia is taking to combat people-smuggling and trafficking in the region. Is Australia providing any technical assistance to other countries?

Mr DOWNER—I thank the member for Paterson for his question. He is an excellent and hardworking member and represents his constituents well. Australia makes no apology for the tough approach it takes to stopping criminals who run people-smuggling syndicates and who target Australia. It is important to our whole-of-government approach to this issue that we make sure we
send a simple message to the people smugglers that they cannot make money by landing people in Australia. A very important component of that has been the establishment of offshore processing centres in Nauru and Manus Island, which is part of Papua New Guinea. We are very appreciative of those two governments for the cooperation they have shown in making this policy of supporting offshore processing centres workable.

There is no doubt that amongst the measures which have successfully stymied the people smugglers has been the existence of the offshore processing centres. This has now become a major issue of difference between the government and the federal opposition; there is no question about that. The Labor Party wants to close offshore processing centres. It wants to send out a very simple message to people smugglers. The message from the Labor Party to the people-smugglers is that you can get to Australia, you can land people in Australia. The message that this government send to people smugglers is that we will send those people to offshore processing centres. That is a very different message from the Labor Party’s message that the door is open to the people smugglers, that they can resume their trade of getting people landed here in Australia.

The honourable member asked a broad ranging question. Another critical aspect of the government’s policy is, as I have said on many occasions in this House, strengthening regional cooperation. We are doing that not just in the ways I described yesterday to the House, but also by providing technical capacity in source, transit and destination countries so that they have a better capacity to deal with this problem. For example, Australia is working with China to draft model legislation which will provide assistance for countries seeking to develop legislation criminalising people-smuggling under their domestic laws. We are providing $1 million in aid funding for the Jangalak reception facility in Kabul, Afghanistan, to house up to 600 recent returnees. The facility will provide vocational and technical training to help the returnees in their reintegration into Afghan society. We are providing border control training programs for 18 Pacific Island countries to improve their capacity to detect and deter people smugglers and traffickers.

Over the past year, Australian officials have carried out similar training for 763 officers of the Royal Thai Police. We are supporting a $4.7 million project designed to establish cross-border arrangements for return and reintegration of victims of people-trafficking in Cambodia, Laos, Burma and Thailand. It is by virtue of our cooperative approach in the region, including through our varied and substantial technical assistance programs, that we are making such an extremely effective contribution to stopping the problem of people-smuggling.

The government recognise that to beat criminal people-smuggling syndicates we need to build regional cooperation. But we cannot put all of the responsibility for this problem onto the shoulders of our neighbours. We have to be prepared to take measures ourselves; not just ask our neighbours to do it for us. This government have been able to achieve both of those things with substantial success.

Workplace Relations

Mr MELHAM (3.08 p.m.)—My question is to the Attorney-General. Is it not the normal practice that indemnities are granted to witnesses who tell the truth, the whole truth and nothing but the truth? How do you reconcile this practice with the policy just confirmed by the minister in question time that witnesses have now been indemnified by the Commonwealth who have been found to have lied and fabricated their evidence—a practice established by Minister Reith, now endorsed by Minister Abbott.

Mr WILLIAMS—I am not aware of the circumstances of this particular case; the Minister for Employment and Workplace Relations is, and he has given an appropriate answer. A general policy in relation to indemnities to witnesses is applied across government and is applied in different circumstances in different cases.

Opposition members interjecting—

Mr WILLIAMS—The Minister for Employment and Workplace Relations has al-
ready explained that witnesses do not necessarily live up to their proof. It is a fact of life that the member for Banks would be very familiar with, having practised as a defence lawyer.

The SPEAKER—To assist the members for Barton and Banks, and in fairness to the House, I should indicate that I did have a little disquiet, but I did not rule out of order either of the questions asked, only about the use of the term ‘liar’. I have consulted with the Clerk, who, while I have been in the chair, has had the opportunity to check the transcript. The reference is not specifically used in the transcript, and it could therefore be deemed to be an inappropriate reflection on the people involved.

Mr Snowdon interjecting—

The SPEAKER—The member for Lingiari, I have endeavoured to assist both the members for Barton and Banks and they appear to have been appreciative.

Mr Crean—On the ruling?

The SPEAKER—I indicate to the Leader of the Opposition that, far from seeking to make a ruling, I was simply seeking to assist with the forms of the House.

Mr McClelland—On indulgence, Mr Speaker, by way of assistance to the House, the Clerk and you, I seek leave to table extracts from the relevant decisions—the primary decision and the decision in respect of costs—where there were specific findings in regard to fabricating of a case, and also lying.

Leave granted.

The SPEAKER—I merely wanted to indicate to the member for Barton that I had endeavoured to be accommodating with the language used, and it was not the language normally used in the parliament.

Terrorism: National Security

Mr JULL (3.11 p.m.)—My question is addressed to the Attorney-General. What specific legislative measures is the government proposing to improve the capacity of ASIO to prevent terrorist acts? Are any alternatives being promoted?

Mr WILLIAMS—I thank the member for Fadden for his question. He has a particular interest as the Chair of the Parliamentary Joint Committee on ASIO, ASIS and DSD. The Howard government has consistently committed itself to doing everything it can to protect Australians from the scourge of terrorist acts. As part of that commitment, we have developed legislation to enhance the ability of ASIO to gather intelligence and to assist it to deter and prevent terrorist acts. The so-called ASIO bill is a vital part of the government’s counter-terrorism legislative package. It is not designed for law enforcement purposes. New terrorist offences were created in counter-terrorism legislation passed earlier in the year. Our key aim in relation to the ASIO bill is to find out as much as we can about potential terrorist attacks so that we can stop them before people are harmed. The government’s bill will strengthen our ability to do just that.

The members opposite have made a lot of noise seeking to downplay the extent of the considerable safeguards that are contained in the bill. They know, in fact, that there already is an extensive regime of safeguards to protect the individual liberties of those subject to the proposed warrants. Yet they continue to pursue amendments in the Senate that are either unworkable or undermine the effectiveness of the bill. What I find very curious, given the noise over the ASIO bill, is the distinct lack of noise from members opposite about the proposals put up by their New South Wales counterparts and, I am advised, passed by the New South Wales parliament last night. The Labor Party has for some time been a policy-free zone such that the public does not know what it stands for, but this fundamental inconsistency between New South Wales Labor and federal Labor really takes the cake. The Carr government has given the New South Wales Police the power to strip search children between the age of 10 and 18 without a warrant, where there is a threat of a terrorist act. The New South Wales Police will also be able to search persons’ premises and vehicles without a warrant. I repeat: no warrant and, in this case, no judicial oversight, just the authorisation by the police minister.

Given the attitude the Labor Party has had to the ASIO bill, we could have expected a
bit of noise from members opposite but what we have is not one single solitary peep—nothing from the member for Banks, nothing from Senator Faulkner. In contrast, the opposition continue to delay the ASIO bill in the Senate, preventing ASIO from having important powers to protect the public. Under the government’s bill ASIO must, through the director-general, seek the consent of the Attorney-General and seek the authority of a judicial officer before obtaining a warrant to detain and interrogate anybody. Both the Attorney-General and the judge or magistrate must be convinced of the need for the warrant and the information sought that cannot be found by any other means. Detention is subject to strict procedural requirements and safeguards and must be conducted before a prescribed authority. It is an offence punishable by imprisonment to contravene the safeguards. A detainee has a right to seek a remedy in relation to the warrant or treatment under it. ASIO must report to the Attorney-General on the outcome of the warrant and publish statistics on it in the annual report. The parliamentary joint committee chaired by the member for Fadden will review the operation of the laws after one year and report to the parliament.

Let us make it perfectly clear: the New South Wales legislation contains absolutely none of those safeguards. The police minister gives permission for searches, break-ins, strip searches. The judiciary is never involved—not to authorise the conduct, nor to adjudicate the validity of the actions or decisions of the police minister in any way or at any time. There will be no public information on the use of the powers and no parliamentary review or inquiry before or after the bill passes. The Australian community can readily recognise the hypocrisy of the Labor Party on this issue. We have a strong bill; we have appropriate safeguards in it. We are seeking to protect the community. The Labor Party should get behind the government and help us protect the community.

**Environment: Murray-Darling Basin System**

Mr KELVIN THOMSON (3.17 p.m.)—My question is directed to the Prime Minister. I refer to the Murray-Darling Basin Commission finding that an extra 1,500 gigalitres of water is needed to restore the health of the Murray-Darling Basin and ask: will the Prime Minister be taking a submission to the COAG meeting tomorrow to support the achievement of this target over the next 10 years?

Mr HOWARD—I thank the member for Wills for giving me an opportunity of saying something about the COAG meeting. I always look forward to COAG meetings. They are an innocent part of the political calendar. What the member for Wills mentioned is but one of three options in relation to that issue. He also touches upon the general area of water policy. It is a very important issue and it requires the cooperation of the states and the Commonwealth. It is appropriate on the day that the Senate has, I understand, passed the stem cell legislation—the subject of a free vote which flowed out of an arrangement between the Commonwealth and the states at an earlier COAG meeting—that I emphasise the importance of reaching agreement.

We have put it to the states that, in order to make progress, we need to have a fully recognised and enforceable water right or water title across the Commonwealth. This is very much a rail gauge issue. We cannot solve the water problem unless we have a water right regime where the title to water in Victoria is enforceable and recognisable in Queensland and Western Australia. Only if you get that can you establish a market and only if you have a market do you have any hope of introducing some of the disciplines that are needed in order to introduce a degree of constraint and rationality in the whole issue. We take the view that if somebody has their water right diminished or taken away they should be compensated. It is very important that that principle be enshrined in any understanding between the Commonwealth and the states and we will be arguing very strongly for that.

We have some proposals to put in relation to the use of the competition payments. Competition payments were established by the Keating government. One of the reasons why competition payments were established was that at the time we did not have a growth
tax for the states, and we have now fixed that. It is legitimate in our view that, increasingly in future years, the competition payments be applied towards the payment of compensation to people who have their water rights taken away or diminished. That is an issue that I will be putting to the states in my calm and careful way, as I do with these matters. I am sure the states will respond in their traditionally courteous and calm fashion. In relation to the Murray-Darling Basin, it is a huge part of the issue and I am sure it will be very much in our minds. I am very grateful for the constructive approach taken by the member for Wills in raising this matter on the eve of the COAG meeting.

Trade: Employment Opportunities

Mrs HULL (3.20 p.m.)—My question is addressed to the Minister for Trade. Would the minister advise the House how the government’s ambitious trade policy is providing future job opportunities for young people in my electorate of Riverina and for all young Australians? Is the minister aware of any alternative policies?

Mr VAILE—I thank the honourable member for Riverina for her question. Our ambitious and aggressive trade policy is generating jobs and is generating them right across the economy. We are pursuing the multilateral and the bilateral opportunities that Australians expect us to whilst working within the guidelines of the WTO, as I mentioned earlier in the week, and playing a leading role in WTO negotiations. At the same time, we are also embarking upon many bilateral negotiations. Most recently we concluded the Singapore-Australia Free Trade Agreement, the first free trade agreement that we have concluded in 20 years since we negotiated the CER with New Zealand.

Out of that agreement flowed a number of benefits to different parts of the economy. Obviously there will be benefits from the elimination of tariffs between the two countries, and we have also achieved an agreement to double the number of law schools whose graduates can now practise law in Singapore. Interestingly, Singaporean government scholarships can now be used in Australian universities—like the Charles Sturt University in the member’s electorate of Riverina. We have negotiated significant removal of residency requirements for Australian professionals such as architects, engineers, accountants and auditors. We have improved the access to Australian law firms to the point where we have better access than our competitors in that market. We have also removed a lot of the restrictions on wholesale banking licences in that market. It goes to show that by negotiating bilaterally you can achieve these things. The member asked about alternative policies. I am not sure about policies; we have seen some odd statements by members opposite.

Mr Sawford—Tell us the number of full-time jobs!

The SPEAKER—The member for Port Adelaide is defying the chair.

Mr VAILE—One million jobs have been created since 1996; 20 per cent of this economy is generated by exports, so one in five jobs across the Australian economy come out of exports. The member for Port Adelaide would realise that, coming from South Australia. The opposition spokesman on trade matters said recently: As Labor’s Shadow Trade Minister I despair at the damage the Government is doing to the cause of trade liberalisation through … pursuit of discriminatory bilateral trade deals. Does that mean that the Labor Party despairs that we have now got increased access for law firms into the Singaporean market? Does the Labor Party despair that we are removing tariff barriers to get access into that market? Does the Labor Party despair that Singaporean scholarships can now be used in Australian institutions? Does the Labor Party despair that we have removed the restrictions on wholesale banking licences so Australian financial institutions can compete in that marketplace? It really is a worry where the Labor Party is coming from on this, but I can tell you that our government is going to continue to pursue the policy both bilaterally and multilaterally.

Only yesterday, because of our bilateral engagement with Mexico—where we saw the tariffs removed from coal imports into that country—we saw a contract allocated to a company from the Hunter Valley, and the
members from the Hunter Valley would recognise the benefits that will accrue: a $US70 million contract because we have been pursuing bilateral opportunities for Australian exporters.

Dr Emerson interjecting—

The SPEAKER—The member for Rankin!

Mr VAILE—Our trade agenda is in Australia’s best interests.

Dr Emerson interjecting—

The SPEAKER—I warn the member for Rankin!

Mr VAILE—Australia’s trade agenda is in the national interest, and we will continue to pursue it in the national interest.

National Security

Mr CREAN (3.25 p.m.)—My question is to the Prime Minister and it refers to an answer he gave to an earlier question I asked him about changing the international law to enable pre-emptive strikes. Does the Prime Minister recall saying in his answer that we would find nothing on the public record where he has advocated changing the international law to be justified as self-defence? Prime Minister, are you aware that on 29 November this year, on the Neil Mitchell program, you were asked by Mr Mitchell:

Prime Minister, do you agree with Defence Minister Robert Hill that the international law needs to be changed so self-defence can be a pre-emptive strike can be justified under self-defence in these circumstances?

The Prime Minister answered:

I think what Robert was saying was both interesting and right.

Mr HOWARD—Very interesting; and I have made it perfectly clear—

Mr McMullan—that you don’t know what you’re talking about.

The SPEAKER—The member for Fraser!

Mr HOWARD—that there ought to be a debate about changes. I have also made clear—and the foreign minister has made clear—that there has been no government decision taken to change the charter.
the introduction of the child-care benefit, which came into place in 2000. We are spending $8 billion over the next four years—$1.6 billion this year. Going through the arithmetic, back in the dying days of the Keating administration there were 310,000 child-care places funded; today there are over 500,000 places funded. That is a 61 per cent increase or, to put it another way, more than 720,000 children are now in some form of Commonwealth funded child care.

The member for Parkes did ask about families living in rural and regional areas. There is no doubt they are under enormous strain at the moment, particularly those in drought affected areas. Where we have been able to help over the last few years, and where we are continuing to help, is through the disadvantaged area subsidy. This now goes to over 650 child-care centres across Australia, where we provide a part subsidy to help those centres which otherwise may be unviable. Likewise, we have spent over $5.5 million in private provider incentives, again encouraging—I notice the member for Dickson nodding—other very good private child-care providers. We are helping these centres provide long day care where it may not be viable without the private provider incentive. I notice that, in the electorate of Wide Bay, there is a 44-place centre in Gayndah. In the electorate of Barker, in Keith, there is a 40-place centre and even in the town of Balran—

Mr Zahra—Wide Bay again! Why do you think that is?

The SPEAKER—I warn the member for McMillan!

Mr Anthony—in Ballarat, there is a 30-place centre, again specifically because of this private provider incentive. I would like to pay tribute—I think all members of the House should pay tribute—to the outback mobile resource unit. They do a fantastic job. Recently, I announced an increase in funding to a number of those services, having visited a number of child-care services in Cobar, Narrmone and Dubbo in the member’s electorate of Parkes. Certainly the outback mobile resource units are doing a terrific job under very difficult conditions at the moment.

For many families in rural and remote communities, the only access they have to child care outside their immediate families is often through these mobile units which go to out-stations, providing play care or at least some kind of child-care program which otherwise they would not provide. Whilst, as a parliament, we might not be able to solve the drought and commodity prices, certainly what we can do through outback services is ensure that child care remains available, particularly to those going through the drought. I commend the coalition on its effort in making child care flexible and affordable for all Australians.

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

QUESTIONS TO THE SPEAKER

Questions on Notice

The SPEAKER (3.32 p.m.)—On 28 November 2002, the member for Wills wrote to me concerning measures to cut water consumption at Parliament House. He followed this with a question in the House in similar terms on 2 December. The issue of water consumption at Parliament House is a very important one, and the Joint House Department, on behalf of the parliament, has been addressing it for a number of years with significant results. For example, a water audit conducted earlier this year demonstrated a reduction of 24 per cent in annual consumption over recent years. But more can be done and is being actively pursued.

In response to the query by the member for Wills, a paper is being prepared which outlines longer term initiatives, as well as the Parliament House landscape water restriction policy, to apply during the current very dry period. This policy has been reached following discussions with the local water authority, the Australian Capital Territory Electricity and Water Corporation, or ACTEW. Parliament House is in fact applying the same measures as the voluntary guidelines presently operating in the ACT and applied them earlier than the ACT government encouraged their application. For the information of all members, I table a copy of the relevant papers. As they demon-
strate, the parliament will continue to be at the forefront in measures to conserve water.

Questions on Notice

Mr MURPHY (3.34 p.m.)—Mr Speaker, under standing order 150, I draw your attention to the fact that it is nearly 10 months since questions on notice Nos 36, 37, 40, 42, 44 and 47 to the Treasurer first appeared on the Notice Paper. Questions on notice Nos 396, 853, 854 and 856 to the Treasurer are also awaiting an answer. Mr Speaker, would you write to the Treasurer under standing order 150 to facilitate an answer?

The SPEAKER—I shall follow up the matters raised by the member for Lowe, as the standing orders provide.

Questions on Notice

Mr DANBY (3.34 p.m.)—Mr Speaker, under standing order 150, will you write to the Minister for Transport and Regional Services and ask him if he will provide an answer to question on notice No. 828 on the Notice Paper, regarding Australia seafarers losing their jobs to Ukrainian seafarers?

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

Questions on Notice

Ms BURKE (3.35 p.m.)—Mr Speaker, under standing order 150, I would like you to request answers to the following questions on notice: Nos 371, 372, 374, 409, 412 and 413 to the Treasurer; No. 707 to the Prime Minister; No. 708 to the Minister for Transport and Regional Services; No. 710 to the Minister for Trade; No. 711 to the Minister for Defence; No. 712 to the Minister for Communications, Information Technology and the Arts; No. 713 to the Minister for Foreign Affairs; No. 714 to the Minister for Employment and Workplace Relations; No. 715 to the Minister for Immigration and Multicultural and Indigenous Affairs; No. 716 to the Minister for the Environment and Heritage; No. 717 to the Attorney-General; No. 718 to the Minister for Finance and Administration; No. 719 to the Minister for Agriculture, Fisheries and Forestry; No. 720 to the Minister for Family and Community Services; No. 721 to the Minister for Education, Science and Training; No. 722 to the Minister for Health and Ageing; No. 723 to the Minister for Industry, Tourism and Resources; No. 735 to the Treasurer; No. 744 to the Minister for Finance and Administration; No. 758 to the Special Minister of State; and No. 760 to the Minister for Revenue and Assistant Treasurer.

The SPEAKER—I will follow up the matters raised by the member for Chisholm, as the standing orders provide.

PAPERS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.36 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

National Security

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

The fundamental importance to Australia's long-term national security of regional cooperation in combating the threat of terrorism.

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 RUDD (Griffith) (3.37 p.m.)—I find it remarkable that, with a matter of public importance so phrased, those opposite did not stand. But, when it comes to the substance of national security, it seems that what we have from those opposite is much language about national security but decreasing substance in the delivery of national security to this nation. Today in question time the Prime Minister, John Howard, was at his worst—a Prime Minister who throws something out into the public debate but then retreats back into his burrow as if he had not really said anything in the first place. He is a Prime Minister who says, 'Who? Me? Advocating a change to the UN charter?' when it
comes to the UN charter’s provisions under article 51 and self-defence.

This Prime Minister’s defence minister has been out there for months talking about the need to adopt a new doctrine of military pre-emption. The defence minister released a speech only last month on the same subject and appeared on Lateline only a week or so ago advocating a similar change. Let us not forget that it was the same defence minister who, in the immediate aftermath of Australian forces to work with Kopassus, it should happen on the ground but not necessarily with Kopassus’s or the Indonesian government’s consent—until that little error was tidied up!

The problem with all of this is the government’s advocacy of a change to the charter—a change to international law. The defence minister has been out there—clearly for all to see—for some months now. But it all came to a head when the Prime Minister himself went the ‘full monty’ in his interview last Sunday on the Sunday program, which I think was central to the debate in question time. Laurie Oakes asked the Prime Minister:

Now, you’ve been arguing for a new approach to pre-emptive defence, you want the UN to change its charter, I think. Does that mean that you ... if you knew that, say, JI—Jemaah Islamiah—people in another neighbouring country were planning an attack on Australia that you would be prepared to act?

The Prime Minister answered:

Oh yes, I think any Australian Prime Minister would.

Do you see in that statement any qualification on the part of the Prime Minister in respect of the first question put to him by Laurie Oakes, namely, ‘You are in the business of developing a proposition in support of change to the UN charter’? There was no demur whatsoever from our Prime Minister on that one. But the Prime Minister went on further in the same interview. He said:

... all I’m saying, I think many people are saying, is that maybe the body of international law has to catch up with that new reality, and that stands to reason.

Again we did not see the Prime Minister running away from the proposition that we need to be changing the UN charter to build into it his notion of what constitutes an appropriate form of pre-emptive military action; in fact, he embraced it actively in that text.

But the Prime Minister’s statement gets worse. Once you go into it further, you find that, for the first time—beyond what the defence minister has said and beyond what others may have said on this issue of a change to international law—the Prime Minister applied this new doctrine of military pre-emption to the region. That is where the matter really became serious. His specific application, in response to the question by Laurie Oakes, was to Jemaah Islamiah. His response, therefore, could only have been in the context of the Republic of Indonesia—that is where Jemaah Islamiah is primarily located. The Prime Minister’s statement became quite focused when he spoke of the possibility of the Commonwealth of Australia engaging in a pre-emptive military strike against the sovereign territory of a neighbouring state in certain circumstances. That is why, in the period since then, we have had such a problem in the region.

The Prime Minister’s statement today that there is nothing in the language or on the record that would suggest that there has not been any decision made by the Australian government in the direction of changing the UN charter’s provisions under article 51 as they relate to self-defence was countered perfectly by the Leader of the Opposition’s reference to the Prime Minister’s statement on 29 November—not a light year ago, but quite recently. Neil Mitchell asked the Prime Minister:

Prime Minister, do you agree with the Defence Minister Robert Hill that the international law needs to be changed so self-defence can be ... a pre-emptive strike can be justified under self-defence in these circumstances?

Mr Howard replied:

I think what Robert was saying was both interesting and right.

The Prime Minister of the Commonwealth of Australia—whom we on this side of the House have the view wields a bit of authority
on that side of the House—said in response to Neil Mitchell’s question, ‘I think the defence minister is right when he advocates a change to international law in this direction.’ In the context of the politics of this place, but in particular in the context of the politics of that party that sits opposite, that constitutes a decision. Yet this extraordinarily vintage John Howard is here today—ducking, weaving and weaseling around—pretending, ‘I did not say it; I only half said it.’ That is vintage John Howard, whom we have seen so often before. I am delighted that the foreign minister has deigned to grace us with his presence for the first time in an MPI on a foreign policy question.

Mr Downer interjecting—

Mr Rudd—We have had an MPI before, foreign minister. You were not here because you were too tired and emotional at the time! When it comes to the questions that you have had to deal with in the period since Sunday—

Mr Downer interjecting—

Mr Rudd—Foreign minister, I wasn’t inferring that you have a problem with the bottle; you know that! Since Sunday, the foreign minister has been in radical damage control. In the ABC’s World Today on Monday, he said, ‘Well, of course, what the Prime Minister meant was that we would engage in such a pre-emptive military action in cooperation with our neighbours.’ He said that it would be in cooperation with our neighbours. Unfortunately, that is not what the Prime Minister said.

On Lateline last night, we saw the foreign minister pinned on this very question. He was asked: is it with the cooperation of the neighbours or is it without? If it is without the cooperation of neighbours, what is it? It is a unilateral military action. The foreign minister was boxed into a corner last night by Kerry O’Brien on the 7.30 Report. He said that, under this government, under this foreign minister and under this Prime Minister, we—the Liberal government of Australia—hold open the possibility of engaging in a pre-emptive military strike against the sovereign territory of our neighbours as the public announced doctrine of the Commonwealth of Australia. No-one has ever uttered such a statement from the Prime Ministerial dispatch box or from the office of the foreign minister of this country, at least since the 1960s and since the period of Vietnam. Here we have new policy on the run.

But then the foreign minister engaged in a bit of patch-up football and a bit of catch-up and massage on the side. He called the ASEAN ambassadors in for a cup of tea, a Bex and a quick lie down. He said, It’s all okay, there’s no problems; in fact, what we were engaging in is double messaging—walking both sides of the street, which the government does consistently and increasingly on questions not just on foreign policy, Minister, but on domestic policy as well.

The problem is that the secret is out—in the Age report this morning. The minister should know that his colleagues in the diplomatic corps, while making undertakings to him to maintain their secrecy in terms of public comment on this matter, will I am sure engage in a round of conversations within the diplomatic community which will make clear in the coming days that this foreign minister has been engaging once again in double messaging. He is double messaging on the question of whether the Prime Minister’s remarks were intended for the domestic audience as opposed to the foreign audience, as well as double messaging on this key question: did the foreign minister yesterday say to the ASEAN ambassadors, ‘We the Australian government are now moving away from and not embarking upon a campaign of public advocacy for a change to the UN charter’? That is exactly what he said to the ambassadors. He knows that, I know that, we all know that in this place, yet we find them today dissimulating on this point because they have been caught out.

When it comes to this overall question, however, it occurs in a much broader context. This debate is a classic exercise in Liberal Party electoral politics. This is a party that talks constantly about security—day in, day out, almost until the cows come home—but, when it comes to the substance of security, the government is consistently missing in action. The collection of conservatives on that side of the House is basically made up of
two schools of thought when it comes to se-

curity. The first is the ‘do nothing’ school. We have seen that most replete, as the shadow minister for transport would be able to tell us, on the question of airport security right across the country. How many months is it since September 11—14, 15 months? What action have we seen from this govern-

ment on airport security right across the na-

tion? Practically nothing—as demonstrated adequately, effectively and eloquently most recently by the statements by the Transport Workers Union. We have to rely upon the Transport Workers Union to bring to the na-

tion’s attention the deficiencies in the per-

formance of this government on key ques-

tions of airport security. That is the ‘do nothing’ school of Australian conservatism. The second school is worse: the ‘make the situation worse’ school. This is the destruc-
tive form of conservatism. The ‘do nothings’ have some redeeming values, I suppose, but destructive Tories are altogether different. In the most recent week, destructive conserva-
tivism at its worst has been at work in our re-
lations with South-East Asia. It has been ap-
palling to see the amount of damage that has occurred right across this region.

When we look at the foreign policy of this country and the way in which this govern-

ment manages its foreign policy, we always need to make sense of it through a single, central proposition. What is this govern-

ment’s central principle in the organisation of foreign policy? It is that the foreign policy of this country becomes the extension of dom-

estic politics by other means. Foreign pol-

icy under this government becomes the con-
tinuation of domestic electoral politics by other means. When you look through the panoply of things in which this government has been engaged, you see one instance after another. We saw it way back in John Howard’s political career, in his engagement in the Asian immigration debate in the 1980s. We saw the same phenomenon again in the case of Hansonism. We saw it with the Tampa. Most recently, we have seen it with Islamic women’s dress.

We saw it with the first Howard doctrine. That enunciation of Australia’s future foreign policy position in this region was tantamount to being a deputy sheriff of the United States and nothing more. Now we see it again, most damagingly, with what we on this side of the House call the second Howard doctrine, which says that the deputy sheriff’s future role is one in which he can hold open the prospect to our partners in the region that under certain circumstances Australia will engage unilaterally in a pre-emptive military strike against the sovereign territory of a neighbouring state—a remarkable statement. And this minister wonders why the cable traffic from every mission in the region is running hot at the moment. Think of our amb-

assadors and high commissioners in the region, and the security of Australians in the region at the moment, as the reaction to this most recent enunciation of the second How-

ard doctrine takes root and is publicised across the measure of the country—the wash-through to Australian business and economic interests and to the lives of Aus-

tralians living in the region, as they go about their workaday life.

Common to all of this is the message that John Howard wishes to convey hairy-

chestedness to the domestic audience while at the same time saying, ‘Hang the foreign policy consequences.’ This is a very deep pathology on the part of the Prime Minister. We have seen it time and time again. The foreign policy of this country is not driven by high policy interests; it is driven by the Liberal Party’s pollster, Mark Textor. Alex-

ander Downer, you are not the foreign min-

ister of Australia; Mark Textor is the foreign minister of Australia. Textor actually runs the key lines and themes of this government, and they permeate every field of policy, both foreign and domestic. That is why we have the problem we have today. The simple mes-

sage being dictated by the market research of the Liberal party is: ‘Here is our Little Johnny standing up to foreigners.’ That is what it is about; that is the subtext. We all know it; let us just name it. That is why the government members shout ‘Hear, hear!’ when he stands at the dispatch box and says the sorts of things that he does. I thought that, given the high office that this individual currently holds as Prime Minister of the Commonwealth of Australia, he had a higher responsibility.
Each time he engages in yet another assault on the region, the reality is that the security of this country is impeded and impaired, not improved. Every time he makes a statement and unleashes against the region once more, our security goes backwards. It does not go forward; it goes backwards. The reason this is so serious is that the geostrategic circumstances of this country have not changed. We are 19 million people sitting in a region of three billion people. Our nearest neighbour has a population of 230 million, 90 per cent of whom are Muslims. Here we have a government which seems to think that we can simply throw sand in the face of our neighbours whenever it suits the domestic polling agenda of the party currently in office. The long-term national interests of this country dictate a reverse approach.

We do not have a Prime Minister of Australia who I believe is a political leader; we have a Prime Minister who is a political masseur. He massages the message. One day we get a bit of Swedish, the next day a bit of Shiatsu and the following day some deep-tissue, particularly after the foreign minister fouls up on an issue—as he did six months ago on the question of Iraq, when suddenly the Prime Minister took over the debate and we found him engaging in the necessary correction of the government’s public message. The core circumstances we face in this country are now most serious. To fight the fight against terrorism which directly threatens the national security of this country, we have no option but to work cooperatively with our neighbours. We need to do so for their resources. We need to respect their national sovereignty in doing it. We want the governments in the region to conclude that we are working with them against terrorism; not against them and against terrorism, as this government is conveying to them.

Beyond that is the question that this Prime Minister ultimately evaded in question time. If we are going to have this new Howard doctrine of military pre-emption, then what is good for the goose is good for the gander. Will this doctrine then apply to other governments in this region? The security of this nation, the Commonwealth of Australia, dictates a more responsible policy on the part of the government. (Time expired)

Mr DOWNER (Mayo—Minister for Foreign Affairs) (3.52 p.m.)—We appreciate the fact that the opposition spokesman on foreign affairs, the member for Griffith, is allowed to raise a matter of public importance. The trouble with these sorts of debates on foreign policy as raised and promoted by the Labor Party is that inevitably, as one would expect, they are extremely revealing about the psychology of the Labor Party on foreign policy issues. One of the constants of the Labor Party is that, if ever Australia is criticised by a foreign country, it is always Australia’s fault. They never come out and stand up for Australia. If Australia is somehow being criticised, somebody here has always made a mistake. I have been the foreign minister of this country for 6½ years. Almost every single time a foreigner has criticised our country—when the member for Brand was the Leader of the Opposition, now when the member for Hotham is the Leader of the Opposition—it is the same approach by the Labor Party: never stand up for Australia. This is a very interesting illustration. The Prime Minister’s remarks are clear. Let us understand what this debate is about. In answer to a question, the Prime Minister said:

It stands to reason that if you believed that somebody was going to launch an attack against your country, either of a conventional kind or of a terrorist kind, and you had the capacity to stop it and there was no alternative other than to use that capacity then, of course, you would have to use it. I do not think that remark is exceptional. What is interesting is that the Australian Labor Party in the form of its current, albeit temporary, leader said quite clearly the day before yesterday that the Prime Minister of Australia simply has to retract from that statement, and yesterday, I believe—or today—he said that the Prime Minister should apologise. I think that is at the heart of this matter of public importance; this debate is about nothing more and nothing less. The Labor Party has been trying to play politics with this issue.

Mr Rudd interjecting—

Mr DOWNER—Mr Deputy Speaker, I listened to this debate in silence.
Mr DOWNER—I would very much appreciate the same courtesy being extended to the government. The heart of this debate is about the Prime Minister stating something which, at the time it was said, no-one thought was remotely controversial. The opposition did not think it was controversial—I will come back to that. Subsequently, there was criticism from some people in the region as a result of media reporting of this statement, which was much exaggerated. As a consequence, various foreign spokesmen and obviously the Prime Minister of Malaysia made critical remarks. The opposition has decided to leap on this issue and call for the Prime Minister of Australia to apologise. That is the biggest single gaffe I have ever heard an opposition make in a foreign policy debate in this country—to call for our Prime Minister to apologise for this statement:

It stands to reason that if you believed that somebody was going to launch an attack against your country, either of a conventional kind or of a terrorist kind, and you had the capacity to stop it and there was no alternative other than to use that capacity then, of course, you would have to use it. So the opposition’s proposition is that they disagree with that statement. Actually, it had never occurred to me that they would disagree with that statement. As people love to point out, I was born and raised opposing the Labor Party. I will go to my grave opposing the Labor Party. I have had a lot of success in doing it, but that is not to say I always disagree with everything the Labor Party says. I certainly do not attribute to the Labor Party foul motives and anti-Australianism and so on. The Labor Party—

Mr Rudd interjecting—

Mr DOWNER—You have had your go. There is no microphone in front of you, so you probably will not want to speak at great length at this time, I would think. If you saw an ABC microphone there, you would be away. We all know that.

My point is that this would have to be the most extraordinary gaffe by a leader of an opposition that I have ever heard in relation to foreign policy. He says the Prime Minister should apologise and retract this statement. Let us look at it the other way around. If we had a situation where we knew that someone was about to launch an attack on our people, that people would be killed as a result and that every alternative had failed, the opposition’s proposition is that we should not intervene and try to do something about it. We should just let people die. I would not have thought it appropriate to suggest that the Leader of the Opposition would believe that. I cannot believe that, at the end of the day, with the best will in the world, he would take that view. In which case, you can only ask yourself: given that he would not be so vile as to take that view, what could possibly be his motive for calling for the Prime Minister to apologise or retract? The answer to that question is: because the Prime Minister is being criticised by some people overseas, he has decided he will take their side in the interest of political expediency. I think that is an enormous mistake. A little bit of evidence to prove this case is in an *Age* article—not a very flattering article about the government—by Michelle Grattan of 4 December. She wrote:

As it happens, I was with Simon Crean when he watched the Howard *Sunday* interview, with Ten’s *Meet the Press* panelists. He did not leap out of his chair. Neither did we. He did not comment on it. He did not say, ‘That’s outrageous that the Prime Minister has said that.’ He did not use the *Meet the Press* program to the best of my recollection to take up the issue. Do you mean when he was watching the *Sunday Program*, he did not get it; he did not understand it? Is that the proposition from the Labor Party? He was not cluey enough to understand it? He was not bright enough? That is not the proposition. ‘He is not silly,’ is the argument of the opposition. That may or may not be true. Let us assume, for the sake of argument, that that is not true—not an assumption we necessarily want to swallow. If that is the case, what is the motive for suddenly getting on to this issue a few days later? What is the explanation for that? Why wasn’t he on to it then? Or, as the Prime Minister pointed out in question time today—I thought, rather elegantly—why didn’t he say anything on 20 June, when the Prime Minister made the same point?
Looking at the two statements, I think he used stronger words on 20 June: the context was a bit harder, a bit harsher. What is the answer to these questions? What are the opposition playing at? The opposition are not cutting it with the public, because their arguments are not credible—they are not seen to be dripping with genuine sincerity; they are obviously insincere. It is obviously just a political game, but the mistake they have made this time is to join with some foreigners and to enhance criticism to say that the foreigners are right. It is true that, when Dr Mahathir criticises Australia, I have a standard line—

Mr Ripoll—It’s a racist line.

Mr DOWNER—The honourable member for Oxley will cease interjecting.

Mr Ripoll—You are not sure of anything, Alex.

Mr DOWNER—It is your problem. Your profile is so low that we do not know who you are—and that is our fault! That is a little harsh. The honourable member says ‘a racist lie’—what is he the member for?

Mr Ripoll interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member for Oxley will cease interjecting.

Mr DOWNER—The honourable member for Oxley says, ‘It’s a racist lie.’ I call for him to withdraw that remark.

The DEPUTY SPEAKER—Order! The honourable member is being called to withdraw—

Mr Ripoll—What for?

Mr DOWNER—Calling people racist—saying something is a racist lie.

Mr Ripoll—I didn’t use the word ‘lie’.

Mr DOWNER—Mr Deputy Speaker, he said it.

The DEPUTY SPEAKER—The member for Oxley is asked to withdraw the remark.

Mr Ripoll—Why would I withdraw?

Mr DOWNER—Slurs and smears are what the Labor Party is all about. To say something like that is a profoundly offensive smear. This is, I suppose, what you go around saying to people in your electorate, is it—about John Howard and others? It is a sorry and a sad thing what has happened to the Australian Labor Party under the Crean leadership—under the Leader of the Opposition.

Mr Rudd interjecting—

Mr DOWNER—Yes, they often draw attention to the fact that when I was the Leader of the Opposition I was not very popular. I have made the point to you people that I was never as unpopular as the current Leader of the Opposition.

Mr Rudd interjecting—

Mr Martin Ferguson interjecting—

The DEPUTY SPEAKER—Order! The members at the table will cease interjecting!

Mr DOWNER—The fact is that this opposition is performing appallingly, and when you explain these arguments, as I have done today, about the gaffe of the Leader of the Opposition calling for the withdrawal of the Prime Minister’s remarks, it simply illustrates a point.

I was going to say that Dr Mahathir has, of course, on many occasions during the time of this government and the previous government had things to say about Australia. I think we have rightly learned that there is a tremendous strength in the relationship between Australia and Malaysia. I was there in August and signed a memorandum of understanding on counter-terrorism. We have very deep educational ties with Malaysia—there are more Malaysian students studying in Australia now than there were under the previous government. It is not surprising, I suppose, with the effluxion of time. In any case, the relationship at many levels continues to grow. When Dr Mahathir makes these sorts of statements, I stick with the line which I think has worked well—because I think it is in our best interest—and that is to let his comments go through to the keeper. I have added in recent days that I have to acknowledge that the wicket-keeper over last few years has been fairly busy.

The member for Griffith got a good run on this one. He responded to Dr Mahathir and said, ‘Frankly, it is time the Prime Minister of Malaysia took a running jump.’ I do not comment on whether it was wise or not—plenty have, and I have read their comments
nty have, and I have read their comments with interest. I did not offer a comment at the time and I do not now. The reason we take the position we do take on these sorts of remarks is that we do value the relationship with Malaysia and there is no point getting into a slanging match with people; none whatsoever. If you are so committed to good relations with the region, why would you want to get into slanging matches with people in the region? That appeared, for one moment, the game the opposition spokesman on foreign affairs, the member for Griffith, wanted to get into—though he has quickly changed when it has come to this issue, in the interests of rather bad, childish expediency.

Let me conclude by saying this. I said to the ambassadors yesterday that it was enormously important—I think every member of this House would agree with this—that we continued with and built on the cooperative arrangements we have put in place, and we have been putting them in place since 11 September last year, in particular. There were plenty in place before that, but since 11 September last year the cooperative arrangements between Australia and countries of the region have increased. Of course, the ambassadors very much agreed with this. One of the heads of mission came back to my remarks at the end of the meeting and made a point which I think is a wise and sensible point. He said that there would be times when we disagree with each other. It happens between the ASEAN countries, it happens between Australia and ASEAN countries and with China and so on. It happens. Of course it does—that is just the nature of humanity. But the important thing to understand—as this head of mission said yesterday—is that, if we start to divide, then we are only giving advantages to terrorists. That is right. The more we unite and work together, the more difficult it is going to be for terrorists. If there are disagreements—and there always will be; there will always be points where there are interpretations and misinterpretations and disagreements and things said—the important thing is not to contribute to make it worse or exaggerating or overreacting. The important thing is to focus on what the central issues are, and the central issue here is cooperation on counter-terrorism. That is what gets to the very heart of it.

I assume that members opposite agree. They are not very numerous here in the House because, as I have just been advised, one of the opposition spokespeople is having a press conference now announcing her resignation from the frontbench. So I am sorry that there are not more people to hear this rare matter of public importance on foreign affairs. But there you are.

Mr Martin Ferguson—It is just you, Alex.

Mr DOWNER—You say it is just me.

Mr Martin Ferguson—Where are the government members?

Mr DOWNER—They are probably watching the press conference on TV as well. This is the problem.

The DEPUTY SPEAKER (Mr Jenkins)—Order! The minister will not encourage the member for Batman, and the member for Batman will cease interjecting.

Mr DOWNER—They are probably watching it with wry amusement.

Mr PRICE (Chifley) (4.07 p.m.)—This is not a debate about smiles and smirks; this is a debate about a very serious issue, the issue being that the Prime Minister has announced that Australia has the right to take a preemptive strike against terrorists. The honourable member for Griffith heartily disagrees and I support him in that disagreement.

It is true that the Minister for Foreign Affairs has been the minister for 6½ years. Others may argue about the benefits of that to his department but I would argue that it has provided ministerial stability. The Minister for Foreign Affairs wishes to indulge in a bit of revisionism. When he was the shadow minister for foreign affairs, he continually attacked the Labor government for not standing up to Prime Minister Mahathir. As anyone of good breeding would, he had the confidence to suggest that when they got into government the situation would be different; that they would make a significant difference to the relationship. What is his response today? ‘I let the comments go through to the keeper.’ Oh, gee, the wicket-
keeper is very busy. But that is real revisionism on his part.

I want to make this point: our security in Australia against terrorism is dependent on the security of our neighbours. We need to work in cooperation with them. We need to develop an understanding. I want to say this about Bali: I was very pleased to see the Prime Minister go over there with the Leader of the Opposition and provide support. But what, since Bali, has been announced in his House about strengthening the relationship with our neighbours? What a magnificent job the Indonesians have done—and those Australians that were there helping them—to identify those who were responsible in Jemaah Islamiah. Congratulations to the President of Indonesia and their police force.

What has the Prime Minister announced in Australia about strengthening our counterintelligence capability to combat terrorism? Where is the ministerial statement that would affect the Attorney-General’s Department, the department of foreign affairs and the ministry for defence?

Let us look at the ministry for defence. If we have had a Minister for Foreign Affairs for 6½ years, how many ministers for defence have we had? It has been a retirement post for senior Liberal cabinet ministers. Ian McLachlan—one term and then gone. John Moore—and who will ever forget John Moore and his answers in question time?—is gone. Then Peter Reith: ‘I do not believe in bipartisanship in national security. I want to make it partisan. I do not want to unite the political parties; I want to divide them.’ The Peter Reith of the kids overboard; the Peter Reith who overturned tenders. And what a mockery we had yesterday in question time: the Minister representing the Minister for Defence unable to answer three questions about procurement and having the humiliation of the Prime Minister getting up and wanting to add to her non-answers. This is the quality of representation we have.

And look at the department. Under Labor, the previous secretary, Tony Ayers, was in the job for 10 years. The Prime Minister appoints a friend—and I do not have an objection to that—Paul Barratt, and John Moore said he should be sacked. Then he was replaced by Alan Hawke, who was going to turn the place upside down in terms of defence reform. How long did he last? At least he is getting a decent diplomatic appointment overseas so his lips will be sealed. But I thought he was a decent sort of a bloke and how long did he last? Now we have Ric Smith—he has the poisoned chalice. Can anyone in this House tell me how long he will last as the Secretary of Defence? Under Labor, Peter Gration was the Chief of the Defence Force for six years. You do need some stability at the top. Look at the comments in the latest ASPI report about the challenges for the Defence department:

It needs to focus on four issues: establish who is in charge of what...

Can you believe that? We have to establish ‘who is in charge of what’ at a time of crisis.

... expand Defence’s skill base ...

I agree with that.

... get financial management under control ...

There is $520 million extra being spent on the Defence white paper and we cannot track where it is; we cannot track how it is being spent. There is $800 million of petty cash sitting there, in the Defence account, unspent—at a time when so many Australians are concerned about their own security. It goes on:

... explore how to allocate jobs most cost-effectively between Defence’s uniformed, civilian and contractor workforces.

I heartily endorse all that. But let me give you an example of how this government treats the Defence portfolio with utter contempt. The Minister Assisting the Minister for Defence this Monday promulgated regulations to change the category of the Defence Reserve. In Army, we spend $900 million on those reserves. We are going to have high readiness reserves, we are going to have active reserves and we are going to have inactive reserves. But what does it all mean? Where is the ministerial statement? There is $900 million and 16,000 people involved. Where is it? We are not having any high readiness units, we are not having any extra equipment, we are not having any extra training, we are not having any extra invest-
ment but we put these regulations through on Monday.

We treat the reserves, who do not deserve to be treated that way, with utter contempt. I believe reservists do a fabulous job and the real problem is that they want to do more and I believe they should be allowed to do more. But we need to be serious about a reform program. We do not need ministers like the Minister for Foreign Affairs prancing up here giggling and smirking and joking about our national security or our national defence. We need to take it seriously.

What about all the times they attacked the Labor government for their mismanagement of the procurement system? I spoke about the DIIDS program with the disappearing dollar savings. But what about the Sea Sprite helicopters—those modern, 40-year-old frames that are 99 per cent paid for? What about the decision about the Collins class submarines? They used to criticise us about the Collins class submarines, but they have bought torpedoes that are too big, that do not fit! Can the people of Australia believe their government did that? We now need to modify those Collins class submarines. Which Australian or RSL sub-branch would believe their national government would sell the Russell Defence offices in a time of terrorism threat—the offices that house the Defence Signals Directorate, the Defence Intelligence Organisation and our Defence Imagery and Geospatial Organisation, as well as our command structure and our top brass? Would you believe it if President Bush announced to the American people: ‘I have made a decision. We are going to sell the Pentagon’?

This is what this government is all about: outsourcing, privatisation—dividing communities instead of uniting them. Nothing will divide Australia more from this region, upon which our security depends, than the latest Howard doctrine. It is not the old deputy sheriff doctrine; it is now the doctrine of the pre-emptive strike. Nothing could be more poisonous. That is why Mr Howard has only visited three of the 10 ASEAN countries; in seven years he has only managed to visit three. No wonder there is so much misunderstanding in this region about our position. The honourable member for Griffith is to be commended for this MPI, and I assure the Minister for Foreign Affairs that the member for Griffith is totally supported on our side of the House. (Time expired)
ing all the ASEAN countries and Japan, China, India and Pacific island countries.

If it is not enough that the shadow foreign minister and the rest of the opposition appear not to know anything about those, I will refer to some other initiatives we have going in the region. In March this year there was a regional counter-terrorism workshop for Pacific island countries. We provided an adviser to the government of PNG to draft legislation on proceeds of crime and develop the skills of PNG in this area. There is a $10 million, four-year prime ministerial initiative to help Indonesia build its counter-terrorism capacity. We have provided assistance to the ASEAN Regional Forum to help run workshops for participants from ARF countries on the prevention of terrorism. We have provided assistance to improve regional capacity to respond to radiological risks and emergencies, additional funding to the Nuclear Security Fund to implement activities aimed at combating the threat of nuclear terrorism in South-East Asia, and assistance in drafting AML legislation to enhance the Bank of Indonesia’s capacity to track suspect transactions and support the government of Indonesia’s submissions to the Financial Action Task Force on Money Laundering. We have provided short-term training for two analysts from Thailand’s Anti-Money Laundering Office to assist Thailand’s financial intelligence unit to detect and deter money laundering. We have funded workshops organised for the Asia-Pacific Group on Money Laundering, There was the Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime. We provided assistance to improve the capacity of PNG to protect its borders. This goes on and on.

The opposition looks bored, but this is the key of cooperation in the region. It is the reality of the cooperation this government has with our region to stop terrorism. It is not the flighty little statements with no substance that we hear from the opposition—a lot of criticism of Australia and the Prime Minister, but absolutely no substance at all. To continue: we provided assistance to improve the efficiency of all aspects of the Fiji Islands Customs Service and to strengthen Samoa’s Immigration Division, and there has been the provision of computerised recording movements for Palau. There are several more pages, but I will run out of time if I read them.

I suggest that before the opposition comes in here with its spurious comments it should read about what we are doing, make a slight effort to find out exactly what is going on. Don’t just read the headlines in the paper and the latest piece of nonsense that somebody writes and then rush in here—have a policy, look at what is going on and ask: ‘Is there anything we can add to it at all? Can we play a constructive role or is the only role that we are prepared to play in this fight against terrorism one of attacking our government and Australia?’ While attacking governments is a legitimate form of opposition, I have to say that attacking your own country and calling for your country to apologise is not a legitimate form of opposition. It demeans this country and everybody in it and, what is more, it gives heart to our enemies. This opposition is constantly giving heart to our enemies. Unfortunately, the opposition is suffering from not just relevance deprivation syndrome but extreme relevance deprivation syndrome. In running around to make itself relevant, it is saying things that upon reflection it should realise are completely and utterly untoward. Then again, when you reflect on the opposition, you see that it does have enormous problems and in some respects it is not so much an opposition as a rabble. Today one of the frontbenchers spat the dummy at her colleagues and their policy.

Mr Slipper—She is not a frontbencher anymore.

Mrs GALLUS—That is right. She is no longer a frontbencher. What sort of party is it when—and this happens all the time—somebody does not like what it is standing for—when indeed it stands for something? Maybe this is the answer. Maybe this is why it is a party that does not stand for anything—because when it makes a stand, one of its frontbenchers spits the dummy and says, ‘Sorry, you’re all wrong’ and marches. That is not the way to hold a party together or to be an effective opposition. What we need from this opposition is some support for
Australia now that we have a new crisis in the region—the kind of crisis that Australia has never faced before. We need a rethink of what it is to be an Australian and what the threats are to Australia. It is time that we all pulled together to fight terrorism. Undermining Australia, in the way that the shadow foreign minister and the Leader of the Opposition have done, is not in the interests of Australia or anybody in Australia and perhaps they should go back to their caucus room and rethink exactly what they stand for.

Dr Emerson—Don’t hold your breath.

Mrs Gallus—That is right. I will not hold my breath.

The Deputy Speaker (Mr Jenkins)—Order! The discussion has concluded.

COMMITTEES

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee

Electoral Matters Committee

Membership

The Deputy Speaker (Mr Jenkins) (4.27 p.m.)—The Speaker has received advice from the Government Whip nominating members to be members of certain committees.

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.27 p.m.)—by leave—I move:

That:

Ms Panopoulos be discharged from the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund and that, in her place, Mrs Ley be appointed a member of the committee, and

Mrs Ley be discharged from the Joint Standing Committee on Electoral Matters and that, in her place, Ms Panopoulos be appointed a member of the committee.

Question agreed to.

AVIATION LEGISLATION AMENDMENT BILL 2002

Report from Main Committee

Bill returned from Main Committee with amendments; certified copy of the bill and schedule of amendments presented.

Ordered that this bill be considered forthwith.

Main Committee’s amendments—

(1) Clause 2, page 2 (table item 3), omit the table item, substitute:

3. Schedule 2 The day on which this Act receives the Royal Assent

(2) Clause 2, page 2 (lines 11 to 14), omit sub-clause (4).

(3) Schedule 2, item 2, page 6 (lines 7 and 8), omit the item.

(4) Schedule 2, items 5 to 7, page 6 (lines 26 to 31), omit the items.

(5) Schedule 2, items 9 and 10, page 7 (lines 3 to 7), omit the items.

(6) Schedule 2, items 12 to 25, page 7 (line 10) to page 8 (line 14), omit the items.

(7) Schedule 2, item 26, page 8 (lines 15 and 16), omit the item.

(8) Schedule 2, item 27, page 9 (lines 3 and 4), omit subsection (2), substitute:

(2) Subsection (1) does not apply if the munitions of war or implements of war are carried in accordance with written permission (including any conditions) given by the Minister.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the Criminal Code).

(9) Schedule 2, page 9 (after line 4), after item 27, insert:

27A Section 22E (paragraph (d) of the definition of employer)

Omit “, other than the Corporation,”.

(10) Schedule 2, page 9, after proposed item 27A, insert:

27B Subsection 22ZV(1) (paragraph (b) of the definition of designated person)

Omit “or of the Corporation”.

27C Subsection 22ZV(1) (paragraph (c) of the definition of designated person)

Omit “, other than the Corporation”.

27D Subsection 22ZV(1) (paragraph (f) of the definition of designated person)

Omit “, other than the Corporation,”.
(11) Schedule 2, item 28, page 9 (line 5), before “Part”, insert “After”.
(12) Schedule 2, item 28, page 9 (line 6), omit “Repeal the Part, substitute”, substitute “Insert”.
(13) Schedule 2, item 28, page 9 (line 7), omit “3”, substitute “3A”.
(14) Schedule 2, item 28, page 9 (line 11), omit “20”, substitute “22ZVA”.
(15) Schedule 2, item 28, page 10 (line 3), omit “20A”, substitute “22ZVB”.
(16) Schedule 2, item 28, page 10 (line 12), omit “21”, substitute “22ZVC”.
(17) Schedule 2, item 28, page 10 (line 15), omit “20”, substitute “22ZVA”.
(18) Schedule 2, item 28, page 10 (line 24), omit “20”, substitute “22ZVA”.
(19) Schedule 2, item 28, page 11 (line 1), omit “21A”, substitute “22ZVD”.
(20) Schedule 2, item 28, page 11 (line 21), omit “21B”, substitute “22ZVE”.
(21) Schedule 2, item 28, page 12 (line 26), omit “21C”, substitute “22ZVF”.
(22) Schedule 2, item 28, page 12 (line 29), omit “21A”, substitute “22ZVD”.
(23) Schedule 2, item 28, page 12 (line 29), omit “21B”, substitute “22ZVE”.
(24) Schedule 2, item 28, page 12 (line 30), omit “21D”, substitute “22ZVG”.
(25) Schedule 2, item 28, page 13 (lines 7 to 12), omit Division 3.
(26) Schedule 2, items 29 and 30, page 13 (lines 13 to 16), omit the items.

Question agreed to.
Bill, as amended, agreed to.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.28 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

RESEARCH INVOLVING EMBRYOS BILL 2002

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

PARLIAMENTARY ZONE

Approval of Proposal

Message received from the Senate acquainting the House of a resolution agreed to by the Senate approving the proposal by the Joint House Department to construct additional security elements, including vehicular access gates and bollards, to prevent access to the Ministerial entry by unauthorised vehicles.

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

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate has agreed to the bill as amended by the House at the request of the Senate.

BILLS RETURNED FROM THE SENATE

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

Charter of the United Nations Amendment Bill 2002
International Tax Agreements Amendment Bill (No. 2) 2002
Trade Practices Amendment Bill (No. 1) 2002
Workplace Relations Legislation Amendment Bill 2002

TAXATION LAWS AMENDMENT (EARLIER ACCESS TO FARM MANAGEMENT DEPOSITS) 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) (4.31 p.m.)—I move:

That this bill be now read a second time.

This bill amends the Income Tax Assessment Act 1936 to provide an exception to the rule that farm management deposits have to be held for 12 months in order to qualify for tax
concessions for farmers in exceptional circumstances declared areas.

The Farm Management Deposit scheme allows eligible primary producers to set aside pre-tax income in profitable years to establish cash reserves to help meet costs in low income years. Normally, the accompanying tax concessions are only available when deposits are held for 12 or more months. The exception to the 12-month rule is one of the initiatives announced by the Prime Minister on 27 November 2002 to assist rural communities and our farmers cope with the current drought.

The initiatives provide additional funding and support to meet a number of concerns, including cash flow for farmers, pest control, environmental protection and community support for struggling farmers.

The change to the 12-month rule will help farmers manage the cash flow impact of the drought and build on the significant funding already provided by the Commonwealth to managing the drought. In addition, the government will streamline consideration of advice on exceptional circumstances applications to ensure there is no unnecessary delay in the coming weeks.

Further minor amendments will also be made to the taxation laws to enhance the flexibility and operation of the FMD scheme.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend this bill and present the explanatory memorandum.

Debate (on motion by Dr Emerson) adjourned.

COPYRIGHT AMENDMENT (PARALLEL IMPORTATION) BILL 2002

Second Reading

Debate resumed.

Dr EMERSON (Rankin) (4.34 p.m.)—Before question time I was dealing with the problem of piracy. The reason—or certainly an argument—for restrictions on parallel importation is that piracy in this country is a very big problem and one of the few effective measures to deal with piracy is the continuation of restrictions on parallel importation. The argument is that, if there is a ban on parallel importation, when a pirated copy appears and the copyright holder in Australia sees that pirated copy in the shops then the copyright holder knows that that is a pirated item. It is not the ideal mechanism for ensuring that there is some sort of control on piracy but, in effect, no other measures enjoy any level of success in dealing with the problem of piracy in this country. Yet the Minister for Communications, Information Technology and the Arts, Senator Alston, is quoted in the Australian Financial Review about piracy as talking about ‘the myth of an Australian piracy problem’. This is one of the ministers responsible for dealing with these issues and he is saying that there is no such problem as piracy in this country. Well, I can tell you there is, Mr Deputy Speaker. I have spoken to people in the industry and it is obvious that piracy is a big issue, and a big problem in terms of maintaining intellectual property rights in this country.

A dramatic development affecting the industry in the last two or three years has been the practice of CD burning. Honourable members might recall that when we were teenagers it was not uncommon to tape music from a record or another tape. This was pretty standard practice. In order to assemble some sort of album out of that there was a lot of button pressing and you had to wait until the selected songs came along. Just to do one tape would probably take several hours, or maybe half a day.

What has changed since then? The answer is CD burning. It is now possible within a few minutes to produce multiple and perfect copies of compact discs. I have been told by the industry that there are machines that can produce thousands of such copies in a very short period of time. Not only that, the copies are virtually identical with the original, so there is no deterioration in quality. It seems to me that the burning of CDs, CD-ROMs and DVDs is going to be a very big problem in terms of protecting the intellectual property of this nation. What is the government doing about this problem of CD burning, which is effectively piracy? The answer is nothing, because the minister describes it as a myth.
Since I began my remarks on this bill before question time I have received advice from South Australia that pirated movies, months before their release in Australia, are now openly on sale to the public, and that industry observers predict that within 12 months some cinemas will close down and within three years blockbuster movies will be something of the past. The advice suggests that Adelaide is the gateway for pirated products. One Adelaide producer was approached to illegally make thousands of copies of some eight titles, including *Austin Powers Goldmember,* for distribution throughout Australia. It is indicated that the Adelaide market for pirated products is a safe haven for the production of illegal copies. Here, in front of our noses, is a very large piracy problem and the Attorney-General, Mr Williams, is blaming the Rann government for it. He is blaming a state government for piracy.

The other form of piracy prevalent in this country, as it would be around the world, is piracy through the Internet—that is, being able to copy intellectual property through the Internet. I will not go through the intricacies of it, but I am advised by the industry that this too is a very large problem. The government will not even admit there is a piracy problem—that is one issue. The other issue is that it has failed to respond to a major parliamentary report, tabled two years ago, called *Cracking down on copycats.* It has not responded at all to that parliamentary report—such is the disdain with which the government treats the parliament and, importantly in this case, the disdain with which the government treats the issue of piracy by copycats here in this country.

I want to turn now to the question of price. I am a little less concerned about whether the price of imported intellectual property, CDs or games, is in fact lower than Australian prices. It seems to me that if the price of imported products were higher than Australian prices, there would be no incentive whatsoever to bring them in. The argument is that prices have not fallen much, if at all, and that may well be the case. But I think if the prices were in fact higher—that is, the price of material that observed copyright—then there would be no incentive at all for the importer to bring it into this country. Personally, that is not the key reason that I think this particular package of legislation lacks merit.

The government needs to deal decisively with the issue of piracy so that we can protect our cultural heritage and, in fact, the entire culture of our country, because it is under threat from unchecked piracy. That is my exhortation about what the government ought to be doing to protect Australian culture, particularly as it relates to books. I would like to conclude my remarks with these observations: Australian culture must be protected if we are to retain our national identity. The government is doing very little on this particular front to protect Australian culture. This legislation will do nothing to protect Australian culture and threatens to further undermine it.

That is actually consistent with the government’s action on a broader front, because the US-Australia free trade agreement may contain provisions that mean that Australian content rules for radio, television and film will be abolished. I asked the Minister for Foreign Affairs, who was representing the Minister for Trade this question in the parliament: if, in negotiations on a US-Australia free trade agreement, the US administration asked for the removal of local content rules for Australian film, television and radio, would the government consider removing local content rules altogether? His answer was, ‘That will all be part of the negotiating process.’ Here is the Minister for Foreign Affairs, on behalf of the government, acknowledging that, as a key plank of the US-Australia free trade agreement, the Australian government would seriously contemplate abolition of Australian local content rules.

We must retain our Australian cultural identity. This is a government that is absolutely dismissive of the value of Australian culture, and it has already made it clear in the negotiations for a US-Australia free trade agreement that it is willing to contemplate the abolition of Australian local content rules. There are some very entertaining American television and radio programs and some very entertaining American films, but I
like to see some good Australian films—
some good Australian local content. We will
not necessarily be able to see that in the
future because this government is very
openly contemplating the abolition of Aust-
ralian local content rules—consistent with
this legislation in respect of the govern-
ment’s desire, as expressed in the legislation,
to abolish any restrictions on parallel im-
portation.

So there is obviously a clear pattern here:
‘Let the market determine it. Don’t offer any
protection for Australian culture. Offer no
protection for Australian local content. Put
that firmly on the negotiating table with the
United States so that we can see 100 per cent
American films and American sitcoms and
other television programs.’ I think we have
probably seen enough of those, but that is a
matter of choice for viewers. I am saying that
Australian local content rulings must be
maintained and that this government has al-
ready indicated in the early stages of nego-
tiations on a US-Australia free trade agree-
ment that, as far as it is concerned, very
much on the negotiating table is the abolition
of Australian content rules.

At least in the United States they have es-
stablished a congressional oversight commit-
tee for those negotiations. There is no such
oversight here in Australia. There is no
mechanism for the Australian people to be
informed what it is that the government is
conceding in negotiating a US-Australia free
trade agreement in respect of local content,
the abolition of the Foreign Investment Re-
view Board, the watering down of the Phar-
maceutical Benefits Scheme and quarantine
rules that protect Australian agriculture from
overseas disease and pests. These are just
some of the items that the government itself
is putting on the negotiating table with the
United States in a US-Australia free trade
agreement.

It is for these reasons that we are moving
a second reading amendment to this legisla-
tion that calls on the government to address
concerns about increased piracy by re-
spending to the House of Representatives
Standing Committee on Legal and Constitu-
tional Affairs report on copyright enforce-
ment called Cracking down on copycats. The
amendment also calls on the government to
reform the system of copyright protection in
this country. That was something that I dis-
cussed in the paper Thriving industries in an
innovative Australia, where we argue the
case quite persuasively for an improvement
in copyright protection in this country so that
our best and brightest can be properly re-
warded for the creative work that they do,
instead of having the government walking
away from them, indicating through its
preparations for a US-Australia free trade
agreement that it is quite ready to abolish
local content rules in this country if the US
administration asks that of us. The govern-
ment is going down the wrong track with this
legislation. We should be protecting our
cultural heritage. It is for these reasons that
we are opposing this legislation.

Mr CIOBO (Moncrieff) (4.47 p.m.)—I
am certainly delighted to rise this afternoon
to speak in relation to the Copyright
Amendment (Parallel Importation) Bill 2002.
This bill serves to amend the Copyright Act
1968 to allow the parallel importing of com-
puter software and computer games as well
as parallel importing of books, periodicals
and sheet music—both in electronic form
and print form. I have to say that I was upset
when I heard this morning that the ALP indi-
cated that they would not be supporting this
bill going through the House. I would have
thought that, after seeing the tremendous
success that all Australians enjoyed as a re-
result of our lifting parallel importation re-
strictions with respect to CDs, the Labor
Party would have been more up-front in
terms of how this was a good thing for Aus-
tralia.

The legitimate question which can be
asked and must be answered by the Howard
government is this: why are we seeking to
lift these parallel importation restrictions? In
short, it can be attributed to the following
motivations. It is because the Howard gov-
ernment is focused on consumers, it is fo-
cused on the operation of the market and it is
focused on the best interests of business, es-
pecially small businesses. In addition to this,
it is concerned with maintaining Australia’s
cultural heritage and it is concerned with
ensuring that we maintain the fight against
piracy. But fundamentally, through passing
this bill before the House today and hopefully the Senate in due course, we will permit all Australians to reap the benefits of a more competitive marketplace to ensure that our businesses and our artists remain competitive whilst also operating in an environment that encourages cultural creativity.

This government having previously acted to permit the parallel importation of CDs, the debate today and the arguments that I ever heard from members opposite reflect the same points of deliberation, the same points of discussion and the same issues of conflict that previously existed. Essentially that conflict can be summarised as a conflict between a forward looking, progressive Howard government and a timid, ideologically moribund Labor Party. We have seen an example today of how ideologically the Labor Party has drifted from what it was about. I noticed that at a press conference this afternoon former Labor frontbencher Carmen Lawrence made the decision to resign from the frontbench on the basis of being ‘disillusioned’—I think that was her word—with the Labor Party and being concerned about it being directionless. It seems to me that if the Labor Party is ever going to get back on track and retain people on its front bench it needs to become focused on what it stands for. If it truly stands for all Australians, it would have supported this bill, because what this bill does is enable all Australians to enjoy the benefits of a more competitive marketplace.

I have listened to a number of Labor Party members speak in regard to this bill, outlining how Australia’s software industry will collapse and how its gaming, book and music industries will collapse if this bill is passed. We have heard how there will be pirates coming into Australia with crate loads of their pirated CDs, books, software and so on. It reminds me that we heard the same cynical exercise from the former leader of the Labor Party, the member for Brand, before the election in which this government went to the Australian people saying that we would introduce the GST. The Labor Party went around like Chicken Little saying, ‘If they do this the country will grind to a halt.’ In the same style, they are now saying, ‘If the Howard government gets its way and allows parallel importation, the Australian cultural heritage will become an absolute wasteland.’ That, quite frankly, is absolutely, categorically wrong and completely rejected by me and other members on this side of the House.

Before I delve into the sophistry of the Labor Party’s arguments, I would like to examine what parallel importation is. It is important that those who are listening to this debate, or who are reading this debate in Hansard, understand exactly what we are proposing to do. It is quite simple. Parallel importation is when we permit the importation of works which have been legitimately purchased overseas—that is, purchased without infringing on the creator’s copyright in the overseas country—by someone other than the authorised importer. This is an important point, because it does not pertain to someone who is travelling overseas and buys an artist’s work without paying a royalty, or where a purchase is not legitimate, and the work is brought back to Australia. Quite the contrary. It simply involves someone purchasing an artist’s work overseas, paying a price, the artist receiving a royalty, and importing the work into Australia, even though—and this is the crucial factor—the person is not the authorised importer.

Under the Copyright Act, it has traditionally been the case, subject to these amendments, that an infringement of copyright will occur when an article is imported into Australia for commercial purposes without the copyright owner’s consent. Where the importer knew or ought reasonably to have known that the article had been made by the importer in Australia, it would have been an infringement.

In essence, the parallel importation provisions of the Copyright Act allow a copyright owner or exclusive licensee to control the importation into Australia of copyright material, even if the products have been lawfully acquired overseas. So what we are really talking about is a situation in which we legislatively prohibit the importation of material which has been authorised overseas, on the basis of providing legislative protection—in other words, a monopoly—to a particular importer within this country. The effect of
this is that it permits rights to certain owners. It allows those owners—that is, those importers—to separate the world market into nice little bite sized pieces, little self-contained segments, that enable them to then secure the greatest return that they can get with respect to the prohibited subject matter. So we break the world up into all these nice bite sized pieces and we say, ‘You have an exclusive licence to import and distribute in this particular market.’ That enables, for all intents and purposes, a monopoly. That monopoly means that the owner can essentially charge the price that they would like in order to get the greatest yield that they can.

Historically it has been the case—and it continues today to a certain extent—that copyright material can be partially assigned along geographical lines. The assignee is then assured that when they sell their copyright material within that geographic market, they will be doing so without any real competition from a different source. What we did historically—when I say ‘we’ I mean the Howard government—is to relax the parallel imports laws for certain categories of subject matter, and separate regimes were enacted in legislation that enabled us to permit parallel importation with respect to certain books and sound recording industries.

This bill addresses the current restriction as it applies to the other areas—things like the remaining books, periodicals, software, games. I have to say that I am hopeful that the Democrats in the Senate will see the inherent logic in removing the legislative barriers that currently exist in the Australian marketplace. If this bill is passed by the Senate, it will permit importers to bring into Australia bona fide reproductions that are authorised by the artist concerned and that provide royalties to that artist. So concerns about Australians missing out on royalties are not legitimate and cannot be upheld. This bill simply undercuts the monopoly provider to the Australian market, and that is a very good thing.

As I said, we have heard all the arguments that we heard this afternoon from the ALP before. When the Howard government moved to look out for the best interests of all consumers in Australia by lifting the parallel importation restrictions on CDs, it did so following on from the last Labor government. The Financial Review on 20 June 2000 summed it up when it said that the Labor government:

... baulked at fixing the problem and left it to the Howard Government to put the interests of consumers ahead of the big companies that control music distribution.

The article goes on:

After freeing the import of CDs and some other branded goods, the Government is right to extend the principle to books and computer software.

The question has to be asked: why is it that, when we freed up parallel importation restrictions with respect to CDs, the market went very well and there have been no long-term negative consequences as the ALP predicted? Rather, Australians have benefitted, Australian consumers have benefitted, and the ALP says nothing about that. Yet when the same argument comes up before the House today and we debate whether or not we will extend that same principle to the importation of software, electronic games and those types of things, we are meant to say, ‘Oh no, there’s a world of difference.

The lessons that we learned when we freed up the CD market are entirely different to the lessons that will apply should we free up the software market.’ It does not make any sense at all, and that highlights the falsity of the ALP’s arguments. I listened to the member for Barton, the shadow Attorney-General, who raised the ALP’s objections to the bill. In my view, those objections can be distilled into the three following points: the issue of competition—and, as a subset of that, the issue of pricing—the notion of piracy, and their claim that, in the long-term, it will erode Australian talent and the Australian industry.

I certainly am someone who believes very strongly in the free market. I notice that the member for Parramatta is in the chamber; I know he too is a strong believer in the free market. I have to say that, in my mind, one of the key benefits of opening the Australian domestic market to parallel importation is that we enable all Australians to be beneficiaries. We cannot escape this fact, because
that is what drives a large part of this policy and we make no bones about it.

Machiavelli said—this is often referred to, but I do not have the exact quote with me—that someone will have their greatest complaints from the stakeholders in an industry when they seek to take away a certain privilege from those stakeholders, but they will have only lukewarm supporters in the wide majority of people that will benefit, although not as much on an individual basis as that one stakeholder who has that right removed. That exactly summarises what is occurring in this particular case. It comes as no surprise to me that, once again, it is the Howard government that stands up for the vast majority of Australians who will benefit—even a couple of dollars here and there on each CD they buy, on each book they buy and on the business software they buy. They are the voiceless people who will benefit by only a couple of dollars each but, in total, the benefits are far greater than the screams that we hear from those stakeholders with vested interests who do not want to give up their monopolies.

With respect to pricing, what I am hearing from the Labor Party does not make sense. The Labor Party says, ‘Look, we’re not paying a premium in the Australian marketplace. You can tell we’re not paying a premium because, on an international basis, we’re very competitive.’ If that is the case—and the member for Curtin highlighted this today—what possible loss can there be to the Australian market by allowing more full and free market competition? The flip side of that coin is that, if the situation is in fact that Australians pay a premium on these products—which I suggest is the case—and they are paying a premium because they are in a situation where there is only one or a couple of almost monopolistic suppliers to the Australian marketplace, certainly it must be in the interests of all Australians for that premium to be absolved through greater competition in the marketplace.

To give an example of this, I again highlight when we introduced parallel importation of CDs in July 1998—and I highlight that this was despite widespread screams and claims from the Australian music industry that it would face ruin because of increased threat from overseas companies—we saw, both anceotally and on a broad scale, that prices for the top 100 CDs all crept down. As a result, CDs today are approximately 30 per cent cheaper than they were in 1998.

Was the corollary of this the ALP’s claim that the Australian music industry would collapse? No, it was not. The Australian music industry is still as vibrant and strong today—and possibly even more vibrant and strong today—as it was in 1998. How can the ALP possibly stand up with any credibility at all in this chamber and say, ‘Look, we turn our backs on that. We turn our backs on the anecdotal evidence, we turn our backs on the actual evidence that the Australian Competition and Consumer Commission found with respect to the prices of CDs and we say this is an entirely different kettle of fish’? It is not an entirely different kettle of fish at all; it is the same example.

Books are a particular product that is not subject to parallel importation. I have some examples here as quoted in the Age newspaper in 4 April 2001. For example, the book Hannibal, retailing in Australia at the time of this article, was $16.95. In the United States, it was $12.78. All these prices are in Australian dollars, so there is no currency conversion required. The Testament is another example, and it was $16.95 in Australia and $12.78 in the United States. The same applies to The Green Mile, one of the top-selling books at that time. It seems to me that this provides strong evidence, and there is much more evidence—I have only highlighted a few examples—that all Australian consumers pay a premium for these products. It would seem to me, as Christmas draws closer, that the best thing the Labor Party could do to provide a Christmas present for all Australians is to say, ‘We’re going to work with the Howard government to ensure that, when you purchase CDs, books or sheet music, whether it be electronic or in print form, the price of those products will be cheaper as a result of the strong moves that
the Howard government has made to ensure
that it is in the best interests of everyone.‘

I have heard a lot about the issue of pri-
vacy. Apparently, if we allow parallel im-
portation, the consequence will be that all
Australians will suffer under the weight of
pirated recordings, pirated books and all
manner of associated products that are pi-
rated overseas and will flood our shores. It is
absolute rubbish, because the principal threat
to the long-term sustainability of and in-
vestment in the Australian artistic industries
is the Internet. I am certainly a very strong
supporter of the Internet. It promises a great
deal for everyone throughout the planet but,
having said that, it also does present some
threats. It will not be pirated CDs, books,
magazines or software that come flooding
into Australian shores as a result of lifting
restrictions on parallel importation. What it
is, what it will continue to be and what may
even possibly accelerate is the opportunity
for people to use pirated software or to burn
their own CDs, as the member for Rankin
made reference to, from the Internet. This is
the true problem that we must face and that
this government is looking at and will be
responding to. You simply do not seek to
protect the Australian marketplace by main-
taining a monopoly for exclusive licensees.
That is an absurd way to go about ensuring
that the Australian marketplace is protected.
You do not make all Australians pay millions
of dollars more each and every year on a
cumulative basis to say, ‘We believe we
should do this to protect Australia’s cultural
heritage.’

The member for Rankin also tried to tie
Australia’s cultural heritage to content rules,
but there is a difference. This bill in no way
has an impact on local content legislation.
We can still maintain the same rules that ap-
ply to local content if we pass the bill as we
do if we do not pass the bill. What possible
justification can there be for some kind of
false monopoly to be created and sustained
by not passing this bill? Local content rules
provide an important safeguard for Aus-
tralian cultural heritage, and we have moved to
protect that. This bill will ensure that Aus-
tralians are not fundamentally ripped off by
paying a premium in the marketplace.

One of the best examples of the groups
that will benefit as a result of this bill being
passed is small business. The electorate of
Moncrieff has the highest concentration of
small businesses in the country, and I am
certainly delighted that this bill will play an
important role in ensuring that the small
businesses of Moncrieff—and indeed
throughout Australia—will have access to
cheaper software, games, books, manuals
and these types of things as a result of this
legislation being passed. Let it be very clear
to the Australian people and to Australian
small businesses who stands in the way of
their having access to cheaper materials like
this. The Labor Party stand in the way. The
Labor Party say, ‘No, we’d rather protect the
exclusive licensees. We’d rather protect the
monopolistic distributors at the expense of
all Australians and at the expense of small
businesses in Australia.’ I am very proud to
stand here as part of the Howard govern-
ment, which freed up importation with re-
spect to CDs. (Time expired)

Mr HATTON (Blaxland) (5.07 p.m.)—I
am happy to follow Steve Ciobo, the member
for Moncrieff, in this debate on the Copy-
right Amendment (Parallel Importation) Bill
2002. I want to pick up a couple of elements
of the argument he put forward. I understand
his observation of the member for Parramatta
as the possible Adam Smith of the parlia-
ment—the great free marketeer, the person
who would push the philosophical approach
that the market should govern all—but I re-
mind him that the government demonstrated
earlier today, in the debate on the Broad-
casting Legislation Amendment Bill (No. 1)
2002, that it does not believe in a free market
when it comes to broadcasting. The govern-
ment believes that, because of the exercise of
influence by PBL and the Murdoch corpora-
tion, you can be forced into a situation
where, instead of free markets, you will have
mandatory HDTV in Australia. So some-
times an ideological approach can get you
into a bit of trouble, and it becomes a little
rancid. In that case, turning from a free mar-
ket into a mandatory approach causes a bit of
a problem.

The reflection on what Machiavelli said
about people who had a certain interest in
things was interesting. I just wondered about the translation. I wondered whether this could actually come from *Il principe*—'the Prince'—Machiavelli's best known work. Alternatively, it could have been the much more extensive work on civics that has been around as a Penguin classic for about as long. I thought it might have suffered a bit in the translation. I wonder whether Machiavelli actually used that term 'stakeholders'. It may have just been a case of summarising the situation and putting it that way. I know that the member for Moncrieff might have been taking some liberties with the translation, but his central point in arguing that was that you need to look at people and what their interests are, you need to look at whether those interests are vested interests and you need to see whether there are consequences—economic or otherwise—arising out of that.

The central part of his argument, and the argument the government is putting against the Labor opposition, is that protecting those existing or nascent industries within Australia and providing them with continuing protection and not opening them up fully to the world is the wrong policy path to go down. I am not really a tariff person or a tariff war person. What Labor did when it was last in government to bring down the tariff regime in Australia was a significant, fundamental driver for the new, modern economy that this government has been given the chance to drive. The economy was refashioned and rebuilt in the Hawke-Keating years, and one of the drivers to that was openness. There is a historical background to this. If you look at the old battles prior to the Labor-Liberal battles, it was free traders in New South Wales in the agricultural area versus the Victorians, who were the protectionists. The first parliament in 1901 was basically divided upon those lines. You can argue, as the Victorians did in 1901 in this House, and as they had argued prior to that in their colonial legislatures, that, in a nascent industry—one that is just starting and is not in a position where it can properly compete because it does not have the size or the depth or the maturity of foreign companies—you may need to bolster it, and one of the ways that you could do that would be to introduce tariffs. Probably the best example of how that worked very effectively was in the biscuit market. Almost all of our biscuits, of whatever variety, at the start of the 19th century were imported from Britain. Britain had control of its colonial markets. It exploited that control and it flooded those markets. Australian biscuit making companies—some of which are no longer Australian owned, such as Arnott's—had their genesis in the fact that the government of the day determined that it would support nascent Australian industries where there was an incapacity between the size of the industry and their overseas competitors.

It is no longer fashionable to support those kinds of measure. I reiterate that, in the broad, what we did throughout the 1980s and 1990s gave the fundamental strength to the modern Australian economy. Tariff reduction was major. I note too—given that we are in December of this year and it is 30 years on since the Whitlam government came to power—that the drive, the speed and the scope of the reduction of tariffs in the Whitlam period, which was 25 per cent overnight, knocked the daylights out of Whitmont and other Australian producers and virtually destroyed overnight a whole series of Australian manufacturers. They were not very happy about it, and the people who worked for them were not very happy about it. You could argue that you need a balanced approach to these policy positions.

There is a special category that I would put Australian products in, and it runs to this being the core of Labor's position: there are some categories where, because of the market situation worldwide, we could be open to having parallel imports. Parallel importation in the software area, which I will further discuss shortly—it was the last thing that the member for Moncrieff dealt with—is a case where you probably could, with great safety, go straight forward into parallel importation because of the nature of the market. Why? Because the software industry is dominated by foreign companies. We know that, by and large, Microsoft utterly dominates the world market for desk tops at home. We know that they did that through a series of practices, some of which the United States courts have
handed were not very nice to their competitors. We know that that dominance has also delivered a suite of products in the software area that are extremely strong within the market.

We know that software competitors have been ground out of that market, by and large. We know that Australian products have not made it to the world stage to compete at that level. We know that there are a series of niche markets that Australian software producers have developed and exploited extremely well. But we also know that the vast bulk of software is foreign owned, foreign invented and foreign produced. We do not think that bringing in parallel importation would have a dramatic impact upon the situation of Australian software producers and distributors, because these areas of the market are so dominated by the heavyweights.

We knocked back this bill previously. We were against it before it lapsed in 2001 and we argued against it on the Senate committee that dealt with it. We argued the case for nascent industries and unique industries. Their uniqueness lies in the fact that they are Australian and produce Australian copyrighted product. That product can be simply an idea. Copyright, as the Bills Digest points out, is about protecting the expression of an idea as a work—that is the general notion. Copyright allows an individual who has produced a particular work, whatever form it takes—audio or video, books and any other manifestations—to have a monopoly over the way that work is used. The use can be direct. They can produce that work through one of the various media in Australia, sell it in Australia and worldwide, and know that they have the exclusive rights. Or they might choose to license the copyrighted material—the product or idea—to someone else. We know that to make it in world markets you usually have to do both. You can have a unique Australian copyrighted work produced for the Australian market and produced for overseas markets on a licensed basis. There is a geographical basis for the distinctions.

We are seeking to protect the unique character of those Australian works. It is also an attempt to ensure that the Australian market itself, the natural home for those products, is assured. Parallel importation of a copyrighted work into Australia without the permission of the copyrighted artist should not then flood the Australian market and do damage to the rights of the individual who had the original idea. It is because these products are uniquely Australian that our position is nationalistic in this regard—as the Americans proudly and absolutely defend any of their products, although they usually do that through world dominance of these areas. Certainly within the book trade they have major competitors in Britain, Germany and France. But across a range of industries, particularly sound and video, America has tended to be the country that has benefited most from copyrighted material and the exploitation of the intellectual property it contains. It has extended it beyond that to their manufacturers and so on.

If one believed that the government was doing the right thing here, as was argued by the member for Moncrieff and others, and that in opening up Australia to the world one could ensure lower prices for Australian consumers—and that should be the core of what we are about—and if that were the only thing we needed to take into consideration, we might not have these problems with the bill. But we have to also take into account the related issue of how you chop the world up geographically in terms of markets and distribution. A really strong argument has been put by Professor Fels and the ACCC with regard to regionalisation and DVDs. Australia is in an invidious situation as region 4. Region 1 is of course the US—a giant market. Their tapes are NTSC and they have that market to themselves. But with DVD players you do not have the same NTSC-PAL problem. There are DVDs produced for worldwide distribution. After visiting some of the national parks in the United States, I bought some of the DVDs made to promote their parks and explain what they are about. They can be used worldwide, across regions, because they are produced by a US government entity doing its public duty, as they see it, to carry the message of the natural glories of their country—almost on the basis of providing public information—to the world.
The United States also protects the rights of individuals. The interests that are being absolutely protected by the region coding are those of the major film producers: Hollywood, and you might say Sony Entertainment as well, because they own half the rights. They do that by having four different regions. Australia is locked in with South America, where half the population speaks Portuguese and the rest speak Spanish. There is not really a big call for their products in Sydney. There are small numbers of people with a Portuguese background and some Brazilians, and we also have people from a Spanish background, but it is not a really strong market in Australia. We suffer from the fact that we actually get importation later than we otherwise would. Because most DVD material is being produced overseas and because of the nature of the holdings, the world market as a whole could be opened up. There could be equal treatment of goods in that world market. That would be to the general benefit of Australians and others. That is the major exception with computer software.

When it comes to books and audio materials, what have we seen previously? We saw Labor in government in 1991 taking action to adopt a ‘use it or lose it’ approach. Why did we do that? Why did we talk about parallel importation and the possibility of that, when people in the local industry had argued very strongly against it? Through all the years dominated by Liberal, conservative governments in this country we had faced the British home shop—the dominance of the Australian market by British publishers operating out of London. Australia was still a captive, a colonial entity as far as Britain was concerned in terms of books. If you wandered down to Borders bookshop in Sydney or to Abbey’s or to any of the major ones—Dymocks, Angus and Robertson and so on—and you wanted to buy a book there, it would be the English production, hardcover or softcover. We paid an absolute premium price because there was a total monopoly of our market in books by the British. There was, however, some parallel importation at the time. Those books came from the United States, a vast market producing books—particularly paperbacks—at dramatically lower costs than those we had to import from Britain. It was right in that circumstance to break the British monopoly of the Australian market, to break the nexus—the colonial nexus in this case—that kept us fettered and captive of British publishers. The ‘use it or lose it’ approach ensured that, where a copyright needed to be protected, that would continue to happen. If you were not producing those books in Australia, you lost the right to be protected. We go back to the initial part of the 30-90 rule in regard to this.

In sound recordings, we had a situation in 1998 where a similar proposition was put forward and we have seen different sorts of results. We favour the ‘use it or lose it’ approach. We found with CD sound recordings, in particular, that people in the Australian industry argued very strongly that Australian music would be dramatically affected and there would not be much in it for consumers. The member for Moncrieff argued that prices had in fact decreased, but there has not been any plummeting in price. I do not think there is any great argument on the published evidence that we have not seen what was promised happen to the extent it should have.

I will grant the fact that the Australian industry was in a position where it played it too hard and went too far in regard to the argument they were putting forward. There is still an effect being felt by Australian writers, authors and publishers within the music industry and we are yet to see the full run-on effects because we have been in this game for only four years or so. There is a significant problem in whether or not there was a full effect in terms of pricing. If I chose not just to take the word of the member for Moncrieff—good friends though we are working collegiately on parliamentary committees—and looked at what the Senate have said about this, when both government and opposition members looked at these issues they said, ‘On all of the evidence before us, we found the promised dramatic fall in prices has not happened. We have not had a complete restructuring of the industry and we have not had the rationalisation of prices. We have not had the consumer benefit that was so strongly promised.’

If the Senate committee which looked at this thoroughly found that the situation was
wanting in terms of those promised end results, why should we extend it to everything else? That is our essential point. If we have a ‘use it or lose it’ approach in regard to books, which we put in place while we were responsibly in government in 1991, and a program that has demonstrably not been effective in sound—because it was run through the Senate and some of the others agreed to it—why would we take the plunge and say that everything else should be up for sale?

I have indicated a couple of areas where it could happen, particularly in software material where the markets are dominated by the overseas companies, particularly Microsoft. For the rest, we need to protect our copyrighted works and ideas that are uniquely Australian. We need to bolster those industries with a bit of old-fashioned intervention until we mature enough in what is a creative and information based economy—like it or not, that is where we are going. We need to reject this bill. (Time expired)

Debate (on motion by Dr Stone) adjourned.

ADJOURNMENT

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.28 p.m.)—I move:

That the House do now adjourn.

Throsby Electorate: Illawarra Breast Cancer Support Group

Ms GEORGE (Throsby) (5.28 p.m.)—I take the opportunity this afternoon to pay tribute to the work of the Illawarra Breast Cancer Support Group—some 400 people belonging to the largest regional support group under the national umbrella. I would like to single out two women for particular mention: Barbara Dombkins, who has been the president of the support group for the past five years, and Gloria Swift, the facilitator of the group and the Illawarra oncology nurse consultant. I was honoured to speak recently at their Celebration of Life luncheon on National Breast Cancer Awareness Day. It was in fact the ninth year that the luncheon had been organised, so it just shows how sustained and committed these women are to ensuring that the work they do provides the kind of support that is so necessary.

It is estimated that approximately 350 women in the Illawarra each year are diagnosed with breast cancer. Last year the efforts of the women produced a marvellous book entitled Beginning the Journey. This book has a range of individual stories describing how women had coped with the after-effects of being diagnosed with breast cancer. In the foreword to the book the women had this to say:

The impetus for the inception of this Project has been a deep love and gratitude for a woman (namely Gloria Swift) who has steadfastly walked beside each of us through some of the rockiest terrain in our lives.

As I said earlier, the Illawarra support group is part of the national Breast Cancer Network of Australia. This national organisation was formed in 1998 by a group of women, all breast cancer survivors, who were passionately committed to making a difference for women who would follow. It is largely the work of this network that has assisted in raising community awareness and making people more vigilant about the early-detection symptoms. We are all heartened to see that the five-year survival rates from breast cancer have risen from 72 per cent to 84 per cent in the past 10 years.

I want this afternoon also to commend the network on its latest initiative and campaign, which seeks to ensure that breast prostheses are included under the Medicare rebate schedule. It is estimated that about 4,000 women each year require a breast prosthesis after surgery. Many women in a recent survey indicated that the cost of this necessity was really quite prohibitive. Women in a survey were shown to be wearing damaged, old or incorrectly sized hand-me-downs or handouts because of the prohibitive cost of prostheses.

I want to commend the work of my colleagues in this chamber who have raised these matters and the commitments made recently by Labor’s shadow minister for health to try to address this issue. We urgently require a Commonwealth-state agreement on providing prostheses to women regardless of where they live to put an end to the bandaid solutions many women are forced to resort to, such as making their own
breast replacements out of foam and, in fact, out of birdseed. I think it is time that this
government acted and recognised that this
issue is one that affects many thousands of
women, and, in the words of the networks
campaign, that ‘bird seed belongs in bird
cages not boobs’.

In the final few minutes that I have I want
to indicate that a petition is being circulated
to many local members’ offices. This petition
urges that this House:

- Recognise the ongoing costs of wearing re-
required prostheses and shell/breast forms and ac-
knowledge the strain on muscles and posture fol-
lowing the loss of a breast or a significant part of
the breast and;

- Recognise the ongoing cost of prostheses and
acknowledge that there is no Commonwealth
Government scheme to lessen the financial bur-
den faced by women following breast surgery
who are in need of prosthetics;

The petitioners will be asking this House to
ensure the provision of mammary prostheses
through the Medicare rebate schedule.

Baxter, Mr Robert: Replacement of
Service Medals

Mr SCHULTZ (Hume) (5.33 p.m.)—Can
I at the outset compliment the member for
Throsby for raising this very serious issue
relating to the after-effects of breast cancer. I
say that in the context of my wife being
heavily involved in it for over a decade now
and still actively involved in raising money
for breast cancer research. I cannot praise
women enough for raising these sorts of is-
ues on behalf of women in this place and
elsewhere.

In the last parliamentary sitting I raised
the issue of the fires that were in the Mit-
tagong area, the number of homes that had
been lost and the problems, trauma and grief
that it had brought to the people who had lost
property and personal items in that particular
fire. When I raised that issue I referred to a
gentleman by the name of Robert Baxter, a
returned serviceman who had fought in the
Malayan Emergency in the late fifties and
early sixties. I read in the paper about Mr
Baxter losing his campaign medals in that
fire—campaign medals that he had only re-
cently received and had never worn—so I
took it upon myself to talk to the Minister for
Veterans’ Affairs, the Hon. Danna Vale. Af-
ter that discussion I spoke to Mr Baxter and
asked him to fill out an affidavit and another
form relating to the replacement of his med-
als. I brought those documents into the
House last Monday and handed them over to
the minister’s office.

I am here bringing good tidings for Mr
Baxter. I have spoken to him in the last 24
hours to say that his medals will be replaced
next week. I wanted to use this moment in
the chamber to first of all acknowledge the
expeditiousness in which the Department of
Veterans’ Affairs treated this particular gen-
tleman’s predicament and, more importantly,
the way in which the minister went out of her
way to assist in expediting the replacement
of the medals. That is very important, be-
cause every member in this parliament, I am
sure—both in the lower and the upper houses
of this great place—would never, ever be-
grudge anybody attempting to assist a person
who has given a significant amount of his or
her time going overseas on behalf of their
country to protect not only their own country
but other people. I can never, ever thank
those men and women enough for the contri-
bution they have made for their country. It is
because of those sorts of sacrifices and the
personal commitment of men and women
such as Mr Robert Baxter that I have the
privilege of standing in this place as a federal
member of parliament.

I am also very much aware as an Aus-
tralian of the wonderful country that we live in
and the reasons why we live in this great
country of ours. It is because of our ex-
servicemen and women and the contribution
that they made to protect our country, to
protect our children and to protect genera-
tions to come. That commitment by them has
resulted in us having one of the best democ-
ocratic and free countries in the world. I am
very pleased, from a personal point of view
but more importantly for Robert Baxter, that
he will thankfully next week be able to re-
ceive from me—when I pick the medals up I
will take them to him personally and hand
them over to him—the medals that he so
justifiably deserved and, more importantly,
that have been replaced after his losing the
original medals in that fire at Almerton near
Mittagong two or three weeks ago. Thank you for the indulgence of the House.

Holt Electorate: Dandenong Valley Job Support

Mr BYRNE (Holt) (5.38 p.m.)—I would like to talk tonight about a non-government organisation that provides an incredible service to people with disabilities in the south-east region of Melbourne. It is based in Dandenong and it is called Dandenong Valley Job Support. It is an agency which has been stunningly successful in the service that it provides. But I would like to touch on tonight a problem with a recent change to the funding arrangements for the relevant programs which may affect its viability.

I will start by telling you a bit about Dandenong Valley Job Support. It is a free, government funded employment service offering people with disabilities a case managed program designed to get award waged employment that suits their individual needs, interests and abilities. Dandenong Valley Job Support caters for all disability types and is the only employment agency in the Dandenong region that offers a specialised program for people with a mental illness. I would like to acknowledge Steve Jackson, who runs the organisation, and Patrick Ellis, who is a tireless advocate on behalf of those with disabilities in the region, who work with that particular service.

Dandenong Valley Job Support has been successfully servicing job seekers and employers in the south-east of Melbourne since 1993. During that time, it has placed over 1,000 job seekers into employment, with its longest standing worker being employed with one employer for over nine years, which is an outstanding achievement. Dandenong Valley Job Support puts utmost importance on providing its employers and job seekers with a professional, honest and supportive service. As a result, the majority of employers who use Dandenong Valley Job Support have more than one worker as they know that this organisation will present them with only suitable people who either have the skills or the potential to undertake the relevant position and that support is always available.

As a result of the rather effective programs and services this organisation provides, Dandenong Valley Job Support employers have had great success, winning 10 Prime Minister’s awards in the past four years, with several being both state and national award winners. In fact, I was privileged to attend an awards ceremony recently where Tudor Doors, which is based in Hallam in my electorate of Holt, won both the small business award and the national small business award. So they are a tremendous organisation.

I just want to touch on a concern that was raised by this agency about a change to the funding mix which might affect the viability of this incredible organisation. I would just like to read out some representations that I have received from the chief executive officer, Steve Jackson, about this particular issue. He wrote:

I alerted you to a decision from our funding body—which is the Department of Family and Community Services—regarding people who lose their job and placed into alternative employment within 12 months. DVJS has to achieve X number of New Workers (people who have not been placed before, or who haven’t worked within 12 months) and maintain Y number of people already working (X is a subset of Y). The logic behind this decision is to ensure that agencies have flow-through of new consumers and thereby not recycling the same people in and out of work.

There is a conflict of interest and a moral dilemma with these two targets. Do we place the person who has never worked before enabling us “kill two birds with one stone” or give the opportunity to someone that has had a job, but now has a car loan and other financial commitments? This issue created a major problem for DVJS in its 2000/01 statistics, and one that is still ongoing today.

I will give you an example:

HM Gem Engines has won the National PM Employer of the Year Award on two occasions. When the GST was introduced, it hit the engine re-manufacturing industry heavily. Seventy-four workers at HM were retrenched, 16 of those from DVJS. DVJS made a conscious decision to get all of these people into work ... it did successfully. They were all good workers, motivated and greatly concerned about their livelihood ... em-
ployment had given them a positive outlook on life and they needed to get immediate support. It should also be noted that none of these people would have been able to obtain work independently.

DVJS was funded to obtain 75 new workers during 2000/01. Unfortunately, HM was just one of several companies that laid-off DVJS workers. They made sure that all of those workers that were retrenched obtained alternative employment. However, as a consequence of this, they only achieved 73 per cent of their target. But what would have happened if they had given these workers the cold shoulder? Consequently, that affected their tender program. In Steve Jackson’s opinion:

The new worker target needs to be reviewed, all outcomes should be considered regardless of whether they were a new consumer or someone replaced into employment. The new worker target does not consider career advancement and freedom of choice to leave a position if unhappy. This is an iconic, award-winning organisation that is raising serious concerns about a very serious issue, and I hope that the minister takes those concerns into account soon.

**Science: Stem Cell Research**

Mr BAIRD (Cook) (5.43 p.m.)—This week in the Senate much debate has been given to this issue of stem cells. I would like to take this opportunity to make the parliament aware of a remarkable young man I met in my electorate office last week with particular insight in relation to stem cells. For privacy reasons, he has asked that I not put his name on the public record, but he is happy for me to outline the circumstances of his case.

This person has been living with cerebral palsy since birth. He recently visited the United States with his parents to receive revolutionary stem cell treatment not yet available in this country. By his own account, the improvement in his condition since he received the treatment has been incredible. He has kept a diary of his progress and it makes inspirational reading. Some of the inspirations include:

27 August 2002
As soon as first lot of stem cells were injected intravenously, swallowing become much easier.

29 August 2002
Legs became much easier to move. Drooling almost nonexistent. Body has never been so relaxed. Left arm became easier to move.

3 September 2002
Able to contract legs fully while lying in bed and able to open legs while in the same position. This had stopped ten years ago for unknown reasons, but now its back again.

On 5 September he found:
Eating is much easier with little or no food spillage. Tongue control is much more controlled. Sitting on a normal chair is much better.
7-9 September 2002
Typing with head pointer is much easier and quicker. While typing drooling is nonexistent. Tongue control is perfect while typing. While speaking tongue control is much better.

14 September 2002
Shaking in the legs was almost nonexistent. Noticeable reduction of shaking in the legs on other days.

25 September 2002
Many people are commenting on how my speech is improving.

28 September 2002
Improved sensation of hot and cold water on the feet. Dad commented on how my muscles seem to be stronger.

2 October 2002
Mum commented on how my left arm is much more relaxed.

9 October 2002
Started the gym. Grip on the left hand was better than before. Balance sitting on the machines is much better.

16 October 2002
Second time at the gym, sitting on the machines was almost 100% better than last week. Holding on to the machines with my left hand was better than last week. Left wrist was much more relaxed helping my grip. My balance when sitting is almost, if not 100%, perfect.

23-25 November 2002
Shaking in the legs ceased completely.

26 November 2002
Strength in gripping with left hand is improving week by week.

By any measure this is remarkable progress. His family are naturally over the moon and so is he, yet the costs of international travel and of the treatment itself are prohibitive.
They are anxious for the potential of this treatment to be further explored at home.

We are all fully aware of the sensitivity of this issue. As I said in my speech in support of stem cell research, I carefully considered the moral implications before supporting the legislation. However, having seen first-hand the huge potential offered by responsible use of stem cells, I feel compelled to urge colleagues in the other place to continue their efforts in relation to passing the legislation. As a nation we should be ensuring that the best possible treatments are available to all Australians. In the case of the young man I met, he has been given a chance at major improvements in his ability to live a more normal life. What right do we have to close this door to him when the matter that offers him this opportunity is slated for disposal anyway? We must press on to ensure that research can be converted into successful treatments in Australia as soon as possible.

Transport: Shipping

Mr MARTIN FERGUSON (Batman) (5.47 p.m.)—In Lloyd’s List of 4 December, a spokesman for the Minister for Transport and Regional Services accused the opposition of having a ‘racist view’ on international shipping. The minister’s staffer also called on me to come up with a better system. In a most grievous verballing, the minister’s spokesman quoted me as saying that I agreed with the government on shipping.

I simply say that the opposition and the government are worlds apart on shipping services and policy. The Howard government’s policy for the Australian shipping industry is simple: it is to not have a policy. The role of coastal shipping in handling our burgeoning freight task is not in the minister’s grand AusLink plan; it has been totally ignored. The minister has finally conceded that rail infrastructure needs more money, but he has a shipping policy that advantages foreign shipping companies in competition with rail on interstate transport such as the east-west corridor. It is not a level playing field. The rail and road industries are being undercut by foreign shipping companies, who are not required to pay tax, pay Australian wages, employ Australian residents, buy supplies locally and participate in our economy.

The minister has had the hide to call our policy racist; I call his policy anti-Australian and anti Australian jobs. The minister should ask his policy adviser to desist from using the term ‘racist’ and tell him to deal just with the facts. While I want the minister to tell his adviser to control himself, I do not want the minister to sack him as he has sacked two previous policy advisers; I just want him to tell him to tone down his rhetoric.

The federal government has challenged the opposition to come up with a better system. It is plain that the minister—as the industry appreciates—is without ideas, both on transport and on regional services. Just as he had to look to Labor policy on the need for an integrated national transport plan, to take more responsibility for aviation safety and abolish the CASA board, and to propose an infrastructure advisory council type structure, I encourage the minister to look at our plan and policy on shipping because it is about time he came up with some new ideas.

Australia needs a modern, efficient shipping service. This has been recognised by two former federal ministers for transport, Peter Morris from the Labor side and John Sharp from the National Party. I welcome the process they have initiated. It is supported by the industry and the unions, and it is not about union bashing. That is the Howard government approach to shipping reform: just bash the unions and, in doing so, have an absolute commitment to exporting Australian jobs. The two former ministers did what the current minister should be doing: they rolled up their sleeves and engaged the industry in genuine reform. But we have a problem with this minister—he is incapable of sitting down with state ministers for transport and industry and negotiating reasonable transport outcomes. If you have any doubts about that, just look at the difficulties with respect to the so-called negotiations at the moment about rail access to New South Wales, and the failure of the government to deliver an agreement with the New South Wales government to develop a more streamlined rail freight system in Australia.
All parts of the industry, and Australia as a nation, would be the winners if that were the approach. Instead, the minister is blindly committed to unsustainable shipping costs at any cost. Labor does give a damn about shipping. We believe that Australia can be a nation of shippers and a shipping nation. We believe in an Australian shipping industry. We understand how critical it is to our environment, defence support, jobs and industry development—unlike the minister, who has hung them out to dry. The minister must take a bigger interest in his job and put away the ideological blinkers. That is what Australia needs. It does not help to have a minister outrageously call Labor’s policies racist in nature. He should have a look in the mirror and at the fact that his party for many years embraced the policies of One Nation.

Dickson Electorate: Community Service Groups

Mr DUTTON (Dickson) (5.52 p.m.)—I take this opportunity to inform the House of the wonderful and dedicated work of the various volunteer and community service groups operating in the Dickson electorate and to pay special tribute to a stalwart of the Rotary community, Mr Barry Manteit, who sadly passed away on 1 October this year. There are literally hundreds of thousands of people across Australia who donate their time and energy every day to their communities and assist those in need of some help. There are also people who have devoted their entire adult lives to this cause. Barry Manteit was one of those people. He joined the Rotary Club of South Brisbane on 7 November 1966, before relocating in later years to the Gold Coast, in Rotary District 9640, where he became a member of the Surfers Paradise Rotary Club.

While a member of Rotary on the Gold Coast, Barry filled many positions in the club and was president during the years 1985 and 1986, after serving as district secretary in 1984. In the true spirit of Rotary, Barry became the foundation member of Surfers Sunrise in 1987, to help the less experienced Rotarians form that new club. On 5 January 1995, Barry returned to district 9600, where he joined the Rotary Club of Strathpine, in the heart of the Dickson electorate. According to his mates, Barry was noted for:

... his vast knowledge of Rotary, and his gentle but persuasive promotion of high attendance at his club meetings.

It seemed Barry’s influence was very positive indeed, as his club regularly won the prestigious Kerr Cup, a yearly award for best attendance in the district. Barry was a meticulous planner of meetings and had a 100 per cent attendance record. When he could find the time, Barry loved woodworking and put his skills to good use, making many items that would be used at his Rotary meetings, as well as keeping the district supplied with beautifully prepared clocks, which were truly works of art, as trophies. Barry Manteit was also twice the recipient of the high Rotary Award, the Paul Harris Fellow Recognition. Barry’s passing on 1 October has obviously been a sad loss for his Rotary friends. The Strathpine Rotary’s weekly bulletin published a tribute to him which said:

His passing will leave a void in our club which will never be filled. He was one of a kind, and famous for his support of our club, where he gave generously of his time and effort.

According to Peter Baker, whom I thank for assisting me in compiling Barry’s details, among Barry’s treasured collection of Rotary mementos was a scrap of paper on which he had written ‘Old Rotarians never die; they just become the stuff that legends are made of.’ Barry Manteit’s contribution to Rotary and his local community was ongoing and selfless. He epitomised the Australian spirit of volunteering to help others and will long be remembered for all his time and effort in the service community. Barry was a family man and is survived by his wife Camille and their five sons.

The electorate of Dickson exemplifies the true Australian spirit of volunteering, with a massive number of active service and volunteer organisations working in the community, such as Rotary Clubs, Apex clubs, Lions clubs, respite centres, Meals on Wheels and the Red Cross—and the list goes on. All are very much a part of Dickson’s social fabric. This Christmas I made the decision to purchase 10 Christmas cakes from six Lions
clubs in my electorates—totalling 60 cakes—which I have distributed, with the assistance of many church and social welfare groups, to those people who will not be enjoying as significant a Christmas as the more fortunate in our community. I pay tribute to and thank those clubs—Petrie, Golden Valley, Dayboro, Albany Creek and the newly formed Samford club—for their assistance and, in addition, the church groups who identified those people.

Since coming here to represent my local community, I continue to be amazed and overwhelmed by the number of residents in Dickson who are part of the almost 700 community, sporting and service groups in the electorate. It is a great thing that so many people choose to give up their time to add value to other people’s lives and that they all find the experience worth while and personally rewarding. While I have singled out Barry Manteit in this speech, I pay tribute to and thank all those residents of Dickson who are part of the volunteer and service organisations networked in our community. In the words of Winston Churchill:

We make a living by what we get. We make a life by what we give.

Question agreed to.

House adjourned at 5.57 p.m.
Mr Murphy (Lowe) (9.40 a.m.)—I would like to bring to the attention of the parliament this morning the outrage of many constituents in my electorate of Lowe, the Friends of the ABC and indeed the Australian people at large at the numerous recent media reports that the former Liberal Party member for Flinders and Minister for Defence in the 39th Parliament, Mr Peter Reith, is reportedly the next person in line to be appointed to the board of the Australian Broadcasting Corporation. He was not a great member, I am sad to say. I will say from the outset that the people of Australia are sick and tired of the politicisation, over the years, from both sides of politics, of appointments to the ABC board. That is why I am raising this issue today.

Last week I had the pleasure of being at the ABC Ultimo Centre, at 700 Harris Street, Ultimo, to see the great opening of the new headquarters for the ABC. It was a magnificent occasion. But numerous members of staff and some Friends of the ABC came up to me and expressed their horror that Mr Reith might be the next appointee to the ABC board. That led to me putting a question on the Notice Paper last Tuesday, question on notice No. 1168, calling on the Minister for Communications, Information Technology and the Arts to rule out the possibility of Mr Reith being appointed to the board and asking the government—because this is the policy of the Labor Party—that future appointments to the ABC board be along the lines of the Nolan rules model used by the Blair government in its appointments to the BBC Board of Governors.

The ABC has a critical role in Australia’s democracy in the provision of news, information, education and entertainment of the people of Australia. The independent source of news and information that the ABC provides is an important alternative to the commercial media and therefore critical to Australia’s democracy. I have spoken both in this parliament and in the previous parliament on many occasions about the need to protect and support an independent and fully funded ABC. That is critical to our democracy because, sadly, in Australia commercial media is dominated by News Ltd and Publishing and Broadcasting Ltd. If the ABC becomes politicised, as we seem to be experiencing under the Howard government, then I do not know what impact that is going to have on our democracy other than a negative one. So I am calling on the government to adopt the Nolan rules model of the Blair government in appointment of members to the ABC board, and to put out a press release immediately ruling out the appointment of Peter Reith.

Mr Entsch (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.43 a.m.)—I had the pleasure on Saturday of travelling to the small Cape York community of Coen in my electorate to participate in a couple of very special events. The first was the opening of the heritage museum up there. This building was actually taken from Merapah Station and re-erected in the town of Coen. The idea to turn it into a heritage museum highlighting the mining, communications and pastoral history of the cape was raised four years ago by Gail Clark. It was funded by some $70,000 of NHT money, but I would
suggest that there was probably about five or six times that amount donated in kind in the labour and effort undertaken by the community.

It was an absolutely superb event. I would like to acknowledge Gail and her husband, Peter; Jackie Perry and her husband, John; and Rex Pratt for their magnificent effort in driving this whole initiative. Marina Clark, Gail’s daughter, also played a very significant role. It was a magnificent event on the day. What made it even more special was the fact that, as we arrived, that day brought the first rain since March this year. So it was quite a celebration in the rain and it was very significant.

This is something you would only see in bush towns. I was ready to cut the ribbon and was wondering where the scissors were when the local publican Brett Santowski arrived on his Harley Davidson, on the only bit of bitumen in the cape, with Mrs Taylor on the back—she is 85 years old and is one of the older residents—and presented me with the scissors from the back of the Harley Davidson. It was a very special event.

That night we had the Coen debutante ball—the first one in 23 years. Stacey Gordon, Nita Rae Jackson, Lana Redding, Christine Leet, Rebecca Blackman and Leandra Port—a young Aboriginal lass from Coen—and the junior deb, Charlene Bulmer, are beautiful young girls who were dressed to the hilt. It was an absolutely superb night. It was organised by Jackie Perry, Gail Clark and Cherrill Mehonoshen. It has been 23 years since we have had a debutante ball in Coen. I received these girls as debutantes. One of the special things was Brett Santowski and his wife shutting the pub, which is just across the road, at 9 o’clock on this Saturday night so that everybody could go across and participate in and show support for this debutante ball. You would never see this happen anywhere else: shutting down Saturday night trading so that people could support a debutante event in the town. I congratulate those in Coen who were involved in this. It certainly was a very special event. I certainly look forward to the next debutante ball, and I hope it will not be another 23 years before the next one. (Time expired)

Capricornia Electorate: Veterans Affairs

Ms LIVERMORE (Capricornia) (9.46 a.m.)—The member for Leichhardt would make a wonderful debutante! On a very serious matter, I wish to draw the chamber’s attention to two letters I received this week. They relate to the ongoing debacle that is causing so much anxiety amongst the veterans community in my electorate. That debacle is, of course, the impasse between the government and doctors over veterans’ gold cards. The first letter I received was from the President of the Australian Medical Association, Dr Kerryn Phelps, and the second was from Mr Charles Bartkus, the honorary secretary of the Central Queensland Totally and Permanently Disabled Soldiers Association.

In her letter, Dr Phelps advises that on 1 November 2002 the Department of Veterans’ Affairs wrote to 11,000 GPs with DVA contracts requiring them to either re-sign with DVA until 30 June 2003 or face a cut in fees. This ridiculous attempt by the government to blackmail doctors was doomed to not only fail but also cause greater suffering to the patients that both the government and the AMA have a clear obligation to provide services to. In his letter, Charles Bartkus, the secretary of my local TPI association, expressed his absolute frustration with the government’s inaction to date. I am sure that Mr Bartkus would have been receiving the same kinds of calls from veterans in his association that I have been getting in my office. Veterans are outraged by the government’s failure to live up to their promises to veterans. Mr Bartkus states:
Through correspondence, e-mails, newspaper articles and press releases etc, I have noted the following tactics by the Government.

1. Denial that a problem exists.
2. Minimise the problem and cloud the issues with other points.
3. Blame the opposition for stirring up trouble.
4. Blame the doctors.
5. Advise that the matter is under review.
6. Seek an agreement with doctors for an extension of current contracts.

In the mean time 6 months slip by and the problem not only remains but gets worse.

Enclosed with Mr Bartkus’s letter is a letter from a Rockhampton GP to one of the TPI members who is a gold card holder. The first two paragraphs of this letter read:

As from the 14th December 2002 we will not be billing Veterans Affairs direct when the current agreement expires.

We will continue to offer our services and they will be billed privately at our current Pensioner Rates.

This situation is now out of control in Central Queensland. We have a gold card veteran who cannot get specialist orthopaedic treatment, a gold card veteran who has to pay before a consultation or treatment and now another gold card veteran advised by his doctor that he must pay for service. This mean and tricky government has broken its promise to one of the most vulnerable and deserving groups in our community. I ask the Minister for Veterans Affairs to immediately sit down with the AMA and come up with a workable solution to this issue. The government should know that veterans are suffering, and they do not deserve this shabby treatment from any Australian government.

Dickson Electorate: Envirofund Projects

Mr DUTTON (Dickson) (9.49 a.m.)—It gives me great pleasure to inform the House of the very positive contribution the federal government’s Envirofund has made to the Dickson community. Dickson has many great environmental assets, and our community is conscious of maintaining sustainable development to ensure we retain our natural beauty. The federal government has approved five Envirofund grant applications worth over $103,000 for environmental and community groups in Dickson. The Kumbartcho Environment Centre to Bunya Crossing Riparian Corridor project, headed by Kim Pantano from the Bunya Community Association, was provided with over $27,000 in funding. This Bushcare project will create wildlife habitat and prevent degradation of areas of remnant notophyll vine habitat. The Northpine Catchment Pilot Riparian Management Inventive Scheme, coordinated by Nathan Kirby of the Pine Rivers Catchment Association, was also provided with over $27,000 in funding for river care. In particular, this project will stabilise soil and reduce erosion by planting native vegetation.

The Petrie Bushcare Group was provided with over $17,000 for the Rehabilitation of Bushland Adjacent to Kurwongbah Spillway project at Siding Creek. This project, headed by Johanna Dolman, will stabilise soil, reduce erosion and monitor water quality and local species. The North and South Pine Rivers Integrated Catchment Association secured over $22,000 in funding for the Riparian Restoration on the North Pine River project at Apex Park in Dayboro, and that will be coordinated by Dennis Rouse. This will improve the natural habitat by removing weed species that are threatening existing native vegetation. Finally, the Bunya Community Association was provided with nearly $9,000 for Bushcare funding for the
Rehabilitation of Melaleuca Wetland Upstream from Tributary to Hayes Inlet project in Dakabin. Mr Brian Bowley is coordinating this project.

I would like to particularly thank Councillor Graeme Ashworth for his support, dedication and efforts in relation to local environment issues and for the enthusiasm he and his wife, Betty-Anne, have shown for these successful projects. It is encouraging to see not only that the Australian government’s Envirofund has attracted applications from community groups seeking to maintain and build upon their existing ongoing works but also that a significant number of new community groups are joining with the Commonwealth to protect our local environment. This government deserves more recognition for its commitment to the environment. Dickson has received significant amounts in recent times for environmental projects, and this government will spend more than $1.8 billion on the environment this financial year. This funding, together with the tireless dedication of local volunteers, will greatly enhance and preserve the local environment in our community of Dickson. I commend the efforts of these local environmental groups to the House.

Franklin Electorate: Staff

Mr QUICK (Franklin) (9.52 a.m.)—With five sitting days to go, I would like to place on the public record my admiration and great respect for my staff. When I come back next year, I will be starting my 11th year in parliament. I have four wonderful staff: Glenda Miller, Katrina Crawford, Vicki Hawkins and Roger Joseph. Roger is up here with me this week; I bring my staff up on a rotating basis. They are my lifeline to back home. They are people who have got to know me, and they have got to know my quirky ways of doing things. I try to encourage them to think outside the square, to not just take everything I say for granted and to question. One of the good things about the way I came into federal politics is that I was a staffer before I became a federal member. I say to my staff: anything I suggest to you, I have done myself; I think there are ways of doing things but I am not perfect, so if you have some ideas then for goodness sake let us sit around the coffee table in the morning or in the afternoon and come up with the best solution. The way I communicate with my electorate is through my Franklin Focus. I am proud to say that the four members of my staff are equal contributors of the many articles and suggestions that make up what I consider to be one of the best newsletters put out by members in this place.

Glenda, Katrina, Vicki and Roger have lots of differing strengths, and I guess that is one way of making an excellent team. They all work tremendously well. When I come back here next week, they will be filling in for me in my electorate. They are my eyes and ears in the community. I have no hesitation in sending all of them out when I am stuck up here and cannot visit child-care centres, aged care centres, nursing homes and the like. They are me; they represent me and what I stand for. They do it excellently. They have acquired new skills and new strengths. For people who were a little bit unsure about what was actually involved in working for a federal member, they now have an excellent idea. As I said, I should do this more often because when I am here they are me. When people walk into my office or ring my office, these four excellent, devoted, hardworking, wonderful people are there to represent me. Glenda, Katrina, Vicki and Roger: we have only a few days to go. Thank you for a wonderful 2002. I look forward to your continued support next year.

Rural and Regional Australia: Medical Scholarships

Mr JOHN COBB (Parkes) (9.55 a.m.)—We are reaching that time of year when I am happy to say that scholarships for potential medical students become a reality. I think the
electorate of Parkes, in particular, is on notice. By that, I mean people like me, people in local
government, teachers at high schools and, probably more than anyone else, parents and po-
tential medical students themselves. Over the next two months $10,000 scholarships are
available to potential students right around my electorate, whether they originate from Tiboo-
burra in the top corner, Broken Hill, areas outside cities such as Broken Hill and Dubbo or
from any town in the electorate. These scholarships, worth $10,000 a year, are for anybody
who is about to enrol as a new medical student or as an undergraduate—in other words, any-
body who is serious about getting into medicine and tending to country people. These schol-
arships specifically target potential students from rural and remote areas. I believe we are all
on notice over the next two months, until 29 January, which is the time they have to apply for
these scholarships. Why? Because we all know the only long-term answer to solving the
shortage of doctors in country Australia, and in my electorate in particular, is to train our own
kids. I call upon the headmasters, headmistresses, schoolteachers and parents and the students
themselves not to remain seated and say, ‘It is too expensive to relocate from the back of
Bourke, Tibooburra or Broken Hill to a medical school, because the federal government has
turned around the number of country students going into medical schools by 300 per cent. It
has gone from eight per cent to 25 per cent of rural students over the last few years. We must
not miss the opportunity over the next two months, until the end of January, to encourage
every student from remote or rural Australia, and from my electorate of Parkes in particular,
who has a chance of entering medical school because they are the people who will come back
to the area as doctors to look after us. They are the people we need. We also have $10,000
scholarships available for country people to become registered nurses. Over the next two
months I urge people in the electorate of Parkes not to miss the chance to get a lot more of our
kids into medical school.

The DEPUTY SPEAKER (Mr Jenkins)—Order! In accordance with standing order
275A the time for members’ statements has concluded.

AVIATION LEGISLATION AMENDMENT BILL 2002
Second Reading

Debate resumed from 4 December, on motion by Mr Tuckey:
That this bill be now read a second time.
upon which Mr Martin Ferguson moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“whilst not declining to give the bill a second reading, the House:
(1) condemns the Howard Government for their tardiness on transport security policy thereby putting
the travelling public at higher risk; and
(2) calls on the Government to release a comprehensive statement of policy to assure the travelling
public that their safety and security is being appropriately attended to by our national government”.

Ms O’BYRNE (Bass) (9.59 a.m.)—The bill before the House is the Aviation Legislation
Amendment Bill 2002. At first glance, the bill appears to be a quite simple piece of legislation
designed to facilitate a few procedural changes. These measures include amending the Inter-
national Airservices Commission Act of 1992 to alter some of the procedures regarding allo-
cation of international air route capacity, providing the legislative mechanism to implement
the suggestion to the 1998 Productivity Commission report. It also seeks to repeal the Federal
Airports Corporation Act of 1986 and transfer any remaining Federal Airports Corporation contracts, assets and liabilities to the Commonwealth.

However, it is the remaining aspect of the bill, schedule 2, that once again provides us with a practical demonstration of this government’s inability to get the job done. In this case, as has increasingly been the case since last year, the job is the security of our aviation industry. September 11 will stand forever in the memory of people around the world, as will the events in Bali this year. In Australia, we now recognise that our location and our isolation will not keep us safe, and so we look to our federal government to implement reasonable steps to ensure our safety, to make our transport environment safe.

However, this was a task which the government had prior to these horrific events. Way back in 1998, the Australian National Audit Office released the findings from its assessment of aviation security in Australia—not as a response to the most recent events that we are all very aware of, but back in 1998. The role of the Audit Office, in this and in many other cases, is to make an assessment of current situations and then refer suggestions for improvement to government. It is an entirely appropriate recommendation. It is an independent assessment. When the government got this information about aviation security from the Audit Office in 1998, did it respond immediately with efficiency and vigilance to the suggested need to improve aviation security? Did we see in 1998 a proposed legislative response? Did we see one in 1999? Did we see one in the year 2000? This government did not get it together enough to produce a proposed legislative response to these recommendations until a quarter of the way through 2001.

If that proposed legislative response had been well thought out and complete, we might actually have gotten somewhere, but once again the Minister for Transport and Regional Services and the government were unable to get the job done. The Aviation Legislation Amendment Bill 2001, which was proposed back in 2001, proposed to remove aviation security provisions from the Air Navigation Act. Those provisions were apparently to be replaced by regulations. That sounds fine, but unfortunately these regulations appeared to be invisible and somewhat intangible. The bill contained no regulatory impact statement on the aviation security amendments and no financial impact statement, because the minister for transport, the minister responsible for bringing that bill to the House, expected the parliament of Australia to make decisions on aviation security for our nation on trust. His response was, ‘Don’t worry. I’ll take care of it. You just leave it to me.’ That is not what we as legislators in this parliament are prepared to do, and it is certainly not what the people of Australia are prepared to accept, or should have to accept.

An agreement was reached between the opposition and the minister’s office that the bill would not receive a second reading until those regulations were available to be properly assessed and considered in the light of existing regulations and whether or not there was a requirement, especially in the context of the Audit Office report of 1998, for further improvements. Unfortunately, that was the last the House heard of that bill until March 2002—a year later—when the bill was reintroduced in pretty much the same form, because apparently it still has those intangible, invisible regulations. During the period of the lapse of the original 2001 version and the resubmission of the bill in 2002, the world witnessed the events of September 11. Aviation was at the forefront of the minds of not just the Audit Office but the entire nation. The people who we are here to represent waited for this government to implement regulations that would protect our aviation industry. Neither the bill before the House nor the explanatory memorandum recognises that fact in any way.
Months have passed and we now find ourselves in December, with parliament due to rise in a week, and finally this bill is up for debate before the House. But is it a comprehensive bill which will provide a framework for improved aviation security—improvements that were suggested by the Audit Office in 1998 and which have been demanded by the people of Australia since September 11? Unfortunately not. The government proposes today, through amendments, to remove the original security provisions that would delete provisions from the Air Navigation Act. So we have an amended bill and a commitment from the government to revisit the whole issue of aviation security—not this year, not immediately, but some time next year. When is the government actually going to get it together on aviation security? That seems to be the crux of the problem. This minister is not putting in the time and is not doing the work on aviation security. He is so concerned about aviation security that he proposes half-baked legislation and gives vague promises to get something together next year. If aviation security were not such a vital issue, then this whole situation would actually be laughable, but it is not a joke. This is one of this minister’s most serious roles and he has an obligation to get it right, but to get it right he has to work at it, and that is plainly not his intention. The people of Australia deserve better than this.

I would like to turn your attention now to the more specific issue of transport security and add my support to the amendment moved by the member for Batman, the opposition spokesperson in the portfolio of transport. That amendment says:

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:

(1) condemns the Howard Government for their tardiness on transport security policy thereby putting the travelling public at higher risk; and

(2) calls on the Government to release a comprehensive statement of policy to assure the travelling public that their safety and security is being appropriately attended to by our national government”.

Let us take a moment to review transport security initiatives in this country, both air and sea. It was in response to calls from the opposition, not from the government—it was not their own initiative—that the government increased the number of regional airports screening passengers. That is a correct policy but, frankly, it should be done properly—comprehensively. You can still get on board a plane in Tassie without any screening, nothing at all. Just walk on: don’t worry about it. I know this is an issue of particular concern to the member for Braddon, who has been a strong campaigner for decent security services in aviation in Tasmania. This seriously compromises the safety of passengers, staff and the general public. The workers, the community and the member for Braddon have been campaigning on this issue for some time. They know how important it is, even if the government does not. The government is also randomly deploying air marshals on domestic aircraft and is now considering this for international flights. The government has been participating in ICAO forums to update security on international routes. So there are a few things that have been going on.

I would like to turn to another area of the minister’s responsibility highlighted in the second reading amendment that I have referred to and that is the issue of maritime security. You actually need to have security for all modes of transport in this country. If we are to have the confidence of the travelling public and the community in general we need a comprehensive transport security package. I have raised the issue of maritime security and defence in this House before and I will continue to do so until the minister takes action. As I have said before in this House, it is interesting that, at a time when tightening up port security is the focus of
the IMO and shipping nations around the world, we continue to offer unfettered access to our coasts and ports. When countries around the world are trying to find out who is on their coast and what they are up to, we do not seem to care.

Between March 1996 and 30 April 1999, 263 deserters from foreign ships were reported by the Australian Customs Service—148 were located. These missing people are the ones we know about but, with the open slather visa arrangements granted to foreign ships, there could be tens, hundreds or thousands more. How do we know? We do not know because the minister makes no effort to find out who is working on our coast. As the government continues to grant unlimited access to the coastal trade, the management of large numbers of foreign seafarers operating semipermanently on the Australian coast will become a nightmare. We have no idea who is there, we have no idea where they are going and we have no idea how many actually stay. It seriously compromises our border security, and it also compromises our coastal environment.

In November we saw five separate extremely serious incidents involving flag of convenience vessels. On 15 November, the Hanjin Pennsylvania, a brand new container ship travelling under a Liberian flag exploded and burnt off Colombo with one fatality. On 18 November, the Prestige, a 26-year-old oil tanker travelling under a Bahamian flag sank off the northern Spanish coast resulting in an oil slick estimated to be twice the size of the slick from the Exxon Valdez. On 24 November, the Gaz Poem, a 26-year-old LPG carrier travelling under a Panamanian flag was burning out of control off Hong Kong. On 24 November, the Tasman Sea, a 22-year-old oil tanker travelling under a Maltese flag was involved in a collision off China, resulting in an oil slick. That ship was in Australian waters in May last year. On 26 November, the Hual Europe, a two-year-old car carrier travelling under a Bahamian flag was burning out of control after running aground near Tokyo. That ship was actually in Australian waters in September. It went to Sydney, Brisbane and Melbourne—near your home town, Mr Deputy Speaker Jenkins. This ship wandered around our coast—but that is okay; we don’t need to worry about it!

This roll call of disaster signals a dire warning about the Howard government’s liberal issue of single and continuous voyage permits to FOC vessels, allowing them in on our coastal trade. We believe on this side of the House that we need a world-class Australian shipping industry, not cheaper shipping costs at the expense of our environment and security. This position is a reasonable view to be held by a nation that has the fifth largest maritime task in the world and a coastline of some 37,000 kilometres. But it is not a view held or respected by the minister. Instead, we get some very interesting comments from the minister, such as those that came out today from the minister or the minister’s spokesperson in an interview with Lloyd’s List DCN. They suggested that the opposition’s stance on flag of convenience vessels—the particularly solid stance we have about protecting our coast, our environment and our jobs—is a ‘racist view’ on international shipping. The opposition apparently has a racist view on international shipping. That is the best this minister can come up with. It would be laughable if it were not so serious.

The US government support a strong American fleet because they care about their coastal protection, they care about their environment, they care about their border, they care about their jobs. The UK government have initiated a tax regime to build a strong UK fleet because they care about their jobs, they care about their border security, they care about their environment. European nations are implementing the UK policy. They all recognise that it is a decent policy. But when Australians want a strong fleet, when Australians want secure maritime bor-
ders, when Australians want to protect our coastal environment from dodgy ships and protect Australian shipping jobs, we are said to have a racist policy on shipping. This from a government that has done everything it can to cost jobs on our coast, this from a government that has walked away from Australian jobs time and time again.

Australia has some of the best trained seafarers in the world. I know—most of them actually get trained in my electorate. I know that Deputy Speaker Jenkins has a firm interest in the training of seafarers. A look at the ANSA detention list will show you the standard of the training of the overseas flag of convenience vessels. I have mentioned time and time again how many of the ships that are detained by ANSA have staff who cannot actually carry out basic communications mechanisms, basic deck officering duties. This minister has sunk to a new low: he steps back and accuses the opposition of having a racist view when he has done everything to cost the Australian shipping industry jobs and the Australian shipping industry a future.

The international community is turning its mind to maritime security. The UK government, in their port security document, have said that their government is committed to the security of the travelling public and will work with the maritime industry to put measures in place protecting ships and harbours against acts of violence by terrorists, criminals and the insane.

The IMO meets in December. I believe the minister has a representative going to that. That will be very interesting for him. At the top of their agenda is maritime security. Why is this? An article by Mark Huband on the Financial Times web site might give us some perspective about why they care. I quote:

For instance, there is strong evidence to support claims that Osama bin Laden and his associates have built up a dedicated Al-Qaeda fleet of small freighters, operating on the fringes of the shipping industry. “The whole shipping business is based on false identities. Shipowners head the list using shell companies but false identities and qualifications are part of the mix too,” says David Crockroff, secretary general of the International Transport Federation.

It is in this netherworld that al-Qaeda’s fleet of vessels is thought to operate. Industry insiders believe between 10 and 80 vessels could be under the control of al-Qaeda or associates.

But it is not the vessels under direct control of Al-Qaeda that authorities consider to pose the greatest risk to international security. There is concern that an organisation capable of the suicide hijackings of airliners could just as readily turn to major shipping targets.

The US congress has just passed legislation on maritime security which include a raft of reforms. Fairplay Daily News gives a summary:

The US Senate and House yesterday gave final approval to a broad maritime transport security bill that will impose strict new requirements on the shipping industry that go beyond many of the measures adopted by other nations. Under the new law, the US government will for the first time create a national plan for maritime security designed to deter terrorist attacks. The Department of Transportation will immediately assess the vulnerability of all vessels and port facilities to “transportation security incidents” that could cause significant loss of life or environmental damage, or disrupt the economy and transport systems. The DOT is also responsible for making similar assessments at overseas ports and evaluating and certifying security of international intermodal systems. All commercial vessels sailing in US waters will be required to use AIS, and all maritime and port workers will be required to carry US Coast Guard-certified security and identification cards.

The Federal Register of the US government actually gives a little summary about why they think this is such an important measure:

There is, however, virtually no security for this critical global trading system—
that of shipping transport—

And the consequences of a terrorist incident using a container would be profound. As experts like Dr. Stephen E. Flynn, Senior Fellow, Council on Foreign Relations, have pointed out repeatedly, if terrorists used a sea container to conceal a weapon of mass destruction—a nuclear device, for example—and detonated it on arrival at a port, the impact on global trade and the global economy would be immediate and devastating. All nations would be affected because there would be no mechanism for identifying weapons of mass destruction before they reached our shores and before they posed a threat to the global economy.

I am not saying that we should necessarily adopt the US position. Certainly, that is being discussed at the IMO in December. I am not saying that we necessarily have to adopt the UK position. I am saying that there is an absolute need for debate. There is an absolute need for this government and this minister to address maritime security. There is an absolute need for this guy to start doing his job.

In the time remaining, I want to touch briefly on the issue of the Ansett tax. You would be aware, Mr Deputy Speaker, that Labor has called for the Ansett ticket levy to be removed. If you come from Tasmania, there are some clear reasons for that. Tasmanians in particular already pay quite a high amount for air travel, which currently nets the government $11 million per month. If it is not going to be used for the purpose that the general public think it was created for, it should be scrapped. Mr Howard, his ministers and his government backbenchers need to be honest about this. The people of Australia believe that they pay the levy to ensure that Ansett workers get their entitlements. That is why they accepted it—because the people of Australia are essentially decent people who want to do the right thing. The government has made it clear now that, no matter how much the levy raises and how long it remains in place, it will not increase one little bit the chances of Ansett workers receiving their full entitlements. I am certain that the levy should go if it is not being used to help the workers. At the same time, I remain concerned that there are former Ansett workers in my electorate of Bass who still have not received their entitlements. It is not good enough for the government to say at the time: ’Here we are. We’re going to step in there and make sure that those people are taken care of. We’re doing the right thing. We’ll have this Ansett levy tax, you’ll all pay and that’ll be great. We’ll make sure these people are taken care of.’ Now that the issue has died down, now that Ansett is not on the front page every day, the government is prepared to leave those workers high and dry. It is simply not good enough.

When you come from Tasmania, this has an impact on tourism. If you fly out of Tassie and you want to go to Central Queensland or maybe northern WA, you have to take a number of flights. The levy is $10 to get from Launceston to Melbourne, $10 from Melbourne to Sydney, $10 from Sydney to Brisbane and $10 from Brisbane to Barcaldine. That is 40 bucks each way for you, your spouse and your three kids. That has a significant impact on whether or not people choose to travel in this country. We need to make sure that we are not providing an impediment to tourism in this nation. I want to condemn this government for their tardiness on transport security which puts the travelling public at risk. We need a comprehensive statement from the Howard government. Aviation security is an issue of national concern. It is an issue of national security and it requires leadership at a government level.

Mr BAIRD (Cook) (10.17 a.m.)—I rise to speak on the Aviation Legislation Amendment Bill 2002. I found the contribution by the member for Bass quite interesting. She spent a lot of time on sea travel and security at sea. She ranged wide and far. Some of the statements she made were a little surprising. The member for Bass wants the levy on the Ansett workers to
be stopped, but I am not quite sure how she would expect them to be paid. I probably have more former Ansett workers in my electorate than anybody in this parliament, so I know them well. I had meetings that were up to 50 strong in my electorate. I can tell you what those workers think: yes, they would like more of their entitlements. The reality is that many of them had entitlements that were way in excess of industry standards. There was an agreement for eight weeks pay. The levy will stop when the Ansett workers are paid. Although Labor are supposed to be representing the interests of the workers, I have to say that, regarding what this government have done in terms of economic management—pay packets, the way the per capita income has risen so significantly and the fact that interest rates are at their lowest level for 30 years—I think we do far more. Labor claim to represent the workers and yet they want the levy to stop. The payment to them would therefore not be completed. I find that very surprising.

Ms O’Byrne—Mr Deputy Speaker, I rise on a point of order. I would like to know: is the government committing to use every cent of the Ansett levy to pay all of the workers’ entitlements?

The DEPUTY SPEAKER—There is no point of order. The honourable member will resume her seat. The honourable member for Cook.

Mr Baird—The member for Bass showed a lack of understanding of how the levy works, through the convoluted way in which she suggested that if you travel to Brisbane you pay the levy for every sector. I think the member needs to check that if you have ongoing flights you only pay it once. That might be quite useful before coming into the chamber and mouthing these platitudes.

I am pleased to support this legislation which takes important steps to modernise Australia’s aviation security. It is an important time to be having this debate. Only last week, rockets were launched at an Israeli airliner departing Mombasa airport in Kenya. If those missiles had hit their target, the results would have been catastrophic. The world is also still reeling from the hijacking of four commercial aircraft in the United States on 11 September 2001 and the use of those aircraft as weapons, to appalling effect. Many of us thought that we had seen the end of aircraft hijackings after a number of bloody failures in the 1970s. However, the September 11 attacks clearly demonstrated the ongoing importance of all aspects of aviation security.

Aviation security obviously has a direct link to the health of the tourism industry. On the weekend, as a representative of the Parliamentary Christian Fellowship, I attended a service to bring Christians together in Bali. It was a wonderful service, but one thing was clear: how much the tourism industry is suffering in Bali. Occupancy rates have gone from above 70 per cent down to five per cent. Some hotels are empty—the hotel I stayed at was virtually empty—the shops are empty, the roads are empty and the restaurants are empty. The direct link between terrorism and tourism is significant. After September 11 and its direct impact on the United States, tourism to New York fell by 50 per cent. Even tourism to California has fallen by 25 per cent over the past 12 months. There is indeed a very significant relationship between terrorism and tourism. This bill is particularly important in that regard.

Since September, we have seen a drop of 11 per cent in the number of international visitors arriving in Australia compared with 12 months ago. This is the sixth consecutive monthly drop. There are some promising signs in markets such as Korea and China, which grew by 14 per cent and 20 per cent respectively. However, there have been significant declines in our
traditional markets. New Zealand dropped by one-third and the UK was down by nine per cent. Such figures are of great concern to an industry that produces almost five per cent of our GDP and directly employs six per cent of all our employees. Tourism represents 11.2 per cent of our export earnings—more than coal, iron and steel. In 2000-01, tourists consumed over $70 billion worth of goods and services, and tourism is the largest employer in the country, with some 650,000 workers on a direct basis and 350,000 on an indirect basis.

In terms of the mechanics of this bill, schedule 3 of this legislation marks the first stage in the government’s reform of aviation security. The Air Navigation Act 1920 is modernised; however, the changes are administrative and do not introduce any substantive new powers. The schedule works on three levels. The first is the handling of security information. It provides a framework for the handling of aviation security which is designed to encourage industry to provide regular information to the department on how it complies with security standards. It is hoped that this will ensure that the department always has contemporary knowledge of the security health of the industry so that any issues can be resolved before they become more serious.

The bill contains a scheme for protection against prosecution for a person providing information about security if it implicates them criminally. It also includes a reserve power for the government to request information if industry is not willing to provide it and it is deemed critical to security. The forthcoming aviation security legislation, to be discussed next year, will provide further details on the operation and use of those powers. The second aspect of the bill is the carriage of munitions. The bill improves the paperwork process that is undertaken when munitions or other war materiel are transported by air. The duplication of forms has been eliminated and the whole process has been made more transparent and subject to scrutiny.

The third aspect was a government amendment which was going to repeal all other aviation security provisions in the 1920 act; however, a recent amendment introduced by the government means that this will not now occur. Current provisions will remain in place while a wide-ranging review of our national aviation security is undertaken. This review will look into access into restricted areas, passenger screening, cargo screening and the like. I note that the Prime Minister has recently made announcements about the screening of luggage on domestic flights, and I welcome that initiative. In relation to the changes to the International Air Services Commission Act 1922, this is particularly important. Effectively, the changes to the IASC Act will deliver on the government’s commitment to streamline the process for allocating capacity to Australian international airlines. The International Air Services Commission is the independent body responsible for allocating capacity to Australia’s airlines, and the government has had considerable success in negotiating increased capacity, to the benefit of tourism operators and other areas of business.

Finally, the bill repeals the Federal Airports Corporation Act of 1986 as the FAC ceased operation in September 1998. In the intervening time, some transitional arrangements had been put in place to ensure that all obligations of the FAC were met. They have now been discharged and the act is no longer necessary. Obviously, the most important provisions of this bill relate to aviation security and further restoring the confidence of Australians in air travel. The travelling public and the tourism industry generally will welcome these important provisions in the bill.
This bill is about improving aircraft and airport security. There is further work to be done in this area. It is significant to see the close relationship between security at the airport and aviation security, and the dramatic difference and impact it has on the tourism industry. We have seen that impact around the world quite clearly, and the more we can do to ensure the security of aircraft flying across Australian skies, the better we will be as a nation, the better off travellers will be who regularly use Australian aviation and the better our tourism industry will be. I commend the bill to the House.

Mr SIBBETT (Braddon) (10.27 a.m.)—Before the member for Cook leaves the chamber, I have had the issue of the flight tax checked and it is a tax on every flight, not on the journey as a whole. That is the information you were seeking earlier from my colleague the member for Bass.

It gives me pleasure to speak to the Aviation Legislation Amendment Bill 2002. The bill has three main purposes. The first is to amend the International Air Services Commission Act 1992 to alter some of the commission’s decision making processes regarding allocation of international air route capacity to Australian airlines, and it looks at areas such as the objectives, responsibilities and powers of the International Air Services Commission. The second purpose is to amend the Air Navigation Act 1920 to pave the way for implementation of regulations containing updated aviation security standards and procedures. In the light of September 11 and subsequent events affecting international affairs and domestic security, this is very pertinent. The third purpose is to repeal the Federal Airports Corporation Act 1986 and to transfer any remaining Federal Airports Corporation contracts, assets and liabilities to the Commonwealth. In terms of history, the bill was originally introduced into the parliament on 5 April 2001 as the Aviation Legislation Amendment Bill (No. 2) 2001. However, the 2001 bill was never debated or referred to a committee and lapsed with the proroguing of parliament in October 2001. The bill is before us today as an amendment.

I would like to confine my remarks to the second area the bill deals with—aviation security, and particularly domestic aviation security. I note in the last 12 months, just at a cursory glance, how events throughout the world, and in particular terrorism, have affected our country. September 11 had a huge impact on Australians, as it did on everyone else around the world, and put us on an alert status which we have been upgrading ever since. Then events in Afghanistan made it quite plain to us that our world and terrorism were closely connected, and we felt part and parcel of that fight against terror in Afghanistan because we had our own personnel involved. In the budget this year there were a number of measures dealing with the upgrading of airport security, as well as other security measures such as the introduction of air marshals. There was the allocation of $30 million to major airport security upgrades. Then, most sadly, on October 12 there was this terrible act of terrorism with the Bali bombings and the resultant loss of young lives—of Australians as well as Balinese and people of many other nationalities. That brought terrorism to our own back door. The families of the victims and the victims who survived this terrible act live with us and are part of our community.

Most recently, there is a heightened security alert, which we are told we will be on for the next two months. There is nothing specified; it is generalised. This security issue, this fear of terrorism, has now elasticised throughout our community. There is not one day in this parliament that we do not talk terrorism and security. No day goes past without our newspapers talking about terrorism and security. It is on the streets, it is in the air. It has elasticised and no doubt will continue to elasticise hereafter. The Prime Minister demonstrated his concern for security upgrades in our airports by introducing the idea of screening domestic hold baggage
throughout Australia. The Prime Minister is rightly concerned. The Prime Minister has also raised the potentiality of screening maritime containers, because that area is a major concern. The latest concern registered by the Prime Minister has been the need for a general aviation alert in this country. Those are only eight major issues I raise in relation to the question of airport security.

Like most citizens of this country, we take the issue of security very seriously. It is that issue I want to raise today, as I have done since November 2001. In my electorate of Braddon, we have two major regional airports, Burnie and Devonport. Before September 11 we had the most basic of screening processes: hand luggage went through the X-ray container and we had a basic personal security check. That was taken away prior to September 11 for reasons based on aviation regulations for aircraft of under 100-seat capacity, and there were questions of costs involved. After September 11, we still do not have any basic security at our domestic airports; there is none whatsoever. You can literally walk into our terminal with a bag or anything else you want to carry, walk across the tarmac, get onto these aircraft and fly to Melbourne unhindered. There is no basic security at all.

Now I may be able to accept an argument that prior to September 11 there may have been some form of security assessment which said, ‘Maybe that is okay.’ I cannot believe that since September 11, the Bali bombings, the Prime Minister’s two-month alert and now a general aviation security alert there is not a case now to have the most basic form of security at my domestic airports. It staggers me. I have been accused of being alarmist about this.

Mr Pyne—You are alarmist.

Mr SIDEBOTTOM—I am happy to be accused of being alarmist about this. Let me give you an example. Not only could I walk onto these aircraft with a bazooka under my arm and a bagful of bombs and then get off at Melbourne airport, but only a few weeks ago when I arrived at Melbourne airport to join you good colleagues to fly out up here they had the wrong door open at Melbourne airport and those on the aircraft walked up into the terminal completely unimpeded. So it is not just whatever. You can literally walk into our terminal with a bag or anything else you want to carry, walk across the tarmac, get onto these aircraft and fly to Melbourne unhindered. There is no basic security at all.

Now I may be able to accept an argument that prior to September 11 there may have been some form of security assessment which said, ‘Maybe that is okay.’ I cannot believe that since September 11, the Bali bombings, the Prime Minister’s two-month alert and now a general aviation security alert there is not a case now to have the most basic form of security at my domestic airports. It staggers me. I have been accused of being alarmist about this.

Somebody said to me, ‘That is by the by. What do you expect? It is a lovely peaceful place where you live.’ Well do not ask us to go on alert and do not ask us to be vigilant, because you are obviously saying—with your great ASIO assessment—that there is no threat and there is no problem. How ridiculous! If we are on alert and asked to be vigilant then there must be some reason for it. In response to some journalists who have asked the minister continuously since 6 November 2001 what he is going to do about basic security at our domestic airports of Burnie and Devonport, a spokesperson for the minister said, ‘Mr Sidebottom is delusional.’ Some people who know me might agree with that on some issues, but I do not mind taking that on the chin. So I am delusional if I think I know more than ASIO. Well, in actual fact, I do know what goes into doing security checks and assessments for airports. I just happen to know, very closely, somebody who is involved in that. I am not deluded and nor are the members of my electorate.

Mr Pyne—Mr Deputy Speaker, I seek to intervene.
Mr SIDEBOTTOM—Yes.

Mr Pyne—Is the member for Braddon suggesting that airport security at Burnie and Devonport be of the same standard as that at Melbourne, Adelaide or Sydney? If so, has he done any research on the cost of upgrading regional security in all of our regional airports?

Mr SIDEBOTTOM—I thank the member for his question. You will notice that I keep talking about the most basic airport security. That purely means what we had before September 11—that your hand luggage could go through a screener and your person was actually checked with the electronic hand scanners. We do not have any of that. We do not even have somebody who looks at us as we go on. That is what I am talking about. I appreciate what the Prime Minister is saying about the major terminals and baggage checking et cetera; I accept that. But I am saying that we do not have any security measures. My catchment area has a population of 80,000 people. I think we are running at about 10 flights a day out of both the airports and there is no basic security. We accept the fact that there must be heightened security measures, yet none are evident. That is why I raise this issue.

I have received letters from constituents. One letter came from a woman in Victoria who travelled to the coast to see her mum. She was staggered that there was absolutely no security at all. She appreciated that we lived in a beautiful, peaceful part of the world and so forth, but pointed out that there was no security at all. When you get to Melbourne from my area, although there is basic screening when you reach the airport, the security around the basic screening is so lax that I could just lift a small ribbon, walk into the major part of the foyer and nobody would see me. Once the rush comes, the time of the people working on the machines is taken up with the security machine going off. One Liberal senator takes all their attention. Unfortunately, every time his belt or boots go near the machine it goes berserk. But avoiding security really is easy. I raise this not to be alarmist. This is a fact, and I want the government to take it seriously. Another correspondent said to me how appalled they are that you can just go straight in and out of Burnie and Devonport—no security at all. I have several other letters here. I will not name the people, but it was good of them to write to me on this matter. One father saw his three young daughters going on board—no security. He just could not believe it. Here we have the Prime Minister and the news on our televisions talking day in, day out, about heightened alerts, and there is no security at my airports—nothing.

I am not the only one to have raised these issues. Both our local newspapers, the Advocate and the Examiner, which is more northern Tasmania, have highlighted it in their editorials. They do not regard me as being deluded. They do not regard the people of northern Tasmania and north-west Tasmania as being deluded. They believe it is absolutely unacceptable that you can have a gaping hole in a security blanket. In Tasmania, Hobart and Launceston have fairly major upgraded security systems, and I know that is continuing. What people do not understand—if you want to follow the logical argument—is why wouldn’t you go to the weakest point in your security chain? You would not go to the strongest. Why wouldn’t you go to the weakest—namely, airports on the north-west coast? People might say, ‘Come on, Sid, what are these Dash 8s? They are not going to cause much damage if somebody gets on them. What about the crew who work on them and what about the people who work in those terminals, let alone the passengers? You could do a lot of damage with a Dash 8 if you wanted to.
Don’t say that that is alarmist, because we know what people can do with aircraft. We have seen that demonstrated to us—horribly, graphically.

When the Melbourne Cup was on—and I am not a big horsy man myself—the phone calls I got were not to ask me for my tip. People said to me, ‘Don’t you think this is a dangerous time, particularly as there is no security, that some stupid, mad person could avail themselves of this opportunity to do damage?’ When I said, ‘It is very, very unlikely,’ okay, that was true. But I thought Port Arthur was unlikely. I thought it was impossible. I could not think of a safer place in the world than Port Arthur, and one of the worst criminal acts by an individual occurred there. Don’t tell me that I am deluded, Minister, when there is no security at all where I live. Eighty thousand people are affected by that. The Advocate editorial states:

It is past the time for the Federal Government, the airlines or both to tighten security at the Coast’s two airports.

These are regional people and they do not fear things very easily, but they know when they are getting a rough deal and they know when fair is fair. Remember, we have been campaigning for a year, saying, ‘Please, give us the assurance of some basic security.’ One of the problems I get hit with is that it is going to cost a fortune, that the price is going to go through the roof. When we stopped the security at our airports, the ticket prices did not drop. If the government wants to collect its levies, as it is so prone to doing, and it sees security as so important and it is prepared to invest in that, then I say let the Commonwealth look to its regional airports to assist those areas. We do not want holes in our security blanket. At the moment, we have gaping holes. I ask the minister to seriously consider that. What price is that worth?

The Advocate editorial also says:

If people are expected to be vigilant, which is fair enough, surely they are entitled to expect their government to ensure that obvious weak spots in security are tightened ... There has been plenty of time for the government and airlines, or both, to act since the issue was raised in October.

Finally, the Advocate editorial says:

Thousands of people fly into and out of regional airports each week and they are as entitled to feel as secure in their travel as those people flying between capital cities within Australia or to international destinations.

There is no excuse in the present circumstances for security at regional airports not to be upgraded.

The Examiner editorial says:

It is ludicrous that the Federal Government has left such a gaping hole in the security of the nation’s air transport system by not having security checks at regional airports such as Devonport and Burnie.

I know ours are not the only regional airports affected by the absence of basic security, but I am not talking about Tiger Moth airports or whatever, I am talking about reasonably substantial grade 4 and grade 5 regional airports with a catchment of some 80,000 people. Some people travel to Hobart and Launceston because they will not leave my area by plane. They take the Prime Minister’s warning seriously. They are careful; they are vigilant. The Examiner editorial goes on to say:

On the day that the Government was warning Australians to be alert to possible terrorist attacks, passengers at Burnie and Devonport were able to board aircraft bound for Melbourne without any check on their baggage or their hand luggage—

And, I would add, their person—
What an absurd situation.

Premier Carr was kind enough a few weeks ago to point out that Sydney was a more likely target for terrorist attacks than centres such as Launceston. Good on Premier Carr. It was very nice of him to highlight that for us; he can protect Sydney as much as he likes. However, he did highlight the fact that in areas such as my regional area there are no security checks and, therefore, that area is vulnerable. I am asking Minister Anderson—and I know that we ask a lot of him at times; I certainly do with Bass Strait—

Mr Murphy—I do with Badgerys Creek.

Mr SIBE BOTTOM—That is right, and with the passenger vehicle equalisation scheme—a very good scheme at that, but there are anomalies still to be fixed. I ask the minister, as I have asked him since 6 November 2001, on behalf of my community who are continually seeking to ensure basic airport security at Devonport and Burnie for 80,000 people, particularly so we can play our part in being alert and vigilant. (Time expired)

Mr CAMERON THOMPSON (Blair) (10.47 a.m.)—I am pleased to be able to speak to the Aviation Legislation Amendment Bill 2002. It is very timely. The Australian community is discussing the section on aviation security in this bill, because aviation security is something that people are talking about all the time, something that people need reassurance on and something that they are concerned about very deeply. I acknowledge the comments of the member for Braddon, and I may refer to them later on. I also took notes yesterday while listening to what the shadow minister for transport had to say about this legislation, and I will refer to some of them. In fact, I will start with them. The shadow minister referred to a quote from the American ATA president, Carol Hallet, which I think is ideal, in which it was stated—and I will paraphrase, because I was not quick enough to write down all the words as they came out—that an expensive security system responding to what happened in the past rather than what happens in the future is not acceptable. That sums it up. We have to plan for an environment in which the nature of threats to aviation and to the community in general are rapidly evolving. It is changing all the time.

The member for Braddon spoke about people carrying weapons through airports. Sure, that is a threat that has been recognised in the past and has resulted in the installation of metal detection gear at airports, but that is not the total consequence of what we are thinking about now. The range of potential threats is much wider. It is not going to be acceptable to merely cover our bases in terms of the threats that existed in the past. We have to think laterally, look at all the possible threats and have contingency plans that deal with all of those. A tremendous task has to be undertaken by the government. I am very pleased that in the 2002 budget an amount of $128.5 million over four years was allocated for measures related to airport security—measures such as the provision of air security officers through the Australian Protective Service, the provision of an airport counter-terrorism response, the provision of more bomb dogs and so on. That was a welcome response from the government. It really was a first cut at it. There is much more that has to be done.

As a member of the Defence Subcommittee of the Joint Committee on Foreign Affairs, Defence and Trade, on 29 October I inspected the readiness of the Tactical Assault Group East team—the TAG East team—and the counter-terrorism facility at Holsworth Barracks, which was very impressive. The arrangements put in place by Lieutenant Colonel Greg de Somer are very impressive. We witnessed the provisions they have made for training TAG East. Among other things, we witnessed the capability of their sniper force—their ability to enter a room...
and recover hostages and deal with the hostage takers. They also showed their ability to effectively assault a building from the outside, to come through the windows and doors at once and come to grips with a hostage situation or some other situation. They also showed us, in a much more military sense, their capability to assault a position. All of those skills could potentially be required today or in the future in defending security at airports.

Having that capability located on the east coast of Australia, a capability that practically matches that of the existing SAS unit in Western Australia, is a great relief to me. To see how efficiently they are trained and how skilled they are is a great relief. It means that we have a capability on the east coast of Australia that is truly flexible, that can deal with all kinds of threats that may arise not only at airports but also at other venues and that can respond to them very quickly and effectively. This is evidence that the government is responding effectively. As I have said, the range of tasks we need to undertake is widespread, as is the comprehensive response we need to make. The efforts in this regard have to go on.

Carol Hallett said something else in the speech that the shadow minister quoted—that there is a public right to know the general parameters of the security system, but we should provide no road map to those who would cause us harm. The old saying ‘loose lips sink ships’ was mentioned there. I think that is entirely appropriate.

Other measures have been undertaken. I mentioned, for example, the issue of having marshals located on airliners. That is one thing, but other things are happening too. The airline manufacturers themselves have been playing a quick game of catch-up. They have been providing upgraded security in cockpits. Boeing and Airbus, the main manufacturers, have been coming to grips with things like providing a stronger cabin door and video surveillance. Further down the flow, in the airlines, there are measures now that put strong limits on who can access the cockpit and when. You do not have, the way you used to have, off-duty pilots or a sales rep hopping in the jump seat and seeing what the pilots do. You could take your kid to have a look at the cockpit. That was something I used to enjoy. Security demands that we abandon that kind of approach and be much more demanding and much more careful about who gains access. That is a reality today. No longer can an off-duty pilot hop in that jump seat.

Years ago, I was a trainee air traffic controller. In those times, an air traffic controller could hop on the plane and sit there and discuss with the pilots, while they went along, issues about airspace and things that were of concern. Now we have to think about security first, and those days are well and truly gone. In those days, I remember being instructed that we were very tricky as aviation administrators because we had the wonderful transponder. If there was a hijack or an emergency, the pilots could get the transponder to squawk a special code and on every radar screen would appear the letter H for ‘hijack’ or E for ‘emergency’. Those facts are known all over the place now. That is not such a tricky thing anymore. It has been superseded many times over since then. Now, when you have to prepare security measures, the activities of the people who set out to flout those security measures constantly leapfrog them and you have to respond. As I said at the start of my speech, that whole process is accelerating very quickly.

Turning to the member for Braddon’s comments—and I do not want to hold him up, because he is sitting there—he protested that he was not deluded. However, I noted in his speech that he shouted out: ‘Don’t tell me I am deluded, Minister!’ I looked about and I could not see the minister anywhere. That surprised me. But I think he talked about some very serious is-
The fact is that, from an Australian perspective, in the public mind we have had three big assaults on our basic understanding of security and the way we look at life. We had September 11 in 2001, we had the Bali bombing on 12 October 2002 and now there has been the example of the Kenyan tragedy. For those of us who regularly use airlines, the fact that there were shoulder launched infra-red missiles fired at an aircraft is just mind-boggling. It requires such a change in our understanding of the nature of potential threats to aircraft that you really wonder where you can start. Listening to the radio, I think it was this morning, they said that anywhere within 50 kilometres of an airport you could launch one of those things and bring down a 747. Even at the time immediately after September 11, I honestly do not think people were focusing on that as a potential threat. There was all the talk about someone having broken that taboo, having hopped into aircraft and used them as suicide weapons. I do not think anyone had thought that someone was going to actually get out with a shoulder launched infra-red missile and try to bring down a passenger aircraft full of innocent people. But that is the reality that we now face and, as I say, this situation is continually evolving, and it is evolving so rapidly that the nature of our response is getting bigger and bigger.

The member for Braddon said that Dash 8s can be just as big a threat. That is true; I agree with him on that. I do not think anyone is honestly saying to the member for Braddon that a Dash 8 aircraft cannot be a threat. In fact, I remembered immediately that within about a week of September 11 we had an incident in Europe in which someone flew a light plane into a building. That caused immense disruption, death and destruction, and that was only a small light plane. So we have to look at all of these kinds of contingencies in a way in which we never have before. Indeed, I noted from what the shadow minister said that there has even been discussion about nationalising airlines. It is just incredible that you could go so far as to think about that sort of thing. It really is an example of just how far things have gone and how difficult the potential question that we face is.

Schedule 2, which is the part of this bill that deals with the terrorism issue and with the threat to security, repeals part 3 of the Air Navigation Act 1920. That is about security measures and it provides, for example, penalties for people who might gather, use and otherwise abuse aviation security information. It also provides criminal penalties for those kinds of things. Other elements of aviation security, such as hijacking and violent crimes on board aircraft—which are currently covered in the Crimes (Aviation) Act 1991—are going to be superseded by the Security Legislation Amendment (Terrorism) Bill 2002, so this is part of a response.
One thing that the shadow minister did say was that he found the response inadequate and he criticised it because of the nature of taking the issue of responding to terrorism and security out of the legislation and putting it into regulation. I think that that is a commonsense response to this new environment that we are facing. If you need to be able to come up with changes to a response to a problem as quickly as we need to develop it today, it is crazy to think that we should have to come back and look at legislation again. We have moved on from that. We are in a situation where we do need to be able to develop regulations and have them implemented so that we can respond to this change. If we can do that, we can do it much more effectively than being reliant on the vagaries of parliament, and, for heaven’s sake, the Senate, in responding to those sorts of things. It is important that Australians have a sense that the authorities have these problems in their sights, and they can do that only if amendments can be made to regulations quickly and effectively to deal with threats as they emerge.

I have mentioned that aviation is an important industry and that we are responding in relation to security, but we have to realise just how reliant we are on air travel because of the nature of Australia and our economy. Whereas a small European country might be affected if there were a serious curtailment of air travel, Australia would be absolutely stricken if we could not rely on a safe, secure air transport network. It is of absolutely core importance to us. Here in the Southern Hemisphere we rely on planes for international trade and we rely on them domestically for so many things. It is important that we facilitate ready and continuing access to an efficient air transport network. I note that as a result of a cabinet meeting in December 2001 the Department of Transport and Regional Services was directed to review all these issues and it has been engaging in industry consultation with Qantas and Virgin airlines and with Australian airports. That process needs to go on because the security response needs to be effective but still has to facilitate tourism and air travel to those regions of Australia that rely on them. Without that we are going to cause immense damage to our own people within Australia.

While we need focus on questions such as how we deal with the threats of infrared weapons and those sorts of things, we cannot stop the process of trade. We have to insist that air travel remains accessible to Australians. So far I think the government has had a good handle on dealing with this, even responding, for example, to the criticisms of the member for Brad- don in relation to regional airport security. The Prime Minister has been out there saying that we have to look at proper scanning of everything going onto regional flights. The government has been up front about that. There has been dialogue not only with industry but between members in this place who have their fingers on the pulse locally. Whichever side of the House they come from, those people have a clear duty to keep bringing forward these issues and to continue this debate so the issue of airport security remains to the fore and we can get on top of that issue and stay there.

Mr MURPHY (Lowe) (11.05 a.m.)—The Aviation Legislation Amendment Bill 2002 marks a watershed in the history of aviation policy in Australia for its belated attempts to increase international air safety. The bill amends the International Air Services Commission Act 1992 by altering decision processes of international air route capacities of Australian airlines. The bill repeals the Federal Airports Corporations Act 1996 by transferring those assets to the Commonwealth.

By now, members of this House will be very familiar with the fact that the Federal electorate of Lowe in Sydney’s inner west, the electorate I represent, is one of the most heavily aircraft noise affected electorates in Australia. As major recipients of aircraft noise and other
environmental impacts from Sydney airport, the constituents of Lowe are entitled to a permanent place on the Sydney Airport Community Forum, or SACF, together with another 20 or so community representatives from different constituencies and stakeholder groups. I raise this point not to specifically bring environmental impacts into this bill, for it does not concern itself directly with environmental impacts of the proposed changes—although I note in passing that the effect of this bill will indeed have environmental impacts. Rather, I raise the matter of SACF in light of the demonstrated direction of this government and its agency SACF through the portfolio responsibility of the Minister for Transport and Regional Services.

This is now the fourth year in which I have had the privilege of representing the constituents of Lowe. During this time I have endeavoured to personally attend or be represented at every scheduled meeting of the SACF, so important are the affairs of Sydney airport to the electorate of Lowe. The security of Sydney airport and other related airports in the Sydney basin, such as Bankstown, Hoxton Park and Camden, is as important to the constituents of Lowe as other environmental factors.

I wish to raise a matter which I have raised in this House in the past, going to the philosophical direction of the government. That direction may be summed up in one word: utilitarian. I believe that the government is utilitarian in its perspective, and as a consequence its policies and ultimately its laws are driven by the utilitarian ethic. Later in this debate, I will say something directly relevant to this very important issue, not only to my constituents but to the people of Sydney. Some justification is required as to what leads me to make this assertion. A further question I put to this parliament is: what is the relevance of this observation in light of the bill? In turning to answer the first question of justification, there is a rule of statutory interpretation which I see is consistently missed or ignored by those members on the other side of the House who instruct the legislative draftspeople on bills that are tabled in this House. That rule of statutory interpretation is that the law must be read together. You do not read a statute in isolation; all law speaks simultaneously. I say this in light of another Commonwealth law which has been in place since 1995, the Air Services Act. I particularly bring this House’s attention to section 9(1) of that act, which makes provision for the manner in which Air Services Australia must perform its functions. It says:

In exercising its powers and performing its functions, AA must regard the safety of air navigation as the most important consideration.

It goes without saying that the existing provisions of the Air Services Act are relevant to this bill, for this bill is direct on the point of aviation security standards. I raise the Air Services Act in light of this bill before the House, for we see at once how the utilitarian ethic of the government means it is bent on compromising true measures to protect and enhance aviation security whilst pretending that security can be enhanced through the provisions of this bill.

I turn now to the main provision of the bill, being schedule 1, which prescribes amendments to the International Air Services Commission Act 1992. I quote from Bills Digest No. 144 of 2002, at item 1 of schedule 1, which says:

Item 1 replaces the existing objects of the Act in section 3 with a slightly altered version. The new version clarifies that the principal object of the Act is to ‘enhance the welfare of Australians by promoting economic efficiency through competition in the provision of international air services’.

I raise this point for it opens the Pandora’s box demonstrated in the conduct and representations of those vested sectional interest holders, particularly those named in the Bills Digest, being Qantas, Virgin Blue, the tourism industry and those financial interest holders of Sydney
airport and other airports. These financial interest holders are either corporations directly interested in Sydney airport as lessee tenants of Australia’s major airports, who are responsible for air side services—for example, Qantas, Virgin Blue and other airline carriers—or they are land side ancillary services, such as the shop owners at Sydney airport, the parking service providers and the tourism and other transport services industry stakeholders.

Of course the new players with an obvious stake in the affairs of Sydney airport and other privatised airports are the airport lessee companies, who derive the retail lease and other revenues from the air side and land side services of Sydney airport and the other international airports of Australia. When you put all these groups—financial interest stakeholders—together, you get a very powerful economic bloc indeed. I refer to my earlier comments about the utilitarian ethic of this government and the demonstrated conduct of the stakeholders, some of whom have a permanent representation on SACF.

In my four years on SACF, I have been convinced of one thing about this government’s utilitarian ethic. It was David Hume who coined the phrase that describes utilitarianism: the greatest good for the greatest number. So what is the greatest good with respect to this bill before us today, and what is the greatest number? At this point in the reasoning, we add into this government’s ideology the concomitant ideology of hedonism—that is, the pursuit of pleasurable good. For in reality this government’s ideology redefines utilitarianism and hedonism to mean that the greatest good refers only to those vested sectional interest holders who have a financial stake in airport security, and the greatest number comes to mean the shareholders or sectional interests.

What I am alluding to, when I raise these comments, is specifically the real cost of border protection and antiterrorism strategies to counter terrorist attacks both at our airports and in the air. This government has systematically weakened Australia’s border protection capabilities in my view. I note with interest in the Bills Digest a mention of the provisions now being made to enhance security measures at Australian airports, including adoption and implementation of the Australian National Audit Office recommendations in their 1998 report titled Aviation security in Australia. These provisions relate to intelligence provisions. In addition, in December 2001 the Department of Transport and Regional Services reviewed security in four areas: passenger screening, baggage screening, airport access control and what are called additional security measures. With respect, these measures are, and always have been, conditions predicated upon the overriding utilitarian and hedonistic ethics of this government. These, in turn, are driven by the vested interests of financial stakeholders, and their economic interests drive the one thing that is more important than safety: profits. The greatest good for the greatest number really translates as meaning the greatest good of economic interest holders for the greatest number of shareholders of those economic interests.

On this issue, particularly, for over four years I have witnessed the systematic demolition of the public interest. I cannot count the number of times I have seen the public interest thrashed by the minister through the implementation of regimes which are deliberately and intentionally designed to sacrifice the public interest in favour of making Sydney airport as profitable as possible for its prospective lessee. In order to obtain the highest price, this government abandoned all moral reason in making Sydney airport the most regulation free and unimpeded airport for profiteering, the likes of which we have never seen. Sydney airport pricing surveillance regulations were allowed to lapse, giving carte blanche for price increases, making aircraft travel only affordable to the economic elites of Australia and locking out the workers and those who now cannot afford to travel.
Sydney airport’s environmental responsibilities have continuously been ignored. This can be seen in the introduction of the precision runway monitor system, which I have talked about many times in this parliament, and the current introduction of the high and wide and Trident aircraft tracking systems, both of which essentially herald the return to parallel flight paths, which will seriously affect residents in the Drummoyne, Haberfield and Ashfield end of my electorate of Lowe. Most importantly, this government has deliberately and systematically failed to implement the long-term operating plan. It has failed to direct Airservices Australia to reach the ministerial direction’s long-term operating targets, which it has consistently failed to meet. I have spoken ad nauseam about this in the House and asked numerous questions of the minister, and the government fails to implement the long-term operating plan, as it promised to do. Of course, it has also abandoned Badgerys Creek as an overflow airport to take pressure off Sydney airport.

All these actions are demonstrable examples of this government’s systematic contempt for the public interest. The government and its agencies—the Department of Transport and Regional Services, Airservices Australia, the Sydney Airport Corporation and others—could achieve their statutory and other responsibilities if they wanted to. The long-term operating plan could be implemented fully and its targets achieved if the government wanted to do that. The same could be said about pricing surveillance as a statutory safeguard to prevent outrageous price hikes in landslide services experienced at airports, such as Melbourne airport, with respect to parking fees and other costs to the customer.

I have used the phrase many times, with respect to the sale of Sydney airport, that this government was ‘fattening the lamb for the kill’. Now that the lamb is slaughtered, this government has slaughtered the public interest as well. The relevance of these observations is now juxtaposed, in light of all that I have said about this bill. Let every member of this parliament know what the real impact on security is for privatised airports such as Sydney airport. Sydney airport is now owned—or, more accurately, leased—on a 50-year lease to Southern Cross Consortium, a group of corporations essentially headed by the Macquarie Bank and its affiliates.

The vested financial interest holders have a stake in ensuring that Australia remains a favoured tourist destination. In order to do this, the very same vested sectional interest holders have sought to minimise customer dissatisfaction in transit by onerous and ugly security measures which create discomfort for passengers. These corporations consistently lobby the government and its agencies, particularly those security and border protection agencies such as Australian Protective Service, the Australian Customs Service and the Australian Quarantine Service to perform in a most perfunctory way. For years, these corporations have badgered the government to maintain a hands-off approach to weary passengers arriving in Australia on a long-haul flight. Australia is one of the longest hauls from major departure points such as the United States, Europe or Japan. Customs, Quarantine and the Protective Service have been directed for many years to keep a low profile, minimising to the lowest possible extent baggage searches and other functions necessary for true airside, landside and aviation security.

With the privatisation of Sydney and other airports, the pressure is even more intense on governments to bow to decreasing standards of aviation security against the incidence of terrorism. The laws and powers surrounding direct border protection functions in airports and seaports are sharply juxtaposed against the actual instructions issued to Customs, Quarantine and the Protective Service personnel whose duty is overwhelmingly the protection of Austra-
lia’s borders. It is truly a case of placing profits before the protection of people. For years, this government has failed by permitting people to enter Australia under security standards of a greater laxity. It is only evident now, after the September 11 tragedy last year and the Bali tragedy, just how lax Australia’s border protection powers are. All this laxity represented an intentional and deliberate policy of this government to pander to the vested financial and sectional interest holders who have pressured the government to make aircraft travel as hands-off as possible in order to maximise customer satisfaction and in order to keep those profits coming in.

I will go as far as saying that I blame the vested interest holders for the lax security regime we have today. We now know that Jemaah Islamiah operatives are in Australia or have visited Australia. Other terrorist networks have entered and left Australia with impunity and that simply enrages the Australian public who now live in active fear of an imminent strike in our own country. So how can this government satisfy the public cry for better security when the government is defeated by its own utilitarianism and its own blindness in favour of those corporations who insist on profit at any cost? The cost to the Australian people is their own lives. We are now paying for the cost of this utilitarianism with the blood of our own people. I have previously cited in parliament the words of Charles Rice in his text 50 Questions on the Natural Law. It is directly relevant to this bill, so I will cite them again: ‘Jurisprudence kills people.’

In order to understand the gist of this duplicitous standard of real security failure, I cite the imagery of the Titanic, which serves as a perfect analogy to this legislation, its impact and its intent. We have all seen the latest film remake of The Titanic. What was the Titanic? The Titanic was a British ship that was thought to be indestructible. It had life rafts and lifeboats but there were too few. We know that the owners of the shipping line deliberately removed some of the actual number of boats required to service properly the total number of passengers. There are two fatal assumptions here. The first was that the ship was indestructible. With respect to our security system prior to the September 11 tragedy and the Bali tragedy, we thought our security was watertight—like the hull of the Titanic. How wrong we were. The second fatal assumption was, ‘We only need a few lifeboats because they look unsightly and, in any event, we will not need them.’ In my view, the bill before us is largely cosmetic when it comes to the real security measures necessary to ensure aviation security. I am not advocating a cop on every street. As the recent Kenyan bombing indicates, you cannot protect every citizen from every possible contingency.

However, there is a dearth of security measures. Customs must make hairline decisions every single day on what security alerts justify close examination of passengers and cargo. To scan even a higher percentage of planes and passengers would mean more inconvenience to passengers who, after a long flight, must suffer the indignity of having third-level searches of their baggage and their person. To the corporations and their servile agents, the government, I put this to you: the days of delimiting and belittling the public interest are over. Never again will the public permit fewer lifeboats in the interests of aesthetic beauty. Australians cry for justice; they cry for real protection. If that means sacrificing profits in the name of people, then so be it. It is time to bring the corporations to heel. We all need to suffer more inconvenience through real security measures, real environmental recognition and real consumer protection against rampant, runaway prices. I urge this government to abandon its utilitarian ideology in favour of reason based on the natural law.
In conclusion, this government must realise that it cannot barter with nature—that is, with reason. It is unreasonable to place profit ahead of people. The security demise we find ourselves in today is a result of this government’s failed prior policies of blind utilitarian and hedonistic profit making motives. Those days are now at an end, lest more Australian blood flows.

Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (11.28 a.m.)—In summing up the second reading debate on the Aviation Legislation Amendment Bill 2002, I congratulate the member for Cook, the member for Farrer and the member for Blair for their very erudite, knowledgeable and learned contributions. They have pushed the government’s case regarding the furtherance of excellent governance for this country.

The legislation amends the aviation security provisions in the Air Navigation Act 1920. Schedule 1 of the bill contains amendments to the International Air Services Commission Act 1992 regarding the role of the IASC, which has changed over time, and the government’s policy is to negotiate capacity ahead of demand. We are looking at reducing the number of competing applications for available capacity in most of our major markets. Most comments relating to this bill have already been stated by members on the government side. I commend the bill to the House.

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

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

Consideration in Detail

Bill—by leave—taken as a whole.

Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (11.30 a.m.)—by leave—I present the explanatory memorandum to the Aviation Legislation Amendment Bill 2002 and I move government amendments (1) to (26):

(1) Clause 2, page 2 (table item 3), omit the table item, substitute:

3. Schedule 2 The day on which this Act receives the Royal Assent

(2) Clause 2, page 2 (lines 11 to 14), omit subclause (4).

(3) Schedule 2, item 2, page 6 (lines 7 and 8), omit the item.

(4) Schedule 2, items 5 to 7, page 6 (lines 26 to 31), omit the items.

(5) Schedule 2, items 9 and 10, page 7 (lines 3 to 7), omit the items.

(6) Schedule 2, items 12 to 25, page 7 (line 10) to page 8 (line 14), omit the items.

(7) Schedule 2, item 26, page 8 (lines 15 and 16), omit the item.

(8) Schedule 2, item 27, page 9 (lines 3 and 4), omit subsection (2), substitute:

(2) Subsection (1) does not apply if the munitions of war or implements of war are carried in accordance with written permission (including any conditions) given by the Minister.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the Criminal Code).
(9) Schedule 2, page 9 (after line 4), after item 27, insert:

27A Section 22E (paragraph (d) of the definition of employer)
Omit “, other than the Corporation,”.

(10) Schedule 2, page 9, after proposed item 27A, insert:

27B Subsection 22ZV(1) (paragraph (b) of the definition of designated person)
Omit “or of the Corporation”.

27C Subsection 22ZV(1) (paragraph (c) of the definition of designated person)
Omit “, other than the Corporation”.

27D Subsection 22ZV(1) (paragraph (f) of the definition of designated person)
Omit “, other than the Corporation.”.

(11) Schedule 2, item 28, page 9 (line 5), before “Part”, insert “After”.

(12) Schedule 2, item 28, page 9 (line 6), omit “Repeal the Part, substitute”, substitute “Insert”.

(13) Schedule 2, item 28, page 9 (line 7), omit “3”, substitute “3A”.

(14) Schedule 2, item 28, page 9 (line 11), omit “20”, substitute “22ZVA”.

(15) Schedule 2, item 28, page 10 (line 3), omit “20A”, substitute “22ZVB”.

(16) Schedule 2, item 28, page 10 (line 12), omit “21”, substitute “22ZVC”.

(17) Schedule 2, item 28, page 10 (line 15), omit “20”, substitute “22ZVA”.

(18) Schedule 2, item 28, page 10 (line 24), omit “20”, substitute “22ZVA”.

(19) Schedule 2, item 28, page 11 (line 1), omit “21A”, substitute “22ZVD”.

(20) Schedule 2, item 28, page 11 (line 21), omit “21B”, substitute “22ZVE”.

(21) Schedule 2, item 28, page 12 (line 26), omit “21C”, substitute “22ZVF”.

(22) Schedule 2, item 28, page 12 (line 29), omit “21A”, substitute “22ZVD”.

(23) Schedule 2, item 28, page 12 (line 29), omit “21B”, substitute “22ZVE”.

(24) Schedule 2, item 28, page 12 (line 30), omit “21D”, substitute “22ZVG”.

(25) Schedule 2, item 28, page 13 (lines 7 to 12), omit Division 3.

(26) Schedule 2, items 29 and 30, page 13 (lines 13 to 16), omit the items.

Question agreed to.

Bill, as amended, agreed to.

Ordered that the bill be reported to the House with amendments.

INDONESIA: TERRORIST ATTACKS

Debate resumed from 23 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.

Mrs MAY (McPherson) (11.32 a.m.)—I rise in this chamber to speak on an issue of grave importance to our nation and the world. Australia, compared to our European and Asian cousins, has had a short history—only 200 years compared to thousands. Yet in this short time Australia has had its share of memorable and historic times. Many have been joyous occasions. One that immediately springs to mind is the Sydney Olympics. Some have been tumultuous times, like the Rum Rebellion or the Eureka Stockade. Yet others have been poignant occasions.

But I do not wish to speak about any of these times today. I wish to speak of trying times: times that we are facing in this country right now. Years ago Australians could pretend that the outside world did not affect them. Revolution, plague, war and terrorism were problems of far-flung governments in places like the Middle East, Africa and Latin America. They did not touch our lives and our nation and Australia’s backyard seemed as safe as a suburban one. That was until October 12. That morning Australia woke to the news that a bomb had exploded in Bali, killing and wounding hundreds of civilians when they were at play and at their most susceptible. With one bomb in our playground Australia discovered it could no longer pretend its physical isolation equated to political isolation. I am not going to speak today on the political ramifications of the blast except to say that the Bali massacre not only killed and maimed hundreds of innocents who were holidaying or working in the clubs and the surrounding buildings and streets but has the potential to destabilise further the fragile infant democracy of our biggest neighbour, with daunting long-term consequences for the region.

Today, however, I want to focus on the human tragedy. At last count, 82 Australians lost their lives that day. Double that figure were wounded, and every Australian was moved by the carnage. October 12 is now Australia’s day that lives in infamy. We have all watched those images on our TV screens with disbelief and anger at the carnage and mayhem as each day brought new stories of bravery and sacrifice and of sorrow and sadness at the senseless attack.

Who will ever forget the images in the hospital as victims were brought in for treatment? But mixed with inconsolable sorrow is the sense that good can triumph over evil. Amidst the grief and loss Australians can take pride in our initial reactions: the outpouring of support from so many people both here in Australia and on the ground in Bali; the hospital staff in Darwin, Perth, Sydney and Brisbane; our service personnel who were on the ground within 48 hours, at the behest of our government, to airlift those people who desperately needed specialised treatment for burns; our own Prime Minister and Deputy Prime Minister, who gave support on the ground in Bali to grieving families who had loved ones missing; and the hundreds of ceremonies that were held around the country as Australians paused to remember the dead and to give comfort to the grieving families.

In years past, the death of Australia’s young equated to noble sacrifice. Young men and women in their hundreds became the Rats of Tobruk, the liberators of Damascus and, more famously, the diggers of Gallipoli. With the bombing of Bali, young people roughly the same
age as Australia’s defenders lost their lives or were seriously wounded not in the noble defence of Australia but in senseless violence perpetrated by those who wish to punish Australia for being Australia. Our fight for freedom in this country was punished by this cowardly act, and so many young people who lost their lives will now never meet their full potential. They will never have the opportunity of contributing to this great country of ours. We may send our condolences to those who lost family, friends and loved ones in this senseless attack but the only condolence we can truly offer is our continued support during this time, with the knowledge that they died while enjoying the way of life Australians have fought so hard for.

With Christmas approaching, it will be a difficult time for those families who lost loved ones. It will be a time of more sadness and a time of reflection. While we are remembering Australia’s men and women, we must also spare a thought for the Balinese victims. Adjoining the clubs of Kuta were many Balinese homes that were demolished, leaving many killed and those surviving homeless. In Indonesia, there is no public fund for rebuilding homes destroyed and no safety net for those who have no other place to stay. Last Sunday night on the Gold Coast, we launched an appeal for the Balinese victims and I am proud to say we raised $60,000 for the local victims of this tragedy, which will be distributed through Rotary International.

I would like to thank all those Gold Coast people who got on board and supported this function and to pay tribute to a small band of special people who organised the function in a very short period of time. Jane Garwood spearheaded the team and generously allowed the function to be held at Evergreen Nursery, which you might say is a strange place to hold a function but it is a beautiful green spot in the middle of our city. She was ably assisted by Andrew Harris, Jan Walsh, Georgie and David Denham, Greg Lambert, and another special lady, Tracey Courtney, who travelled to Bali for us. She worked for Rotary International; she did some work for them and for us, came back to us and relayed to us the needs of the people on the ground in Bali. I thank all of those people who donated items for the auction, and there are too many to name today. The artists Robert Lovett and Ashleigh Manley donated paintings, and junior world surfing champion, Luke Munro—a young man who is a fantastic role model for young people—donated a championship winning surfboard. But there were many others who contributed.

As I previously stated, almost everyone was stirred by the carnage of Bali. I felt particularly moved and very saddened by what happened. Few people in this House would know that I spent nearly four years working in Indonesia in my life before politics. Indonesia was and is a very special part of my life. I spent time in Bali during that period and worked on the ground with the Balinese people, and I believe I have a clear understanding of what these people will be facing today in the aftermath of this terrible attack. Bali is one of the less developed regions of Indonesia and is heavily dependent on the tourism industry to provide jobs for a workforce that is otherwise mostly involved in semisubsistence agriculture. Tourism numbers have slumped badly in the wake of the bombings, and this drop in visitors will have a devastating effect on the Balinese community. There will be families without breadwinners, families who have lost their loved ones and families without jobs and futures. Businesses will collapse with the collapse of their tourism industry. There is no social security and no health system.

It has been devastating for this small island, which is totally dependent on tourism and, in particular, on Aussie tourists. The Gold Coast city rose to the challenge. I am very proud of my city and of what it has done for these people. Many of the people involved in the charity
night spend their holidays in Bali, and many of our businesses import Balinese artefacts for sale in Australia. The city was asked to dig deep once again, after being asked to support many of our own who returned from Bali. It has also supported those families whose loved ones did not return.

I suppose a time of great tragedy is a time to connect with others in sharing stories of times past and memories of lost loved ones. Over the past few weeks, I have spoken to many people who knew someone or lost a loved one and to those who returned. We have shared stories, we have wept tears and we have just held each other and remembered. My final message to those of you who are grieving is to share your stories with others who are in the same circumstance. Use your grief to think about their lives and about what they have accomplished. But most of all remember the happy times, the peaceful times and the joyous times. Remember, we as a nation thinking of and praying for you and we will continue this support well into the future.

Mr LAURIE FERGUSON (Reid) (11.40 a.m.)—I certainly associate myself with the theme of this motion regarding the terrorist attacks on Indonesia. It is interesting that the deaths are so random. In my region, fortunately very few were directly affected by this outrage. I very much endorse the main sentiments of the motion in condemning those employing terrorism, in expressing outrage at and condemnation of the acts and, of course, in extending heartfelt sympathy to those people who were affected. I congratulate those responsible for the initiative in the region of the previous speaker. It is particularly praiseworthy that people are bearing in mind the direct suffering of the Balinese people—the disruption of their industries, the deaths that they have suffered and the fact that their houses have been destroyed. It is particularly meritorious that that recognition is occurring in Australia.

I want to raise another aspect of this. The electorate of Reid, which I represent, is the most Islamic electorate in Australia. The only electorate of any real comparison is the adjacent seat of Blaxland. I think that, unfortunately, there is a tone that comes into this issue of sometimes viewing Australian Muslims as in some way guilty of this, partially responsible for this or connected to it. It is very important that we in the political system repudiate that very strongly. I note that very soon after this outrage the Islamic community in Australia very strongly condemned these sentiments. A joint media release on 6 November included phraseology such as:

We have felt the hurts of your ways and we want you to understand that what you have done was never in our name or the name of any religion or God. Furthermore, never in our name or in the name of any religion or God, can you ever be aggressive, unjust or hurt innocent people.

You have killed many precious people from all backgrounds and religions and you have hurt many more. There is no political, religious, racial, ethnic or ideological position that can justify victimizing the innocent and the defenseless.

... ... ...

Good people have been criticized for not being vocal enough against the aggression and violence. There are no bystanders. Silence is perceived as a form of consent. So let those people who seek peace and justice further amplify the message and express it repeatedly in different ways and languages.

That was a very important statement by the representative organisations of Muslims in this country. Yasser Soliman, whom I met last week at the Preston Mosque in Melbourne, was amongst the signatories, as was Sheikh Fehmi, whom I also had the opportunity of seeing last week. The signatories also included Ali Roude and Keysar Trad—people well known to me.
There was a strong indication there that Australian Muslims in totality repudiate this line of conduct.

It is also interesting to note the people who are affected by this. Dr Mustafa Al-Hamudine is very well known to me, the minister for immigration, the member for Blaxland and other people who play a continuing role in ethnic politics and community life in Sydney. I was at a function with him for one Lebanese village the other week and he told me that his son’s best friend, a fellow basketball player, had been killed in Bali. That is typical of the fact that these murderers have no worry about who is murdered, whatever their religious beliefs, political beliefs, gender, age et cetera. It is indiscriminate and it hurts all. Similarly, I had the opportunity to attend a function in Auburn in my electorate organised by the Turkish Welfare Association to raise money for the victims of Bali. There is a well-publicised case about the Turkish Cypriot family that suffered the death of one brother, Behic, and two other brothers, Ali and Ertan, suffered severe medical problems. In a family of five brothers who migrated to this country, three were direct physical victims. It was good to see the way in which the Turkish population of Sydney raised money for the victims. At that function the eldest brother, Mustafa, made strong statements that in no way could the perpetrators be perceived as working for, defending, helping or being part of the Muslim faith.

Ironically, in the case of that family, before they had migrated to Australia their house was bombed during the civil strife on the island in 1974. As a 14-year-old, Behic, who is now deceased, came out of that bombing unscathed. Once again, this is indicative of the strong repudiation of these activities by Australia’s Islamic community. Many of them are directly affected by it, yet they are part of Australia, they feel a strong affinity for this country and they condemn these practices.

The reality is that our neighbour Indonesia, with 200 million Muslims, is the largest Islamic country on this earth. However, there has been some distortion of this by the media. Once again you get the perception from the media that, to some degree, this kind of belief in Indonesia is all encompassing and that the more hardline Islamic approach is growing. I was fortunate to study Indonesia for a year at the government faculty of the university I attended. One of the things that clearly emerged was the reality that Islam in Indonesia has absorbed a lot of animistic beliefs, it has absorbed a lot of pre-existing cultural attitudes and it is a very moderate form of Islam. It is important that, in our dealings with Indonesia, we bear that in mind.

We saw some media criticism earlier on about the investigations in Bali but, quite frankly, I think the Indonesian authorities are to be commended for the manner in which they have undertaken these investigations and for the results that they have obtained. I think that there is clearly a determination by the police force in Indonesia to get to the bottom of this. That is sometimes difficult for them because, no matter how people like to dissociate themselves from terrorism, there is an underlying degree of commonality of broad religious beliefs. They have come under some pressure. Some people think that the Indonesian authorities are being pushed around by Western civilisation et cetera. But, as I say, to my mind they have undertaken the investigation in a very real way.

I want to again emphasise that the 270,000 Islamic believers in this country, a number that has grown from 70,000 in 20 years, have strongly identified themselves with the Australian national interest. They have repudiated this extremism and they have said that these people are not in any way speaking for them. There is an unfortunate tone in some political quarters...
and in the media of guilt by association. We do not blame every fundamentalist Christian in this country for the gunning down of doctors who carry out abortions in the United States or for the attacks on women’s centres or abortion clinics. We do not in any way hold every fundamentalist Christian in this country and every Christian school up to scrutiny. Similarly, around the world, we do not question Buddhism just because of the extremism of the Buddhist clergy in Sri Lanka and the fact that they always work against any negotiated settlement of the ethnic division in that country.

As I say, there is a bit of a self-selecting approach by the Australian media, often implying that everyone who believes in this faith is in some way identifiable with it. It is not the first time that an international group has ascribed seemingly noble motives of religion et cetera but is, in actual fact, just a criminal operation. In Ireland you see both sides of the divide there engaged in extortion, standover tactics, blackmail et cetera. In Colombia you see nominally leftist guerilla organisations dealing in drugs. In Afghanistan, historically, people supposedly with hardline, very dedicated religious beliefs are engaged in the poppy trade, ensuring that that industry is assisted within the country.

Once again, my message is that we should be very careful not to allow people such as Fred Nile, whom we saw the other week, to suggest that, because someone might wear a particular form of clothing, they might be involved in a particular detonation or in bombing and that everyone should therefore be proscribed from wearing their religious clothing. We will have people banning violins next because a violin was used in some event or other. There is a danger here that, once you move on one group, once you start specifying what they are or are not allowed to wear despite their religious beliefs, it is a threat to all other groups. I thank you for the opportunity to speak on this motion and I commend it.

Debate (on motion by Ms Gambaro) adjourned.

ADJOURNMENT

Ms GAMBARO (Petrie) (11.50 a.m.)—I move:
That the Main Committee do now adjourn.

Women: Reproductive Rights

Ms HOARE (Charlton) (11.50 a.m.)—The reproductive rights of women and young people around the world are under sustained attack by the US and the Vatican. The Bush administration is threatening to withdraw its support for a landmark family planning agreement that only eight years ago the United States helped to draft. The US government claims that the terms ‘reproductive health services’ and ‘reproductive rights’, which figure in the final declaration of the United Nations population conference in 1994 in Cairo, can be construed to mean a promotion of abortion. The Cairo declaration promotes a concept of population policy that includes the legal rights and economic status of women. The declaration has been endorsed by 179 countries.

The Cairo conference has been widely acknowledged as a watershed event because it moved on from the traditional view of family planning and saw the importance of giving women more control over their lives. This has been considered an important measure against explosive population growth. The program endorsed at Cairo called for the stabilisation of the world’s population at no more than 9.8 billion by 2050. It called on nations to allow for wide accessibility to health care to reduce maternal mortality, to provide universal access to primary education and to stop the spread of HIV-AIDS. It also suggested that, where abortion is
legal, it should be safely available. The objections to legal abortion as an aspect of health care have largely come from the Vatican and several Islamic and Latin-American countries. The US has, up until now, consistently reaffirmed the Cairo principles.

The current US administration has attempted to withdraw support from United Nations programs that supposedly encourage abortion. The situation with the Cairo declaration is only the most recent example. In July, the US decided to withhold $34 million in previously approved assistance to the UN Population Fund. In May, during the United Nations General Assembly Special Session on Children, the Bush administration, the Vatican and some Islamic countries attempted to push for a policy that would prevent teenagers from accessing abortion. Indeed, its solution to the prevention of teenage pregnancy was to make abstinence from sexual activity the cornerstone of sex education for unmarried teenagers.

The draft plan of action seeks to highlight the problems and areas in the field of population and poverty alleviation that require concerted attention from governments, international donors and organisations, and civil society for the next 10 years. The draft document asserts:

We recognize that there remain major challenges in the areas of population, sustainable development, poverty reduction, migration, ageing, gender, reproductive health including the needs of adolescents, HIV/AIDS and resource mobilization. Our goal is to address these issues.

Strategic recommendations have been formulated under each of these topics with the aim of addressing the challenges in a concrete and action-oriented manner. The preamble—as well as some of the recommendations related to reproductive rights, adolescent reproductive health and resources—sparked heated debates amongst the delegates. Some of the issues thus remain unresolved and will be taken up by high-level delegates at the fifth Asian and Pacific conference. Jointly organised by the United Nations Economic and Social Commission for Asia and the Pacific and the United Nations Population Fund, the conference will be the only ministerial UNESCAP meeting of 2002. It has been convened to promote regional cooperation in the field of population, to consider a wide range of population issues and their impact on social and economic development and poverty.

It is at this meeting that the United States and the Vatican will attempt to overturn the reproductive health and rights of women. The US has announced that it cannot reaffirm its commitment to the International Conference on Population and Development plan of action and that its position is not negotiable. I am advised that the US is seeking to remove references to sexual health and rights and reproductive health services, expressing its objection to the terms ‘reproductive health’ and ‘reproductive rights’, placing less emphasis on family planning as a key component of reproductive health and placing an emphasis on information and education for adolescents that promotes abstinence over education on safe sex. I strongly urge the government, the Minister for Foreign Affairs and the parliamentary secretary to send a parliamentary representative to this meeting in Bangkok in December so that Australia’s opposition to the US and Vatican proposals is stated loudly and clearly.

Hawker, Mr Charles Allan Seymour

Mr JOHNSON (Ryan) (11.55 a.m.)—I want to talk in the parliament today about a great Australian, Charles Allan Seymour Hawker. On 2 December, applications were called for the Charles Allan Seymour Hawker Scholarship. I was privileged to be a Hawker memorial scholar in 1996 and had the privilege of spending two years at Cambridge University studying international relations. Charles Allan Seymour Hawker was born on 16 May 1894 at Bunga-reed homestead near Clare in South Australia. He was educated at Geelong Church of England
Grammar School and from 1913 at Trinity College, Cambridge. He enlisted in England in 1914 while at Cambridge and served with distinction on the Western Front at Ypres and Loos. He was wounded on two occasions and as a result lost an eye. After recuperating from 14 operations, and although classified as unfit for active service, Charles Hawker insisted on returning to the front with his battalion.

On 4 October 1917, at Broodseinde, during the third battle of Ypres, he was again severely injured by machine-gun fire and was paralysed from the waist down. He was told he would never walk again; however, through sheer determination he learnt to walk with the assistance of two sticks, although his legs were in surgical irons until his dying day. Charles Hawker returned to South Australia in February 1920, studied wool classing, forestry and botany and took an increasing interest in the family property. In 1929, he entered federal parliament as the member for Wakefield. In 1932, Prime Minister Lyons appointed Charles Hawker to the federal cabinet in the position of Minister for Markets and Repatriation. When the markets portfolio was renamed in April 1932, he became the first Minister for Commerce. J.A. Alexander, who was then a political correspondent in the parliament, said:

Charles Hawker made an immediate, spontaneous and powerful impression ... combined with his forceful presence, he had great natural charm which drew everyone to him ... I was struck by the clarity of his expression and by the clear penetrating quality of his voice ... He was a fighting debater and a shrewd, tenacious individual who was very passionate about the issues of his day. He resigned from the cabinet on 23 September 1932 over his opposition to increasing members’ salaries. This individual was a man of remarkable and rare principle, and throughout his life Charles Hawker displayed the highest personal qualities.

Despite his physical disabilities he won a place for himself in public life, which he held with increasing distinction. His political abilities, widely recognised and rewarded by his appointment as the youngest minister to the first Lyons government, seemed to indicate that Charles Hawker would in fact become Prime Minister of Australia. Fellow minister and future Prime Minister, Harold Holt, once declared that Charles Hawker was the most inspiring man he had ever had the privilege of knowing. A House of Representatives political correspondent in the 1930s, Warren Denning, wrote:

Charles Hawker, almost more than anybody I know, quite literally accepted Christ’s injunction to take up his bed and walk, and his story should be told ... he was unique in the political history of Australia. Charles Hawker was killed on 25 October 1938 when the aircraft Kyeema crashed in fog into Mount Dandenong in Victoria. His untimely death was felt sharply. He had been an outstanding and respected figure in the federal parliament, and some even suggested that he would be Prime Minister. Opposition Leader of the time, John Curtin, believed that Charles Hawker was on the threshold of great achievements.

I have the privilege of being a Charles Hawker memorial scholar. As I said, on 2 December—earlier this week—applications for the Charles Allan Seymour Hawker Scholarship were called for. This perpetuates the memory of a very great Australian. It is incumbent upon those of us in this parliament who know of Charles Hawker’s life and times and his contribution to this country to play a part in promoting his name. It is important that this parliament and those who appreciate the contribution he made to our country do precisely that. We are a country of exceptional individuals and I think it is important that members of this parliament play a part in letting our communities know that individuals like Charles Hawker do reflect on Australia’s past. I have the great privilege of encouraging those students in our universities
who wish to have the intellectually rich experience of studying overseas, and particularly at Cambridge University, to nominate. It is a very prestigious award and earlier this year I had the pleasure and indeed the privilege of presenting the awards to the 2002 recipients. They were outstanding young Australians, each of whom will carry the name and the memory of Charles Hawker with great pride and distinction. *(Time expired)*

**Sydney Electorate: National Service Awards**

Ms PLIBERSEK *(Sydney)* (12.00 p.m.)—I wish to place on the record today my admiration for a number of people who I was able to meet last week. They came to my office where we had a ceremony to present them with certificates of appreciation for service during a number of wars and conflicts, and a commemorative Anniversary of National Service 1951-1972 Medal was also presented to a number of people. The certificates of appreciation are a tangible means of expressing our nation’s gratitude to those who served in the armed forces or on the home front. For many of these people, it is the first acknowledgment they have had. The National Service Medal was established to mark the 50th anniversary of the introduction of post-World War II national service.

Many of the people who attended the presentation ceremony that we held last week received more than one medal or certificate. Indeed, I want to mention specifically the people who were able to come. We had Marjorie Kent, who served as a nurse at first aid post No. 7 at what was then Sydney Hospital in World War II. Marjorie was able to collect another certificate which was sadly awarded posthumously to her mother, Linda Wilson. Mrs Wilson served the troops at the canteen at Central Railway Station during World War II, and we all know how important it would have been to those troops, who were going off for training or perhaps were being shipped out, to have seen a friendly face before they left.

Jeff Weber received three certificates. He received one for the Malayan Emergency, one for the Indonesian Confrontation and one for his service during the Vietnam War in the Royal Australian Navy. Jeff had with him a number of family members who expressed their pride at his achievement. Mr Ian McNichol received two certificates, one for the Malayan Emergency and one for the Indonesian Confrontation. He served on HMAS *Barossa* during those two periods in which Australia was in conflict with our neighbours. We also had Mr Bob Robinson, who was a Vietnam War veteran and recipient of the national service medal.

Martin Tierney received the National Service Medal. Mr Tierney was the youngest of nine children, and several of his siblings also attended our ceremony last week. We were very pleased to have them there as well. It was interesting to hear that Mr Tierney was still living in the house that his parents had bought 65 years earlier. In an area like mine, that is certainly quite an unusual achievement in these days of big population movements. As I said, Mr Tierney had a number of his family members with him and they were also very proud of their brother.

This ceremony, which we perform several times a year in my office, is an opportunity for us to express our thanks to people who were involved in national service or who served in conflicts that Australia has been involved in over the years. As I said, this is always a very emotional ceremony because, for many of these people, it is the first time that their national service has been recognised. We know that, at times when Australia is in conflict, we require a lot not just of the soldiers who go overseas to serve but of the people who stay at home and support that effort.
I am on the record as opposing war generally and opposing the proposed conflict with Iraq but I have to say that, when we as a nation make these decisions we have to pay respect to the people who—often through no real choice of their own—inevitably make enormous sacrifices to do what they see as their duty to their nation and to the preservation of freedom and democracy in other countries. Last week I was certainly pleased to honour some of the people who have made that sort of contribution in the past.

Health: Childhood Obesity

Mrs DRAPER (Makin) (12.05 p.m.)—This afternoon I have the pleasure of announcing that yesterday, together with Senator Guy Barnett, secretary of the health and ageing committee and senator for Tasmania, I launched a proposal for a new national alliance to tackle childhood obesity. A new national alliance between national advertising based organisations, food and beverage companies and the federal government’s health and ageing committee has been formed to wage a multimillion dollar campaign against childhood obesity. As members are aware, I chair the government’s health and ageing committee. The committee secretary, Senator Guy Barnett, and I will recommend to the government that a joint task force for the industry be established to develop the campaign, which we expect to last for at least five years. It is hoped that the campaign could be similar to the highly successful slip, slop, slap campaign to tackle skin cancer in Australia, which succeeded in changing attitudes and behavioural patterns. The industry participants are led by the Australian Association of National Advertisers and the campaign is supported by the Australian Food and Grocery Council. The AANA has assembled a coalition for the purposes of this public awareness campaign which includes the Advertising Federation of Australia, the Federation of Commercial Television Stations, the Federation of Commercial Radio Stations, the Australian Press Council and Magazine Publishers of Australia.

This campaign is no fly-by-night affair. All the participants are in it for the long haul and are dedicated to fighting the growing problem of childhood obesity. Indeed, the obesity of Australia’s children is a time bomb ticking away. Unless we take action now, many Australians will be destined to suffer increasing health problems caused by their overweight condition. Obesity in later life can cause diabetes, cancer and other health complications. I welcome the comments of the Chairman of AANA, Mr Ian Alwill, who said that his organisation is proud to be part of this major national community awareness campaign, especially one that is designed to provide appropriate information to parents and children about the need for them to make healthier lifestyle choices. The campaign needs to be directed to where the message has the best chance of being heard. This means we need to feed— if you will pardon the pun— information into schools as well as into homes.

Earlier this week I advised the House of the success of the Childhood Obesity Forum held in Launceston, Tasmania, on Friday 29 November. My Senate colleague Senator Guy Barnett is to be congratulated for organising this forum and for his efforts on behalf of the government’s health and ageing committee to encourage industry groups to sign up to this important public health campaign. With both childhood obesity and diabetes on the rise in Australia, now is definitely the time for a concerted campaign to warn and inform all Australians, particularly parents, of the urgent need for them to make healthier lifestyle choices. If we can teach a child to live healthily today, chances are they will carry those lessons with them for life. This is to be one of the main themes of the campaign. If I may be so bold, one of the slogans that we can perhaps use, which may reach our young people and which I have already tried out on my three boys, is ‘If you’re going to chomp, you need to stomp’ in some way.
Walking is good, as is ball play, whether it be football—Aussie Rules for South Australians and Victorians—or rugby, soccer, basketball or netball. Also good are ballet, cricket, riding a bike, skateboarding and jogging. Any exercise is good or, in young people’s language, ‘sick’ or ‘wicked’. At some stage soon I will be enlisting the assistance of my dear colleague and friend Senator Eric Abetz, as Special Minister of State and senator for Tasmania, to help me with putting the patent on my slogan of ‘chomp and stomp’.

As I have mentioned before, the success of the launch of the smartcard in Queensland has so far been extraordinary. It is a system whereby children are rewarded for choosing healthy food—that is, fruit and yoghurt—over snack food by receiving reward points on their swiped smartcard. Thanks must go to Ms Sandy Towell, who was instrumental in developing the smartcard. I also take this opportunity to thank the national stakeholders present yesterday at the launch of the new alliance to tackle childhood obesity: Mr Colin Seglov from Multi Media Communications; Ms Catherine Aronson from the Australian Association of National Advertisers, as Mr Alwill was unable to be with us yesterday; Ms Anna Greco, Public Affairs Director, Australia Food and Grocery Council. Also may I thank the Minister for Health and Ageing, the Hon. Kay Paterson, and the Minister for Children and Youth Affairs, the Hon. Larry Anthony, for their strong support for this vitally important issue. In closing, I congratulate Senator Guy Barnett on this most important initiative of childhood obesity.

Chifley Electorate: Telecommunications Tower

Mr PRICE (Chifley) (12.10 p.m.)—I want to talk a little bit about our current Australian test cricketers. I note that I have three New South Wales colleagues here—the honourable members for Lowe, Shortland and Parramatta—and I think it would be fair to say we are all a little disappointed that Mark Waugh was not part of the Australian team following his outstanding contribution. For all those that love cricket there was something magical about the batting of Mark Waugh. Cricket is of course the national game of Australia. I know that in my state we like to think that rugby league is, but I truly think the one sport is cricket. Perhaps that overlooks the participation of people in netball and other sports.

Honourable members interjecting—

Mr PRICE—Okay, I am getting a few signals here. But the most important point that I want to bring to the attention of the House is that this is the Orange telephone company test series. Orange is owned by Hutchison, a wholly owned company based in Hong Kong, and it uses the series to promote its mobile telephone service. Prior to coming down to parliament this week, residents in the suburb of Minchinbury in my electorate—ordinary mums and dads, I might say—organised a public meeting which we held at the community hall and which was all about a proposed tower that the Orange telephone company, the principal sponsors of Australian cricket, proposed to erect on RTA land in Minchinbury, some 500 metres from the Minchinbury Public School. The meeting was well attended. The hall was absolutely packed out on a day on which we enjoyed something like 41-degree heat, and we were there to discuss the problem that tower presented.

Mr Deputy Speaker, I hope you will sympathise with the mothers and fathers who turned up on that night who are concerned about the impact of this tower on their children. The former state minister for education, John Aquilina, has said publicly that we ought to adopt a cautious approach to the impact of electromagnetic radiation on schoolchildren and not have a tower within 500 metres of a school, and I totally support him. It is my belief that our current minister, John Watkins—a very good minister, I might say—is going to make a public sub-
mission to Blacktown City Council expressing the very same view. I know that the jury is out or, to put it another way, that the scientific evidence does not suggest there is harm, but the scientists themselves believe we ought to keep an open mind on this. How often in the past have we been told of miracle drug cures or of the miracle attributes of asbestos in dampening down heat, only to see the disastrous consequences of them?

I know Blacktown City Council has been taken to court by Orange in the past. I regret to say the one point they did not argue in similar circumstances was in fact about the risks associated with electromagnetic radiation. We introduced federal legislation 10 years ago to ensure that, in introducing competition, we could roll out networks—and I supported that legislation then. I note that in the 1996 election coalition members were campaigning against it. We still need the legislation but there ought to be some weight on these companies using joint facilities or joint towers. There is one located just across the M4. I think it is outrageous that we have a situation where Orange are going to bulldoze a local community and put at risk schoolchildren, all in the interests of trying to get their network up, and that they are hardline about it. It pains me to think that the Australian cricket team is sponsored by a company which is so irresponsible about the welfare of children. (Time expired)

Economy: Household and Personal Debt

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Minister for Family and Community Services) (12.15 p.m.)—I attended a meeting of the Uniting Care Burnside Fathers Support Service on Friday last week. It is a gathering principally of lone fathers in Western Sydney. One conversation I had after the formalities left a big impression on me. One of the fathers, a bloke named Sean Williams, had apologised to the gathered throng as he felt that he was not adequately attired because he had just come in from work. Afterwards, he said to me, ‘I’m not a public speaker and I’m pretty exhausted anyway.’ When I asked him why, he said, ‘I’ve just been working for the last 22 hours.’ I said to him, ‘What would cause you to work 22 hours in a row?’ He said, ‘Christmas is coming up and I want it to be a good Christmas for the kids.’ I want to address my remarks today to the pressures on families in the lead-up to Christmas and in particular the risk of indebtedness, of personal household and credit card debt. The love of children, which was motivating Sean Williams to work 22 hours, can also cause us to make decisions which are perhaps not sustainable or not in the best interests of our families and children.

The Reserve Bank has recently released some data which is quite disturbing in regard to household and personal debt. It showed that in September personal lending rose for the sixth consecutive time to a record high of $5.58 billion. Home lending reached also a new height of $8.57 billion. I want to particularly concentrate on the issue of credit card debt—the mother of all personal debt in Australia—which hit a record of $21.7 billion. Personal and household debt is the great sleeper issue in Australian public life. I am not against credit cards. While the Islamic nations have tended to ban credit cards on the basis of objection to usury, they have in mind the proportion of people who get themselves into deep trouble over debt. I think we do have an obligation to try to educate and ensure that access to credit does not cause great pain and dislocation to families.

It is no problem having a credit card if you pay off the debt each month. It gives you free access to credit, which is a great thing. But the indications are that the poorest Australians carry the highest proportion of credit card debt. The Network Economics Consultancy report for Visa showed that Australians on incomes of $15,000 or less had an average of 11 per cent
interest-bearing debt, whereas those on incomes of $60,000 to $70,000 were carrying debt of less than two per cent. Those on the lowest incomes have the most difficulty managing their exposure to credit card debt. We are seeing more and more people presenting in financial crisis—and it is a particularly busy time of year in January and February, post Christmas—and they are citing credit card related indebtedness.

The Commonwealth runs the Financial Counselling Program, which in 2002-03 involved a commitment of $2.2 million to 43 agencies across Australia to provide financial counselling services to approximately 12,000 people. The 43 agencies operate 45 outlets—19 of them in regional and rural centres with no alternative service provider. The service is for people who, either through illness or perhaps some form of gambling addiction or credit card indebtedness, have got themselves in a crisis and need advice to get out of it. It is a good service that the Commonwealth is providing. I wish we could do more of it.

I simply wanted to sound a warning because all of us, with our excellent natural paternal and maternal instincts, want to do the best we can for our kids. We are, all of us, subject to the influence of slick marketing and mass media campaigns to encourage greater and greater consumption. I simply wanted to say, as we approach the Christmas season, that Australia does have a problem with indebtedness. We do reach too quickly for the credit card when we cannot necessarily pay it off. I would urge us, without diminishing the Christmas spirit, to make prudential and wise decisions in relation to personal and household indebtedness.

Colston, Former Senator: Criminal Proceedings

Mr MURPHY (Lowe) (12.20 p.m.)—I would like to raise again in the parliament the case of former senator Dr Malcolm Arthur Colston. You would be aware that since October 1999 I have been pursuing the Attorney-General and the Director of Public Prosecutions through letters, numerous questions on notice and speeches in the parliament about the case of former Senator Colston. At the heart of this case is public revenue—taxpayers’ money. If protecting taxpayers’ money is not in the public interest, I do not know what is. It was on 14 and 19 May 1999 that, in the words of the Director of Public Prosecutions over the last 3½ years, Dr Colston was examined by so-called independent, expert, eminent medical specialists—namely, a professor of surgery and a professor of medicine—in relation to his fitness to stand trial on 28 charges of defrauding the Commonwealth through travel rorts.

The public is entitled to know the present state of health of Dr Colston. To the extent that the Director of Public Prosecutions has initiated a third review, I give him some credit for that. But, when you look at the history of the questions that I have been raising in the parliament and the slowness of his responses to adequately deal with those, I have some reservations about the DPP’s handling of the review and also the government’s protection of former Senator Colston. The case of Colston gives all members of parliament a very bad name.

The Director of Public Prosecutions, when cross-examined in the Senate Legal and Constitutional Affairs Legislation Committee during estimates last week, in a slippery way started focusing on Senator Colston’s fitness to stand trial. I was able to ascertain from my questions to the DPP that, when the so-called eminent expert medical specialist examined Dr Colston in May 1999, the former senator had only months to live. That was more than 3½ years ago. In July 1999, the DPP, on the basis of the opinions of those eminent expert medical specialists—or the assessment of all the specialists, which included not only the eminent expert specialists but also Dr Colston’s own specialist—said that Dr Colston had a terminal illness and his con-
tion was such that he was unfit to stand trial and there was no prospect that he would be fit to stand trial in the future.

Dr Colston has been fit enough to undertake, as I ascertained in one of my questions on notice to the DPP, 27 taxpayer funded motor vehicle trips and 16 interstate aircraft trips between Brisbane and Canberra. Yet Dr Colston was supposedly unable to sit in a motor vehicle and an aeroplane for hours on end. There is also recent evidence in the media that he has been able to concentrate sufficiently to legally certify the company returns to the Australian Securities and Investments Commission in respect of his own company, Janfern Pty Ltd. Quite plainly, the evidence is that Dr Colston is not terminally ill. That was borne out by the evidence given by Mr Bugg before the Senate on Wednesday, 20 November that, ‘We are not looking at someone who is terminally ill; we are looking at his fitness to stand trial.

This case stinks. The public are entitled to know the state of health of Dr Colston. The latest review has been going since July of this year. How long does it take to establish whether someone is or is not terminally ill? I will go so far as to say in this parliament that Dr Colston is not terminally ill. I also want to make the point that none of us wants to hound a person who is terminally ill. However, in this case we want the truth because this matter goes to the public interest. It goes to matters of accountability and the public are entitled to know, as soon as possible, the state of health of Dr Colston and whether he is capable of standing trial. I believe that he is capable of standing trial as evidenced by his activity over the last 3½ years.

(Time expired)

Petrie Electorate: National Service Awards

Ms GAMBARO (Petrie) (12.25 p.m.)—The Petrie electorate has a very proud history in the defence of our nation, and one of my favourite duties as the federal member for Petrie is the presentation of medals to people in the electorate who have demonstrated their outstanding courage and fortitude at various times in their lives. On Monday, 25 November I hosted a local presentation ceremony for over 60 recipients of the Anniversary of National Service 1951-1972 Medal. This was a wonderful occasion which was marked by the inclusion of so many families and friends. Members of the Redcliffe branch of the National Servicemen’s Association were also in attendance. In all, approximately 160 people attended.

I would like to acknowledge the very fine work that the Redcliffe branch of the National Servicemen’s Association does in the area, and to particularly acknowledge a number of people, including Leo Kalinowski, Trevor Fitzgerald, Barry Scarborough and George Thomas. They do an absolutely fabulous job of organising these awards and ensuring that awareness of the association and of the role of national servicemen is increased.

This was the second time that I have held such a ceremony in the Redcliffe area and I must again commend the national servicemen for their wonderful work and also acknowledge the work of so many people in serving this country. At the commencement of the ceremony, Sarah Walsh, a year 11 student of Grace Lutheran College on the Redcliffe Peninsula, gave a beautiful and moving rendition of the national anthem, which she followed with her own composition: a tribute to the people who lost their lives in the recent Bali tragedy. It was very moving and the whole room was struck with great empathy. It was a very touching moment in the ceremony. Her presence, along with that of family and friends of the association, and members and grandchildren, ensured that we will never forget what we owe so many people who have served this country and the gratitude we should show to them. They fought to maintain those principles and everything that we hold so very dear in our country. In addition
to the ceremony on 25 November, I had great pleasure in personally presenting Mr Geoffrey Collins of Margate with his service medal on 28 November, at my office. He served at Singleton, in New South Wales, and was a member of the 3rd Light Regiment and one of the very first intakes in 1951.

I was delighted to present those commemorative medals to all of those people on behalf of the Petrie electorate. The medals serve as a physical reminder of the role of national service-men in serving and protecting Australia. They also demonstrate to those people the appreciation of this government and of the nation. The federal government established the Anniversary of National Service 1951-1972 Medal to acknowledge the men and women who served in the two national service schemes from 1951 to 1959 and from 1964 to 1972. During the operation of the national service scheme, national servicemen acquitted themselves admirably serving in places such as Korea, Malaya, Borneo and Vietnam, as well as back home in Australia.

In acknowledging the service of so many people in this country, I also want to thank the Rural Fire Service and all of those involved in protecting homes, flora and fauna for their work against the often destructive forces of fire. We are all aware that we are in the grip of a drought and each year bushfires cost the Australian public approximately $77 million. Of all the natural disasters that impact on the Australian community, bushfires are probably the most hazardous in terms of deaths and injuries. They also threaten communities and damage our environment, property and community assets. The Petrie electorate includes a very large proportion of outer metropolitan Brisbane, which faces a serious threat of bushfires because it backs onto nature reserves. Not long ago, parts of Chermside in my electorate were threatened by a bushfire. Chermside, which is an inner suburb, is only about 10 kilometres from the Brisbane CBD.

I recently launched a fire survival check list with the assistance of the Assistant Fire Commissioner, Iain Mackenzie, and members of the Redcliffe Fire Station: Bernard Nunn, Allan Verrall, Dean Terrett and Geoff Verrall. I thank them very much. The launch of the check list was attended by a number of people in the community. I acknowledge the very valuable work of the Rural Fire Service and I thank them for their wonderful participation in the launch. Lastly, I thank the Country Women’s Association of Redcliffe, who supplied their wonderful hall and catered for the launch. They did an exceptional job and I am grateful for their assistance and for their ongoing commitment to the local people of Redcliffe and to the community generally.

Banking: Services

Mrs CROSIO (Prospect) (12.30 p.m.)—I rise to bring to the attention of the parliament the concerns that my electorate still continues to have with the Commonwealth Bank. I mention the Commonwealth Bank because most of the complaints relate to that particular branch within my very busy electorate. I have raised on a number of occasions in here my concerns about the lack of facilities that are available and about the closing of branches. In fact just recently in this House we had a big petition on the matter and there was a demonstration to stop the closing of the branch of the bank at Greystanes. Fortunately the bank saw the light and kept that branch open.

I would like to say at the outset that I am not complaining about the staff. The staff who are employed by the Commonwealth Bank in Fairfield and by all the banks that I have dealings with are second to none. The problem is that management now feel that to save that almighty
dollar the customer has to stand in long queues and just wait for service. Because of my continual complaints, the other day the Ware Street branch of the Commonwealth Bank again engaged a consultant to ask our elderly pensioners in the queues whether perhaps they would be better off using ATMs. When they were told by all and sundry in this queue—some of them waited up to 40 minutes—that they did not want to use an ATM, that they wanted their passbook and that they had been using their passbook for 50 years, they even said, ‘If you can use a computer you should be able to use an ATM; if you can’t use a computer why don’t you try phone banking?’

What I am really saying to the Commonwealth Bank is that that is not a solution to my complaints. My complaints are on behalf of the constituents whom I represent. My complaints include that we need more service. I say to the bank: you have the facilities in this beautiful bank to open at least eight to 10 windows but what do we see during lunch hours, busy periods or pension days? We see two to three tellers serving people. Consequently you have anger and dissent, and you have certainly got people coming straight to my office, complaining and asking what we can do about it. Unfortunately, a lot of my constituents feel that because you are a member of the Commonwealth parliament, you literally still own the Commonwealth Bank, therefore you can dictate to them how to manage their affairs. I only wish that were true, because I certainly would not hesitate to do so. So at times I try diplomatically to say to the bank and to the bank management, ‘We have problems because your customers are waiting 40 to 45 minutes, because half of the community who use passbooks and are waiting are elderly, and because the facilities are not there to meet their needs.’

After having all those complaints, I recently saw in the press that the Commonwealth Bank is now virtually saying to home loan borrowers to reuse that money over the Christmas period. If it is correct that the Commonwealth has placed advertisements in newspapers, encouraging our people to withdraw from their home loans to fund their purchases in the Christmas and January sales, it is irresponsible. In my electorate we have families who are struggling under the debt trap. That sort of advertising is very cynical indeed. The bank tells me that that is a sensible and intelligent use of credit. It is nothing more than a socially irresponsible act. The fact is that, on average, consumers tend to spend 150 per cent more on their credit cards around Christmas time. Unfortunately, an increasingly materialistic society tends to forget what Christmas is all about—it is about caring and giving of ourselves. Instead, we see people now being saddled with huge debts in the new year and they struggle to pay them off. Then, of course, we have the beginning of the school year in January, when we find that people cannot meet their children’s basic requirements when they enrol in the new school year. The Commonwealth Bank is virtually encouraging its customers to go further into debt, but at the same time we see that Mr Murray has just made $9.4 million in shares. I say to Mr Murray: most of my constituents cannot even afford to buy the most basic allotment of shares, so you can expect me to continue to pressure the bank into focusing more on its business and improving its service to its customers. I will not give up that fight.

There must be more ways in which banks can make profits than just stopping service to customers. Every time they see their shares going up and down, we see that another teller has been removed from our Ware Street branch. I am not whingeing; what I am saying is that in the last six years I have seen six branches of the Commonwealth Bank close in my electorate, and in the Parramatta-Holroyd area and my area a total of 16 branches have gone. So we are not increasing service to the customer by saying, ‘Use your ATM or use your phone.’ What we are doing is taking away jobs and services and we are saying particularly to the elderly in
my community, ‘We do not care about you.’ What the Commonwealth Bank is saying to you is: ‘You are a pain in the butt by being a customer. If you cannot meet modern technology we don’t want you banking.’ I say to the banks who have that idea: it is the elderly that kept the banks going through thick or thin and it is about time you provided them with the service they now need. The Commonwealth Bank stands condemned for it.

Health: Anaphylaxis

Ms LEY (Farrer) (12.36 p.m.)—Mr Deputy Speaker, I stand here today to tell you about a little girl called Anna Buchhorn, who suffers from an unforgiving disease, anaphylaxis, and to raise awareness in this place of what anaphylaxis is. It is a severe, systemic allergic reaction caused by the release of histamine and other pharmacological mediators. There is no cure, only preventative and management measures. Basically, it is a severe allergy. The common causes are peanuts, nuts, fish, shellfish and dairy products, bee and wasp stings, drugs and latex. The whole body is affected, often within minutes of exposure to the allergen.

I have known little Anna’s mother, Loretta, for some years, since her older daughter and my daughter attended the same preschool in Albury. I remember the family’s excitement when the new baby arrived. But this is a little girl who seems to be allergic to the whole world, and since her arrival her parents have had to face the worry and anxiety of not knowing what is wrong with their daughter or how to fix it, but knowing that whatever it is is life-threatening and continues to get worse. With each exposure to one of these toxins—for want a better word—the allergic reaction becomes worse and worse. The prognosis, therefore, cannot be very good.

Life-threatening allergies like this obviously affect the individual’s whole life. The threat is always there, so the condition must be recognised as one that could take someone’s life at any time. The reaction is not recognised as a manifest condition under the Social Security Act. That is a problem, because families with children who suffer from these allergies need enormous support in order to sustain them and the children need help to grow as everyday children. The costs of medicines and supplies are a constant worry to the sufferers and to their carers. The children have to be cared for and managed constantly and they are dependent on their carers every day.

I congratulate Loretta because she has accepted that Anna must live as ordinary a life as she can. She goes to preschool, and the preschool has carefully removed from that environment all the rubber tyres and anything that looks remotely like latex because her problem relates very specifically to latex. To listen to Loretta sitting in my office and telling me what her life is like made me feel so lucky about the normality of my own children. Loretta says that when she goes to pick up Anna from preschool she sometimes wonders whether she will be alive or dead. Of course that is an exaggeration, but it does highlight the nature of this disease and the uncertainty that parents face. The only thing you can do when an allergic reaction takes place is to administer antihistamines and adrenalin. The anaphylactic reaction is caused by the sudden release of chemical substances, and the speed with which that happens means you have to react really quickly. It is a medical shock, an emergency that requires immediate treatment. Ten to 20 Australians die from anaphylaxis every year.

Loretta is a member of FACTS, the Food Anaphylactic Children Training and Support Association, which is a charitable nonprofit organisation that has been operating since 1993 to support and assist children and individuals affected by this condition. FACTS is doing a marvellous job in raising awareness of this condition in the community. The members voluntarily
provide skills to help families with food for children who suffer from reactions. FACTS is concerned about the number of families struggling with their feelings of isolation and the daily practicalities of raising these children. Loretta has explained to me that her friends just melted away because they did not want to deal with somebody whose child was in danger of literally collapsing at any moment if they walked into their house. So isolation is certainly a problem.

Loretta is organising an allergy conference to be held in Albury next year. I congratulate her on this initiative, because she has battled for so long on her own. She has battled with medical authorities, who have basically looked at her little girl as an experiment and have demanded that she test and record everything that happens to her and provide them with endless data sheets so that they can make recommendations—it is just that nothing really has a positive effect on Anna’s life after these long experiments take place. Loretta has battled with medical authorities, she has battled with child-care centres and preschools, and she has of course battled with government departments and policies. She is doing something positive: she is organising an allergy conference. She has been able to secure some very prominent keynote speakers and she has received an enormous reaction and enormous interest from the wider community, because allergies are a problem that affect everybody to varying degrees. I hope the conference is a wonderful success. I look forward to supporting Loretta with this conference, and I know that it will be a wonderful thing for our district. (Time expired)

Shortland Electorate: Gracelands Christmas Display

Ms HALL (Shortland) (12.41 p.m.)—Members on both sides of this House raise on countless occasions the work of volunteers in their community and their contribution to the electorates that we represent within this parliament. Today I would like to pay tribute to one particular family that has made an enormous contribution at Christmas time for six years. They are Alan and Margaret Spencer of 94 Violet Town Road, Tingira Heights. Each year at Christmas they light up their house, which is known as Gracelands, and raise thousands of dollars for charity. In the last six years they have raised $150,000, and this money has been given to the Hunter Westpac Rescue Helicopter Service, the Hunter police rescue and the John Hunter Hospital’s Kids with Cancer Appeal.

People from throughout the Hunter travel to view the spectacular display at Gracelands in Tingira Heights. Each year the family travels to the US to purchase Christmas lights. They pay for the investment themselves, and they do not keep a cent of the money that is raised when people come to view their house and make donations. A raffle is conducted each year, and this year that raffle will be drawn on Sunday, 22 December. The display is phenomenal. This year they have 55,000 lights on the house. Last year my mother came to visit me just before Christmas and we took her to see the display. She said that it was indescribable; she had never seen anything like it in her life. This is for the Spencer family. They do it for two reasons: firstly, to encapsulate the spirit of Christmas and make tens of thousands of people happy—and actually, hundreds of thousands of people have viewed their house—and, secondly, to raise money for charities. It is about the spirit of Christmas, which was spoken of earlier. It is about caring for people, making Christmas a little bit brighter for people in the Hunter, and it is also about giving to charities. The display at Gracelands is such an outstanding event that it has even been featured on Burke’s Backyard. Bus loads of pensioners go each year to view Gracelands, and I think every child in the Hunter has gone to view the display at Tingira Heights—it is part of the Christmas ritual.
REPRESENTATIVES
Thursday, 5 December 2002

Representatives: MAIN COMMITTEE

Last year I was surprised to learn that the Spencers had never been recognised for their efforts in raising money for charity and spreading the Christmas spirit, so I awarded them one of my Shortland community awards. The Shortland community award is an award I have in the electorate, and it recognises the work and contributions of volunteers. When I recognised their contribution to our community at a special ceremony in January last year just before Australia Day, everybody was so overwhelmed by the amount of money that had been raised, I am sure that this year they will raise a lot more money for charity than they did last year.

I would like to encourage all those people in the Hunter area and on the Central Coast—and people even travel from Sydney to view Gracelands—to go there and to dig deep, to take some money out of their pockets and to think of the charities this money is going to. Give a donation and buy a raffle ticket. The Spencers have made this investment out of the goodness of their hearts for the enjoyment of the community. All they are asking is that you make a donation to charity so you take part in the Christmas spirit of caring and giving to those people who need your assistance. I congratulate the Spencers for the fine work that they have done in their community. I thank them very much. (Time expired)

McPherson Electorate: Gold Coast Tourism

Mrs May (McPherson) (12.46 p.m.)—I have spent considerable time in this House raising awareness that Gold Coast City is a vibrant, innovative city with a broad base that does not solely rely on a steady stream of tourist dollars. But, while there is a time for that discussion, there is also a time to praise an industry on which the Gold Coast has thrived and indeed been built. Recently our newest airline, Australian Airlines, began flying into the Gold Coast and bringing more visitors to the coast than ever before. These tourists, mostly from Asia, will be able to enjoy both the Gold Coast’s beautiful beaches and its radiant hinterland without having to transit from Osaka, Hong Kong and many other Asian centres. This week alone, Australian Airlines will fly daily from Nagasaki and Osaka and three times a week from Fukuoka, Taipei, Hong Kong and Singapore. On average, all flights will be 90 per cent full. Add that to existing services provided by Freedom Air—which is now flying 12 international flights a week from New Zealand after adding a new service to Christchurch—and the many Qantas and Virgin Blue flights to capital cities and regional centres, and we see that the Gold Coast Airport is essential to the long-term future of Gold Coast tourism.

They are not resting on their laurels after recent success with strong international growth. A Gold Coast delegation recently met with representatives of Air Calin with a view to establishing flights to Noumea in the new year and with Virgin Blue to present the Gold Coast Airport as a hub for their planned Pacific routes. We are very lucky that the Gold Coast Airport is in safe hands. Gold Coast Airport Chairman, Jim Tolhurst, and Managing Director, Dennis Chant, along with their team have increased the domestic seating capacity of the airport by some 32 per cent in only six months.

But the seating capacity is not all that is expanding. The airport is expanding physically to include an international duty-free shop, contemporary specialty stores for gifts, several cafes with a wide variety of menus, enhanced check-in facilities and a more spacious terminal. This airport will draw from and service areas as far south as Yamba, as far west as Stanthorpe and north to Beenleigh. The airport services the most dynamic tourism area of Australia. In fact, the Minister for Small Business and Tourism, the Hon. Joe Hockey, refers to the Gold Coast as the ‘engine room of the tourism industry’. I personally believe the Gold Coast is Australia’s premier tourism destination.
Mr Neville—Are you the engineer?

Mrs May—I am the engineer, definitely. Good representation! Some figures suggest that just under 3½ million domestic travellers spend at least one night every year on the Gold Coast. However, most do not stay only one night. These figures suggest that the average length of stay was 4½ nights, while over 11 per cent of tourists stayed over two weeks. International visitors to the region also represent a surprising statistic. Over 870,000 international visitors visit the Gold Coast every year, staying on average 6½ nights. Canadian, Thai and the British visitors were our longest stayers, with Canadians staying a whopping average of 24 nights. These numbers do not take into account the fact that new visitors to the Gold Coast will only increase with the extension of the airport.

While the Gold Coast Airport is the gateway to the Gold Coast, some recent figures suggest that almost 70 per cent of visitors to the Gold Coast drove—bringing their families in their private vehicles—and that three per cent travelled by rail. It is for this reason that the Gold Coast was largely unaffected by the post September 11 tourism slump, as families and individuals declined to fly overseas and embraced domestic tourism destinations. Of course, when staying on the Gold Coast, tourists spend money, and the expenditure supports the many small businesses operating in the tourism industry.

The Gold Coast has achieved enormous growth during the past 50 years. It has gone from a small holiday destination the size of present-day Gympie to the sixth largest metropolitan city in Australia. And all of this happened without a comprehensive plan—that is, until now. A tourism vision for the Gold Coast is now coming into play. A key contributor to the vision is the Cooperative Research Centre for Sustainable Tourism. The Gold Coast, through Griffith University, is proud to boast this research centre and is quick to point out that it is the only one of its kind in Australia. The purpose of this centre is not only to create new models for tourism research but also to attempt to put the need for tourism research on our agenda and the agenda of the industry. Armed with a new vision, a growing airport, ingrained tenacity and an Australian public that just cannot get enough of the Gold Coast, our tourism seems well assured into the future.

Aviation: Bankstown Airport

Mr Hatton (Blaxland) (12.31 p.m.)—I followed the distinguished member for Hinkler in the House on the Broadcasting Legislation Amendment Bill (No. 1) 2002 and consequently, not being able to be in two places at once, I missed my chance to speak on the Aviation Legislation Amendment Bill 2002 in this place.

Mr Neville—As did I.

Mr Hatton—As did you. So in this five minutes I will cut all the nice bits out—or at least the bits that might be dealing more broadly with other aspects of the bill—and concentrate on where we are giving the government a bit of a whack.

The Deputy Speaker (Mr Jenkins)—Order! The honourable member will be careful not to revive the debate outside the standing orders.

Mr Hatton—You are quite right to remind me of this, Mr Deputy Speaker. I might have transgressed with regard to that. I remind the House that there was a set of amendments put by the shadow minister which went to the question of security and whether or not it had been adequately dealt with. If I had had the chance, I would have spoken on this bill in relation to airport safety and security, because Bankstown Airport, the core of my electorate—it is the
core of Sydney, as it is actually the geographical centre of Sydney—has more movement of private small planes than anywhere else in the Southern Hemisphere. It has anywhere from 250,000 to 400,000 movements a year. It is a massively important part of Bankstown’s economy. There are 1,500 people directly employed there. There are upwards of 3,500 people who tangentially, in one way or another, owe their employment to this most significant part of our local economy.

The question of how a security regime should operate at that airport, in conjunction with the arrangements at other major airports in Sydney, is one of particular moment, not only since September 11 but also since the Bali tragedy. Bankstown needs to be run well and properly. I have put it to the minister previously and I put it to him again today—even though in the interim he has actually made a decision which is entirely the opposite—that he is making a fundamental error in making a determination to go ahead with the sale of Bankstown, Hoxton Park and Camden airports. These three airports should stay in government ownership and control. I know that we set the parameters by leasing out all of Australia’s airports. It was our government that initiated that and this government has followed through with that. But the key matter here is Sydney being without a second airport, because this government has determined not to build one. This government has also given first right of refusal to the crowd that now owns Sydney airport. It was this government that decoupled Bankstown Airport and the associated Camden and Hoxton Park airports from Sydney airport itself.

The operation of Kingsford Smith Airport in dealing with the travelling needs of the public needs to be matched by the operation of Bankstown Airport as a general aviation airport. It should be strengthened rather than abused in the way the government has sought to do since 13 December 2000. It should remain in government control. Any proposed changes whatsoever to the operation of Bankstown Airport should happen through an environmental impact statement process. The minister promised at the time that something similar would happen but, hey, when do we expect anything like this to happen? He has announced that he wants the sale to go through quickly, without any new master plan for the airport, without any consideration by the community—all of the members of the community—of the manner in which the airport should operate in the future.

You have to ask why they want to push ahead so quickly and do it without a master plan. There are a series of examples Australia-wide where the same thing happened with other airports. It happened with Coolangatta, where they attempted to change the way in which they do things. The minister has knocked that back a number of times. There is no change because a National Party electorate is attached to it, virtually—that is, the electorate of Richmond.

In Bankstown, though, you can do whatever you want if you are a coalition government; you can belt the daylights out of Labor voters in Bankstown and surrounding electorates. The decision made on 13 December 2000 was a dumb one, an inexcusable one, an inappropriate one and an indefensible one. To compound that by going through with the sale and by not taking government responsibility for aircraft activity within the Sydney basin is reprehensible in and of itself. I condemn it totally. Don’t sell it.

Credit Unions

Mr NEVILLE (Hinkler) (12.56 p.m.)—On Monday in the debate on private members’ business, we were talking about credit unions and the part they play in the landscape of Australia’s financial institutions. I did not have a chance to finish all the things I wanted to say about that, and I would like to add some comments. I was talking about the problem that
credit unions have when they involve the defence forces and police bodies; even something like the Qantas credit union could come into that. Where legislation allows access to the names and addresses of people, it undoubtedly has serious implications. Accessing the membership list would allow easy geographic pinpointing of police, soldiers, SAS personnel and the like at their home bases. If records were to fall into the wrong hands, the ramifications could be horrifying. The credit unions have suggested that, if there are legitimate calls on the membership of the credit union, this could be done in a very sensible way by having a third party hold the membership list. They are not shareholders in the normal sense of the word, and they should not be subjected to the normal market forces. At the same time, people who need to access the details should be able to, if they have a legitimate reason.

The new financial services reform regime also raises some compliance cost issues for credit unions. Their two representative bodies support the objective of the FSR reforms but expect the regulatory environment to be flexible and proportionate to the consumer risk. That was something promised by the government, and I feel we should implement it. The national credit union representative bodies have also argued for the removal of deposit products from the FSR regulations, because deposit products are simple and well understood. Compliance with the FSR regulations entails specialising in training for staff. They also need to produce explanatory notes, disclosure statements and the like—a vast amount of paperwork, even for the simplest banking products. Even the notion of a credit union school bankbook would be covered by this legislation. It is very much an example of overkill. An inquiry by the parliamentary Joint Committee on Corporations and Financial Services recommended for the third time that basic deposit products not be governed by the FSR regulations for credit unions. If, however, deposits are to stay within the FSR, the regime should reflect their status as simple and well-understood products imposing little consumer risk.

The movement also spoke about a number of other products. They spoke about other payment system reforms. They talked about EFTPOS and the problems that it creates for credit unions. Louise Petschler, the head of public affairs, said:

EFTPOS reform should be implemented concurrently with reforms to credit cards, to ensure that the benefits and impacts of reform are distributed fairly and to ensure that the costs of implementation are minimised.

They also talked about ATMs. As you know, the Reserve Bank of Australia is currently facilitating industry discussions on how to move to a direct-charging regime. This could have some implications for credit unions that currently absorb the cost of foreign ATM transactions. They will have no control over the price paid by their cardholders, although many of the credit unions may choose to rebate the costs. So there are a lot of problems there. Credit unions represent 3.6 million Australians. Credit unions collectively, after the four major banks and St George, are the largest deposit-taking organisation in this country. We need to recognise the part credit unions play through mutuality and providing alternative services, especially in country areas, and we need to be sensitive to their particular needs and make sure that they are able to offer those services to all Australians.

Main Committee adjourned at 1.02 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Superannuation: Pensions**

*(Question No. 835)*

Ms Jann McFarlane asked the Minister representing the Minister for Finance and Administration, upon notice, on 21 August 2002:

(1) Has the Government produced a response to the report of the Senate Select Committee on Superannuation and Financial Services titled ‘A ‘Reasonable and Secure’ Retirement, which was tabled in April 2001; if not, why not; if so, what are the details of the Government’s response.

(2) Has the Government any plans to change the indexation method for Commonwealth superannuants.

(3) How many Commonwealth superannuants receive a part pension from the Commonwealth.

Mr Costello—The Minister for Finance and Administration has provided the following answer to the honourable member’s question:

In preparing this answer, it was necessary to obtain input from the Defence and Family and Community Services portfolios.

(1) The Government has not yet had an opportunity to provide a comprehensive response to the recommendations made by the Committee. The Government will submit its response to the Senate at the earliest possible opportunity.

(2) This issue is discussed in the Committee’s report, and will be taken into account when the Government develops its response.

(3) There is no complete information available about those former members of Commonwealth superannuation schemes who receive non-superannuation pensions from other Commonwealth programmes. However, according to Centrelink records, at 6 September 2002 there were 37,772 Commonwealth civilian pensioners of the Public Sector Superannuation Scheme (PSS) and the Commonwealth Superannuation Scheme (CSS) receiving reduced rate age pensions and 1,642 receiving full rate age pensions. These figures do not include former members who have received their benefit in the form of a lump sum.

According to the records of the Department of Veterans’ Affairs, at 28 September 2002, 20,718 Commonwealth superannuants receiving a pension from a Commonwealth superannuation scheme, including a military superannuation scheme, received a part income support pension and 2,301 received full income support pensions under programmes managed by that Department.

**Ethnic Aged Care Services Grants Program**

*(Question No. 875)*

Mr Laurie Ferguson asked the Minister for Ageing, upon notice, on 28 August 2002:

(1) For what specific purposes is funding available to eligible organisations under the Ethnic Aged Care Services Grants Program.

(2) How many organisations currently receive funding under the program in each State and Territory.

(3) What was the total sum of funding provided under the program in 2001-2002 and what is the estimated sum of funding that is available in 2002-2003.

(4) Has the Government initiated a review of the program; if so, (a) who is conducting the review, (b) what are the terms of reference, (c) what consultation, if any, is proposed with ethnic community organisations and (d) what is the expected completion date of the review.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) The specific purpose of the funding available to eligible organisations under the Ethnic Aged Care Service Grants Program is to:

- Engage with aged care service providers to address key issues for older people from each grantee’s community
• Assist aged care assessors and aged care service providers to become increasingly aware of how aged care services can provide culturally appropriate care for members of culturally and linguistically diverse communities.

(2) The number of organisations receiving funding under the Ethnic Aged Care Services Grants Program is currently being reviewed.

(3) The total sum of funding provided under the program in 2001-2002 was $607,957. The total sum of funding provided under the program in 2002-2003 is $607,957.

(4) Yes, the Government has initiated a review of the program.
   (a) The Department of Health and Ageing is in the process of engaging an external consultant to undertake the review.
   (b) The Terms of Reference are at Attachment A.
   (c) Consultation will occur with current grantees of the program as well as the Partners In Culturally Appropriate Care (also funded by the Department). Grantees have been notified of the review and invited to forward a submission in response to the Terms of Reference.
   (d) The expected completion date of the review is February 2003.

ATTACHMENT A
Review of Ethnic Aged Care Services Grants
Terms of Reference:
The Terms of Reference for the Review are:
Identify effective strategies for improving the coordination of services between service providers and Government.
• Identify all services provided to the target group and the areas where the services overlap/fragment.
• Examine the current coordination of services between the service providers and the Department of Health and Ageing.
• Consider the range of Government programs and services, which culturally and linguistically diverse communities are able to access.
Encourage innovation and flexibility in the delivery of Culturally and Linguistically Diverse Aged Services.
• Identify options for the promotion of best practice funding models.
• Examine the flexibility of the current funding model and provide options for consideration.
• Identify strategies to enhance flexibility of service provision and maximise use of funding/resources.
Maximise the performance and accountability framework for the delivery of funded outcomes.
• Identify performance assessment strategies and examine the strength and/or weaknesses of each.
• Identify current funding accountability mechanisms.
• Identify comparisons to other funding models provided by the Commonwealth and State/Territory Governments and comment on the meritorious qualities of each funding model.
Develop principles for the future distribution of aged care services funding to culturally and linguistically diverse communities;
• Consider the most appropriate placement of funding aged care services to culturally and linguistically diverse communities within the Department of Health and Ageing.
• Consider the current effectiveness of funding models in the delivery of outcomes.

Foreign Affairs: Iraq
(Question No. 976)
Mr Murphy asked the Prime Minister, upon notice, on 14 October 2002:
(2) Is he able to say whether the US (a) burns a quarter of all oil consumed in the world, (b) is utterly dependent on foreign oil supplies, (c) has to increasingly import oil from sources like the Caspian states, Russia and Africa on top of its traditional suppliers, (d) has to overcome foreign resistance to the outward reach of American energy companies and (e) is increasingly dependent on oil from dangerous, unstable and unfriendly regions.

(3) Has he assessed the significance of the world oil market to the present foreign policy considerations of the US; if so, how significant is it; if not, why not.

(4) Has he seen evidence justifying the need for the US to launch a unilateral military attack on Iraq; if so, what is that evidence; if not, why not.

(5) In what ways would any Australian military commitment to join a unilateral US military attack on Iraq be in Australia’s national interest.

(6) In what circumstances would he commit Australian military personnel to join a unilateral US military attack on Iraq.

(7) Can he guarantee that, if the Government determines that Australia be involved in a war on Iraq, the Government will not introduce a tax or levy to fund the cost of Australia’s defence force commitment to such a military conflict; if so, how; if not, why not.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) I am advised that publicly available information from the US Department of Energy shows that the United States consumed an average of 19.6 million barrels of oil per day (MBD) in 2001, compared with global average consumption of 76 MBD – around 26% of total consumption. The United States imported around 59% of its total gross oil (crude and products) demand in 2001 – an estimated 11.6 MBD.

I am also advised that around 14% of US oil consumption is sourced from the Persian Gulf (around 2.8 MBD in 2001). Other major suppliers of oil to the United States during 2001 were Canada (around 9% of US consumption), Venezuela (8%), and Mexico (7%). Other suppliers include African OPEC members (Algeria, Libya and Nigeria), Norway and Russia.

(3) The significance of the world oil market to current US foreign policy considerations is a judgment for the US Administration itself to make, no doubt taking into account the relatively small proportion of US oil needs currently sourced from the Middle-East.

(4) The government understands that the United States has made no decision on any military action against Iraq. The United States and other members of the international community are working to achieve a diplomatic solution to the dispute with Iraq, a process which has been advanced significantly by the welcome passage of United Nations (UN) Security Council Resolution 1441 on 8 November 2002.

There is an accumulation of evidence relating to Iraq’s continued defiance of the mandatory requirements of United Nations Security Council resolutions, including the 1991 Gulf War ceasefire Resolution 687, that Iraq’s Weapons of Mass Destruction (WMD) programmes be eliminated. This fact has been affirmed by the United Nations Security Council which—in Resolution 1441—has found Iraq in material breach of its obligations under existing UN resolutions.

I presented an outline of some key evidence to the Parliament on 16 September, and more detail was provided in a statement by the Minister for Foreign Affairs on 17 September 2002. Recent publication of the International Institute for Strategic Studies report on Iraq’s WMD programmes, and similar dossiers released by the United Kingdom and the United States governments also present clear evidence that Iraq continues to possess and develop these illegal weapons programmes.

The government believes this accumulation of public evidence makes a very convincing case for any action to enforce Iraq’s compliance with relevant UN Security Council resolutions.

(5) and (6) The government has not received any formal request to participate in possible military action against Iraq. If the government were to receive such a request, it would be considered at the time on its merits and according to the circumstances. I want to emphasise that Australia’s national interests would be a key factor in any subsequent decision by the government.

(7) There are no proposals before the Government for a special tax to supplement Defence funding.
Defence: Inspector-General Staffing
(Question No. 989)

Mr Price asked the Minister Assisting the Minister for Defence, upon notice, on 14 October 2002:

(1) Further to the answer to question No. 834 (Hansard, 25 September 2002, page 6990), what is the (a) staffing structure of the Office of the Inspector-General of the Australian Defence Force and (b) full year cost of that office.

(2) How many staff are allocated to, and or employed in the Office.

(3) What are the roles and responsibilities of these staff.

(4) Does the full year budgeted cost of the Office include the cost of the staff.

Mrs Vale—The Minister for Defence has provided the following answer to the honourable member’s question:

(1) (a) It is proposed that, when fully operational, the Inspector-General of the Australian Defence Force will have the following service and civilian staff:

- Chief Staff Officer – Colonel (or equivalent) (legal category);
- Director of Investigations and Review – Lieutenant Colonel (or equivalent) (legal category);
- Assistant Director of Investigations – Major (or equivalent) or Executive Level 1;
- Assistant Director of Review – Major (or equivalent) (legal category);
- Service Police Investigators – Sergeant (or equivalent) x 3 – one from each service; and
- Administration/Paralegal support – APS 5 or 6.

(b) As previously advised, the budgeted cost for the first full year was $1,018,700.00.

(2) Eight staff have been allocated to work in the office.

(3) The precise roles and responsibilities of each of the proposed staff members have not yet been finalised. In general terms, the staff will assist the Inspector-General of the Australian Defence Force to perform the following functions of the office:

- to investigate matters referred to the Inspector-General of the Australia Defence Force concerning the operation of military justice;
- to provide an avenue of complaints of unacceptable behaviour, including victimisation, abuse of authority and avoidance of due process;
- to promote compliance with the requirements of military justice in the Australian Defence Force;
- to monitor key indicators of the military justice system for trends, legality and compliance, including service police reports and significant administrative inquiries; and
- to provide reports to the Chief of the Defence Force.

(4) Yes.

Small Business Answers Program
(Question No. 991)

Ms Hoare asked the Minister for Small Business and Tourism, upon notice, on 15 October 2002:

(1) What is the status of the Small Business Answers Programme?

(2) Is the Small Business Answers Programme replacing the Small Business Assistance Programme?

(3) What are the differences and similarities between the Small Business Assistance Programme and the Small Business Answers Programme?

Mr Hockey—The answer to the honourable member’s question is as follows:

(1) Delivering on the Government’s election commitment, I was pleased to announce in the 2002/03 Budget context, funding of $60 million over four years for a new Small Business Assistance Programme. Under this Programme $24 million is provided for advisory services (through the Small Business Answers sub-programme) to expand on and replace the successful Small Business Ass-
sistance Officer initiative and another $36 million is provided to promote an enterprise culture in the small business sector and establish small business incubators.

On 2 September 2002, I announced the new Small Business Answers competitive grants program that will fund organisations to deliver advisory services to small business owners and managers across Australia, particularly in regional areas not already serviced by existing advisory bodies.

Small Business Answers builds on the good outcomes of, and lessons learned from, the pilot Small Business Assistance Officer initiative. It allows for funding to be targeted to avoid duplication with other service providers. For example, State Government subsidised Business Enterprise Centres.

Applications closed on 8 October 2002, and the response has been overwhelming, with over 160 applications for funding totalling more than $50 million.

It is anticipated the successful grantees under Small Business Answers will be operational in early 2003.

(2) No.

(3) The $24 million Small Business Answers Programme is a sub-element of the $60 million Small Business Assistance Programme.

**Migration Agents Registration Authority**

*(Question No. 1108)*

Mr Laurie Ferguson asked the Minister for Citizenship and Multicultural Affairs, upon notice, on 12 November 2002:

(1) Further to the answer to question No. 693 (*Hansard*, 18 September 2002, page 6596), of the 20 former migration agents who deregistered themselves, or allowed their registration to lapse, while the Migration Agents Registration Authority (MARA) was investigating complaints against their conduct, how many did so after 1 November 2001.

(2) Following recent changes to legislation, what action, if any, has MARA taken to pursue outstanding complaints against the former agents concerned.

Mr Hardgrave—The answer to the honourable member’s question is as follows:

(1) Six.

(2) The new legislation allows the MARA to investigate a complaint about a person who is no longer registered as an agent. However, the investigation must occur within 12 months of the date of the agent’s deregistration.

While the legislation does not operate retrospectively, it does contain transitional provisions. These allow the MARA to investigate a complaint made before the commencement of the legislation (ie 1 November 2002) if it relates to a person who was registered immediately before 1 November 2002.

None of the six agents referred to in (1) were registered immediately before 1 November 2002, therefore they cannot be investigated by the MARA under the transitional provisions.