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Monday, 10 February 2003

The SPEAKER (Mr Neil Andrew) took the chair at 12.30 p.m. and read prayers.

DELEGATION REPORTS

Parliamentary Delegation to the Islamic Republic of Iran and the Hashemite Kingdom of Jordan

Mr JULL (Fadden) (12.31 p.m.)—Mr Speaker, I present the report of the Australian parliamentary delegation to the Islamic Republic of Iran and the Hashemite Kingdom of Jordan. When the prospect of a military conflict in the Middle East looms large and the threat of global terrorism poses unwelcome challenges to the Australian way of life, the Australian parliamentary delegation to Iran and Jordan during October and November 2002 was, I believe, of particular importance. The delegation wanted to attain and promote the ongoing friendly relationships between the three countries. We do have historical, economic, social and strategic linkages which are meaningful and beneficial.

This report sets out in full our itinerary and gives details of our discussions with government and business leaders. It also makes a number of recommendations that we believe will help to promote the present strong ties between Australia, Iran and Jordan. In particular, we have concentrated on the renewal and strengthening of parliamentary ties and the gaining of an understanding of domestic political, social and economic issues. Regional issues were also at the forefront, including the Israeli-Palestinian conflict, the issue of Iraq and the case of Iran on Afghanistan. Current trade investment and commercial relationships are reviewed, as are ways of strengthening cultural, educational and scientific ties through exchanges and cooperation.

Our access to high officials in both countries was, frankly, magnificent, and we thank the Speaker of the Islamic Consultative Assembly of Iran, the Majlis, and the President of the Senate of Jordan for all their efforts in hosting this visit. Our meetings with Speaker Karrubi in Iran and His Majesty King Abdullah bin-al-Hussain of Jordan were particularly memorable and most useful. We must also extend our thanks to the Charge of the Islamic Republic of Iran in Australia, His Excellency Mr Eshaoh Al Habib, and to the Ambassador of the Hashemite Kingdom of Jordan to Australia, His Excellency Dr Khaldoun Tharwat Talhouni. We also thank the officials from our own Department of Foreign Affairs and Trade, Austrade and AusAID, Dr Michael Ong from the Parliamentary Research Service and the Parliamentary Relations Office, particularly Mr Russell Chafer.

The support we received from our Ambassador to Iran, His Excellency Mr Jeremy Newman, and in Jordan from His Excellency Mr John Tilemann was superb. However, I am sure that the delegation would like to make special mention of the efforts of our Deputy Head of Mission in Iran, Ms Jacqui Rabel, and our Third Secretary in Jordan, Ms Kelly Matthews, who accompanied the group and looked after our welfare and various demands so efficiently and with great friendliness and humour. May I also thank the deputy leader of the delegation, Mr Martyn Evans, the member for Bonython, for his great support, for his wisdom and dedication and for his introduction of the delegation to the delights of Iranian nougat, to which we are all addicted!

Our group, including Senators Lightfoot and Allison; the member for Gilmore, Joanna Gash; and the member for Lyons, Dick Adams, worked very hard indeed to ensure the success of the delegation and I thank them all most sincerely. Alex Tewes, the secretary to the committee, did a great job under often difficult circumstances and we all thank him sincerely as well. Our delegation received extensive press coverage in both Iran and Jordan and I understand our ambassadors felt our efforts were successful in reaching the goals we had set for this visit.

Mr MARTYN EVANS (Bonython) (12.35 p.m.)—I would like to join with the leader of the delegation, the honourable member for Fadden, in thanking all those who assisted the delegation. As the deputy leader of the delegation, I would particularly like to extend my thanks to and support for the leader and the work he did. These dele-
gations are not easy to undertake, particularly over a two-week period to two countries, when the itineraries are as impressive as the one this delegation undertook. Every day was wide ranging, and the number of meetings, trips and visits on each of those days made for a quite extensive itinerary, as I think the delegation’s report will reveal. Indeed, the leader was able to take us through those and maintain an impressive schedule as part of that, and we were able to build an impressive list of contacts and to ensure that the interests of Australia were well represented in each of those two countries.

At the parliamentary level, Australia has not, to date, been able to have extended contact with either Jordan or Iran. It is very timely that we are able to add to our contacts with those two countries not only because of their possible long-term importance to us economically but also because of their topical importance at a political and geopolitical level. I would like to join with the leader in thanking all of those who assisted the delegation so ably in preparing for the trip before we left Australia. I would also like to thank our embassy staff on the ground and the local staff of the countries concerned as well.

We were ably assisted on the ground by the embassy staff. We received fantastic support from the ambassadors and their staff. We were very well received indeed. On each occasion the support we were given by the countries concerned was indeed fantastic, and the access we were given was without parallel in my experience. I think Australia can learn from that. The parliamentary contact we received was very good, and I look forward to the opportunity to reciprocate that when parliamentary delegations come here. I think that is the way we are able to build on those contacts and further the understanding between the two countries.

There is no doubt that it is only by these kinds of visits that we are able to build understanding between countries, particularly in the case of Iran, where the level of understanding between our two cultures is perhaps not as high as it might need to be. There are considerable gaps in understanding between our two cultures, and they need to be broken down if the relationship is to be built upon. Australia certainly is well received in that country, and I think we need to build on that in the future. Obviously there are some areas of policy which we will disagree on, but there are many areas which we can build on for the future. There are many areas of misunderstanding between our two cultures which personal contact can certainly resolve. Many members of the Iranian parliament have received their postgraduate and graduate education in this country. They have had very positive experiences of Australia and we need to ensure that Australians also have some positive experiences of their country.

Jordan has a very vibrant local economy but obviously has a lot of work to do in further building that economy, and I think Australia can assist in that area. I know there are very positive aspects to that relationship which we can all build upon not only as individual members of parliament but also collectively as an Australian government. In conclusion, I again endorse the remarks of the leader of the delegation and thank my colleagues on the delegation for the very cooperative spirit in which we were able to work during the trip.

GREAT BARRIER REEF MARINE PARK (PROTECTING THE GREAT BARRIER REEF FROM OIL DRILLING AND EXPLORATION) AMENDMENT BILL 2003

First Reading

Bill presented by Mr Kelvin Thomson.

Mr KELVIN THOMSON (Wills) (12.39 p.m.)—The Great Barrier Reef Marine Park (Protecting the Great Barrier Reef from Oil Drilling and Exploration) Amendment Bill 2003, if passed, will give the Commonwealth government the power to protect the Great Barrier Reef from oil, gas and mineral drilling and exploration. The legislation proposes to extend the Great Barrier Reef region to the exclusive economic zone. This would have the effect of prohibiting mining and exploration both on and near the reef. If supported by the Howard government, the legislation will once and for all remove the threat posed by exploration and mining to the reef’s fragile ecology. It is well known that oil slicks can travel many kilometres and an accident
involving oil drilling outside the reef, given prevailing currents and winds, could have catastrophic consequences for the reef.

The introduction of the Great Barrier Reef Marine Park (Protecting the Great Barrier Reef from Oil Drilling and Exploration) Amendment Bill 2003, as a private member’s bill in the House, delivers on Labor’s promise to protect the reef. The Great Barrier Reef is one of the natural wonders of the world and one of the few things on earth which can be seen from space. It is Australia’s greatest natural tourist asset. Every year 1.6 million people visit the reef, and it is at the heart of Queensland’s tourism industry, to which over 200,000 people owe their livelihoods. Senator Jan McLucas, with the Democrats leader, Andrew Bartlett, will cosponsor the legislation as a private member’s bill in the Senate. The bill extends the Great Barrier Reef region; it does not impact on any other uses of the area such as fishing.

The reason the bill is necessary is that the Howard government has failed to act. It should not have been necessary. The Minister for the Environment and Heritage, Dr David Kemp, in a media release of 21 February last year, said that he had ‘no legal power’ to stop the application by the Norwegian company TGS-NOPEC to explore for oil in the Townsville Trough, located just 50 kilometres from the Great Barrier Reef Marine Park. But has he done anything in the last 12 months to give himself the power? No, not! The legislation will give the government the legal power to stop this exploration and any future attempts to explore or mine for oil on or near the Great Barrier Reef. It will help give effect to Labor’s 2001 election commitment to ban exploration, mining and minerals extraction from national parks and World Heritage areas and in Australian waters near the Great Barrier Reef. It will give effect to the pledge, given at the national launch of the ‘No rigs on the reef’ campaign in Townsville in October 2001, that Labor would enact legislation to prohibit all exploration, mining and minerals development in Australia’s jurisdiction from the Great Barrier Reef Marine Park to the limit of the exclusive economic zone. It further delivers on Simon Crean’s commitment made in Townsville in April last year to ban oil drilling on or near the reef.

We will find out whether the Howard government is serious about protecting the reef from the risks of oil exploration when we see whether or not it is prepared to support this bill. It should be a matter of great public concern that the government has taken no action to block the TGS-NOPEC application, which has now been a live application for over 18 months. It is also a matter of great public concern that the government’s geological authority, Geoscience Australia, has ordered scientific data on most parts of the Great Barrier Reef Marine Park which may contain commercial oil deposits. A report released after an order from the Senate in December last year shows that Geoscience Australia has systematically assessed the commercial oil and gas potential of every basin around the Great Barrier Reef. If the government does not support this bill, we can only draw adverse conclusions about how serious it is about keeping the Great Barrier Reef free from the risk of oil spills.

The government has also been slow to implement the recommendations of its own inquiry into ship safety in the Great Barrier Reef region. In the last two years the reef has experienced three oil spills and two ship groundings, as well as the application to test for oil outside its eastern boundary. In November, a ship passing through the reef’s inner channel released 800 litres of oil onto beaches close to Townsville. On Christmas Day, a slick up to 100 kilometres long was reported 12 nautical miles east of Whitehaven Beach. We all know the damage still being done 10 years after the massive Exxon Valdez spill in Alaska. We know the environmental disaster caused last year by the sinking of the oil tanker Prestige, which washed millions of litres of oil onto the Spanish coast.

Minister Kemp and the Howard government need to develop a real sense of urgency about protecting the Great Barrier Reef, and they can make a good start by supporting the passage of this bill. Only one of the major parties is serious about protecting the Great Barrier Reef, and that is the Labor Party. The protection of a treasured national icon such
as the reef demands decisive action, and I urge the Howard government to support the passage of this bill. The Howard government has failed to protect the reef from the serious challenges now confronting it; we have policies to protect it. *(Time expired)*

**Bill read a first time.**

The SPEAKER—In accordance with standing order 104A, the second reading will be made an order of the day for the next sitting.

**PRIVATE MEMBERS’ BUSINESS**

**Health: Parkinson’s Disease**

Ms GAMBARO (Petrie) (12.45 p.m.)—I move:

That:

(1) this House calls on the Government to fund a national co-ordinated study into Parkinson’s disease due to the increase in the number of sufferers estimated to be 80,000 at present and the lack of comprehensive data on Parkinson’s disease for more than 40 years;

(2) the study determine:

(a) the number of sufferers;

(b) how the disease affects sufferers and their carers; and

(c) how much the disease costs the Australian community; and

(3) the Government continues to place healthy ageing as a priority and that a national prevalence study of Parkinson’s disease will aid in better treatment of the disease and assist in understanding the impact on future health budgets.

It is estimated by the *Medical Journal of Australia* that the incidence of Parkinson’s disease in this country has risen by 100 per cent since the year 2000 to stand at almost 80,000 people. It is a significant increase and one that is already making a dramatic impact on the health care budget. But the most important element in this opening statement is the fact that the number of sufferers in Australia is only an estimate.

In Australia, there has not been a national prevalence study into Parkinson’s since the 1960s. We do not fully know the impact of Parkinson’s disease on our health care system, but we do know that the impact is considerable. We do not fully know how Parkinson’s disease affects sufferers and their carers, but we do know that the impact is very diverse and most significant. What is most unsettling, however, is that the impact of Parkinson’s disease on sufferers, carers and the health budget is contingent on another figure that we do not really fully know. That figure is the number of sufferers of Parkinson’s disease in Australia. We therefore need a national prevalence study into Parkinson’s disease in Australia.

At this point I would like to publicly acknowledge Parkinson’s Australia for their work and the assistance they provide through their state and territory organisations. I would personally like to thank the many people who have contacted me and expressed their hopes for a national prevalence study and provided me with information and assistance. I also wish to acknowledge the attendance here today of some members of the Parkinson’s ACT support group. I thank you so much for your support, and I hope that this motion will reciprocate to the sufferers of Parkinson’s disease Australia wide.

When I first became involved in the call for a national prevalence study into Parkinson’s disease in August last year, I was amazed at the number of people who contacted me to tell me of their experiences with this disease. What surprised me was the mixture of stories of how Parkinson’s disease has affected their lives. Some were sufferers, some were carers or family and friends; all had been startled by how this disease strikes randomly and how their lives have been affected.

I heard the story of the father of a young family, who was seemingly fit and healthy and who was suddenly struck down by this disease. Through medication, he continues to lead as normal a life as he possibly can. He is not much older than I am, and it is very difficult to see that happening to someone so young. His story, like so many others, highlights how very little we know of the Australian experience with this disease.

According to a recent study by the Queensland University of Technology, Parkinson’s disease is one of the most common degenerative diseases to affect the elderly and is believed to be the most common degenerative disease after Alzheimer’s. Although
most people with Parkinson’s disease are diagnosed after the age of 50, approximately 10 per cent are diagnosed at less than 40 years of age. It is estimated that Parkinson’s costs the Pharmaceutical Benefits Scheme around $30 million per annum. But this is only part of the cost. Each year, conditions associated with Parkinson’s disease such as anxiety and depression, lost productivity, hospitalisation from falls and accidents and surgical techniques, including implantation, are not counted as part of the cost of Parkinson’s disease. Neurologists in Australia suggest that the true cost of the disease is closer to $1 billion per year.

Although there is no cure for Parkinson’s, it can be effectively managed by medication and treatment. But we need to know more about this disease. Expert neurologists suggest that a study could cost up to $1.5 million and it could run for three to five years. The study would not only establish the cost of Parkinson’s but also help to develop improved diagnosis and to measure the cost efficiency of intervention techniques. Many people inadvertently think that Parkinson’s is only about having the tremors. That is only one of a range of symptoms that can include things such as rigidity, stooped posture, slow movements, lethargy and communication difficulties. As many as 50 per cent of patients with Parkinson’s disease are treated for depression.

A recent study by the Mayo Clinic in the United States found that patients with Parkinson’s disease had significantly more physician consultations per year and more emergency department visits per year. They used neuroleptics and antidepressants much more frequently and, while the risk of nursing home placement was higher, the overall survival rate of Parkinson’s disease sufferers was significantly reduced. With the number of people aged over 65 predicted to more than double in the next 30 years, it is imperative that we unlock some of the mysteries surrounding this disease whose symptoms, severity and progression are so nebulous.

Overseas experiences of prevalence studies have found some interesting results. A door-to-door study in Rotterdam in the Netherlands of just under 7,000 persons aged 55 years or older found that 12 per cent of participants with Parkinson’s disease were previously undiagnosed. Those results were echoed in a similar Spanish door-to-door study of over 14,000 participants aged 65 and over. This study found that as many as 24 per cent of subjects with Parkinson’s disease were newly detected through the survey. Although these are only two studies, their findings are mirrored in many studies the world over and the same conclusion is drawn: without a prevalence study, a substantial number of patients with Parkinson’s disease will go undetected in the general population. In the United States, a similar survey was conducted on census day and it found a surprising 40 per cent of Parkinson’s disease patients were undiagnosed.

The international result of prevalence studies indicates the importance of conducting a national prevalence study here in Australia. A national prevalence study would find the total number of Parkinson’s disease sufferers in this country through detection of undiagnosed sufferers and would also highlight the education needed to inform the public of this disease. More importantly, a prevalence study would indicate the most effective means of serving the growing number of Parkinson’s disease sufferers in Australia and assist in the allocation of funds for the treatment and management of this disease.

Without a national prevalence study, many communities have relied on overseas studies and international experience to tailor their intervention programs. In the United Kingdom and Europe many Parkinson’s sufferers have the assistance of Parkinson’s disease specialist nurses. The UK experience has shown that the inclusion of specialist nurses as a contact point for Parkinson’s sufferers is a very effective way of assisting patients and thereby reducing costs associated with the frequency of GP and hospital visits of patients. The inclusion of specialist nurses at Westmead Hospital in Sydney and at the John Hunter Hospital in Newcastle has indeed been very successful, but resources are stretched because of the breadth of this dis-
ease in our ageing population and its propensity to grow.

When the Treasurer presented his landmark Intergenerational Report as part of last year’s budget, he demonstrated the importance to future governments of the ageing of our society. We must start now, the Treasurer said, to put in place measures which will sustain a decent health system and a decent aged care system into the future. If we ignore moderate changes now, the challenges will only get greater, the decisions will only get harder and the solutions will slip from our grasp.

I applaud the government and our commitment to healthy ageing. I now call on the government to continue to place healthy ageing as a priority and to support a national prevalence study into Parkinson’s disease. Without this study, we run the risk of many people going undiagnosed or forgoing adequate treatment for their disease. And, from a government perspective, we run the risk of falsely calculating the future impact of this disease on health and aged care budgets and of course on the Australian community.

I would like to finish with a message that was emailed to me from a gentleman with Parkinson’s disease from your home state of South Australia, Mr Speaker. His call reflects the need for a prevalence study to understand the complexity of this disease. He says:

We are all at risk. It will cost little to further our knowledge of this condition, but it will give hope to many thousands of Australians whose luck has all but run out.

I therefore ask all members of this House to support the call for a national prevalence study into Parkinson’s disease.

The SPEAKER—Is the motion seconded?

Mr MARTYN EVANS (Bonython) (12.55 p.m.)—I second the motion. I strongly support the motion moved by the honourable member for Petrie. In so doing, I draw the attention of the House to the long history of Parkinson’s disease. As the member for Petrie has pointed out, Parkinson’s disease is primarily a disease of the aged. Although it does affect a small number—perhaps 10 per cent—of much younger people, it is primarily a disease of those who it is primarily a disease of those who are somewhat older; that is, perhaps over 40 or 50 and, in many cases, over 60. In history, it has not been that noticeable because it is only in the recent century that people have lived in large numbers to an older age. The first mention of Parkinson’s disease actually goes back some 5,000 years to early India, and we have recorded mention of it as far back as 5000 BC. The Chinese recorded references to it some 2,500 years ago. It has been documented well since the 1800s. But, in recent times, the numbers being recorded are very significant and worrying.

Diagnostic techniques have improved dramatically and a larger number of people are living to much older ages. It is the fervent wish of our community, and of course of this House, that we ensure that the population generally will live a longer and healthier old age. Any disease which is a large-scale degenerative disease, such as Parkinson’s disease, will be a significant factor in the management of the health care of an ageing population. Parkinson’s disease therefore presents a significant challenge to the health care of the community. I think the motion proposed by the honourable member for Petrie is very timely and relevant for the consideration of the House and the government.

Parkinson’s disease is quite difficult to accurately diagnose because there is no simple diagnostic test that a doctor can perform to obtain a clear-cut decision. You cannot simply take a blood test and say, ‘Yes, this person clearly has Parkinson’s disease.’ There is no clear-cut analysis. I suspect that has left a relatively large undetected population of Parkinson’s sufferers in the community. Therefore, the honourable member for Petrie’s call for a prevalence study is quite relevant. I suspect we will find a large number of people out in the community with so far undetected Parkinson’s disease.

Apart from that, I think there are a great number of things that the government needs to turn its attention to in relation to the management of this disease in the community. We also need some very clear best practice guidelines and treatment information out in the community. These days, the medical pro-
profession is inundated with large quantities of information from all sources—drug companies, government organisations and GP organisations—but government can assist quite well through prescribing guidelines as to what is best practice in management, techniques and drug-prescribing information. I think government is well placed, as an independent source of information, to look at some of these large-scale illnesses. In the United States, where a bit more work has been done on this, we are looking at a very significant number of people. At least 500,000 are believed to be currently suffering from Parkinson’s disease, with 50,000 new cases reported annually. As the member for Petrie has said, these figures are underreported. Therefore, that proportionate number is applicable in Australia.

A lot of information has been gained by organisations such as the National Institutes of Health in the US, which spends $US15 billion a year—which is equivalent to $A30 billion—on the management of medical research, and a lot of that money on degenerative illnesses like Parkinson’s disease. We need to have organisations like the government tapping into that research and into our own research here in Australia, coordinating that kind of information and feeding it back out to the medical profession, to qualified nurse organisations and the like. This will ensure that best practice guidelines, best practice prescribing information and best practice nursing and health care information are available to those who administer that care, and also to patients at the coalface, so that it can best be used by them and so that it can be updated regularly as the information becomes available. We also need to ensure that the latest drug approvals for these kinds of areas, especially for chronic conditions such as Parkinson’s, are not withheld. We do have a tendency in Australia to not move as quickly as we could in these areas. (Time expired)

Dr WASHER (Moore) (1.01 p.m.)—Parkinson’s Australia requested a national study to determine the actual number of sufferers and the true cost of the disease to the community. As the member for Petrie has stated, we need to detail the personal, family, carer and community implications of this community implications of this disease and the true costs. As has also been explained, there is a direct and indirect cost related to the disease. We definitely need cost-effective treatment and management options for the best therapeutic outcomes. The scientific committee of Parkinson’s Australia has already met with senior officials in the Department of Veterans’ Affairs and the Department of Health and Ageing regarding the study proposals. This committee consists of peer leader neurologists with expertise in Parkinson’s disease.

As has already been stated, it is estimated that this disease affects up to 80,000 Australian sufferers and is second only to Alzheimer’s disease in prevalence as a severe neurodegenerative disease. The cost to the PBS is estimated to be greater than $30 million per annum. Parkinsonism is a clinical syndrome with multiple aetiologies, characterised by varying degrees of bradykinesia—that is, slow movement—tremor, rigidity and postural instability. The common denominator in all forms of Parkinsonism is the reduction of striatal dopaminergic transmission in the nigrostriatal pathways in the brain.

Parkinson’s disease, or PD, is subdivided into idiopathic or unknown causes, which account for 75 per cent of cases with the disease, and secondary forms accounting for the rest. It is essential to distinguish these forms as the prognosis and the treatment differ significantly. Early diagnosis with accurate subtyping will become increasingly important as new therapies emerge in this decade that may be specific to subtypes of PD. PD is a neurodegenerative disorder affecting one per cent of persons over the age of 55 years, as estimated by the US. It appears that in the earlier onset—that is, in the less than 55 years age group—where the disease is much more aggressive, genetic factors are highly significant, whereas genetic factors appear to play a lesser role in the more common onset of the disease, in the greater than 55 years age group. The pathologic hallmarks of PD are degeneration of the dopaminergic cells of the substantia nigra pars compacta—SNc—and Lewy bodies in the pigmented brain stem neurons. Cell depletion in the SNc occurs gradually, and the symptoms only develop after 50 to 60 per cent of the
after 50 to 60 per cent of the midbrain dopamine neurons are lost late in the disease.

There has been research focus on the role of oxidative stress and the damage that may be caused by free radicals produced by metabolism of dopamine and melanin and mitochondrial dysfunction. Certainly, there is solid evidence of mitochondrial dysfunction in muscle and platelets of patients with PD. The clinical features of the disease include bradykinesia, muscle rigidity, Parkinsonian tremor, Parkinsonian gait, motion freezing, dementia in 30 per cent of advanced stage patients, depression in 50 per cent of patients and major sleep disorders in most cases. The goals in therapy are to maintain functions by controlling primary disability with symptomatic therapy—which Cortzias Levodopa discovered in 1969—and, more recently, with carbidopa-levodopa combinations delaying the onset and reducing the severity of dyskinesia.

Secondary disabilities such as contractures and arthritis are delayed by regular physical exercise. Other therapeutic goals are to provide maintenance of drug effectiveness, prevent psychiatric complications and provide neuroprotection—for example, with Selegiline and Resagiline. Much is required in the way of research to type and treat this common, devastating disease, and I advocate that this research should commence as soon as it is feasible.

Mr BRENDAN O’CONNOR (Burke) (1.05 p.m.)—I cannot say that I am aware of all the terminology just used by the member for Moore. One thing it does indicate is how complex this area is. The members for Petrie and Bonython have said how complex the efforts are in order to diagnose the symptoms of Parkinson’s disease and determine whether a person has the condition. It would appear, to me at least, it is critical that we do more in this area to ensure that people who have Parkinson’s disease are able to be given the best possible health care.

As indicated earlier by the mover of the motion, not only are there tens of thousands of sufferers in Australia but there seems to be a sudden increase. Whether that increase is the result of changes in society, whether there is an increase in diagnosis because there has been a lack of diagnosis in the past, or whether it is the result of a set of multi-factors—including the fact that, as the member for Bonython indicated, as a larger proportion of Australians get older and contract some of the diseases that pertain to people who are ageing there will be a greater proportion of sufferers—is not fully clear either. Again, all these are questions that should be answered by some proper analysis.

There is no doubt that there are a large proportion of Australians and millions worldwide with Parkinson’s disease. There is a particular need for us to respond to that. I commend the motion moved today by the member for Petrie, and I am happy that I have the opportunity to respond on this matter. I personally do not have anyone close to me who is a sufferer of Parkinson’s disease, although I do know of people, not so close, whom I have worked with and of others who have suffered the disease. It seems to hit many people but, because of my lack of intimate knowledge, I perhaps have not known a great deal about the matter.

This motion has prompted me to look at the matter closely, perhaps more closely than ever before. I was aware, of course, of the symptoms that most people are aware of. I was aware that there are general symptoms that include rigidity, tremors and stiffness. What we do not know with any certainty is the cause, although there is a view that there is a small proportion of sufferers who experience an inheritance pattern. There are arguments that Parkinson’s disease is precipitated by some forms of drug use, and there are other factors. But we are not aware of the particular causes, and we should be pursuing those causes.

We are aware of the social impact on the sufferers and on the families and loved ones who provide their care. We are aware of the fact that there are thousands of people who assist in the care of people with a disability or debilitating condition. We are also aware of the change of life that occurs to a sufferer. It has been put to me, not by somebody close but by someone who was at one point, not long ago, the president of the Canberra press gallery and who was diagnosed with Parkinson’s disease at the age of 47, that the leth-
argy experienced is like trying to walk in a swimming pool that is full of water. That is the feeling he has, and that lack of independence arises as a result of being diagnosed.

These are the matters that have to be attended to by governments. I think it is time now for this government and the parliament as a whole to reconsider the priorities given to particular areas. I think we do have to look at whether we are subsidising or spending too much on things that are incidental to our health care and not the major priorities. This is a commendable motion that attempts to reorder the priorities that are needed by governments and other authorities to look at the most important matters of health care in Australia, and it allows us to open the debate about whether we are spending our money properly. (Time expired)

Mr HARTSUYKER (Cowper) (1.10 p.m.)—I welcome the opportunity to speak today on the member for Petrie’s motion, which relates to Parkinson’s disease. Parkinson’s disease is a progressive neurological condition that causes difficulties in initiation, coordination and control of physical movement. It can impact on the most basic daily functions, such as walking, talking or even swallowing. It can also affect the way a person thinks and the emotion which is felt. As the second most common degenerative neurological condition behind Alzheimer’s disease, it does not discriminate by gender, race or age. Although it is prevalent in people aged 50 to 75, approximately 10 per cent of those diagnosed with Parkinson’s disease are under the age of 40.

Despite being widespread, the treatment of tens of thousands of Australians is hampered by a lack of a cure for the disease. Within the support network of Parkinson’s sufferers there is, I am informed, a saying that you do not die of Parkinson’s but you do die with it. Coping with and treating Parkinson’s sufferers does pose many challenges for our communities, particularly those living in regional and rural Australia. Sufferers and their carers usually must travel long distances to major metropolitan areas in order to receive specialist treatment. This makes accessing ongoing treatment extremely difficult for those who live outside major cities such as Sydney. This provides great challenges also for the mobility impaired. There is a widespread belief by sufferers within my community that the utilisation of specialist resources would be much more efficient and effective if the professionals travelled to country areas instead of the patient and carers all having to travel to a major city.

While doorknocking in my electorate, I have met a number of Parkinson’s sufferers and their carers and taken the opportunity to discuss the challenges that they confront. Mr Brian Quine, who is the president of the Coffs Harbour Parkinson’s disease support group, pointed out to me that Parkinson’s disease has not only a physical impact on an individual but wider implications for the sufferer and their immediate family and friends. As a sufferer himself, Brian’s perspective provided me with an invaluable insight into the day-to-day circumstances which those with Parkinson’s disease have to deal with. Brian rightly points out that the treatment of the Parkinson’s varies from individual to individual. There are numerous different conditions which fall under the medical condition of Parkinson’s disease, but the impact is similar for all those who are struck down by the disease. For example, many sufferers become socially isolated because of the difficulty of leaving home and mixing within their communities. In some ways, this has led to Parkinson’s disease becoming a hidden disease. In fact, the numbers of sufferers which actually exist and the ramifications for our local communities are probably much greater than we currently acknowledge.

Problems with a sufferer’s mobility are compounded by widespread ignorance about the disease. Quite often this results in a less than favourable perception by the general public when they see a sufferer struggling with their balance or visibly shaking. Of equal concern is the impact the disease has on the immediate family. More often than not it is the wife or husband of the sufferer who is charged with the responsibility of caring for someone with Parkinson’s disease. Depending on the condition of the sufferer, carers may be on call up to 24 hours a day to help.
One of my constituents, Sylvia Broadhurst, looked after her husband, Keith, for 17 years. In my conversations with Sylvia what struck me most was the fact that, despite all the care and commitment she gave to her husband, Keith, she never complained, and she expressed her willingness to do it all again if the necessity occurred. During the first eight years of care, her husband’s condition degenerated to a point where she was on call 24 hours a day. That meant that she could not have visitors in her home and she became dislocated from her local community. The local Lions Club lent a hand by constructing ramps to enable her to access the backyard and the patio. She stated that the job that she had as a carer was similar to looking after a young child. We should never underestimate the tremendous work being carried out by carers, such as Sylvia, who are making such personal sacrifices out of love for a relative.

Parkinson’s disease is a condition which touches most communities across Australia. I support the motion and the call for a study which will enable us to obtain necessary data on this disease. This will allow the community to more accurately plan and better provide for the relief of sufferers and their carers.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! The time allotted for this debate has expired. The debate is therefore adjourned and will be made an order of the day for the next sitting.

Education: Music

Mr PEARCE (Aston) (1.15 p.m.)—I move:

That this House:

(1) recognises the importance and value of all children learning music as part of their school education;

(2) appreciates how the learning of music can provide additional benefits to a child’s overall academic and educational development;

(3) acknowledges the significant contribution and effort that people from all walks of life make to their local communities through music and arts initiatives, particularly those that support our youth;

(4) recognises the positive link between the wellbeing of our youth and their appreciation and active participation in music activities; and

(5) calls on the Government through the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) to actively support and encourage:

(a) an increased presence and heightened importance of learning music within the various education curricula throughout Australia; and

(b) an increase in funding for school music education programs from respective State and Territory governments.

I believe that every child in Australia should have a comprehensive education in music. If this can be achieved, I believe those young people will have a better life and that Australia—and, for that matter, the world—will be a better place. Music, rather than being treated as a peripheral subject, should form part of a student’s core and compulsory learning throughout their entire school life. For centuries, the value, importance and impact of music in society and on human beings has been extolled. Plato said:

Education in music is most sovereign because more than anything else rhythm and harmony find their way to the inmost soul and take strongest hold upon them, bringing with them and imparting grace if one is rightly trained.

Music can and does make a difference. Today more than ever we are questioning the world we live in. We wonder how we can convert negative to positive and we sometimes seek in desperation to hold on to those values which bind us together as people, families, communities and nations. The future of the world rests with our children so, in seeking a better future, we must focus on them. One way a child’s life can be enriched is through music, whether by learning, understanding, appreciating or actually performing. Music has been identified as making a major difference in our world in many ways, and these differences come together for both the individual and society.

Let us look at the benefits to the individual. In the area of education, there is a raft of evidence from around the globe that demonstrates the potential benefit of music to the development of our children. Research in Hungary in the 1950s comparing the academic success of children at special music
kindergartens and primary schools with that of children in mainstream schools found that playing music increases memory and reasoning, time management skills and eloquence. In 1993, a two-year study in Switzerland conducted with 1,200 children in more than 50 classes conclusively showed that playing music improved children’s reading and verbal skills through improved concentration, memory and self-expression. Ongoing research conducted at the University of California and the University of Wisconsin in the US has demonstrated that learning and playing music builds or modifies neural pathways related to spatial reasoning tasks. This is important, as it is this area of development that can greatly assist in the ability and functioning of the brain in activities such as maths, chess and science.

A further study placed a set of children into four distinct groups: those in the first had computer lessons; those in the second had singing lessons; those in the third learnt music using a keyboard; and those in the fourth did nothing additional. The results were remarkable. The children who had the music lessons scored significantly higher—that is, up to 35 per cent higher—than the children who had computer classes or did nothing additional. Finally, at Brown University, research has revealed that children aged between five and seven who had been performing under par in their general schooling had rapidly improved and somewhat caught up with their fellow students after several months of music lessons. This demonstrates the valuable remedial role that learning music can play in helping underperforming students. The fact is that the more music a child can experience, the more likely that child will develop, improve and excel in academic achievement overall.

Now let me focus on the benefits to society. Can there be any finer example of how music can benefit society and bring people together than the release and outstanding success of the hit song *We are the World*? This song brought together a wide-ranging and disparate group of performers, all with one objective: to help the fight against hunger. Through this song, millions of dollars were raised to assist those most in need. Logically, last year over 100,000 young Victorians benefited from the Freeza program, which was introduced in 1996 and provides an opportunity for young people to organise, perform and enjoy music in a drug- and alcohol-free, supervised, safe and secure environment. It is this kind of contribution that music can make to our society and to shaping the ability and character of our young people.

Right now, more than ever, there is debate about the impact of alcohol, tobacco, illicit drugs and depression in our society and debate about what can be done to eradicate these problems. When I first entered this House some 18 months ago, I raised in my first speech the concern about the incidence of depression and youth suicide in the community, and even then I noted the role of music as ‘the greatest natural antidote to depression that I know’. I believe this is still the case, and that is why I am moving this motion today. In January 1998, the Texas Commission on Drug and Alcohol Abuse reported that secondary students who participated in band or orchestral music programs recorded the lowest levels of lifetime and current use of all substances. This finding is supported by further research at Harvard, Stanford and Columbia. In particular, a longitudinal study called Champions of Change concludes that students involved in music programs are far less likely to be involved with drugs or crime, or to have behavioural problems. As a result, these music students are better citizens in their local communities. Louis Harris said:

> Music is a great uplifter of the spirit. It liberates depression, raises the levels of exhilaration and cleanses the soul.

If we want our youth to be happier—and more connected with and more active in our communities—music and the great experience of sharing and performing music together can help. Music can help keep our kids on the straight and narrow. There is an abundance of evidence that links music making and wellness. Nicole Lehmann from the University of Wisconsin said:

> Music gives us hope in sadness and depression, releases our feelings of grief. It can put a smile on our face and a rainbow in our heart.
The science journal *Nature* reported that studies have found that schoolchildren who had music lessons were generally more successful in school, overall, than those who did not. It reported that music encouraged and developed self-discipline, problem solving skills, cooperative and social skills and sensitivity to one’s environment.

Having said all that, what is the problem? The problem is that music is slowly being marginalised as part of the school curriculum in Australia. To illustrate my point, let me quote from a paper written by Dr Anne Lierse in 1997 titled *Music in schools in the 21st century: an endangered species?* The paper expressed concerns about music in Victorian secondary schools. Her two key findings revealed, in essence: firstly, 48 per cent of secondary schools had cut or reduced their classroom music programs because of the crowded curriculum; and, secondly, an increasing number of schools were moving the emphasis on music education from the classroom to the extra-curriculum area, to avoid pressure on the overcrowded curriculum. On this evidence, despite the proven and substantial benefits of music, I fear that music’s survival as a core part of a student’s academic education is at risk.

I am, of course, not saying that music can solve all our problems. It is not a panacea for all ills. What I am saying is that music can make a difference—a positive difference. It is long overdue that we as a community embrace what is good and dump what is not. Surely we should do everything we can to promote and encourage anything that makes the world a better place. Music should be a core subject, just like English and mathematics, for the entire school life of every student in every school throughout Australia. Governments need to recognise the clear and tangible benefits music can bring. They should do this by putting investment in, developing new and extended music curriculum programs, providing more funds for classroom music programs and providing more music teacher recruitment, training and development—and I say ‘investment’ because this would be an investment in our children and in the future.

I want to conclude by restating that the true value of music lies in its ability to shape an individual’s abilities and character. It lies in its capacity to positively affect the creative, intellectual and emotional development of human beings. Quite simply, I cannot imagine my life without music. It is this value that we should promote. (Time expired)

*The DEPUTY SPEAKER (Hon. I.R. Causley)—Is the motion seconded?*

*Mr Bartlett—I second the motion and reserve my right to speak.*

*Ms VAMVAKINOU (Calwell) (1.25 p.m.)—I would like to congratulate the member for Aston for bringing the very important issue of music education to the attention of this House. I agree with virtually everything the member said in his speech, and I am wondering what I can add to enhance the fact that it is widely held that the language of music requires skills that are in many ways unique. Music education deals with a unique form of intelligence and as such it should stand separately from all subjects in the school curriculum. Parents and schools are aware of this and today more and more children—from their pre-school years and sometimes even from birth—are exposed to the teaching of music. Every child should be given the opportunity to experience music and to benefit from it, given the growing body of evidence that indicates that learning and experiencing music plays an important role in the brain development and social development of a child. Music provides the opportunity for aesthetic development, enabling children to develop a sensitivity to the world around them and a capacity to discriminate—I am talking not only about intellectual taste, but also about artistic and cultural taste.

The benefits conveyed by music education can be grouped into four major categories. Firstly, music provides skills for success in society. Music is a part of the fabric of our society and human culture uses music to carry forward its ideas and ideals. Secondly, music contributes to overall success in school. Skills learned through the discipline of music can be transferred to study skills, communication skills and cognitive skills used in every part of the curriculum. Re-
searchers firmly believe that children who have more exposure to music and music training benefit from enhanced brain activity, which has been shown to increase students’ abilities to perform certain academic tasks, mathematics being one of the more common areas referred to. Thirdly, music helps in developing overall intelligence. That has been established, and there is some evidence that music education can make for smarter kids by enhancing their brain function and, particularly with younger children, developing their spatial intelligence. Fourthly, music helps with the way children learn to understand and negotiate life. It helps create social and family bonds that may not otherwise be created, and through music children can be introduced to the richness and diversity of the human family.

The ALP has always been a strong advocate and supporter of the arts, especially in the context of education programs, and music is one of the finest examples of artistic education. We have long realised the benefits of extending the school curriculum into more culturally diverse areas because of the added cultural stimulus that can be provided to young and growing minds by imbuing a greater sense of confidence and awareness. We should not underestimate the value of music education for our young people—in particular its capacity to become a strong point of reference for our teenagers as they negotiate the difficulties of adolescence. Music helps them establish a cultural and social identity which is essential to their existence as social beings.

We need to try and make music education available to as many children as possible. We need to give them the option and the opportunity to diversify their talents—to skill them up culturally and to broaden their horizons. As such, adequate funding is essential to the successful provision of music education, and it is a responsibility of both the federal and state governments to ensure that all children from all walks of life have the opportunity to benefit from music education. For example, I know that in my own state of Victoria the state government has committed itself to making music an important part of the state’s education curriculum. That is a priority that could be further enhanced by the federal government as well. The Victorian government funds a program called Artists in Schools which involves professional practising artists working in Victorian schools for up to 20 days at a time. It is a program funded by the Department of Education and Training and managed by Arts Victoria. It provides innovative opportunities for students to be actively engaged in training and to interact with professional artists. By watching, working and sharing ideas with professional practitioners, young people gain insights into the way that artists think, work and feel. These programs are open to Victorian primary and secondary schools in both the government and the non-government sectors.

One of the challenges—and I think the member for Aston referred to it—that faces the education system with regard to music is that of retaining the integrity of music as a discrete subject area and reversing the growing trend which is moving towards a generically based arts curriculum. Music needs to continue being treated as a separate and unique area of each child’s curriculum. Finally, music education should not be a luxury; it should be an integral part of the curriculum, affordable for children from all walks of life. Unfortunately, this is not always the case and music education still remains a privilege, given varying levels of importance and frequency on the school curriculum. (Time expired)

Mr BARTLETT (Macquarie) (1.30 p.m.)—I rise to support this motion not as one who can claim any knowledge or ability in things musical; rather, I do so almost as a musical philistine—one who sadly failed his first lessons on the triangle in kindergarten and still cannot play a meaningful succession of notes on any instrument. However, I do greatly appreciate the value of music and its ability to substantially enrich our lives; to relax, stimulate, heighten and intensify a whole range of emotions and to provide sheer pleasure to listeners and performers alike; as a limitless and rewarding outlet for creativity; and as a means of communication which can transcend all barriers.
To come to an appreciation of music early in life is far better than to do so later in life. To develop an understanding of music, to participate in a range of musical experiences and to achieve a level of competency during the school years is of immense value. Besides the intrinsic value of music itself, music provides numerous other benefits which enhance a child’s educational and personal development. These include an outlet for creative expression; the challenge of mastering another body of knowledge; the development of coordination and fine motor skills; improved memory skills; improved spatial-temporal reasoning; a greater sense of teamwork by participation in ensembles, choirs and so on; the improved self-discipline and diligence that comes with involvement in music; an enhanced sense of rhythm and movement; a sense of achievement; the building of self-confidence and self-esteem; and the development of a more well-rounded, complete young person. These things are of immense value for our young people.

One notable recent study that has received much attention in Australia is a US report called Champions of Change: the Impact of the Arts on Learning, published in the year 2000. This report suggests that students who have a consistently high level of involvement in instrumental music during their middle and high school years show significantly higher levels of mathematics proficiency by year 12, regardless of their socioeconomic background. In the earlier years of school particularly, the sheer enjoyment and thrill of participation are evident. As my wife, a primary teacher and music teacher, succinctly put it, ‘The kids just love it. That is good in itself and good for what it brings to their enjoyment of school.’ There are very clear links between the enjoyment of school, engagement in the learning process and success across the curriculum. If music adds to enjoyment, it must lead to greater engagement and therefore greater success in the school curriculum. This and the opportunity to continue that involvement in the post-school years is a valuable contributor to the well-being of our young people.

Unfortunately, there does seem to be a decline in the provision of and participation in music in our schools. For this reason, the Music Council of Australia is carrying out a research project to ascertain the trends in the provision of music education in all states and territories and across all types of schools—public, Catholic and independent schools. The data gathered from this research will provide the basis for a national campaign for music participation in the community at large but especially in our schools. This national campaign will be conducted in conjunction with the Australian Music Association and the Australian Society for Music Education, the largest national organisation of music educators in Australia.

It is essential that efforts to promote music education be supported by our education authorities. There is pressure from a flood of other aspects on the school curriculum, but the threat to what is intrinsically valuable by this process of attrition must be arrested. The federal government has a leadership role to play through the Ministerial Council on Education, Employment, Training and Youth Affairs. A greater focus on music within the education curriculum and greater resourcing by the state and territory education departments are essential starting points in reversing this trend. Music has much to offer our young people—it provides an enjoyable experience that can broaden students’ understanding and appreciation of the world around them, it transcends differences and it helps bring people together. It is important that appreciation and participation be encouraged in the early years. I support the efforts to do so and commend the terms of this motion to the House.

Mr SIDEBOTTOM (Braddon) (1.35 p.m.)—I come to the debate on this motion—music education—as a frustrated guitarist and singer. Also, in my former existence I was privileged to be a senior secondary college teacher at the Don College in Devonport, where I had the privilege of being in charge of the arts. I also had the privilege of directing 13 musicals, most of them at the Don College. There I really did develop the greatest appreciation of the talent and the energy of young people and the im-
The importance of music. The contribution of music to the development of children cannot be underestimated. Music is therapeutic as well as educational, in that it improves coordination, and it improves visual, aural, mathematical and other cognitive skills and abilities through improved thought processes. It provides a valuable adjunct to a child’s overall educational and academic development, regardless of age, intellectual, social and, importantly, physical status.

Indeed, Howard Gardner in his work *How Are You Smart?* sets out seven areas of intelligence and skills, each of which is inherently catered for in the study, appreciation and practise of music. It is a wonderfully effective means of multi-intelligence education. It helps to develop valuable listening skills and promotes positive self-discipline. The social benefits of music participation and appreciation are equally important, encouraging teamwork, sensitivity and self-confidence.

Music is not only another language to learn but, as my son’s former piano teacher, Angela Polden, pointed out, ‘It is a means of communication that is understood worldwide. It expresses emotions deeper than words.’ She also said that music gave one ‘insights into self-awareness of what you know and what is yet to be learnt’. What better argument for the promotion of music than to discover the self and others and to express this even to the point where others can share it in situ and over time? Angela Polden also said in a very interesting speech that piano playing in particular is one of the small group of activities that encourages optimal brain use in verbal and linguistic skills, mathematical and spatial skills, motion and insight. Needless to say, I cannot play the piano.

In my local community, all of the above skills are highlighted by the Barrington District Choir, or Crescendo as it is more popularly called. Crescendo is an initiative of the Tasmanian education department and was pioneered by my friend Elizabeth Sandman, who recently received a Centenary Medal for her magnificent contribution to the promotion and love of music on the north-west coast of Tasmania, particularly amongst young people. Crescendo was formed in 1995, and members are drawn from all schools within the Barrington district. This includes a senior secondary college, six secondary schools and 20 primary schools. The aim of the choir is to promote the arts to all students in the district, an area often recognised for its commitment to sport related pursuits. For those students who are members of Crescendo, it is anticipated that competencies such as commitment, teamwork, perseverance, striving for excellence and a real sense of community will be added and important outcomes.

The choir offers its members the opportunity to perform on stage in both large and small group situations and also in solo, duo and trio capacity. This enables a member to gradually build the emotional and mental stamina that is required for solo performance. Initially, all members perform on stage as a group, either as a choir or as a performer in one of their many musical items, which enables self-discipline to be conducted in a positive atmosphere. Opportunities to perform in small groups, trios, duos or solos to build confidence and self-esteem are presented at the local eisteddfod competitions. There are many other performances provided on request to various community organisations, clubs and civic functions. Crescendo has found that music performance and enjoyment can meet the needs of all its members and audiences. Music is uplifting, especially when performed in a group situation, providing the performers and audience with satisfaction, enjoyment and indeed excitement.

My last words on this topic are from Elizabeth Sandman. She says in response to the motion:

Any increase in school music funding would provide fantastic benefits and can only heighten the participation and appreciation levels of youth members and all those in the local community who know of the benefits and enjoy music in all its various genres.

I congratulate my friend the member for Aston for raising this issue and for reminding us of the importance of music and, more broadly, the arts. In doing so, he also highlights our need to do much more in promot-
Mrs ELSON (Forde) (1.41 p.m.)—I rise today to speak in support of this motion on music education by the member for Aston. In essence, this motion asks the House to recognise the importance and benefit of music in a child’s school education and calls on state governments to recognise this importance through the allocation of more funds for school music education programs. There is no doubt that learning music can and does provide additional benefits to a child’s overall academic and educational development.

These fundamental benefits include providing an outlet for creative self-expression and individuality. It has been said that a child becomes more emotionally balanced through education in music. Songs and games have a positive effect on a child’s emotions. They act to relieve internal tensions and are a form of self-expression. Learning the words, the melody and the actions to songs helps develop a child’s memory. Music teaches students vital interpersonal skills because most music education involves working as a team. Be it in a school band, orchestra or classroom singing activities, there is an opportunity for children to build important relationships with their classmates. Music is one of the most important ways of acknowledging and celebrating our national identity, as a country’s history is often preserved in its folk songs. Music has an effect on a child’s behaviour, creativity and receptivity. Just as we know that rock songs conjure up a different mood to a concerto, music can influence a child’s mood. It can have a calming or stimulating effect.

Music opens avenues of success for students who may have problems in other areas of the curriculum. I would like to quote Dee Dickinson, CEO and founder of New Horizons for Learning, an international education network based in Washington, on this point. She says:

All teachers today are challenged by the increasing diversity of their students, and they all need more effective ways to work with these differences. Music is a language that everyone speaks and understands.

A growing trend is that music students tend to score better on tests, have better communication skills and are more disciplined students. They tend to be more prepared for the work force and are more readily hired by businesses. I am also aware, as I have the privilege of having a music teacher in the family, of several instances where music kept a student in school who would have otherwise dropped out. And when you consider that the Queensland government’s own recent white paper on education and training reform states that at least 10,000 young Queenslanders aged between 15 and 17 years are not in school, training or any kind of work, you have got to look at all of the options for engaging these young people—and music may be one of those very important options.

We should not underestimate the value of music to society—not just culturally but also economically. Music is a billion dollar industry contributing significantly to the Australian economy. In the 1995-96 financial year, when the last study of the advantages of music to the economy was done, the total income of music businesses in Australia was $1.06 billion, with more than 540 businesses and close to 4,000 people employed directly in the recording and distribution of music. So it is an important industry and one which is growing rapidly.

I am very pleased that the Commonwealth is currently funding an evaluation project to assess the impact of arts education programs. Two of the five programs being evaluated are school based music programs. The objective of the evaluation is to assess the impact that music and other arts disciplines have on engagement within school and academic performance, especially for students from disadvantaged backgrounds. I understand this evaluation will be completed later this year, and I look forward with much interest to reading all about the positive benefits that flow from the music programs in these schools. I am pleased to support this motion, and I thank the member for Aston for bringing this issue before the House.

The SPEAKER—Order! It being 1.45 p.m. the debate is interrupted in accordance with standing order 106A. The debate is ad-
journed and the resumption of the debate will be made an order of the day for the next sitting.

STATEMENTS BY MEMBERS

Justice Mary Gaudron: Retirement

Mr CREAN (Hotham—Leader of the Opposition) (1.45 p.m.)—Today marks the retirement from the High Court of Justice Mary Gaudron, the only woman to have served on the nation’s highest court. Throughout her career, Justice Gaudron has been an inspiration to all Australian women, not just to those in the law. In 1973, she successfully argued on behalf of the Commonwealth the equal pay case, a decision which helped reshape our nation and changed the lives of millions of ordinary women and men. As a member of the High Court for 15 years, she helped shape the development of Australian law at a time of unprecedented social and economic change. Her influence will long be recognised and admired in many areas of the law, including the separation of powers and the rights of citizens inherent in our Constitution, our laws against discrimination and the rights of Indigenous people in our system of land and law, most notably the Mabo decision. Justice Gaudron’s jurisprudence has been marked by originality and daring, a strong sense of justice and merit and a concern to ensure that the law does not perpetuate discrimination and inequality.

It is unfortunate that Justice Gaudron’s retirement means that there will be no woman on the High Court, despite the many fine female lawyers in Australia. Her elevation to the bench was a great step forward for equality and for the nation. On behalf of the federal Labor Party, I thank Justice Gaudron for her lifetime of service to the people of Australia.

Cook Electorate: Kurnell

Mr BAIRD (Cook) (1.47 p.m.)—I rise today to draw to the attention of the House the announcement made by the New South Wales state government last week that it would nominate the last remaining sandhill at Kurnell for state heritage listing. I naturally welcome this announcement; it is about time that Macquarie Street realised the depth of local feeling about this issue, which I have raised in this place on numerous occasions. Nevertheless, I am sceptical about two things. The first is the timing of this announcement. Why has it waited so long to acknowledge the importance of the dunes? The announcement has simply been timed to gain the maximum possible advantage for the Labor Party’s local candidates in the state election. Kurnell has been ignored for so long by the state government and, all of a sudden, five weeks out from the election, the state government has discovered it with a vengeance.

Secondly, how does the announcement affect the Australand development proposal? That proposal has been sitting on Minister Refshauge’s desk for three years now, and it is still hanging over our heads with no decision till after the election. Heritage listing the dunes does not stop the Australand proposal. In fact, I suspect that the government will end up using the listing as a trade-off to allow the development to go ahead. What a disaster that would be for the surrounding area: the dunes would still be there, but right at their feet would be dwellings for 500 people. Nobody wants that.

South Australian Parliament: Political Parties

Mr SAWFORD (Port Adelaide) (1.48 p.m.)—Last Tuesday a senior Advertiser journalist, Rex Jory, wrote an article on the Greens being a political party whose dreams might be our nightmare. It was in response to state left wing Labor member Kris Hanna resigning from the state Labor government and joining the Greens. A wag named Doug Seton from Kingscote on Kangaroo Island was so taken with Rex’s story that, in a contribution to the letters page last Thursday, he made a plea that all should educate a greenie before they become another Australian economic and environmental disaster.

It is ironic that the Democrats, largely formed and supported by disaffected Liberals, give most of their second preferences to Labor—72 per cent in my seat of Port Adelaide at the last election—and that the Greens, largely formed by disaffected lefties and many from the Labor Party, give most of their second preferences to the Liberals—55 per cent in my seat of Port Adelaide at the
last election. No-one would be surprised that 76 per cent of the preferences of the Pauline Hanson Party went to the Liberals, but at least a few people in Port Adelaide had to eat humble pie when my prediction before the election that the Communist candidate would deliver almost the same to the Liberals as the Pauline Hanson candidate eventuated: 73 per cent of Communist preferences went to the Liberal Party. The totalitarian far left is, as many of us now know, just the same as the totalitarian far right; it just has a different guise. The more things change, the more things stay the same.

McPherson Electorate: St Andrews Lutheran College

Mrs MAY (McPherson) (1.50 p.m.)—I recently had the pleasure of representing the Minister for Education, Science and Training, the Hon. Brendan Nelson, at the official opening of stage 6 at the St Andrews Lutheran College and joining in the 10th birthday celebrations of the school. The Commonwealth government contributed a grant of $179,000 to the cost of stage 6, which included the construction of four general learning areas, two music rooms, a computer laboratory and a temporary general learning area.

St Andrews Lutheran College was established on the Gold Coast in 1993 when it first opened its doors to 52 students and six staff. At the beginning of the 2003 school year, enrolment had grown to over 850 students with 83 staff. The achievement by so many committed people was recognised at the celebration service, as the history of the school and the journey of that commitment were displayed in a short video presentation.

I would personally like to wish St Andrews Lutheran College, the staff, the students and the community supporters all the best for another successful 10 years. I am sure Ruth Butler, the principal of St Andrews, will continue to build on the success of the school and that its academic, cultural and sporting achievements will be recognised on the Gold Coast for many years to come. There is no doubt the outstanding new facilities will help ensure all St Andrews students are encouraged to realise their full potential and to attain their goals. The federal government and the minister for education are to be congratulated on their continuing commitment to education in the 21st century.

Australian Broadcasting Corporation: Coverage of Sporting Events

Ms O’BYRNE (Bass) (1.51 p.m.)—On Saturday in Perth, a young Indigenous athlete, Patrick Johnson, became the first Australian to break the magical 10-second barrier for the 100 metres. Although wind assisted and therefore not recognisable as the Australian record, his run of 9.88 seconds was a historic performance and a great achievement for Patrick and his coach, a migrant Australian, Esa Peltola. What is sad, however, is that few Australians had the opportunity to witness this milestone. The meeting, although internationally recognised as an IAAF area permit meet, was not televised. In fact, it had only nominal radio coverage as well, because the ABC in Perth did not have sufficient staff to cover the meet on site. Whilst Patrick’s outstanding performance may not have been predictable, the meeting also had significance in that it was the comeback 400 metres race for Cathy Freeman.

Events such as these should be broadly available to those Australians who would like to listen to or watch them. I reiterate my call, made last year in this House, for the Australian Sports Commission to establish a television unit which would work with sporting bodies to provide the networks and pay television with coverage of major national sporting events which are not otherwise to be telecast. Such a scheme would also ensure a greater variety of sport is aired on Australian television sets. Staffing numbers within the ABC should be restored to appropriate levels to ensure that it can provide adequate sporting coverage to all Australians.

Deakin Electorate: Community Bank Projects

Mr BARRESI (Deakin) (1.52 p.m.)—I rise to congratulate the steering committee of the Ringwood East Community Bank project. Just prior to Christmas the community bank was given the approval to open a
branch. This announcement comes after more than 11 months of lobbying by local traders and members of the community. The return of permanent over-the-counter banking facilities to the Ringwood East Shopping Centre is to be applauded as it will boost local trade, which, of course, equates to a direct increase in job opportunities and economic advancement for the region. This community bank model has been a huge success from the Bendigo Bank. While I have been very happy to give my active support to the initiative to mobilise the community, the real praise should go to the people on the steering committee who put the hard yards in.

At the other end of the electorate, the closure of over-the-counter banking facilities has led to another community bank being promoted. It, too, is very close to getting off the ground. For some time the Blackburn South Community Bank steering committee has been appealing to residents to support the initiative. Whilst these bank branches make use of the Bendigo Bank’s banking system, they return the ultimate control of the branch to the community. The community grant scheme is also a feature of the initiative which allows a portion of the profit to go back to the community. I offer my congratulations to Stuart Greig and the Ringwood East group and lend my encouragement to Damian Ahearne and his team at Blackburn South. I urge the community at Blackburn South to get behind this fine initiative so that they too can prosper in the region, for the traders and the public’s good.

Melbourne Ports Electorate: Linden Gallery

Mr DANBY (Melbourne Ports) (1.54 p.m.)—On the weekend I had the opportunity to attend an important artistic institution in my electorate, the Linden Gallery, and the latest successful postcard exhibition. Over 2,000 entries, from over 750 artists from all over Australia, were presented in this extraordinary series of small paintings and works of art. The first prize winner was Hedy Ritterman for her work Untitled, Anna Hoyle won second prize for Neo Jumbucks #3 and Jennifer Mills’s Secret Squirrel II was the third prize winner.

The creativity of Australian artists never ceases to amaze me. I am very fortunate to have an electorate that is very close to the artistic community, and a very active institution the Linden Gallery is, too, in perpetuating and helping Australian artists. I would particularly like to thank Frances Lindsay, Deputy Director, Australian Art, National Gallery of Victoria; Patricia Piccinini, an artist who was Australia’s representative at the 50th Venice Biennale of Art; and Bala Starr, Curator, Ian Potter Museum of Art, University of Melbourne, for judging the competition. It was a great success and a very pleasant day, and it was an honour for me to be able to sponsor part of the exhibition.

Macquarie Electorate: Operation Bastille

Mr BARTLETT (Macquarie) (1.55 p.m.)—Last Friday I was at RAAF Richmond for the farewell of 150 men and women as part of the pre-deployment to the gulf with Operation Bastille. This involves three C130 Hercules aircraft and personnel from No. 36 Squadron and No. 37 squadron. I have no doubt that this fine group of men and women from Air Lift Group will carry out their roles with distinction. Wherever squadrons of Air Lift Group have been in service in the past they have done Australia proud. Whether this has been in peacetime roles or in various theatres of conflict—such as in Afghanistan as part of Operation Slipper or with the evacuation of the injured from Bali—these men and women have been simply magnificent. Speaking with a number of the personnel on Friday, it was clear that it was a time of mixed emotions, as occasions such as this always are. Yet the overwhelming feeling was a sense of pride, both in their record and in their chance to do the job for which they are trained. To these outstanding men and women, our thoughts are with you, your families and your friends, and we pray for your safe and speedy return.

Income Tax Rates: Legal Profession

Mr MURPHY (Lowe) (1.56 p.m.)—I am still awaiting a reply to my question to the Treasurer about what percentage of barristers and solicitors pay the top marginal rate of income tax—question no. 43. On 5 December I put a question also to the Minister for
Revenue and Assistant Treasurer with regard to her press release with the Attorney-General, which said that they were giving consideration to a task force report which inquired into tax law abuses by barristers. As I have said here previously, 80 per cent of barristers in Australia are not paying the top marginal rate of tax. The Treasurer, the Assistant Treasurer and the Attorney-General—all barristers before they came to this House—are in possession of a report that reveals that 80 per cent of barristers are not paying the top marginal rate of tax. Something has got to be done about it, because one of the worst offenders, Mr Stephen Archer, is scheduled to come up for full public examination in the Federal Court again on 19 February and 20 February for his third bankruptcy, and the government is protecting the legal profession.

The SPEAKER—I interrupt the member for Lowe. You must be aware of the sub judice rules. You are saying that it is a matter that may be raised in the court and you ought to be exercising discretion.

Mr MURPHY—But I think it is noteworthy to bring it to the attention of the House, because it is public knowledge.

The SPEAKER—It is not a question of worthiness; it is a question of what the standing orders provide.

Mr MURPHY—that Mr Archer is coming before the Federal Court for his third bankruptcy and for full public examination. My electors and I are worried that the government is protecting the legal profession. (Time expired)

Makin Electorate: Road Safety Projects

Mrs DRAPER (Makin) (1.58 p.m.)—I am very pleased to report to the House the latest in the federal government’s ongoing program to improve road safety in my electorate of Makin. The Howard government is providing funding for a further three identified high-priority road safety projects in the Makin electorate at a total estimated cost of $550,000. The projects include the installation of a mini roundabout and additional approach lanes at the intersection of Nelson Road and Milne Road in Para Vista; safety upgrades, including a roundabout, on Green Valley Drive in Salisbury East; and a road widening and other safety related projects along One Tree Hill Road in Golden Grove. These roads were identified by federal, state and local governments, and by the community, as areas in need of improved safety.

A recent evaluation report of the federal government Road Safety Black Spot Program found that it had prevented at least 32 fatalities and more than 1,500 serious injuries in its first three years. Safer roads are estimated to contribute just under half of the 40 per cent targeted reduction in the national fatality rate. Black spot projects are expected to contribute over one-third of this reduction through safer roads over the period of this plan. Because of these positive results in reducing fatalities, the Howard government has extended the national black spot program for a further four years at a cost of $180 million. Of course, nothing can replace increased driver safety awareness, but by making our roads safer the Howard government is saving lives.

The SPEAKER—Order! It being 2.00 p.m., in accordance with standing order 106A, the time for members’ statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr ANDERSON (Gwydir—Acting Prime Minister) (2.00 p.m.)—I inform the House that the Prime Minister will be absent from question time today and for the remainder of this week. As honourable members will be aware, he is travelling to the United States, the United Kingdom and Indonesia. I will take questions on his behalf in question time.

QUESTIONS WITHOUT NOTICE

Iraq

Mr CREAN (2.00 p.m.)—My question is to the Acting Prime Minister. When Prime Minister Howard meets President Bush later today in Washington, will he be telling the President that there will be no Australian military participation in any action against Iraq without a second UN resolution?

Mr ANDERSON—I thank the Leader of the Opposition for his question. As I have indicated, and as is well known now, the Prime Minister is in the United States at the
moment as part of a trip to meet with President Bush. Following that, he will move on to the United Kingdom. He has already had a round of meetings in the United States, and from Washington he will go on to New York to meet with the Secretary-General of the United Nations, Kofi Annan, and with Dr Blix. The Prime Minister will be taking this opportunity to express Australia’s strong preference for a new Security Council resolution, which we have referred to time and time again in this place and more broadly across the country. This is not because we believe that a further Security Council resolution is needed for legal reasons but because we believe that it would help garner and build international support—in fact, the very international support and solidarity that might maximise our chances of securing the very peaceful outcome that we say we are all looking for.

The Prime Minister will be emphasising the Australian government’s view that the Security Council needs to live up to its responsibility for maintaining international peace and security. Any failure by the council in the end to mandate enforcement action against Iraq in response to noncooperation would greatly harm that organisation’s standing. That is a very important point. This matter has gone on for some 12 years now, and it should be brought to resolution. Dealing with North Korea will also be more straightforward and more likely to produce a satisfactory outcome if the United Nations Security Council does not deal weakly with the Iraq situation. It is important that the council shows unity of purpose on Iraq, as Iraq will exploit divisions in the international community if it is given the opportunity. I reiterate that the onus plainly remains on Iraq to change its approach.

It is also interesting to note that not so very long ago one of the Leader of the Opposition’s colleagues, the Premier of Queensland, confirmed the legitimacy of the government’s policy position when he commented to the effect that, while he would prefer UN support for any action taken—our position entirely—he can foresee circumstances where Australia may have to consider other options in its national interest.

The government has made its position quite plain—there is no doubt or ambiguity about it—and it is pursuing the national interest as I believe all people would expect it to.

**Iraq**

Mr LLOYD (2.04 p.m.)—My question is addressed to the Minister for Foreign Affairs. Will the minister inform the House about Iraq’s compliance with UN Security Council resolution 1441, particularly in light of the visits of weapons inspections chiefs to Baghdad this past weekend?

Mr DOWNER—I thank the honourable member for his question and for the interest he shows in the issue. Given Australia’s interests in securing Iraq’s disarmament—and hopefully that can be done peacefully, as the Acting Prime Minister has pointed out—we have been following the progress of the United Nations weapons inspectors in their discussions with Iraq over the weekend. After meeting with Iraqi officials at the weekend, Dr Blix and Dr ElBaradei said they had seen the beginning of a change in Iraq’s attitude to inspections—although I note that Hans Blix made clear it was a beginning, not a breakthrough.

While they have not yet been able to resolve the question of Iraqi permission for U2 surveillance flights over Iraq, which is something the UN has made clear it regards as fundamentally important, I understand Iraq has said it will permit some private interviews of Iraqi scientists. That is a requirement under Security Council resolution 1441. Apparently, two or three—perhaps up to four—of these interviews have taken place. After some months of waiting, we hope it will not be two, three or four interviews but that the United Nations inspectors will have full access to all scientists and former scientists whom they wish to interview.

While the government obviously are pleased that there are some extremely limited but positive signals, we must not forget what this process is all about. Inspections were not designed for inspections’ sake; they were designed to verifiably disarm Iraq. Iraq has had over a decade to comply with Security Council resolutions to this end, and it still
has not done so. This means that a beginning of a change in attitude by Iraq, to use the words that have been used by Hans Blix, is clearly insufficient. Iraq must demonstrate a complete change of attitude and a cessation of evasion tactics. We cannot tolerate any further this cat-and-mouse game that has been going on for so long. Partial cooperation on a few issues here and there, designed to avert the enforcement of resolutions, is not good enough. I would note that disarmament is, after all, not a new demand on Iraq; it is a demand that has been there since 1991.

In conclusion, to those who say that the inspectors should be given more time for the sake of it, we have always said that the issue is not so much a question of time; it is a question of cooperation. If the Iraqis do cooperate—and cooperate fully, as they are required to do under international law—with the UN inspectors, then in those circumstances adequate time must be given. If Iraq do not properly cooperate, if there is just a continuation of a cat-and-mouse game—just the occasional concession made here and the occasional concession made there to try to spin out the process, and to spin it out indefinitely—then in those circumstances that does not constitute full cooperation as is required by international law, and the Security Council will obviously have to address that situation. The key issue now is going to be what sort of report Hans Blix and Mohamed ElBaradei provide on Friday, New York time. Of course we do not know yet and they do not know yet what effect the visit will really have in terms of day-to-day cooperation during this week. No doubt that will be reflected in the report at the end of the week, and we will be able to look at that.

Iraq

Mr CREAN (2.08 p.m.)—My question is again to the Acting Prime Minister. Is the Acting Prime Minister aware of comments by the US Deputy Defense Secretary, Mr Wolfowitz, that the US had secured a coalition of 12 to back the US in any military action against Iraq? Acting Prime Minister, is Australia one of those 12 countries?

Mr ANDERSON—The Leader of the Opposition is plainly again trying to imply that the Prime Minister and the government are not being forthright with the Australian people when we say that we have made no commitment. The government have made no commitment. It is as simple as that. We have plainly been engaged in contingency planning—we have been open about that—but when the Prime Minister says that the Australian government have not made any commitment he is telling the truth and nothing but the truth, and that is the way the matter stands.

Iraq

Mr PROSSER (2.10 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of Saddam Hussein’s violent and systematic destruction of Iraq’s Marsh Arab community and his consistent persecution of the Kurdish minority?

Mr DOWNER—I thank the honourable member for Forrest for his question. I appreciate his concern about a number of these human rights issues. As the House will recall, last week I gave some examples to the House of Saddam Hussein’s gruesome history of systematic and egregious human rights abuses. I will draw attention to Saddam Hussein’s horrific treatment of Iraq’s two ethnic and religious minorities, the Marsh Arabs and the Kurds, to underline the hideous depths and sheer scope of his brutality. It is a case study of evil.

The pattern of abuse by Saddam’s regime of the Marsh Arabs and Kurds has been well documented by the international community for over a decade—including, for the Marsh Arabs, by Human Rights Watch in January of this year. The Marsh Arabs have lived in the marshlands of southern Iraq for more than 5,000 years but, as a result of the Saddam Hussein regime’s forced resettlement plans and through draining of the marshes and sadistic campaigns of persecution, the number of Marsh Arabs in southern Iraq has, according to Human Rights Watch, gone from 250,000 in 1991 to fewer than 40,000 today.

Saddam’s regime has bombarded and shelled Marsh Arab towns and villages, deliberately destroyed homes and property through bulldozing or burning, and laid landmines and water mines. He has basically
almost wiped out an entire minority within his own country. I note in the newspapers today a report by Baroness Nicholson, who is the Vice-President of the European parliament’s foreign affairs committee, claiming that she has some evidence, which she is to present to the European parliament, that Iraqi forces used chemical weapons against Marsh Arabs in 1998. I do not have that information, so we look forward to seeing what her evidence is.

Marsh Arabs and Kurds have been subjected to the same kinds of shocking human rights abuses that occur elsewhere in Iraq, including arbitrary and prolonged imprisonment, disappearances, torture and executions. I spoke of those last week. Amnesty International estimates that over 100,000 Kurds, mostly men and boys, were killed or disappeared during the 1987-88 operations known as the Anfal campaign. Between 1977 and 1987, some 4,500 to 5,000 Kurdish villages were destroyed and their inhabitants forcibly removed and made to live in resettlement camps. During 1987, thousands of Kurds were killed during chemical and conventional bombardments. Since 1991, Iraqi authorities have forcibly expelled thousands of Kurds. This systematic, forcible transfer of the population, a process referred to by the authorities as ‘Arabisation’, has been accompanied by the resettling of Arab families brought from southern Iraq to replace those evicted. As I said last week in answer to two questions I had on human rights abuses in Iraq, the thought of somebody with this kind of human rights record having chemical and biological weapons and a nuclear weapons program is for us on this side of the House—and I think for all reasonable, decent-thinking citizens of the world—a simply horrific thought.

Iraq

Mr CREAN (2.14 p.m.)—My question is again to the Acting Prime Minister. I ask him in the light of his last answer: do you seriously expect the Australian people to believe is clearly out of order. It is hypothetical; it is argumentative; it is an invitation to debate. I invite you to ask the Leader of the Opposition to rephrase or withdraw the question.

The SPEAKER—I did very nearly ask the Leader of the Opposition to rephrase his question because, as he is aware, it should have been addressed through the chair. But I did not. The question stands.

Mr ANDERSON—The short answer to the opposition leader’s question is, ‘Yes, we do,’ because the government has not made a decision to commit to military conflict and will not do so until and unless we are satisfied that all achievable options for a peaceful solution have been explored. That is a responsible position, that is our stated position and we will review that only when and if it becomes necessary to make a decision outside of a clear outcome from the United Nations. The question has to be asked as to precisely where the difference between the government and the opposition really is on this. As the Prime Minister noted in his presentation on Iraq in the House last week, the Leader of the Opposition himself made this comment:

We won’t support any military action outside the authority of the UN ... The exception to this position might occur in the case of overwhelming UN Security Council support for military action, but where support for such action was subject to veto.

In a more sober moment outside of this place, he went on to say:

In other words, we might need to assess such a situation in light of the circumstances of the veto. That was the Leader of the Opposition’s position only a very short time ago. If he has changed it, he ought to tell us and tell us why. I again note that Premier Beattie noted late last year that, while it was his preferred position for any military action to be taken under UN auspices, he could imagine a scenario in which he would back Australia’s support for the US without UN approval. We would prefer a UN resolution. There is no doubt about that, but we have made it plain that in an unfolding situation we will reserve the right to assess Australia’s interests according to those events as they unfold. I reit-
erate, however, that no commitment in relation to Australia’s forces being involved in any conflict has been made.

**Foreign Affairs: Middle East**

**Dr WASHER** (2.17 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the government’s arrangements to ensure the safety and welfare of Australians in the Middle East?

**Mr DOWNER**—I thank the honourable member for Moore for his question. I refer the House to the Department of Foreign Affairs and Trade’s general advice for Australian travellers—which is available, I think, on the web site—which notes:

Given heightened tensions concerning possible military action against Iraq, Australians in the Middle East should take sensible precautions and ensure that travel documentation, including passports and any necessary visas, for themselves and their dependants is valid and up-to-date.

The advice also notes:

Australians should also be aware of the possible use of chemical and biological weapons in any conflict against Iraq, and take precautions if they have concerns about their security from such threats in consultation with their employers and local authorities.

The advice goes on:

There would also be heightened potential for terrorist activity and civil unrest in the event of conflict in Iraq.

Importantly this advice is also included in my department’s travel advisories for Kuwait, Israel, Saudi Arabia and Jordan. For five years now, my department has warned all Australians not to visit Iraq. I think that is an important point to make; Australians should not visit Iraq. Australians who are in Iraq have recently been advised to depart as soon as possible. Anyone contemplating travel to Iraq for any reason should heed this advice. The government is consulting closely with key consular partners—the United States, United Kingdom, Canada and New Zealand—about the security environment in the Middle East and our consular interests in the region. A senior official from my department attended five-nation consular discussions in Washington last week.

I think it is important that we ensure that there is much coordination and particularly exchange of information between countries that run consular systems somewhat similar to our own. Any activation of our own contingency plans will be preceded by public advice that all Australians should depart a country in the region immediately. I strongly commend all Australians in the Middle East or those contemplating travel to the Middle East carefully to monitor the government’s travel advisories and to heed their warnings.

**National Security**

**Mr CREAN** (2.21 p.m.)—My question is to the Acting Prime Minister. Can the Acting Prime Minister confirm the Prime Minister’s statement on Saturday that the security alert for Australia is now high?

**Mr ANDERSON**—The Prime Minister made reference to Australia’s heightened security arrangements and level of alertness on Saturday, and indeed so did I in a separate interview in Sydney. It is the case that Australia’s security arrangements have been heightened since September 11 2001 and a further level of alertness was called for on 19 November last year. But we do not have, I might add, a neat parallel with the colour codes and so forth that America has. We have our own arrangements in place in this country at present and we have responded, as we will continue to respond, to the advice given to us by our security agents on the basis of their risk assessment.

**Economy: Business Investment**

**Mr McARTHUR** (2.22 p.m.)—My question is directed to the Treasurer. Would the Treasurer provide the House with an update on the outlook for business investment in Australia? How does Australia’s performance compare with that of other developed economies?

**Mr COSTELLO**—I thank the honourable member for Corangamite for his question and his continuing interest in economic policy. One of the reasons that the Australian economy ran more strongly than that of the United States in 2001 and 2002—

**Mr Sidebottom interjecting**—
Mr COSTELLO—is that we managed to avoid the kinds of imbalances that developed in that economy, particularly with overinvestment, which led to the US downturn in 2001-02, with the United States being so reliant on the household sector. In Australia, business investment has been more steady. As the Reserve Bank notes today in its statement on monetary policy:

... businesses in aggregate are carrying low levels of debt, have strong internal funding, and have generally avoided the mistakes of overinvestment that have characterised past business cycles. Against this background, it is not surprising that business investment is contributing strongly to expenditure growth at present or that employment is continuing to expand.

In Australia at the moment, we are seeing low levels of debt; good levels of profitability; at a time when the housing sector is pulling back, business investment increasingly stepping up; and a number of very large projects and civil construction programs, which I am sure both sides of the parliament would welcome. Total business investment grew by 12.2 per cent to the September quarter and the measure of profits increased by 16.2 per cent to the September quarter, with the capital expenditure plans continuing to indicate continued strength in business investment.

What has supported the business investment that is now so important to Australia’s growth prospects? Low interest rates have been a big part of that—this government managed to get interest rates down from the punitive levels that the Australian Labor Party presided over during the 1980s—as have returning the budget to surplus; retiring Labor debt; guaranteeing the independence of the Reserve Bank; holding inflation in check; introducing a new taxation system which allowed business to get full input tax credits on all of the equipment they purchased—a move that was opposed by the Australian Labor Party; cutting company tax to 30 per cent and making it one of the competitive rates throughout this region; and cutting capital gains tax. All of these measures were opposed by the Australian Labor Party throughout the course of the last parliament, in a campaign of negativity led by the member for Hotham, who indicated that, if the government’s tax plan were to pass the parliament, all manner of plague would be visited upon the Australian economy. Yet, because this government pushed forward with the kind of economic reform which is essential, Australia managed to come through the United States recession of 2001 and to be recognised as one of the leaders amongst the industrialised nations in growth.

But the campaign for economic reform is not yet finished—it must go on. In particular, we have to attend to labour market reform. There have been good runs put on the board by the member for industrial relations—a tireless and indefatigable worker—who took over from his predecessor, Minister Reith, one of the courageous reformers of this parliament. The Australian Labor Party—that party which opposes all reform for the sake of it; that party which does not hold the Australian national interest first and foremost—continues in the Senate to hold back the reforms that are required. We call on the Australian Labor Party to pass labour market reform; pass the budget measures of last May before we get to the budget of this May; and pass the measures of the May budget of the year before so that Australia can achieve its potential and engage in the kind of reform and leadership that is required so that Australians can have the growth and the jobs which they deserve.
mid-range. There are some areas that have a high level of threat, and we are responding accordingly.

I hear those opposite say, ‘Now we’re frightened.’ We have in this country responsible security assessment authorities. We do respond to the information they give to us. What I can say in this place and to the Australian people is that there is no specific information at this point in time that is leading us to further raise the general level of alert in the country at the present time.

Mr Crean—I seek leave to table the transcript of the Prime Minister’s doorstop interview in Sydney on Saturday in which he clearly says, when asked what level of alert we are on, ‘We call it high.’

Leave granted.

Environment: Marine Protection

Mr LINDSAY (2.29 p.m.)—My question is directed to the Minister for the Environment and Heritage. Would the minister advise the House of the government’s actions to enforce protection of our marine environment? Minister, are there any alternative approaches?

Dr KEMP—I thank the honourable member for Herbert for his question and for his dedication to protecting the Great Barrier Reef, which, of course, is one of the great icons of Northern Australia and is probably Australia’s greatest natural icon. Two things stand out about protecting the Great Barrier Reef: firstly, the Howard government has put in place the most stringent protections in Australian history to protect the reef; and, secondly, when Labor were in office they did nothing actively, except to pursue oil drilling in areas adjacent to the Great Barrier Reef.

Water quality in the Great Barrier Reef lagoon is fundamental to offering maximum protection for the reef, including from the effects of global warming. The Commonwealth and the state of Queensland have issued a draft Great Barrier Reef water quality protection plan, which is now out for discussion amongst all relevant stakeholders. This follows a memorandum of understanding between the Prime Minister and the Premier of Queensland on water quality in the Great Barrier Reef lagoon, agreed in August last year. The reef and its World Heritage values are now therefore protected not only by the marine park act itself but by the Environment Protection and Biodiversity Conservation Act—the most powerful piece of legislation ever put in place to protect the reef, enabling anything that could damage the reef, including from activities outside the World Heritage Area, to be stopped. Currently, the government is also engaged in the most extensive community consultation process ever undertaken in relation to the reef to pave the way for the introduction of further protection of the biodiversity of the reef through the establishment of representative areas. That is the government’s record.

What was Labor’s record? Labor had 13 years to protect the reef, and we now have the shadow minister running around hypocritically suggesting that, somehow or other, there are inadequate protections for the reef. He obviously does not know of the enormous power of the Environment Protection and Biodiversity Conservation Act, so he is ignorant and lazy. But, more than that, he is hypocritical, because when the Labor Party had the chance, it actively encouraged oil drilling off the reef in areas such as the Townsville Trough, the Queensland Trough and the Maryborough Basin.

In 1991 Alan Griffiths, the then Minister for Resources, put forward a paper from the Department of Primary Industries and Energy promoting petroleum exploration in offshore Australia. He talked about the release of certain reserve areas which would be subject to seismic testing and oil drilling. These areas, which were to be gradually released by the Labor Party, included the Townsville Trough, the Queensland Trough, the Maryborough Basin and the Capricorn Basin. The Labor Party intended to provide anyone who discovered oil in the areas adjacent to the Barrier Reef with production licences. The document released by Alan Griffiths makes this very clear: that the Labor Party was very willing at that time to see oil production in the areas adjacent to the reef. Indeed, the document says:

Where an exploration permit holder makes a commercial discovery, there is an automatic right to a production licence over that discovery. A
production licence is granted for 21 years and may be renewed for further periods of 21 years. And where production requires a pipeline to transport petroleum to shore, a pipeline licence will be granted.

This shows how nonsensical the current claims of the Labor Party are, claims that it has some dedication to the protection of the reef. It is the Howard government that has put in place the most comprehensive plans to protect water quality on the Great Barrier Reef. All the Labor Party can do is to pick up a one-year-old Democrat bill and bring it forward as its own policy—

**The SPEAKER**—I remind the minister of the standing order that applies to anticipation.

**Dr KEMP**—because it has no idea itself how to proceed to protect the reef.

**Iraq**

**Mr CREAN** (2.35 p.m.)—My question is, again, to the Acting Prime Minister and it follows his last answer. Can the Acting Prime Minister inform the House how the threat assessment and security alert will change in the event of Australian military participation in any military action in Iraq which does not have the backing of the United Nations?

**Mr ANDERSON**—The Leader of the Opposition puts a hypothetical situation with almost a wish behind it. The fact of the matter is that we would have to carefully assess, according to information being provided to us by our assessment agencies, the situation as it unfolds. I do not believe that anybody could possibly expect us to be able to indicate more than that at this point in time, in this place.

**Drought: Assistance Package**

**Mr HARTSUUKER** (2.36 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister advise the House what assistance is being provided to struggling farmers in my electorate of Cowper and to farmers in other parts of eastern Australia? What other meaningful assistance is being provided to drought-ravaged farmers?

**Mr TRUSS**—I thank the member for Cowper for the question and acknowledge that last week his area, including the Grafton and Kempsey regions, was included in those areas in New South Wales to receive exceptional circumstances assistance from the Commonwealth government. He has worked hard to demonstrate the need, and I am sure this assistance will be greatly appreciated by the farmers of his electorate. This means that the farmers in areas like Grafton and Kempsey—along with those in other parts of New South Wales that are receiving exceptional circumstances assistance, such as Walgett, Coonamble, Burke and Brewarrina, and those in places such as Peak Downs and the Darling Downs in Queensland, the southern wheat belts in Western Australia and the Goulburn Valley in Victoria—will now be able to receive Commonwealth income support payments for two years. In addition to that, they can receive interest subsidy payments of up to $100,000 a year. Small businesses in those regions are eligible for Commonwealth assistance for their interest bills on loans necessary to meet the circumstances that are associated with this drought.

This represents a very significant commitment on behalf of the federal government. Indeed, the commitments made by the Commonwealth to assist drought-stricken farmers around Australia amount to more than $900 million. That is real money for farmers’ pockets. It does not include contributions to research and development, the AAA package or FarmBis and the like. It is real income assistance and interest subsidies that will certainly help farmers facing these difficult times.

Over the weekend the Acting Prime Minister challenged the state governments to match the Commonwealth’s effort. He particularly challenged New South Wales to match the Commonwealth’s efforts. The honourable member for Cowper will be particularly interested in this: the Commonwealth’s commitment to New South Wales alone is $522 million. I join the Acting Prime Minister in challenging Premier Carr to match it. If he is serious about drought, let him put real money forward, money that will actually go to help farmers. Don’t dress up existing programs as though they are drought relief. Don’t talk about things such as urban
water supply assistance, training programs, farm councils and the like as though they actually put money in farmers’ pockets. The reality is that New South Wales, along with other states, is providing very little assistance that actually goes to farmers.

In fact, the Commonwealth’s commitments to assist farmers directly in these times of need would be 20 times the combined commitment of all of the states. It is really high time that the states delivered real and practical assistance to farmers in need. They have adopted an appallingly miserly and uncaring approach to the drought and the suffering that is occurring in regional areas. In some states, not only are the governments not providing any assistance but they are being absolutely negative towards the rural sector. In Queensland, for instance, having only delivered $2.2 million in actual assistance to farmers over the last two years, the state government has just introduced a new tax on farmers’ dams, a levy on water. It has raised rail freights, put on new taxes for stock inspection and fruit and vegetable inspection, and now it is proposing a new ambulance tax, which will fall disproportionately on country people. This is the approach of a government that really does not care.

If that were not enough, I was utterly appalled to read over the weekend about what is happening in Victoria. Last week the federal government announced exceptional circumstances relief to the dairy farmers in the Goulburn Valley. Within hours the Victorian government announced that they had withdrawn all of their drought assistance for the farmers in that region. That is shameful. It is a disgrace. The state government of Victoria have withdrawn their drought assistance for the farmers of Victoria because they are now getting Commonwealth aid. This is completely against the spirit of exceptional circumstances relief, where the states are supposed to put in an effort first—before they ask for Commonwealth assistance. This is completely against the spirit of exceptional circumstances relief, where the states are supposed to put in an effort first—before they ask for Commonwealth assistance. Premier Bracks was rushing around Victoria telling everybody what he was going to do for drought-stricken farmers before the election. I have actually on occasions complimented Victoria for doing more than the other Labor states to provide help to drought-stricken farmers. But surely this is the lowest act of all. Immediately after the election, Premier Bracks walked away from the promised drought assistance and actually withdrew help that had previously been available to the farmers of Victoria.

The farmers in the electorate of Cowper and around New South Wales will be listening very closely to the promises of Premier Carr. Only last week there was another dose of measures dressed up as drought assistance, only two of which actually provide any assistance to farmers. How long will those promises last? Labor has got form. The Victorian Labor Party’s election promises lasted until just after the election. Any New South Wales farmer who is listening to the Carr election promises just needs to look at what has happened with Premier Bracks. The moment the election was over, what little assistance they were offering was withdrawn without any apology or sympathy. The reality is that Labor does not care about drought-affected farmers. They are not prepared to do anything. They have been lazy and slothful in the whole exercise. They are not prepared to provide any real support; it has all been empty.

Nuclear Waste: Transport

Mr ANDREN (2.43 p.m.)—My question is directed to the Minister for Science. Minister, if you are aware of concerns going back several years from councils in my electorate about the proposed road transport of nuclear waste from Lucas Heights through the Blue Mountains and central west of New South Wales to a planned repository in Woomera, why are you insisting on road transport for such large amounts of this waste, given the risk of accident and sabotage, when the draft EIS suggests that, while more expensive than road, air transport offers a suitable and, dare I say, safer option?

The SPEAKER—I remind the member for Calare, as I remind the Leader of the Opposition, of his obligation to address his question through the chair.

Mr Sawford—Keep your nuclear waste in your own state!

The SPEAKER—Does the member for Port Adelaide have some authority that al-
allows him to not only shout across the chamber but interrupt the chair? I remind the member for Calare, as I have reminded other members, of his obligation to address his remarks through the chair. I am happy to raise the matter with him at the conclusion of question time if my intervention is a mystery to him, but the use of the word ‘you’ is generally inappropriate.

Mr McGauran—I am very glad to receive the honourable member’s question. The final environmental impact statement has examined the transport options, and I am advised that transport by road was found to be the safest option for a number of reasons. The first and most important reason is the form and nature of that transportation. Low-level waste will consist of inert solids—the waste is produced in the form of solids—so there is no dust, there is no liquid and there is no possibility of spillage. That solid waste is surrounded by concrete and contained in steel drums, which are packed securely inside six-metre long steel shipping containers. There is no possibility of a spillage into waterways or along the transport route during transportation. Containers are designed to remain intact in the event of an accident. Also, some 30,000 packages of radioactive material are transported throughout Australia each year, in accordance with strict, internationally accepted guidelines, without mishap. In 40 years of transportation of radioactive material—the vast bulk of it by way of nuclear medicine requirements—there has not been an accident which has posed a threat to the environment or to life.

Mr Sawford—You transported 3,000—

The Speaker—Order! The member for Port Adelaide!

Mr McGauran—The other thing to take into account is that, during the first disposal—which is expected to be in 2004—some 130 truckloads of waste will be moved from the Lucas Heights facility in Sydney to the repository. I believe it will be in Woomera, but we are still awaiting the Minister for the Environment and Heritage’s final determination. That will be done over a period of a month, and it is not going to be a long convoy. Another 40 trucks will move waste stored throughout Australia. That will be a one-off disposal to clear the backlog of 40 years of accumulated low-level waste. There is a need for only 170 trucks.

Mr Sawford—Tell us what the defence department—

The Speaker—I warn the member for Port Adelaide!

Mr McGauran—Then, every two to five years, the repository will be opened to accept waste. It will be a relatively small amount—40 cubic metres per year, of which 30 cubic metres is produced by ANSTO at Lucas Heights. So you are talking about a handful of semitrailers once the backlog is cleared. In the unlikely event of a serious accident, all states have emergency responses in place to deal with potential radiological incidents. In addition, the Commonwealth would be in a position to provide assistance on request from the states. The short answer to the honourable member’s question is that transport of radioactive waste to the repository will be undertaken in a responsible manner, with no contamination risk to the public.

Tourism: Regional Australia

Ms Ley (2.47 p.m.)—My question is to the Minister for Small Business and Tourism. Minister, how important is tourism to regional communities, particularly during times of drought and bushfire? Minister, what steps is the federal government taking to help bush communities recover and to further promote tourism in regional Australia?

Mr Hockey—I thank the member for Farrer for her question. The member for Farrer and I travelled out to Jerilderie, two hours west of—

Mr Albanese interjecting—

Mr Hockey—You do not think it is important?

The Speaker—The minister has the call. The minister will respond through the chair.

Mr Hockey—Jerilderie is a town that has been severely affected and impacted on by the drought, as have the irrigated areas adjoining it by the restriction in the water supply. On Friday, around half the town
came out for a discussion about the benefits of tourism—which I understand is making a significant contribution to the income of the town during these very difficult times. It is not just drought that has affected significantly a lot of regional Australia; obviously, the bushfires have had an impact.

Mr Crean interjecting—

Mr HOCKEY—I hear the laughter from the Leader of the Opposition. The shadow Treasurer, along with a number of his colleagues, including the member for Canberra, came to see me the other day to talk about the impact of the bushfires on Canberra. We all agreed that we should do what we can to reassure those people who may be coming to Canberra that Canberra remains open for business and that the bushfires have not closed down certain bushfire-ravaged areas. Canberra is open for tourism and those people who do come here for business or on holidays and make a significant contribution to Canberra should not cancel bookings. That is a very important message to send to regional Australia. With a number of people, I will be heading to the areas of Jindabyne and the Snowy Mountains, which have been significantly impacted by the bushfires, on Thursday night. The Minister for Transport and Regional Services was there today. It is important to send a message to those people who have pre-booked conventions in and trips to those regions that these regions are still open for business.

From a drought perspective, obviously it is vitally important that the support given by the federal government flow through to the farmers, but it is also important to understand that a number of small businesses in these towns rely on passing trade to help hold up the town. Whether it be the newsagent, whom we talked to, or the gift shops in Albury that rely on passing trade, when the farmers do not have the money in their pockets to hold up local shops, up to 40 per cent of the income of the small shops in those regional centres comes from passing trade and tourists, who bring money into the town. It is important during these times that we use the available mechanisms within government to try and promote this message to the wider Australian public. That is why we have asked See Australia, which is a Commonwealth-funded initiative, to start looking at opportunities—using Ernie Dingo, who is a well-recognised name around Australia—to promote as tourism destinations regional areas that are drought affected. I will be speaking to See Australia about using its existing resources to get together with local communities to send the message to promote bushfire-affected areas.

There is still much to be done, but there is one message to bear in mind during this very difficult period. It comes from the owner of Kidman’s Camp in Bourke, Peter Simmonds. He says:

There is no doubt the drought is bringing them out here. Realistically, tourism is going to be Bourke’s only industry this year, so god help those who don’t help themselves.

We are going to help these communities to help themselves, whether there be drought or bushfire. We will be working in partnership with state and local authorities to make sure that the message goes out to all Australians: do not cancel your holidays; still go out to these areas, because your contribution is vital to these areas during these difficult times.

Foreign Affairs: Passports

Mr RUDD (2.53 p.m.)—My question is to the Minister for Foreign Affairs. I refer to the decision by the minister’s department to issue Clint Rex Betteridge with a replacement passport in late January, despite the fact that Mr Betteridge was about to face trial in Cambodia on a charge of child rape—which he was subsequently convicted in absentia in Cambodia. On what date did your office first receive information that Mr Betteridge had requested a replacement passport?

Mr DOWNER—I think it was 30 January or 31 January.

Citizenship

Mr WAKELIN (2.53 p.m.)—My question is to the Minister for Citizenship and Multicultural Affairs. Can the minister inform the House of the Howard government’s progress in the area of citizenship?

Mr HARDGRAVE—I thank the member for Grey for his question. In his electorate on Australia Day there were several ceremonies
that I know he was aware of and contributed to. In South Australia 700 new citizens joined the Australian family. Australia Day this year was one of our most successful ever, with some 8,400 new members of the Australian family signing up—almost 300 more than in 2002. There were 236 ceremonies this year—while there were just 220 last year—and all around Australia a record number of affirmation ceremonies took place, where Australians by birth and Australians by choice were able to join together and publicly offer a recommitment to Australia and its people and a pledge to maintain obedience to our laws and loyalty to this country.

Citizenship and unity are perhaps even more important than ever at this time in our world’s history. It is critical here in Australia that everyone seek opportunities to bring us all together inside the tent, to put out the hand of friendship, particularly toward some of the groups in our community who may be feeling a sense of pressure at this time. It is important that those of us, as members of parliament, who are leaders in the community go out of our way to reassure citizens within our wider community—and those who may soon be citizens—that they are very welcome in our local communities and indeed in our nation.

Some of the initiatives of the Howard government over the last seven years are worth recounting for the record of the parliament. I guess the Prime Minister’s decision to appoint for the first time ever in Australia’s history a minister for citizenship is one. Being the person who received that title for the first time ever is obviously a matter of great pride for me, but the decision does actually signal the importance the government has placed on national unity in its agenda. The Australian Citizenship Legislation Amendment Act in March of last year, following the efforts of the Minister for Immigration and Multicultural and Indigenous Affairs over a number of years to allow dual citizenship for Australian nationals, was also a signal to the world of our maturity as a nation, demonstrating that we are willing to embrace those in our society—and there are some five million of us—who are both Australian citizens and citizens of other countries.

The take-up rate for citizenship in this country has increased to over 75 per cent over the last couple of years as a result of our highly successful and award-winning promotion campaign that, again, has sent signals to all parts of our nation about the importance of working together as people of many backgrounds, beliefs and styles of dress. The introduction of the *Let’s participate: a course in Australian citizenship* booklet has meant that prospective citizens have been able to learn about our national traditions, our civic traditions and, of course, our style of society. Citizenship education to schools under my 2030 program has meant that children all around this nation are able to actively participate in discussions in classrooms where teaching professionals are able to guide their young charges into this important area of national unity.

Finally, there is an affirmation which has been introduced all around this country using similar language to our citizenship pledge. I believe it has really captured the imaginations of Australians of all backgrounds, providing a place where we can all stand together, united, with a sense of purpose and a sense of our own individual responsibilities for the future we all should share.

**Immigration: Asylum Seekers**

Ms GILLARD (2.57 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. Can the minister confirm that he has secretly agreed to new payments of $1,000 per person to asylum seekers on Manus Island and Nauru who have not accepted the offered reintegration package but who request the assistance of the International Organisation for Migration to return. Doesn’t this leaked DIMIA document prove you were trying to cover this arrangement up, given it specifically states:

That this arrangement not be publicised and be conducted at arm’s length from government.

Minister, what else are you hiding from the Australian people?

Mr RUDDOCK—I have not seen the document that the honourable member is
referring to, but let me just say that I certainly have the view that if I can put in place, through the International Organisation for Migration, arrangements which do not involve the implementation of the package that was declined by those who were offered it but which will facilitate the return of people who remain in offshore processing, it would be an appropriate direction in which to proceed.

Ms Gillard—I seek leave to table the DIMIA minute, including the statement that this arrangement not be publicised and conducted at arm’s length from government.

Leave granted.

Trade: Exports

Mr BRUCE SCOTT (2.59 p.m.)—My question is to the Minister for Trade. Would the minister advise the House of action the government is taking to convince Japan not to impose a tariff increase on beef imports from Australia, America, New Zealand and Canada?

Mr VAILE—I thank the honourable member for Maranoa for his question and his obvious concern on behalf of the beef producers and exporters not just in the seat of Maranoa but across Australia. As honourable members would know, Japan is our largest market for beef, taking about $1.3 billion worth each year. Australia and the United States are the two largest exporters of beef into Japan. Last year, following the BSE scares in Japan, there was a significant reduction in the consumption of red meat in Japan. As a result of a significant marketing effort by the Australian government, Meat and Livestock Australia and other exporters, we have managed to lift that back up to the standard levels of exports that we normally have into that country.

Unfortunately, the Japanese government is considering applying what is called a snap back arrangement in terms of tariffs—that is, taking the tariff on imported beef from 38.5 per cent back up to 50 per cent, where it was before the finalisation of the negotiations of the Uruguay Round. We are currently actively working with those other exporting countries—the United States, New Zealand and Canada—in lobbying the Japanese government, in particular the ministers that we have direct relationships with, not to do this.

The safeguard mechanism—which, I must say, is legal—out of the Uruguay Round is flawed because it is founded on a baseline of only 12 months of exports, not an average over two or three years. It is worth noting that this safeguard measure was agreed to in the Uruguay Round by the Labor Party when they were in office. As I said, it is flawed—instead of a natural increase in imports triggering this possible rise in tariffs, it is because the base was lowered last year due to the drop in consumption with the outbreak of BSE. The Japanese are arguing that because we have taken the level of exports back up to pre-2002 levels they are going to apply this extra 11.5 per cent. I will be in Japan at the end of this week, indeed on Friday, and I will be talking with USTR Ambassador Zoellick on the phone tomorrow. We will be doing everything we possibly can to convince the Japanese government that this is not fair. We will be seeking to change this during the current Doha Round of multilateral negotiations.

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

PERSONAL EXPLANATIONS

Mr MURPHY (Lowe) (3.03 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr MURPHY—Yes, Mr Speaker.

The SPEAKER—Please proceed.

Mr MURPHY—Yesterday on the ABC Inside Business program Alan Kohler was interviewing the Minister for Communications, Information Technology and the Arts, Senator Alston. At the end of that interview, he asked him about the government’s Broadcasting Services Amendment (Media Ownership) Bill 2002. Senator Alston said that people like the Labor Party privately agreed to but publicly opposed the bill. That is wrong.

The SPEAKER—The member for Lowe must be aware that there is no provision un-
under the standing orders for anything other than a personal misrepresentation to be indicated. There was no evidence there that the member for Lowe had been personally misrepresented.

QUESTION TIME

Mr SWAN (Lilley)—Manager of Opposition Business (3.04 p.m.)—On indulgence, Mr Speaker, the Acting Prime Minister indicated there had been 10 questions. There had only been nine. He simply cannot count.

The SPEAKER—There is no standing order that in any way covers the issue raised by the Manager of Opposition Business.

QUESTIONS TO THE SPEAKER

Questions on Notice

Mr MURPHY (3.04 p.m.)—Mr Speaker, on 11 December last year, question No. 1236 appeared on the Notice Paper in my name to the Minister for Family and Community Services. It is more than 60 days since that question first appeared on the Notice Paper. I would be grateful if, under standing order 150, you would write to the minister, seeking reasons for the delay in replying to the question.

The SPEAKER—I will follow up the matter as the standing orders provide.

Questions on Notice

Mr LATHAM (3.05 p.m.)—Under the same standing order, Mr Speaker, could you please write to the relevant ministers concerning the delay in answering question Nos 197, 842, 1069, 1177 and 1215?

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

Questions on Notice

Mr DANBY (3.06 p.m.)—Mr Speaker, under section 150 of the standing orders, would you write to the Minister for Family and Community Services asking her about question No. 1000 of 16 October last year and for a response to that question please?

The SPEAKER—I will follow up that matter as the standing orders provide.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate ministers:

Immigration: Asylum Seekers
To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled:
Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following motion:
‘That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;
and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.’
We, therefore, the individual, undersigned attendees at the Salt & Light Group Meeting at St Mark’s Anglican Church, Forrest Hill, Victoria 3131, petition the House of Representatives in support of the above mentioned Motion.

AND we, as in duty bound will ever pray.

by Mr Barresi (from 12 citizens).

Immigration: Asylum Seekers
To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled:
Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following motion:
‘That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;
and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.’
We, therefore, the individual, undersigned attendees at the Suburban World Action Group
Meeting at St Alfred’s Anglican Church, Blackburn North, Victoria 3130, petition the House of Representatives in support of the above mentioned Motion.

AND we, as in duty bound will ever pray.

by Mr Barresi (from 32 citizens).

Immigration: Asylum Seekers

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

Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following motion:

‘That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;

and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.’

We, therefore, the individual, undersigned attendees at St James Anglican Church, Pakenham, 3810, petition the House of Representatives in support of the above mentioned Motion.

AND we, as in duty bound will ever pray.

by Mr Zahra (from 15 citizens).

Shipping: Nuclear Armed and Powered Vessels

To the House of Representatives in the Australian Federal Parliament:

To the Speaker and Members of the House of Representatives assembled:

We, the undersigned residents of Australia ask that the House of Representatives consider the health and welfare of the present and future residents of this country and the environmental impacts of possible negative impacts relating to the visits of nuclear powered and armed vessels into Australian ports.

Nuclear navies are not welcome here whatever the colour of their flags.

The recent spate of accidents involving nuclear-powered submarines should be enough to convince all governments that the risk to the environment of these floating Chernobyls is a risk we don’t have to take.

Accordingly, we respectfully request that the Parliament legislate to prevent all visits of nuclear armed/powered vessels to Australian ports and waters.

And your petitioners as in duty bound, will ever humbly pray.

by Dr Lawrence (from 700 citizens)
by Ms Jann McFarlane (from 82 citizens)
by Mr Stephen Smith (from 158 citizens)

Social Welfare: Pensions

To the Honourable the Speaker and members of the House of Representatives assembled in parliament.

The petition of certain general pension, superannuant/part government pension, citizens of Australia, draws the attention of the House that in view of the difficult circumstances that such citizens are experiencing with their reducing quality of life due to a burgeoning cost of living created by the GST, there exists an urgent need to upgrade the pension.

Notwithstanding periodic increases to the pension and other once only, much qualified gratuities, we strongly contend that the basic formula for the pension is a source of hardship in that it has been
set too low even for normal circumstances and in comparison to many European pensions, let alone in the current climate of increased prices, fees and premiums in Australia.

Your petitioners therefore pray that the House act to increase the Base Formula of the Pension to equal 35% of the Adult Male Average Weekly Earnings (AMWE).

by Mr Gibbons (from 33 citizens)

by Dr Kemp (from 2 citizens)

Telstra: Privatisation
To the Honourable Speaker and members of the House of Representatives assembled in parliament:

The petition of certain citizens of Australia draws the following issues to the attention of the House:

The Howard Government is determined to sell Telstra even though submissions to its own inquiry, the Estens Inquiry, overwhelmingly show that services are still inadequate.

These submissions also reflect widespread concern that services will decline further if the rest of Telstra is sold.

The Greens, Democrats and Independents may make deals with the Liberal Government to allow the sale to go ahead, despite increasing community opposition to the sale.

A fully privatised Telstra will focus on profits not people; shareholders will be more important than customers.

Services will suffer under a fully privatised Telstra, particularly in outer metropolitan, rural and regional Australia.

We therefore pray that the House oppose the Liberal Government to allow the sale to go ahead, despite increasing community opposition to the sale.

by Ms Hall (from 13 citizens)

by Mr Tanner (from 71 citizens)

Immigration: Asylum Seekers
To the Honourable the Speaker and members of the House of Representatives assembled in parliament:

This Petition of certain residents of Australia draws the attention of the House to a public meeting held in Forster NSW on 2 October 2002 at which more than 80 people called for the immediate reform of the treatment of asylum seekers after they have arrived in Australia.

Ensure the full rights of asylum seekers under Australian and International Law;

Detention be limited to the period necessary to check that an individual does not present a threat to the Australian community on health or criminal grounds;

Children be treated in every respect, as we would expect our own children to be treated;

No unreasonable restraints be placed on community or media access to asylum seekers held in detention.

by Mr Baldwin (from 89 citizens)

Immigration: Detention Centres
To the Honourable the Speaker and members of the House of Representatives assembled in Parliament:

The petition of the citizens of Australia draws to the attention of the House the present policy of the government that forcibly removes asylum seekers to detention centres.

Your petitioners therefore request the House pass legislation that will immediately cease this deliberately cruel practice of forcible detention and allow the asylum seekers into the general community whilst their applications are being assessed.

by Mr Causley (from 45 citizens)

Defence: HMAS Sydney II
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain Davey Family Members and other Australian citizens directly connected with the loss of HMAS Sydney II and in particular Petty Officer Cook(s) John Stanley Davey 11064RAN killed in action on 19 November 1941 draws to the attention of the House that:

Your Petitioners therefore request the House Refer this matter to the Minister(s) concerned as a matter of public importance and that the Minister(s) direct the incumbent Chief of Navy to reassess his predecessor’s assessment with the view of conducting a concerted search in the areas
nominated by the reports quoted, I refer to the Klein 5000 Side Scan Sonar as used by HMAS Benella along The Queensland Discovery Coast recently. Alternatively contract the search out to a reputable firm equipped to undertake such a venture such as David Meares American Marine Geologist whose British based search company using Deep Tow Sonar found HMS Hood.

by Mr Charles (from 3 citizens)

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

The petition of certain electors in the State of Queensland draws to the attention of the House that a Medicare Office is not located in the western suburbs of Logan City.

In the main, these signatories are from residents of the suburbs of Logan, the northern suburbs of Beaudesert Shire and the southern suburbs of Brisbane.

This area has been consistently recognised in consecutive censuses as being amongst the highest population growth areas in the country.

This area contains a large percentage of young families who have indicated that a Medicare Office in the area is important to them. In addition, the residents of this region have indicated that the office should be located in the grand Plaza Shopping Centre which is a major regional centre and is the hub of retail community and social interaction for the western suburbs of Logan City Council, together with the residents and signatories to the petition, believes it to be an ideal location for the establishment of this desperately required service.

Your petitioners therefore, request the House and, in particular, the Federal Minister for Health and Ageing, Senator the Honourable Kay Paterson, to carefully consider establishing a Medicare Office in the western suburbs of Logan, preferably in the shopping centre precinct known as Grand Plaza.

by Dr Emerson (from 47 citizens)

Health: MRI Machines
To the Honourable the Speaker and the Members of the House of Representatives assembled in parliament.

This petition calls upon the Commonwealth Government to grant an MRI Medicare licence to Western Australia’s only specialist children’s hospital, Princess Margaret.

An MRA (Magnetic Resonance Imaging) machine is an essential diagnostic tool for a range of paediatric medical conditions.

Your petitioners therefore ask the House to ensure that the Commonwealth provide children in Western Australia with access to Medicare MRI scans at Princess Margaret Hospital.

by Mr Edwards (from 13 citizens)

Australian Defence Force: Military Compensation Scheme
To the Honourable the Speaker and the Members of the House of Representatives assembled in Parliament

This petition of citizens of Australia calls on the Parliament to recognise:

That defence and war service are unique and due to the nature of this service that private insurance for defence personnel is often difficult to obtain; that Government has an obligation to adequately support members of the Defence Forces who are injured or wounded in the course of duty; that Government has an obligation to adequately support families of defence force personnel killed on duty; that current Defence compensation is inadequate and fails to provide financial security and certainty to Defence personnel and their families in the event of injury or death; that members of the Defence Forces are entitled to the certainty that they and their families will be adequately compensated in the event of injury or death; and further calls on the Parliament to ensure that the proposed new Military Compensation Scheme rectifies the current inequities and anomalies which severely disadvantage members of the Australian Defence Forces and their families in real and financial terms.

by Mr Edwards (from 16,684 citizens)

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

The petition of the undersigned citizens of Australia draws to the attention of the House the widespread opposition to the deregulation of university fees within the Australian community.

We, the undersigned, believe that deregulation of university fees would:

Prevent many academically talented students from undertaking university study simply because they come from a disadvantaged or lower to middle socio-economic background. It has been shown that the current HECS system already prevents many of these potential students from taking up a position at university. Therefore, if fees
were to increase any further, as they certainly would with deregulation, many more potential students would be put in this unfortunate position. This has been shown in New Zealand where deregulating university fees led to a devastating fee increase of 92% between 1991 and 1999. Lead to the emergence of elite institutions that are inaccessible to many students. Competition, caused by deregulation, will mean that well-established and well-respected universities, such as the Group of Eight, will charge much higher fees than other universities. Thus, the possibility of attending these institutions will become out of reach for students from lower socio-economic backgrounds.

Lead to an increase in the already massive levels of student debt and student poverty. Reduce diversity within student populations. Under deregulation prestigious and expensive sources such as dentistry, medicine, law and veterinary science would attract students from a very narrow, wealthy section of society. This would undermine diversity not only at university but also within these professions in the wider community.

Your petitioners therefore ask the House to:

Reject any moves towards the deregulation of university fees.

Ensure that there is an immediate injection of public funds to at least bring Australia’s university sector in line with average OECD expenditure.

Re-introduce a system of HECS equity scholarships to allow people from disadvantaged backgrounds to enter tertiary education.

Set up an inquiry into the shocking social problem of student poverty.

Your petitioners therefore ask the House to:

Family Services: Child Care

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

This petition of citizens of Australia draws the attention of the House to our serious concerns about the current child care system, particularly the low status and standing of workers in the child care field and their appalling wages and conditions. This is despite numerous reports about this issue that the Federal Government has ignored. Qualified child care workers are needed to run quality child care services for our children - our country’s most precious resource - and urgent action is required in order to recruit and retain staff in this industry.

Your petitioners therefore request that the House turns its urgent attention to addressing the chronic shortage of qualified workers in the industry and ensuring they are given adequate recognition and reward for their important role in caring for our children.

by Mr Edwards (from 237 citizens)

Medicare: Bulk-Billing

To the Honourable Speaker and Members of the House of Representatives assembled in parliament.

We the undersigned request that the Government take action to preserve bulkbilling and to strengthen the Medicare system.

The cessation of bulkbilling by many General Practitioners as a direct result of Government policy has caused great hardship to many local residents on low incomes particularly the elderly and those with young children.

Your petitioners therefore respectfully request that the House introduce legislation to ensure that bulkbilling is preserved and that our Medicare system is strengthened.

by Ms Hall (from 40 citizens)

Kirkpatrick, Private John Simpson

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

We the undersigned request that John Simpson Kirkpatrick, of Simpson and donkey fame be awarded the Victoria Cross for Australia.

Under the Imperial Award system, the Victoria Cross was denied to Simpson as a result of some confusion in the original application. In 1915 John Monash (later General) recommended Simpson for the VC. In 1967 Lieutenant Casey who also witnessed Simpson’s work (later Governor General, Lord Casey) together with Prime Minister Holt and the Chief of the General Staff, Major General Brand (also a witness) recommended him for the VC. This was also denied. The British government claimed that a dangerous precedent would be set. Your petitioners request that the House of Representatives do everything in their power to honour integrity and wishes of these fine Australians and overturn the original decision not to award the VC to Simpson. Simpson is a symbol of the self-sacrifice, mateship and all those values that Anzacs now stand for and Australians treasure. By honouring him, we honour them all.

by Ms Hall (from 31 citizens)
Science: Animal Research

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

This petition of certain citizens of Australia draws to the attention of the House that:

The Federal Government has approved a grant of $5 million to fund a facility in Churchill, Victoria, for the breeding of laboratory monkeys to be used in research.

The billions of dollars invested annually in animal research would be put to much more efficient, effective and humane use if redirected to clinical and epidemiological research and public health programs.

Your petitioners therefore ask the House to:

Rescind the grant to fund the building of a facility for the breeding of monkeys which will be harmed or killed in the course of research;

Instead provide funding for the development and utilisation of research techniques which do not use animals at any stage.

by Mr McClelland (from 281 citizens)

Immigration: Asylum Seekers

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

The petition of certain citizens of Australia draws the attention of the House to the fact that the Migration Amendment (Excision from Migration Zone) Act 2001 and the Migration Legislation Amendment (Transitional Movement) Act 2002 enacted by the House removes the right of entry of asylum seekers to enter Australia’s migration zone for the purposes of seeking asylum in Australia. By removing this right Australia’s refugee policy is now in direct opposition to Catholic Social Teaching which states that ‘among a person’s personal rights we must include their right to enter a country in which their hopes to be able to provide more fittingly for themselves and their dependents. It is therefore the duty of State officials to accept such immigrants…’ [John XXXIII, Encyclical Letter of Establishing Universal Peace in Truth, Justice, and Liberty, Pacem in Terris, 11 April 1963, 106].

Your petitioners therefore request the House as a matter of urgency enact legislation repealing the Migration Amendment (Excision from Migration Zone) Act 2001 and the Migration Legislation Amendment (Transitional Movement) Act 2002 restoring the right of entry to all asylum seekers wishing to seek asylum in Australia.

by Mr Leo McLeay (from 16 citizens)

Iraq

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

The petition of certain citizens of Australia draws to the attention of the House that the people of Australia have not been consulted on a commitment made that Australia will support an impending war against Iraq.

We are concerned that such a war will -

Result in the deaths of many Iraqi civilians, as well as Australian, US and Iraqi troops.

Goad Saddam Hussein to use any weapons he has at his disposal in a bid to retain power.

Cause a civil war in Iraq, enlarge the refugee problem and further destabilise the Middle East.

Enhance the perception that The West is at war with the Islamic World, thus consolidating the recruitment power of anti-Western extremists.

Your petitioners request that the House shall refuse to commit Australia to join the United States of America in this impending war, and further, that Australia uses what influence it has over the US to convince it to use non-violent strategies such as seeking a Zone Free of Weapons of Mass Destruction over the entire Middle East.

by Ms Jann McFarlane (from 301 citizens)

Australia Post: Work Practices

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

The petition of certain posties draws to the attention of the House onerous working conditions being imposed by Australia Post on its employees.

Australia Post is requiring all posties on a daily basis to sort at a rate of 18 standard/13 large letters a minute regardless of their age or physical capacities. Management is threatening to sack posties if they cannot meet these new speeds.

The rigid implementation of this time and motion approach is leading to an increase in stress, fatigue whilst out on delivery rounds, absenteeism, repetitive strain injuries amongst posties and an increase in mis-sorted and wrongly delivered mail.

Your petitioners therefore pray that the House request that the Minister for Communications investigate current Australia Post policy and require Australia Post management to institute reasonable and safe work practices.

by Mr Leo McLeay (from 16 citizens)
Mr Tanner (from 174 citizens)

Iraq

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

The petition of certain citizens of Australia draws to the attention of the House the widespread concern and disquiet held by many Australians with the possibility of a US led attack on Iraq and Australia’s involvement in such an action.

Your petitioners therefore request the House to:

Use its influence to dissuade the US Government from the threat of precipitate military action in Iraq;

Refrain from all support of such threats;

Continue with diplomatic efforts to reach a resolution of the problems of the region; and

Work through the United Nations, as the duly constituted international body, for building a secure basis for world peace.

by Ms Vamvakinou (from 2,059 citizens).

Iraq

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

The petition of certain citizens of Australia draws to the attention of the House the widespread concern and disquiet held by many Australians with the possibility of a US led attack on Iraq and Australia’s involvement in such an action.

Your petitioners therefore request the House to:

Use its influence to dissuade the US Government from the threat of precipitate military action in Iraq;

Refrain from all support of such threats;

Continue with diplomatic efforts to reach a resolution of the problems of the region; and

Work through the United Nations, as the duly constituted international body, for building a secure basis for world peace.

Investigate how much the proposed war on Iraq is motivated by a desire for cheap oil and for increased control of the oil-producing world.

by Mr Vaile (from 243 citizens).

That this House:

(1) notes the plans of Airservices Australia to remove air traffic controllers from Sydney (Kingsford-Smith) Airport and consolidate terminal control units at Sydney, Perth and Adelaide into Airservices Australia’s centre in Melbourne;

(2) is concerned that no proper safety case has yet been prepared; and

(3) is concerned about the loss of local knowledge caused by the transfer of air traffic controllers to an interstate location.

Airservices Australia seem to have come up with a plan to consolidate air traffic controllers and terminal control units that work from Sydney, Perth and Adelaide to Melbourne. I have had contact with Airservices Australia, air traffic controllers from Sydney, the controllers’ union, Civil Air, and others, and I am at a loss to understand what the proposed benefits of this consolidation are. When I visited the traffic control unit at Sydney (Kingsford Smith) Airport, I met with both management and workers. I was impressed by the professionalism of staff and their genuine concern for the safety of air passengers. Watching air traffic controllers at work was fascinating, and I think that anyone who has been to an air traffic control unit would see that their work is very difficult and requires a great deal of concentration.

Management took some time and great pains to answer the questions that I had about the proposal for consolidation—and I am grateful for the lengthy meeting that they gave me—but I am still unable to see, from what they were able to tell me during that meeting, what the possible benefits of this consolidation are, other than cost savings. Indeed, those cost savings are not convincing either. It was impossible for management to quantify these cost savings for me. They believe there will be a cost saving, but they were unable to tell me whether it would amount to 40c per plane ticket, $1 per plane ticket—certainly not much more than that. The air traffic controllers have made a very convincing case that even those cost benefits are questionable. The risks, on the other hand, are much easier to understand.
The first and most obvious risk, of course, is the loss of local knowledge. Applying a little bit of commonsense to this, it is pretty easy to work out that local knowledge would be very important in an emergency situation, especially in situations where controllers need to direct aircraft away from populated areas and sensitive infrastructure, such as the ports and the oil refinery at Botany. Controllers need to know the terrain that they are dealing with. Of course, even a knowledge of the weather is very important, particularly in an emergency situation where you just do not have time to get on the phone to another city and ask them how the weather is there.

Local knowledge is also important to my constituents for another reason. We have had a great deal of pain over many years with aircraft noise associated with Sydney (Kingsford Smith) Airport. The long-term operating plan is an attempt to share that noise. I cannot believe that controllers that are based in Melbourne could possibly be as sensitive to or as aware of the needs of my constituents in Rosebery, Redfern, Surry Hills, Newtown and Alexandria—all of those areas that are noise affected. Air traffic controllers in Sydney work very closely with tower controllers, and they are often rostered on joint shifts in order to familiarise themselves with each other’s work. That, of course, cannot happen if half the staff are based in Melbourne while the other half remain in Sydney. If the terminal control units are moved to Melbourne, they will lose that familiarity with the tower controllers that they work closely with.

Air traffic controllers also tell me that the TCU consolidation will not lead to any additional improvements at the affected airports. It is not going to lead to more efficient air routes; it will not improve runway utilisation; and it will not reduce delays or provide more efficient flight profiles. The cost savings, then, mainly relate to the ability to run the same services with fewer staff and fewer consoles. Certainly, no convincing case has been made to me of how the same level of safety can be provided with fewer consoles and fewer air traffic controllers. Even in this, the air traffic controllers disagree with Airservices Australia.

Airservices Australia have made suggestions about where staff savings can be made, but the air traffic controllers have made a very good point that if, say, 70 air traffic controllers from Sydney move to Melbourne, the need for ongoing familiarity with the Sydney environment would mean that each one of those air traffic controllers would have to be sent to Sydney for certain periods of time—at least three days a year, they believe. This means that, there alone, 210 staff days would be lost because people would have to travel to Sydney to familiarise themselves with the area.

The air traffic controllers who are most likely to be affected by these moves—controllers from Sydney, Perth and Adelaide—have been surveyed as to whether or not they are prepared to move to Melbourne. The vast majority of them are not prepared to pack up everything they own and move their families to Melbourne. They are very skilled people. It is not an easy job. They have undergone quite extensive training. Many of them have many years of on-the-job experience. If they refuse to move to Melbourne when they are asked, Airservices Australia will impose a 20-week training period on each new air traffic controller that they propose to employ. The training period varies a little from airport to airport. Obviously someone who is providing air traffic control for Adelaide airport has a slightly lesser need for training than does someone providing air traffic control for Sydney (Kingsford Smith) Airport, which is a much busier airport, but the average is 20 weeks. In that case, we would be looking for up to 90 replacement air traffic controllers, and each one would need to complete a 20-week training course. Much of that training is, of course, on-the-job training. It is no good their learning from a book what it is to be an air traffic controller; they have to have supervised, on-the-job training. It can be seen that the potential training requirements in the event of a move would be very difficult for Airservices Australia to meet. Any pressure on Airservices Australia to replace these staff may lead to slightly less rigorous training requirements, which would, I think, be of enormous concern to the travelling public.
A case is yet to be made out of the safety of such a move. Some assessment has been done of the possible hazards relating to the move, but certainly not to the standard required to build a proper case on the grounds of safety. The air traffic controllers believe that, if a proper case were made out on the grounds of safety, the amount of money required to mitigate against the hazards would be so great that the arguments about a more efficient and more cost-effective service would be negated. One example the air traffic controllers gave is the need for absolutely fail-safe data transfer. Air traffic controllers cannot afford there to be a three-second gap in the transfer of data from the tower controllers to the people sitting at the consoles or vice versa. Obviously, if that data were being transferred from Sydney to Melbourne there would need to be fail-safe telecommunication equipment. Airservices Australia are not proposing to build their own network—that would, of course, be prohibitively expensive—and yet we all know that there are occasions with data transfer when, even with an average telephone line, the line just drops out. It is difficult to understand how Airservices Australia could afford to provide an absolutely fail-safe system in the current environment. Another possible problem is that there would be no crossover period between the new system coming on-line in Melbourne and the old system going offline in Sydney, Adelaide and Perth. That would mean that, if anything were wrong with the system, we would not know it until we were in trouble.

I conclude by noting that it originally was proposed that Cairns be part of this program. The Acting Prime Minister has vetoed that, citing job losses in Cairns as his reason. I think that controllers in Adelaide, Perth and Sydney are as deserving of keeping their jobs as are controllers in Cairns. To make a political decision like that in this current circumstance is not the way to go. We need to put safety first and retain terminal control units where they are.

Mr Murphy—I second the motion and reserve my right to speak.

The SPEAKER—Is the motion seconded?

Ms Ley (Farrer) (3.20 p.m.)—I welcome the opportunity to speak on the motion relating to air traffic controllers that the member for Sydney has moved. There is no doubt that Australia has one of the world’s most advanced and integrated air traffic management systems. It stands as testament to Australia’s status as a world leader in safe, efficient and cost-effective airspace management and air traffic control. Airservices Australia has undertaken a study into a proposal to consolidate the Sydney TCU in the Melbourne centre. This is part of a broader program which looks at the possibility of joining all Airservices Australia’s remote terminal control units to the major centres in Melbourne or Brisbane. But I must stress that the study being undertaken at this stage is a proposal; it is not a plan. Possible benefits to the Australian aviation industry include improved service from a more streamlined interface between the industry and Airservices. If a decision were made to relocate the Sydney terminal control unit, Airservices would encourage as many Sydney controllers as possible to relocate to Melbourne and would assist them in maintaining the necessary amount of local knowledge.

I know that controllers are not particularly happy with the proposal as it stands. It is, of course, very important that all their concerns are addressed but, before I do so, I will give some background. The majority of air traffic in the Australian flight information region is controlled from Melbourne and Brisbane airports. At the moment, the TCUs at Cairns, Sydney, Adelaide and Perth airports control traffic within 45 nautical miles of those airports. Possible benefits which would result from such a proposal being accepted are the removal of overheads associated with managing a stand-alone facility at Sydney, including the costs associated with building and equipment maintenance; reduced and more flexible staffing arrangements; and fewer senior management positions. These benefits would result in lower costs and possibly in lower prices to industry. Airservices Australia states that additional efficiencies achievable, if the terminal control unit is relocated to Melbourne, may far outweigh those achievable if it is to remain in Sydney. But, most importantly, the issues are being
Nothing is set in concrete at the moment. The issues are: the cost of the transfers, the local knowledge argument, the reduction in facility redundancy and the time difference.

It is worth noting that air traffic controllers are not happy. I have spoken to them. I was a member of that profession myself some 20 years ago. It all seems very far distant at the moment, but I do recall very much the admiration I had for the controllers that operated in the area 45 miles from major terminals, the approach controllers, and those moving out to 80 miles, the arrivals controllers. The knowledge, talent and ability that they have are second to no other and they are certainly people that we want to hang onto. So, if, in teasing out this proposal, it looks as though we might lose some of that profession, then I think that is something we have to be very careful about. Again, controllers are not sure of the benefits, but I think we need to go ahead with the proposal and present them with what those benefits and, of course, costs might be. Nobody does like to leave their hometown and move to another state or city.

The issue of local knowledge is being looked into. That relates to the fact that you are looking at a radar screen, but what does that radar screen represent? I can still remember, as a junior air traffic controller in the Melbourne control centre, a crowd of controllers gathered around the screen and a very frightened light aircraft pilot flying in the Macedon Ranges, and unfortunately we did lose him that day. I remember that the controllers looking at that radar screen were not looking at a map; they were visualising the terrain. It is critically important that the person who is talking in this close and very risky, if you like, environment does have local knowledge. So that is something that has got to be carefully examined.

I do, again, stress that we are examining the proposal and everyone will, I am sure, have the chance to have their say, because Airservices Australia regards safety as the most important consideration throughout all its activities. The safe provision of air traffic management is its most important function, and its consolidation plan will be the subject of a safety case for the Civil Aviation Safety Authority’s approval.

Mr MURPHY (Lowe) (3.25 p.m.)—I commend the member for Sydney, Tanya Plibersek, for her excellent motion, which relates to air traffic controllers. As you know, Mr Speaker, I have spoken many times in this House about the government’s agenda to ensure the new owners of Sydney airport are able to maximise their profits, even if this will ultimately jeopardise the safety of Sydney’s airspace and Sydney airport’s security. The member for Sydney’s motion follows a presentation given by Airservices Australia of the terminal control unit consolidation program issued on 20 September 2002 and tabled at the Sydney Airport Community Forum meeting on 29 November 2002. In making a decision to consolidate air traffic control into one megacentre, the utilitarian profit-based agenda of the government means that the fundamental statutory charter of Airservices Australia with respect to air safety will be even more fundamentally compromised. By this, it is well understood within the air traffic control and aviation industry that local knowledge associated with air traffic movements is a critical factor in maintaining the highest standards of safety.

It is obvious that the Bankstown Airport is being geared for full commercial utility. That airport has already been designated by the government as an overflow airport for Sydney airport. Its runway has already been extended and hardened. All Sydney airports are now privatised. Their new airport lessee companies are seeking ways to extract every ounce of blood from their investment dollar. They, like the government, who recklessly breached its 1996 aviation policy to not sell Sydney airport until its aircraft noise problems had been solved, sold all Sydney basin airports before their time, now with catastrophic results. Section 9 of the Air Services Act reads:

(1) In exercising its powers and performing its functions, AA must regard the safety of air navigation as the most important consideration.

At the present time, the Minister for Transport and Regional Services will be aware that pre-community consultation is taking place with respect to Sydney Airport Corporation
Lt’s statutory obligations under division 3 of the Airports Act 1996 for the drafting and making of a master plan for each designated airport.

I referred earlier to the tabling of Airservices Australia’s terminal consolidation program report. At that same meeting of the SACF, SACL made a presentation on the foreshadowed community consultation process towards the draft master plan for Sydney airport. The presentation by SACL has been, quite frankly, disappointing for what can only be described as a misleading presentation of SACL’s statutory obligations with respect to the prescribed content of the master plan for Sydney airport and other designated airports. In particular, I refer to section 71 of the Airports Act and note those explicit environmental and other provisions contained in subsection 71(2). I draw the House’s attention to the provisions of subsection 71(2), which state:

(2) In the case of an airport other than a joint-user airport, a draft or final master plan must specify:

(a) the airport-lessee company’s development objectives for the airport; and

(b) the airport-lessee company’s assessment of the future needs of civil aviation users of the airport, and other users of the airport, for services and facilities relating to the airport ...

The provisions also state that a draft or final master plan must specify forecasts relating to noise exposure levels; the airport lessee company’s plans; assessment of environmental issues relating to their consultation with government bodies, such as Airservices Australia; and Sydney basin airports’ draft environmental strategies.

The SPEAKER—Order! This is private members business. It is not controversial but there is still the obligation on the member for Lowe to link his remarks to the air traffic controllers. I have been listening closely to him. I went through each of those sections waiting for the link to the air traffic controllers and the motion moved by the member for Sydney. I would appreciate the link.

Mr MURPHY—Mr Speaker, it is fairly relevant because the Airservices Australia terminal control unit consolidation program is directly relevant to the master plan, for a number of statutory reasons. That takes in the long-term operating plan for Sydney airport, which you know all about because over the last four years I have spoken ad nauseam about it and the failure of the government to honour its promises.

Therefore, it is imperative that SACL, the Minister for Transport and Regional Services and Airservices Australia ensure that the draft master plan and final master plan for Sydney, Bankstown, Hoxton Park and Camden airports comprehensively address the implications of the terminal control unit consolidation program. They should do that, essentially, by denouncing and prohibiting the enactment of that program within the provisions of the master plan itself. Only this way can the residents of Sydney be afforded any statutory protection against this waylaid terminal control unit consolidation program that will only pander to the profiteering corporate masters of the Sydney basin airports at the expense of the most fundamental of air navigation policies—that is, aircraft navigation safety. Once again, I commend the excellent motion moved by the member for Sydney.

Mr CAMERON THOMPSON (Blair) (3.30 p.m.)—Australia’s air traffic control network has been continually upgraded over the years. In many respects, it is always developing and changing—not in its prime purpose, which is to give people safe air travel, but in the way that objective is met. I suggest that if they were to go into any of the air traffic control centres around Australia today, an operator from just a few decades ago would not recognise it in many respects. There are different measures being taken and different ways in which control is exercised. As illustrated by this debate today, the places where control is exercised from are also different.

Recently, I was on the Australian Defence Force Parliamentary Program and I visited the RAAF School of Air Traffic Control at East Sale. The change there in what simulators are like these days compared to 20 years ago is dramatic. There is a tower simulator there that provides three-dimensional graphic displays that can show any aircraft travelling at any reasonable speed on any course, and they can project that onto the screen sur-
rounding the tower simulator to give air traffic control trainees a direct example of just how their job is to be undertaken. This gives the trainees very realistic training; whereas, if you go back to the 1980s, tower control training in the air traffic control network happened in a dark room and people had to imagine what might be happening in order to undergo their training. Also in that period, there was absolutely no radar coverage from 140 nautical miles north of Brisbane to 90 nautical miles south of Townsville, yet air traffic control was being exercised in that area completely effectively with a manual system.

The radars that operated in those times—certainly in Queensland—did not have a box following each aircraft around with its height, speed or course information; there was simply a blip on the screen and the controllers had to move little bits of plastic, which they called shrimp boats, to follow the blips across the screen. It was very rudimentary. The changes that have happened since then mean that the access to information for an average controller is instant, which was not the case just a short time ago. We also now have a great advantage in the provision of navigation aids on aircraft. Even on domestic aircraft, GPS was not used in the 1980s. GPS is now available on practically every box kite that is flying in the country.

The same thing applies to this issue of terminal control units. The TCU that applies to the airport at Canberra is being run from Melbourne. The TCU for Coolangatta is also being run externally. In that respect, I submit that Sydney is just catching up with the consolidation that has been going on across this country for many years now. As I have said, there used to be three air traffic control sectors run from Townsville; they are now run from Brisbane. That has not impacted on safety in that region—in fact, I would submit that safety has greatly improved.

In putting this motion up, the member for Sydney discussed how the knowledge of the air traffic controllers was so significant—my colleague the member for Farrer also reflected on that. If you want to have access to all of that knowledge and have greater flexibility in its provision and in bringing it to bear on the air traffic control network, it is better that it be consolidated so that those people can move amongst shifts and work in different approach control positions instead of being required to go and work in administration, as they currently are at Sydney airport. I think it is entirely appropriate for people to consider that. It has certainly been an appropriate thing to consider in places like Townsville, Coolangatta and Canberra, and I do not see why it should not also apply to Sydney. I strongly support the idea that we continue to advance these methods to bring in issues such as national flow control, user preferred routing and the dependent surveillance network. Those things can be advanced to improve safety, with the use of this TCU network to usher them in. *(Time expired)*

Mr BRERETON (Kingsford-Smith) (3.35 p.m.)—I am pleased to support the motion relating to air traffic controllers moved by my colleague the member for Sydney. I speak with the member for Lowe, on our side of the House, and other honourable members in respect of this most important issue. The member for Blair said that this was quite similar to the earlier relocation of the terminal control unit from Canberra. It is worth remembering that the consolidation of the Canberra TCU to Melbourne was found by an inquiry to have been a causal factor in the loss of lives in an aircraft crash near Lake George. It is a pity that the honourable member did not get across that element of the brief—it is a matter of public record. I was far more impressed with the comments of the member for Farrer, who spoke with the benefit of a good degree of expertise, as someone who has actually seen the extraordinary skill and dedication of the people working in this most exacting of areas.

I come to this debate as a former minister for transport, and one who is deeply concerned about the potential implications of what is being proposed. I noted the assurance of the Minister for Transport and Regional Services, in answer to a question on notice on 11 March last year, that contingency and business continuity arrangements would be available to at least the same level of assurance as those that currently exist. I am also...
aware that the documentation of this move accepts that the disaster recovery and business resumption capabilities that presently exist will be reduced if the consolidation goes ahead. That is a very serious matter. Any reduction in disaster recovery capabilities is a serious safety concern. At present, Melbourne, Sydney, Adelaide and Perth facilities are able to support each other if one of the facilities is degraded. In addition, the control unit and the tower at each of the locations is able to provide mutual back-up if required. If this consolidation goes ahead, I put it to the House that these redundancy features will be lost.

Also of concern—and this has been mentioned by the member for Sydney—is the detrimental effect of the loss of expertise. It is accepted that local knowledge is vital to the safe and efficient operation of the radar terminal control units. The importance of local knowledge has been demonstrated many times in safety issues. It is a very critical concern, regardless of whether it is used in resolving in-flight emergencies, dealing with local geography—which is so important when air traffic controllers are confronted with an emergency situation—or understanding and working closely with associated units. In all these areas, there is a potential for the degradation of existing arrangements.

There has been, as has been put to the House, a great deal of concern for two years now about what is proposed. It has already had an impact upon performance, relationships, service delivery and cooperation, and that, of course, eventually impacts on people’s safety and on the experts working in this field. It is clear that, if this terminal control unit consolidation goes ahead, a very large number of experienced controllers will be lost. In the case of Adelaide and Perth, I am told, all but one or two of the current controllers will leave. That should concern everyone in this House.

The reality is that this is all about dollars and cents; this is all about saving relatively modest sums of money. It is about reducing the number of controllers in Adelaide from 20 to 15; in Perth, from 22 to 18; and, in Sydney, from 72.5 permanent positions to 66. Are there savings? Yes, but at what cost? Look at the loss of dedicated expertise protecting the Australian public 24 hours a day, every day of the week. I do not believe the parliament and the people of Australia can afford to lose that expertise, and I would sincerely ask the Minister for Transport and Regional Services to carefully consider the terms of the motion so ably proposed to the House by the member for Sydney this afternoon.

The DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for this debate has expired. The debate is therefore adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Women

Mrs CROSIO (Prospect) (3.40 p.m.)—I move:

That this House calls on the Government to:

(1) sign and ratify the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), considering 75 states have signed the Optional Protocol, and of those 75 states, 47 have ratified the Optional Protocol;

(2) actively seek membership of the United Nations Commission on the Status of Women (CSW), of which Australia was a member from 1983 until 1990, and again from 1993 until 1996;

(3) ratify the revision of the Maternity Protection Convention (ILO No. 183), dated June 2000, which called for a minimum of 14 weeks paid maternity leave; and

(4) as a priority, establish a system of paid maternity leave for all Australian working women.

It absolutely amazes me that 2½ years ago I moved a similar motion regarding the refusal of the Howard government to sign the optional protocol of the United Nations Convention for the Elimination of all Forms of Discrimination Against Women and that the government has not moved one iota to even attempt to sign the protocol. What is the reason for this? This government is anti the United Nations. It has a deep ideological hatred of the institution and will do all that it can to undermine it.

This refusal to sign the optional protocol is part of the government’s pandering to the
far right and the Hansonites in the electorates that won it the last election. This can be seen in the government’s outright denigration of the UN Security Council over Iraq. This government formulates all its foreign policy decisions with an eye on the domestic political audience, without a care in the world as to how this country looks to the international community. To the conservatives on the other side of the House, the United Nations is a bureaucratic monolith that cannot be trusted. The John Howards, the Alan Jone-ses—the man who really, at times, runs this government—and the Piers Akermans of this world say that we cannot give up national sovereignty, but it is okay to give up national sovereignty when making decisions on national security. Interesting, isn’t it? What hypocrisy from the government benches!

What is most galling is that Australia was once a leader in the negotiations that led to the formulation of CEDAW. Australia signed CEDAW when Malcolm Fraser was Prime Minister in 1982, and it was ratified upon the election of the Hawke government. What we did not know then was that Malcolm Fraser was indeed a decent human being who had, and still has, an interest in human rights. This is in comparison to his former Treasurer—our now Prime Minister—who is an out-and-out philistine. It is interesting to note that, when the Howard government announced its intention not to sign the optional protocol, Dame Beryl Beaurepaire—a woman with links to the Liberal Party over many years and the leader of the delegation to the UN conference in Copenhagen, where Australia signed on to CEDAW—was utterly condemning of the government’s decision. In September 2000 she said:

I think that is appalling and I hope they change their minds. I feel very sorry that Mr Howard is going to the United Nations next week. I think, because I think he’ll be booed ... I think this seems to me that Australia is now trying to cut itself off from the United Nations. I think that would be a terrible shame.

Dame Beryl also noted that the UN committee system had some faults but believed that it was better to be there than to be a part of the reform process. Instead, this government has picked up its bat and ball and gone home in a huff. It is just absolutely amazing!

I agree that there must be ongoing reform of the UN committee process. When you have a Tunisian man heading the UN Commission on the Status of Women, there is a problem. Nobody can say to me that Tunisia has the greatest record in upholding the rights of women. However, isn’t it better for Australia to be engaged in the process to fix the system rather than to walk away from it and leave countries which have poor records on human rights to lead these committees? Australia should sign the optional protocol so as to lead other countries into the process. Australia should be setting an example to other nations, particularly in the Asia-Pacific region.

The government seems to be paranoid that women will be running off to the UN at every available opportunity to complain about their rights. I am sure that the likelihood of this happening would be very small indeed. We have a judicial system in this country that we can be justifiably proud of, but this government does its best to undermine the judiciary every time a decision it disagrees with is passed. Just look at its reaction to the McBain case a couple of years ago. It was off intervening on behalf of the Catholic Church in a case that was always flimsy on legal grounds and which eventually cost the Commonwealth a bucket load of money—all for ideological purity. That is what this is really all about.

I will now move on to the next part of my motion and talk about the introduction of paid maternity leave. In a speech to the parliament on the Sex Discrimination Amendment (Pregnancy and Work) Bill 2002 which I made on the last sitting day last year, I stated my unequivocal support for a system of paid maternity leave. It is a woman’s right to be able to choose to work and have a career and to have a family. Women should not have to choose one or the other. I would classify this as a fundamental human right. In line with the government’s refusal to sign the optional protocol to CEDAW, it has also refused to ratify the International Labour Organisation’s Maternity Protection Convention—that is, ILO No. 183. It is also enshrined in CEDAW that paid maternity leave
is a right that women should have. Article 11(2) states:
In order to prevent discrimination against women on the grounds of marriage or maternity and to ensure their effective right to work, States Parties shall take appropriate measures ... 

(b) To introduce maternity leave with pay or with comparable social benefits without loss of former employment, seniority or social allowances.

Paid maternity leave was regarded by the CEDAW working party as being an appropriate measure to support motherhood through the assumption by society of a share of the cost of raising a child. For the working party, as one of a number of measures proposed for assisting those who want to work and have a family, paid maternity leave was seen as pivotal.

Pru Goward, the Sex Discrimination Commissioner, has also argued that paid maternity leave is a must for Australia. Ms Goward recommended that the scheme be funded by the federal government and entail a provision for up to 14 weeks paid leave to be taken prior to and/or following the birth of a child. Ms Goward proposed that, in order to be eligible, a woman must have been in paid work for 40 weeks of the last 52 weeks with any number of employers and/or in any number of positions. Ms Goward’s proposal would include women who are self-employed, on contract work or employed casually.

The ball is now in this government’s court. We have many examples around the world where some form of paid maternity leave has been made available for working women and has been successful. Only last July, New Zealand was the latest country to ratify the Maternity Protection Convention and initiate a system of paid maternity leave. Instead, what do we have? Australia placed a reservation to article 11(2)(b) of CEDAW, which I quoted earlier, concerning paid maternity leave and it is to my regret that it was made by a Labor government. I will place on the public record my sincere hope that when Labor are re-elected we are able to withdraw that reservation. I am confident that we would.

Let us look at some examples of paid maternity leave in the other OECD countries. In Canada, the government funds the Employment Insurance Program, which provides for maternity, parental and sickness benefits. The maternity benefits are available for a maximum of 15 weeks, with a basic benefit rate of 55 per cent of a woman’s average insured earnings up to a maximum payment of $413 per week. To be eligible, a woman must show that her regular weekly earnings have decreased by more than 40 per cent and she has accumulated 600 insured hours in the last year.

In the UK, employers pay employees the statutory maternity pay, which can then be claimed back from the tax office. To be eligible for the payment, which is paid for up to 18 weeks, women must have been employed by their present employer for at least 26 weeks 15 weeks before the baby is due and earn at least £67 per week within a specified period. Employed women who are not eligible can apply for a maternity allowance.

The new system implemented in New Zealand sees a social security funded scheme. It provides for 12 weeks of paid maternity leave to women currently eligible for parental leave, which is 12 months service with an employer for 10 or more hours per week. The payment is at a maximum level of $NZ325 and will be taxed. Women will remain eligible for 52 weeks unpaid leave.

In Germany, women who have been paying into compulsory social insurance funds are entitled to receive their average net wage from six weeks before the date of birth. Their average wage is based on the amount earned in the last 13 weeks before they became pregnant. The difference between this amount and the full average salary is usually covered by a supplement paid by the employer. Non-insured women receive a smaller amount paid by the government.

These are a few of the examples of paid maternity leave schemes. This government should take the time to examine these schemes as well as Pru Goward’s recommendations. Economics means that both parents have to work. Socially we require a steady natural increase in population. At the
moment there is a distinct lack of intellectual rigour being undertaken within government over population policy. It is absolutely crucial that some sensible policies are adopted to encapsulate the requirements of women working and producing children. There are no two ways about it. Something has to be done.

However, even in my most positive moments, I cannot see the Howard Government moving a finger on this issue. There are a few figures within the government who are opposed to mothers working at all. Women should remain barefoot and pregnant behind the kitchen sink, as they often tell us. That seems to be their maxim. These are the same people who are hell-bent on destroying Australia’s long-built relationship with the UN. Instead of seeking reform from within the bodies of the UN they want to walk away from it and leave it to break up.

This is not in Australia’s interests. Australia should be vigorously supporting measures within the UN forums to improve human rights and there is no better starting point than signing the optional protocol to CEDAW. This would provide an example to other countries in our region that we are serious about human rights—women’s rights. Instead, the government is more willing to play domestic politics on this issue and pandering to a sinister minority that are self-absorbed, insular and ignorant in their views.

The DEPUTY SPEAKER (Mr Jenkins)—Is the motion seconded?

Mrs Irwin—I second the motion and reserve my right to speak.

Mrs DE-ANNE KELLY (Dawson) (3.50 p.m.)—I respond to the call to ratify the optional protocol to the Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW. The government is strongly committed to the support and protection of women’s human rights. We have a robust framework of domestic legislation which ensures that there is no discrimination in Australia on the grounds of sex. Last year’s United Nations Human development report ranked Australia No. 1 in the world on the gender related development index. The government also supports the Beijing Platform for Action and the Beijing Plus Five outcomes document. However, while Australia is quite rightly examining UN treaty committee systems and their actions, it would be inappropriate to send the wrong message to the UN by signing yet another individual complaints mechanism such as CEDAW. One can hardly complain that a system needs reform and then rush to sign. This, I might add, has not delayed the ratification of CEDAW or its coming into force on 22 December 2000.

The concerns that the government has with the UN treaty system cover a range of issues, including substantial weaknesses in the focus and manner of operation of the UN treaty system; systemic inefficiencies; a backlog in the workloads; politically motivated approaches; and committees extending beyond their mandate and uncritically responding to non-government organisation agendas and incorrect information. As I said, it would hardly be appropriate to request reform of the UN treaty system—and I notice the member for Prospect supported ongoing reform in the UN—and, at the same time, rush to sign yet another treaty, particularly one that allows an individual complaints mechanism.

Australia has a proud record in terms of addressing the achievements of its own women. I am now going to compare a period of time that Labor was in government, from March 1990 to March 1996, with the record of the coalition in the last six years, March 1996 to December 2002. Under the Labor government, for women, 345,000 additional jobs were created; under the coalition, 614,700 additional jobs were created. Mrs Crosio—How many of those are part time?

Mrs DE-ANNE KELLY—All of these are full time. The Labor Party created 102,000 full-time jobs; the coalition, 232,000 full time jobs. So, again, we far exceeded what the Labor Party achieved.

I would now like to move to the issue of paid maternity leave. There are only four countries that have ratified ILO Convention 183, which concerns maternity leave: Bulgaria, Italy, Romania and Slovakia. So it is
hardly universally supported. In Australia, we support a very comprehensive system of support for families: universal health care; financial assistance to families; and, for eligible women, an entitlement to 12 months unpaid maternity leave with the right to return to their former position.

I want to particularly touch on the coalition’s record in terms of family-friendly provisions. Eighty-nine per cent of employees are now covered by agreements that ensure that there are flexible hours provisions and at least one family-friendly measure. These may include such things as family leave; paid maternity leave; regular part-time work; make-up time; and time off in lieu. One of the most important provisions from the point of view of young mothers in my electorate is the opportunity to return to work in a part-time capacity. They then have the benefit of spending time with their little one and, at the same time, ensuring that their skills and networks are maintained. For women in my electorate, that is seen as a very important initiative. I support the coalition’s record on family-friendly provisions and ensuring that women are not discriminated against in Australia on the basis of sex.

Mrs IRWIN (Fowler) (3.55 p.m.)—I congratulate the member for Prospect for moving this motion for the ratification of the optional protocol to the Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW. It is clear from this debate that only Labor members in this House treat discrimination against women seriously. The sorry record of the Howard government in failing to protect the rights of women is underlined by its refusal to ratify the optional protocol to the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. This is one of the most basic differences between Labor and the Liberal-National coalition, and it signals a difference in not only our domestic policy but also our foreign policy.

I will look, firstly, at the effect on Australia’s influence internationally of this government’s failure to sign and ratify the optional protocol. Last year I spoke in this House in a plea to the government of Nigeria to spare the life of Amina Lawal, who was then under sentence of death by stoning for the crime of adultery. Why, you might ask, would the government of Nigeria listen to the pleas of the parliament of a country which itself did not allow its citizens to make a complaint to an international body charged with investigating complaints of discrimination against women? How can Australia speak out against the treatment of women in other nations when we refuse to allow scrutiny of our own record in eliminating discrimination against women? What does this government have to hide that would not allow it to ratify a protocol which would allow its citizens to take matters to an international body?

By not signing and ratifying the protocol, we are saying to the world that we have something to hide. But worse, when Australia speaks out against the oppression of women anywhere in the world, our words are hollow in light of our failure to ratify the protocol. It would be hypocritical of us to criticise practices elsewhere when we do not allow scrutiny of ourselves. What does this government have to hide that would not allow women in Australia to lay complaints before a tribunal of the United Nations?

It was under the Fraser government that Australia ratified the convention, but I really have to wonder whether the Howard government would have signed up. One hundred and seventy countries are parties to the convention—almost the entire membership of the United Nations. But there are two countries which have failed to ratify the convention. I wonder what two countries they are. They are Afghanistan and the United States of America. So we are in good company when it comes to refusing to ratify the optional protocol! As it is on Kyoto, we follow our great and powerful friend. Whether it is the environment or women’s rights, it is all the way with George W. Bush.

Australia has a long and proud history in pioneering rights for women. We were one of the first countries to give women the vote and we have pioneered many social and legal initiatives that have reduced discrimination against women. But now we are dragging the chain. Having been an active member of the United Nations Commission on the Status of
Women from 1983 to 1990 and from 1993 to 1996, Australia has not sought to gain membership since this government came to office.

There are now 79 signatories and 49 states that have ratified the optional protocol. Australia has refused to ratify the optional protocol and, as recently as last week—we all remember this—the Minister Assisting the Prime Minister for the Status of Women advised that the government refuses to allow our record to come under the scrutiny of a United Nations body. The member for Prospect is correct: according to this government, the rightful place for women is in the kitchen, barefoot and pregnant—but this government does not want the world to know about it.

Mr KING (Wentworth) (4.00 p.m.)—I for one am happy to accept that the motives of the member for Prospect are pure in bringing forward this motion. However, it is obvious from reading the motion that it fails to bring forward any proposal to address the real issues before the House.

The proposal is misguided in paragraph (1). Australia is, as a result of a Liberal Prime Minister’s initiative, a party to the CEDAW and has enacted legislation to support the convention. The problem with the optional protocol is that the complaints mechanism is faulty. Not only does the UN system have gross inefficiencies with mounting backlogs, politically motivated approaches on the committees, committees extending beyond their mandates and uncritically responding to NGO agendas and incorrect information; there is also a fundamental difficulty in relation to the optional protocol with respect to the threshold requirement of adequate domestic remedies. It is obviously futile in Australia’s case to propose subscription to an optional protocol when there are adequate domestic remedies.

It will only promote resentment and unnecessary overseas actions in relation to the important issues of conserving and ensuring the justification of the rights of women.

Paragraph (2) is misconceived. Australia has been a member of the Commission on the Status of Women on five occasions before today. As a former president of one of UNESCO’s committees, I am well aware of the importance of rotating those committees and membership on them to ensure from time to time that we do become members. That is exactly what has been done in relation to ECOSOC, of which this committee forms part in the present case. We are at present members of three commissions, one of which is the Commission on Human Rights, which is looking at the very issue of abuse, which I was referring to earlier, and will lead to the optimisation of the rights of women in the ways that I have described.

Paragraph (3) is as misguided as paragraph (1). ILO 183, done in June 2000, establishes the principle of cash benefits through social insurance so as to maintain a suitable standard of living. The problem with this proposal in the context of the Australian democratic way of life is that it does not fit our system of social welfare payments. It suits the European proposals and their systems, which are different to ours; hence only four European democracies have signed up to ILO 183. So paragraph (3) is misguided.

Paragraph (4) is the most important in the motion. The issue raises the important commitment by our Prime Minister, who, with the greatest respect to the member for Prospect, takes a strong and very proper interest in these matters, with a view to reviewing the balance of work and family life—one of the priorities of the current government. A task force has been established to examine the issues in response to the report of the Sex Discrimination Commissioner, Pru Goward, entitled A time to value. It is a valuable contribution to public debate. I will not go through the extensive support already provided to mothers by the government nor will I deal with the details of Ms Goward’s report. It is well worth reading and a proper basis for proceeding.
This motion does offer us a reasonable opportunity to discuss the question of paid maternity leave. There are three possibilities: no change, maternity leave paid by the government or maternity leave paid by employers. The ALP proposes that employers should pay, but this would be prohibitive for many businesses and would lead to indirect discrimination against the employment of younger women especially. Labor also fails to make any provision for offsets against any public contribution, which illustrates its profligate approach to public accounts. I consider that any expense in this regard must be reasonable, in the public interest and as reasonable between the parties.

As to the latter point, the minimum wage is a reasonable outcome for three months within the 12 months of entitlement to maternity leave, as proposed by Ms Goward. As to the public interest, why should any proposal such as that put forward by Ms Goward be necessarily gender specific rather than gender neutral? Why should the payment, which is to be made to the family, not be available to the parent of choice, as agreed to between them? It is possible to construct a sensible proposal that will have that outcome. In today’s world, why should the father not undertake some of the burdens of child raising in the first critical year of childhood? These are some of the possibilities which are open to the government as it reviews the current proposals. I look forward to seeing that balance of work and family life, which only the coalition government is prepared to address in a contemporary way.

(Time expired)

Ms HOARE (Charlton) (4.05 p.m.)—I am pleased to support this motion brought forward by the member for Prospect on women’s rights and human rights. Page 1 of the Convention on the Elimination of All Forms of Discrimination Against Women states:

... the full and complete development of a country, the welfare of the world and the cause of peace require the maximum participation of women on equal terms with men in all fields.

The convention’s website states:

The Convention sets out, in legally binding form, internationally accepted principles on the rights of women which are applicable to all women in all fields. The basic legal norm of the Convention is the prohibition of all forms of discrimination against women.

Australia ratified the convention in 1983. It was first agreed to by Prime Minister Fraser and then finally ratified by Prime Minister Hawke on the election of the Labor government.

The convention requires the parties to the convention to report at least every four years to the committee and Australia’s third and most recent report to the Committee on the Elimination of All Forms of Discrimination Against Women was presented in 1995 and was considered by the committee in 1997. That report detailed Australia’s progress in relation to the individual articles of the convention. It makes excellent reading because it details mainly the Keating government’s position, recommendations and proposals in relation to abiding by this convention. I thank the former Minister Assisting the Prime Minister on the Status of Women, the Hon. Rosemary Crowley.

The most recent report was considered by the committee in 1997—it is more than five years since that report was considered by the committee—and this Australian government is due to report once again. It has been very late. According to the OSW web site, as at 2000, Australia’s combined fourth and fifth report was due to be completed in August 2002. At the beginning of 2003, that same message is still posted on the Office of the Status of Women web site. The least that this government could do is to report to the committee to outline what meagre proposals it has put forward since its election in 1996 on the elimination of discrimination against women.

The crux of the motion goes to the optional protocol on the convention, which came into force in December 2000. It was proposed by the world conference in 1993, it was adopted in 1999 and it came into force in 2000. There are now at least 23 parties, but Australia is not one of them. The optional protocol establishes a communications procedure under which individual women, or groups of women, may complain to the Committee on the Elimination of Discrimi-
nation Against Women that their rights under the convention have been violated. Australia must lead the way in our region to ratify the optional protocol.

The other issue in this motion is paid maternity leave. Paid maternity leave was one of the reservations that Australia had in initially ratifying CEDAW. As a country we must move forward. It is time for Australia to commit itself to full compliance with the convention by withdrawing all of its reservations. The Australian of the Year, Professor Fiona Stanley, has joined with Pru Goward, along with 82 per cent of Australian workers who also back paid maternity leave. It is time now for the government to take a stand and to introduce paid maternity leave for all Australian workers. *(Time expired)*

**The DEPUTY SPEAKER (Mr Jenkins)—** Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

**GRIEVANCE DEBATE**

Question proposed:
That grievances be noted.

**Australian Defence Force: Military Compensation Scheme**

Mr EDWARDS (Cowan) *(4.10 p.m.)*—Today there was a petition tabled in the House, signed by almost 17,000 Australians, which called on the parliament to recognise several things:

1. that defence and war service are unique and, due to the nature of this service, private insurance for defence personnel is often difficult to obtain;
2. that government has an obligation to adequately support members of the defence force who are injured or wounded in the course of duty;
3. that government has an obligation to adequately support families of defence force personnel killed on duty;
4. that current defence compensation is inadequate and fails to provide financial security and certainty to defence personnel and their families in the event of injury or death;
5. that members of the defence force are entitled to the certainty that they and their families will be adequately compensated in the event of injury or death.

and further calls on the Parliament to ensure that the proposed new Military Compensation Scheme rectifies the current inequities and anomalies that severely disadvantage members of the Australian Defence Force and their families in real and financial terms.

That has been highlighted in recent days through the efforts of Kylie Russell, Australia’s most recent war widow. I complimented her last week on the very strong stance she has taken in support of those members of the ADF who are now on deployment and their families. Kylie Russell launched this petition and was the first person to sign it some months ago.

I thank the Coalition of Australian Veterans for the work that they have done in circulating this petition and for their care and concern about members of the ADF and their families. I also thank those media groups who got behind this petition and who were instrumental in some of the very strong support that it has received. This petition is still circulating. In the near future, I hope to bring to this parliament even more support, in the way of signatures, for the members of the ADF—those who are on deployment and those who are perhaps awaiting deployment. I thank the people of Australia who have got behind that petition.

The second issue that I want to raise today also relates to a defence matter. It is with regard to outsourcing of defence health care services. I have just received a letter from a person in Victoria, and I will quickly quote it:

I appreciate that the pending contracting out of Defence health services is not an issue of high priority in Canberra at the moment, during such difficult and controversial times. However, it does remain an important issue requiring urgent attention.

On February 21, health care services for all Victorian ADF personnel are to be signed over to Mayne Health at a cost of $28.0M per year. This must be stopped.

The writer makes a number of points. I will not refer to them all but there are a couple I want to refer to. I will quote further from the letter, which states:

- Out-sourcing ADF-V health services will cost tax payers an extra $17.0M per year.
Another point that the writer makes is:

- In light of recent announcements by Mayne Health, the future of Mayne Health and their medical facilities must be seriously questioned.

I am aware, as I am sure are most other members of this House, of some of the problems that Mayne Health is having. It raises a very important question: if an organisation like Mayne Health were to find itself in a very weak financial position, couldn’t it be subject to takeover by foreign interests? Couldn’t it flow on from that that the health care of members of the Australian Defence Force is actually in the hands of overseas interests? What is this government doing? What is this government about? The writer of the letter has asked:

Please raise this issue in parliament on our behalf—please demand a full audit of the base-line costings and tender process.

I understand that that audit has already been demanded by very senior officers in the ADF, who for the life of them cannot understand why the Howard government is pursuing this doctrine of outsourcing at a higher cost, which is going to lead to a reduced military capacity. The question has to be asked: is it going to lead on to a reduced standard of care for members of the ADF? I understand these senior officers have demanded an audit and I hope they will pursue this issue. Indeed, I believe that they have a responsibility on behalf of the rank and file members of the ADF to ensure that steps such as these, and a government policy such as this, are not able to be introduced to the detriment of the health care of members of the ADF who are currently on deployment.

I understand from information that was given to me by Senator Chris Evans, the shadow spokesperson for Defence—who is very active in his portfolio and who in my view is doing a tremendous job—that he has been able to establish that No. 6 RAAF Hospital at Laverton in Victoria is earmarked for closure. It is one of the two RAAF hospitals in Australia and does 50 per cent of the hands-on training for military theatre operations and patient assessments for ADF in Australia.

There will no medical postings in Victoria in the future, which means Victoria will essentially be cut out as a source of recruitment for medically qualified people wanting to join the reserves or the permanent ADF. I further understand that all uniformed medical personnel in Victoria, including those who were in Bali providing critical medical care to the victims of that bombing, will have no medical position in Victoria once this outsourcing goes ahead. It stands to reason that civilian medical staff hired by a private firm cannot be posted by the Australian Defence Force and hence cannot be obliged to go overseas on deployments.

When this hospital closes, no surgery will be performed on base—for example, knee arthroscopy, appendicectomies and operations to remove kidney stones. This is despite the fact that No. 6 RAAF Hospital is only eight years old, is fully equipped and performs around 1,000 operations a year. It is a triservice hospital run largely by medical specialist reservists including GPs, surgeons, nurses, medics et cetera, alongside civilian contract health practitioners.

The loss of reserve medical officers is one of the most worrying aspects of privatisation for civilians and reservists working at No. 6 RAAF Hospital. This is because private contractors cannot be deployed on operations overseas and, if the privatisation experiment fails, military medical expertise in Australia will be lost. Furthermore, civilian doctors without experience in the ADF are not as skilled at detecting uncommon health problems that military personnel suffer frequently—for example, malaria.

There is certainly a view that there is an increased possibility of inappropriate treatment that could prejudice a serviceperson’s career because doctors without military experience are likely to be unfamiliar with ADF medical standards. For example, treatment for kidney stones that leaves behind tiny shards would be perfectly adequate for anyone who did not have to fly planes but could potentially destroy the career of a pilot. I am sorry that I do not have more time to drag out more of these issues, but this a
Matter of real concern to the ADF. (Time expired)

Macarthur Electorate: Unemployment

Mr FARMER (Macarthur) (4.21 p.m.)—The September 2002 unemployment figures showed the national unemployment rate down slightly at 6.6 per cent but they do not paint such a favourable picture for the electorate of Macarthur. While they show that unemployment fell in the three months to September 2002 by over half a percentage point, they also show that unemployment in Campbelltown sits well above the national average at 9.2 per cent. At the same time the figure fell from 5.4 per cent to 5.1 per cent for Camden. While I am pleased to say that the unemployment rate in Camden is lower than the national average, the Campbelltown figure is still too high. Of course, it is still much lower than it was when it was 13.2 per cent, recorded in the June quarter in 1992 under the previous Labor government, and much lower than the figure of 10.6 per cent just after I was elected. But 9.2 per cent is still too high.

As the federal representative for Macarthur, I am not prepared to water down these latest figures or to make excuses for them. I have always believed that actions speak louder than words and on this issue I stand by that commitment. I am proud that the coalition government is standing by this promise too by taking action and implementing programs to ensure that more jobs are created and more people have access to work in my electorate.

When I was elected to this House, I made a commitment to the people of Macarthur that I would never take their support for granted and that I would work with them to achieve a better community for all. To me, one of the most important elements of any community is for those who want work to be able to find a job. Already a lot has been done by this government to improve the job prospects of the people of Macarthur and, with the help of continued sound economic management and the new government programs, I am confident that unemployment will keep falling in the Campbelltown area.

Since coming to office in 1996, over one million new jobs have been created by the coalition, and over 350,000 of these have been full-time jobs. Australia’s ability to weather the current international downturn is testament to its sound economic fundamentals: solid long-term economic growth and low inflation rates. The unemployment rate will rise and fall marginally from month to month as people move in and out of different regions, but the long-term sound management of the economy and low interest rates make a real, lasting difference to unemployment in regions such as Macarthur. This is clearly shown in the figures for Campbelltown in the last 12 months. The government’s sound economic management has helped to keep interest rates at their lowest in 30 years and, in turn, has helped to assist economic and employment growth.

In my electorate many jobs are being created in the building industry as more and more new homes are being built. Job creation in Macarthur has come from projects like the government’s small business incubator at Narellan and the imminent commencement of the Western Sydney Orbital, which is predicted to create 24,000 jobs for Western Sydney. However, there is still a lot of work to be done. Simple things like creating more opportunities for business to expand and to take on one extra staff member might be a way. It might seem like a simple solution but, if every business in my electorate took on just one more employee, the unemployment rate would drop considerably. With this in mind, I am hosting a business export forum in Campbelltown later this month where I hope many of our local businesses will, with the help of Austrade, take the first steps toward exporting. Exporting accounts for approximately one in every five jobs in Australia, so it is vitally important that more businesses in the area get involved.

While export is a very obvious answer to unemployment, the answers are not so simple in some parts of my electorate. Campbelltown is home to a number of housing estates which suffer from intergenerational unemployment. I have visited all of these areas in my electorate and I can tell you that, while things are not the best, there are groups
of people who are trying to make a real difference to their lives. But it is not easy for them to find a quick fix when three generations of the same family have grown up not knowing what it is like to have a regular job. The solutions need to come from the ground up, from the community itself—from the people who are affected.

The government is encouraging this through projects like the employment cooperative being established in Claymore with the help of Commonwealth funds from the Stronger Families and Communities Strategy. The cooperative will develop a number of micro community businesses in Claymore, like lawn-mowing and gardening services, which are owned and managed by the community itself, and it will provide a tool bank that local residents will be able to access to undertake paid employment. The cooperative will also help train a local work force that local businesses can call upon when they need workers. Part of this training is to be done with the construction of the new park in Claymore that members of the cooperative will help to build. This project was developed by the people of Claymore and will help many to get paid work in the end, which is a big step forward in helping to break the welfare trap that many people in this area have been caught in. This is just one of a number of projects targeted at Campbelltown’s housing estates and the wider community. The main aim is to try to get long-term unemployed people into the work force.

While job creation is important in reducing unemployment, it is also important that we help people find work. We must provide training and assistance to help people find work once businesses are given the right conditions to provide those jobs. The government is investing $1.7 billion over four years in the Australians Working Together package. This provides $324 million to help people find work, including 3,000 extra Job Search training places worth $19 million; 6,500 extra Work for the Dole places worth $43 million; new training credits of up to $800 for 64,500 Work for the Dole and community work participants; $251 million to help parents return to work, including new Transition to Work programs and new career counselling, literacy and numeracy and vocational education and training places; disability employment assistance services and community work placements valued at $105 million; $177 million for 7,000 new disability employment assistance places; 5,200 new places in vocational education and training and additional support for 1,500 students in higher education valued at $37 million; $143 million towards getting people the right help, including the new Personal Support Program that will help 45,000 people each year by 2004-05; and $20 million on literacy and numeracy training supplements.

Australians Working Together is a comprehensive program which will deliver training and assistance to those who are looking for work. Reducing unemployment needs an integrated and balanced approach—it needs job creation, training and job matching. I believe that we are seeing this approach starting to work in Campbelltown and, while the unemployment figures are still too high, they are heading in the right direction and will continue to do so under the coalition government.

Iraq

Mr QUICK (Franklin) (4.30 p.m.)—Today I want to use this grievance debate to continue to place on the public record, and, fortunately, across the airwaves, my continuing and ongoing support for the anti-war movement—the ‘no war on Iraq’ movement. Many of us have already spoken in the debate in the House last week, and others continue to speak in the Main Committee as I speak in the House today. As the time draws closer to a war against Iraq, more and more Australians are discussing this vital issue—and well they might. The feeling out there in most electorates is of increased opposition to Australia’s involvement. Polls would have you believe that a majority of Australians are totally opposed to a US-led non-UN-sanctioned strike against Iraq but that a majority would favour Australia’s involvement and that of other countries—the ‘coalition of the willing’. I guess you might regard them as—if the UN were to pass a second resolution to back UN resolution 1441. My gut feeling is that this support for the latter option is rapidly declining not only here in
Australia but also in Europe, the UK, Canada and, increasingly, in the United States itself. It is interesting to note that, at a rally in Wollongong over the weekend, over 5,000 people marched in solidarity to oppose a war against Iraq. This decline of support is because people are seeing through the smoke and mirrors, the deception and propaganda.

We all watched with great interest Colin Powell's presentation to the UN Security Council last week. To those of my age it all seemed so familiar. Those of us who can remember back to the Vietnam War days and what transpired in those early days in the 1960s and how the truth finally came out all those years later, those of us who have talked to Vietnam veterans and those of us who have been to Washington and have stood alongside the huge black wall leading to the obelisk and looked at the names on that magnificent memorial well remember how desperate President Lyndon Johnson was to escalate involvement in Vietnam and how this was achieved and justified to the US Congress and the US people. Someone emailed me today. I think they put it succinctly:

I would like to remind Members of Parliament of the so-called "evidence" presented by the USA secret service agency CIA in August 1965 which let to the expansion of USA’s and Australia’s involvement in the Vietnam war, where so many young Australian soldiers were killed and maimed.

According to a statement by the USA President, Lyndon Johnson … two tiny North Vietnamese patrol boats supposedly "attacked" two large US destroyers in the Gulf of Tonkin and this so-called “provocation” was the pretext for the bombing raids into Vietnam killing more than a million Vietnamese civilians. Later it became clear that the U.S. Navy Ships had not been innocent victims of aggression …

Most intelligent people can agree that our involvement in Vietnam was a mistake although the reasons put forward then, is similar to what our two governments are using to suggest we wage war on Iraq.

Although we lost the war in Vietnam, time has proved that we had nothing to fear from Vietnam and time will prove that we have nothing to fear from Iraq.

When the time is right the people of Iraq will choose democracy as the people of the Philippines, Poland, Hungary, Czech Republic, Slovakia, East Germany and a host of other countries have done in recent time, peacefully, without the interference from USA and Australia.

Last week in this House members spoke of the traumatic events associated with the devastating Canberra bushfires. Five hundred and twenty-nine houses, one medical centre and one school were destroyed and four citizens perished. It is interesting to note the observations of a UN report, *Likely humanitarian scenarios*, concerning the impact of a war against Iraq. The number of people that would require medical treatment is estimated by the UN to be as many as 500,000 as a result of direct or indirect injuries. This data is based on the World Health Organisation estimate of 100,000 direct and 400,000 indirect casualties of war. Indirect casualties are expected to result from diseases such as cholera and dysentery. The report states that ‘the outbreak of diseases in epidemic if not pandemic proportions is very likely’.

Iraq has a total population of 26½ million. War would be catastrophic to the 13 million who are children. Just over two million children under five are moderately malnourished or underweight and they, along with the one million pregnant and lactating women, would be particularly vulnerable to disease and death. The water and sanitation system is currently on the verge of collapse. Five hundred thousand metric tonnes of raw effluent are pumped into freshwater sources daily. Five million people rely on pumping stations attached to the electricity grid for their sanitation needs. However, the system only runs at two-thirds capacity due to air strikes in the 1991 war. Only 10 per cent have backup generators. Further military action will inevitably damage already frail water and sanitation systems and increase the likelihood of disease. There are 43,000 food agents who distribute supplies to 60 per cent of the population. They are completely dependent on monthly food rations and also on the system continuing to function with a high degree of efficiency.

The Australian people are not being told these facts. They are told that it will be a quick war, a swift war. We have been sanitised, anaesthetised to this video game men-
tality of what war is like, that it is remote; it is far removed from us. But those of us who have actually visited many of these countries where war has been waged have seen the civilian suffering that goes on for years—an intergenerational suffering.

It has been interesting to note US reaction to what has transpired in the House during the debate of the paper on Iraq. It appears that our friends in the nearby US embassy are monitoring our debate very closely. Those of us who have had the courage of our convictions and who have not sanitised our thoughts to please our ally have been earmarked as provocateurs and troublemakers. I am not surprised at the speed with which Ambassador Schieffer responded to speeches made in this place that highlighted America’s determination to plunge into a full-scale war with Iraq. Those of us who have expressed our opposition to this stupid, manic obsession for war at all costs have sure hit a nerve, a real nerve.

In an attempt to influence what we in the Labor Party say and how we should say it, moves were made to discredit the dissenters. To my way of thinking, that says a lot about American democracy—when the parliamentarians of one of America’s supposedly closest allies are threatened by a close business mate of George W. Bush, masquerading as an American diplomat. The dilemma facing the world is that America has a caricature of a Wild West gun-toting Texan bounty hunter masquerading as a US president and desperate for a rerun of the Gulf War. Other countries are also concerned about this and are desperate to have the UN process stiffened and implemented with the total support of all the major world players. If our future world security were not such a serious matter, it would be a joke.

It was interesting to hear the Canadian minister of foreign affairs say earlier this year that Canada must continue to seek a peaceful resolution to the challenge posed by Iraq’s noncompliance with its international obligations. Both Canada and the United States are our friends and allies. We have a long history of cooperation and partnership with them. But friendship and alliance do not imply that we two sovereign countries must adopt identical approaches to all issues. The perception of Australia’s position on the world stage is that of a country slavishly acting as a lap dog, faithfully waiting for a pat on its head for services unquestioningly rendered.

**Government: Role**

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Minister for Family and Community Services) (4.40 p.m.)—I rise today to tell you not what this government is doing but what it should not be doing. In particular, I rise with a conviction that this new century in Australia should be marked by a renewed commitment to empower individuals and communities and to restrain the size and role of the state. I do so by beginning with reverential respect for the principle of public policy taken from the Hippocratic oath that we should do no harm. It seems to me that three great principles should guide our conduct in public life. The first is to do no harm; the second is to do good; and the third, a subset of the second, is to resist evil. To do no harm is a great principle and is rightly the opening premise of the Hippocratic oath as it relates to treatment in health of the human body—with respect to the Parliamentary Secretary to the Minister for Health and Ageing, the member for Adelaide, who is at the table at the moment. Her nursing expertise and experience as an educator will confirm that the human body has natural systems of healing and regeneration which, if allowed to function properly, are a much more powerful instrument of health than the external interventions by often well-meaning medical practitioners.

I note that for many centuries it was believed that bleeding of a patient was an appropriate cure to various ailments, and many patients died from the effects of loss of blood because of this well-intentioned belief by the medical profession that bleeding was a good thing. They were all guilty of doing harm with a good intention. Today, there is great concern that the natural immune system of the human body is weakened by the instinctive reaching for an antibiotic to solve whatever infection may be in a body. The feeling is that, over the lifetime of a patient, we actually train the immune system not to re-
spond because of a feeling that some powerful external agent will be introduced to be the source of healing.

Very often, I have a concern that this is the role played by government. But the most powerful asset of the Australian people is not what happens in this chamber; it is not what happens in the vast buildings which surround this chamber and which are full of highly professional and dedicated bureaucrats. The great asset and strength of this community is what happens in the relationships among neighbours, friends and families and in communities—as was attested to by the leaders of our respective parties on the first day of question time after the Canberra bushfires. The instinct among Australians to recognise a human need and to respond and to say, ‘What can I do to help?’ is more powerful than any of the individual programs that appear as one line item after another in the budget. As the Senate now goes through this estimates process, asking the purpose of each line item and whether it is achieving its purpose, we can indulge the temptation to believe that we in this place are more powerful and, as former Prime Minister Keating would say, that we have the levers, the capacity, to manipulate things in such a way that we can solve all of these human problems.

Very often, in my view, the challenge is not to implement some new government program, it is not to create a new bureaucracy, it is not to issue a press release; it is to work out how we can fan the spark of self-reliance, community engagement and neighbourliness which exists in very great measure out there beyond the walls of this place. Osborne and Gaebler, in their book Reinventing Government, used the analogy of ‘steering, not rowing’. If we conceptualise the Australian community as a vast ship that has a galley full of muscled rowers, and we in the public policy sector—in the bureaucracy and the government—are the rowers, we can tend to arrogate to ourselves the belief that, if we pull hard enough on the oars, we will be able to move the ship forward. In fact, the private relations between citizens are much like the breeze that blows past the ship. If we would simply hoist the sails and better harness that breeze, we would move the ship forward so much more smoothly, speedily and effectively. But in order to do that, we have to say, ‘We must decrease and they must increase.’ The state must make more modest claims as to its capacity, and we must look down to the fine grain of the individual street, neighbourhood, parents and citizens community, choral society and progress association, and look to how we strengthen those muscles.

The truth is, from this distance—in Canberra, on a vast continent with a relatively small population—it is simply not possible for me, as a parliamentary secretary, to know better than the natural leaders who emerge in the streets and shopping centres of the hamlets, villages, communities, cities and towns spread across this great nation. Another example might be the education of children. There is a natural curiosity deep-wired into every child, and the challenge is not so much how we force feed the children with information and data from above, but how we nurture and encourage that natural instinct to inquire, and how we keep that alive throughout a person’s entire life.

My view is that the greatest philosopher in the history of mankind was a Palestinian carpenter of Jewish origin, who lived a short life. Towards the end of it, he was asked, ‘What is the greatest thought that you have ever had—the summum bonum, the most important strategic idea that you have ever heard conveyed?’ He said, without hesitation, that we should love God and then we should love our neighbour. This is the particular genius I want to focus on: the idea that we love our neighbour. He was asked, ‘Who is my neighbour?’ And he said, in effect, ‘Your neighbour is the person you bump into in the street in the ordinary course of the affairs of each day.’ The critical strategic insight here is that everybody has a neighbour—

Mr Sawford—But it wasn’t an original thought.

Mr ROSS CAMERON—No. He was asked, ‘What is the best thought you have ever heard?’ and he said, ‘Love your neighbour.’ Everyone has a neighbour and every neighbour needs to be loved. The truth is that if everybody loved their neighbour, everyone
would be loved. We look at the great problems of the world: the problems of poverty, HIV in Africa, Palestine and Israel, Northern Ireland, and now we are looking at Iraq. At times we think, ‘What can one small individual in this world do in the face of this vast amount of human need?’ This is the genius of this insight: this great Palestinian, Jew, philosopher did not say, ‘The greatest thing in the world is to solve poverty.’ He did not say, ‘The greatest thing in the world is to solve the problems of the Middle East.’ He said, ‘The greatest thought in the world is to take care of your neighbour.’ As we begin the parliamentary year, my appeal to Australians is similar to the one Nelson Mandela articulated in his inaugural address. He said: Our deepest fear is not that we are inadequate, our deepest fear is that we are powerful beyond measure. It is our light, not our darkness, that most frightens us ... We were born to manifest the glory of God within us. It is not just in some of us. It is in everyone. And as we let our own light shine we unconsciously give other people permission to do the same. As we are liberated from our own fear our presence automatically liberates others.

I want to say to Australians: you are powerful beyond measure. Your communities are important. Take an interest in your neighbour, because that one simple idea is the most powerful thought uttered in the history of mankind.

South Australia: Liberal Government

Mr SAWFORD (Port Adelaide) (4.50 p.m.)—I note that the member for Adelaide is at the table. I am sure she will be very interested—she will not publicly agree, but privately she will probably agree with some of the statements I am going to make—in what I am going to say about one of the worst governments in Australian history. That would be the Brown-Olsen Liberal government of South Australia, which lost office—albeit in very bizarre circumstances—in 2002. The Brown-Olsen government would have to be one of the most incompetent and partisan governments in South Australian history.

During the January vacation I took the opportunity to travel to several places in regional South Australia: the Yorke Peninsula, the Barossa Valley, the Murray River region around Morgan, and the south coast from Noarlunga to Yankalilla to Cape Jervis to Victor Harbor. I noted that millions and millions of dollars have been invested in those areas. Edithburgh had a new set of boat ramps, enclosed in a safe breakwater. The jetty was resurfaced. New lighting was obvious, as well as effective shelter. Similar investment—a jetty and a boat ramp—was obvious at Stansbury. Port Vincent, with waterfront housing, a new marina and so on, was on the edge of a resurgent boom. I have no argument whatsoever with those developments. They add to the tourism infrastructure of the lower Yorke Peninsula, and that is a good thing.

But what a contrast with more important and larger tourism assets in my own electorate of Port Adelaide and other metropolitan electorates. The Largs Bay jetty—no investment. The Semaphore jetty—no investment. Grange jetty—no investment. In fact, $17 million was given to rural councils to fix up their jetties and nothing whatsoever to metropolitan councils in my electorate. In nine years, there has been nothing—not a single cent. From the Port Wakefield Road to Ardrossan and Edithburgh, evidence of new roadworks was everywhere, as it was down in the southern suburbs. Port Road—one of the main thoroughfares from Port Adelaide to Adelaide, the arterial road that links the port to the city—is in a shocking state, with the road surface just breaking away everywhere. The promised Port Adelaide expressway to take pressure off this arterial road did not eventuate after nine years of promises by the Liberals in office and the good efforts of Di Laidlaw, the state Minister for Transport. She was genuine in her attempts to do that, but she got ratted on by the Liberal shadow cabinet. The promised and much needed third river crossing and rail linkage over the Port River did not eventuate. There were nine years of promises unfulfilled.

This infrastructure project promised post-construction job opportunities of 2,000 full-time jobs. It would have given Adelaide and the Port of Adelaide the best transport hub in all of Australia and one of the best in the...
world. It would have put the South Australian economy on the front foot for a change. But the Liberal state government could not cope with the vision and the promise of world-class infrastructure. Their small-minded approach diminished the state. It seemed to boil down to a policy of no investment whatsoever in Labor electorates, and they carried out the policy to the letter.

The government built a bridge to nowhere with no economic or job imperative or dividend—the Hindmarsh Island Bridge. They built the Southern Expressway, open for 21 hours a day—I kid you not—but only in one direction at a time! The sheer incompetence of this project is embarrassing. They built the National Wine Centre at huge cost, with huge overheads and many staff. And, believe it or not, they closed it at night. It has become, and remains, a significant taxpayer liability and a white elephant. They built the Hindmarsh Soccer Stadium at huge cost overrun, with little or no economic or job dividend. They built a bus way to a football park to be used 88 hours a year—now abandoned. They could not extend a tramline to North Adelaide. They could not fix up the embarrassing facilities of the Adelaide airport, the worst mainland capital city airport in Australia. They could not improve the state public transport system with any worthwhile initiative—not one. They could not maintain, let alone improve, health or education services.

That government’s partisanship and poor choice of expenditure projects were shameful and severely militated against the state’s interests. Through sheer incompetence, they created the most unreliable, underresourced, poorly maintained electricity system in Australia, with consumers currently reeling from 30 to 40 per cent increases in their bills when inflation is less than three per cent.

But the doozy of them all—and I hope you are listening, Mr Deputy Speaker Scott, because this involves your state of Queensland as well—was the sale of the state’s TAB. TAB South Australia provided a guaranteed state revenue of $60 million a year to South Australia. That is a minimum of $600 million ranging up to probably a billion in the next 10 years. The South Australian Liberal government sold this revenue generating TAB to UnitAB in Queensland at a loss to the taxpayer. That is right. It sold a revenue generator of $60 million a year—$600 million minimum in 10 years—at a loss to the taxpayer. Don’t you jail people who do that? How much more incompetent could you get?

That this incompetent government had no long-term plan for South Australia borders on criminality. The sale of the TAB was a crime against the state. That $600 million to a billion dollars would have built the Port Adelaide transport hub expressway and the road and rail bridge. The money would have completed the Adelaide airport to an acceptable international standard. The money could have been directed towards the replacement of trams and the extension of a tramline to North Adelaide—and a great tourist asset. That money would have repaired and restored the beachside assets of Grange, Semaphore, Largs Bay and Henley Beach. The money could have resurfaced Port Road. The money could have helped to keep some hospital beds open and teachers and police employed. The money should have been invested in the present and future infrastructure of the state. As I said before, it borders on criminality; it is an outrageous neglect of duty that the potential funding was lost by what is now known as an incompetent government.

During their nine years of stewardship, the Liberals failed to invest anything of consequence in Labor held seats in the northern and western suburbs. Yet these suburbs are the industrial, manufacturing and export engine of the state of South Australia.

South Australia now has a new government made up of Labor and Liberal Independents. To its credit, it has handled the transition to government remarkably well. But the time for words and spin has gone. It is time to raise the sights and invest in the state, particularly in projects that have significant job dividends. The challenge for the state government is not talk and spin; it is action, and hard-nosed action at that. If it does not take positive action, it will slide into becoming just a pale imitation of what the state suffered before. Projects will be hit and miss, will be incomplete and will fail. Going
half or only part of the way is not good enough and will be the sign of yet another poor administration.

One drastic example is the commitment to the Port Expressway. The current government have committed to the expressway. But without a commitment to complete the transport hub by building the road and rail bridge which actually links all the transport areas over the Port River, it is all lost. It is like the cart without the horse. This strategy reeks of the old broom at Transport SA and their bureaucrats under the Liberals, and their inability to cope with priorities. It also suggests a rather half-hearted commitment by the state government. And that, after 17 years of non-investment in Port Adelaide, is simply not good enough. The people of Adelaide’s west and north expect that Labor will redress the imbalance in infrastructure investment, and they and the state deserve nothing less.

The people have had enough of the rhetoric, the spin and the announcement and reannoucement of grandiose plans without funding. It is time for action, decision making and the will to get on with it. A hard-hitting, go-ahead, action-oriented state government would be a pleasant change for long-suffering South Australians. The last government to invest significantly in Port Adelaide was the Bannon government in the sesquicentenary year of 1986, 17 years ago. Under the new Labor government, state building will be a pleasant contrast to the foolhardiness, the incompetence and the expenditure wasting of the divided Liberal government with its Brown and Olsen factions.

And isn’t state building what Labor governments are for? Getting rid of the spin and getting on with the job ought now to be the mantra of the Rann government. We in Port Adelaide and in the northern and western suburbs will all watch their progress or otherwise, and rate their accountability and ability to deliver accordingly. Let us hope truly that they are up to it. The people of Port Adelaide and the northern suburbs—in fact, the entire metropolitan area—deserve that at least.

**Northern Territory: Land Councils**

**Mr Tollner (Solomon) (5.00 p.m.)**—

Last week the National Audit Office’s report into the Northern Territory land councils and the Aboriginal benefits account was tabled in the other place. No doubt the Minister for Immigration and Multicultural and Indigenous Affairs will have something to say when he formally tables the report in this House. I have had a chance over the weekend to read that report. Without wishing to anticipate the minister’s response, I can tell you that the Audit Office, at a cost of $631,000, reports:

Because of a lack of systematic performance assessment, supported by suitable performance information, the ANAO was unable to assess whether the Land Councils were fulfilling their functions and delivering their services in an effective and efficient way.

Why am I not surprised? Because that is exactly what people who must deal with the land councils, both traditional owners and other stakeholders, have been telling us for years. The land councils’ functions, as established in the uniquely Northern Territory, Commonwealth-imposed Aboriginal Land Rights (Northern Territory) Act, are to consult with traditional owners on the management of their land and to protect their interests; to assist people making land claims; and to help them carry out commercial activities, including resource development, the provision of tourist facilities and agricultural activities. The land councils have certainly assisted land claims. The area of the Northern Territory that has been claimed and granted has risen from the 28 per cent anticipated by Minister Ian Viner in 1976, 17 years ago. Under the new Labor government, state building will be a pleasant contrast to the foolhardiness, the incompetence and the expenditure wasting of the divided Liberal government with its Brown and Olsen factions.

It could be argued that the land councils have protected the interests of traditional owners—if ‘protection’ means ensuring that their land remains native wilderness. But when it comes to helping this land-rich, dirt-poor constituency to get mining, tourism and agriculture enterprises under way, it is apparent that the northern and central land councils have not done their job. The northern and central land councils are big businesses. They are responsible for half of the Northern
Territory—some 48,000 people on some 580,000 square kilometres of Aboriginal land. Between them, they employ about 200 people and handle a combined annual budget in excess of $30 million. But it is a big business being run, as the Audit Office report shows, without targets, without performance indicators, without risk management strategies and without any real measure of the councils’ performance as laid down in Commonwealth legislation.

As the Audit Office states, there is ‘no formal feedback process for the land councils to determine if traditional owners and other Aboriginals were satisfied with the delivery of specific land council services’. That means that across half of the Northern Territory there is no proper management—and that means that the creation and development of jobs in the entire Northern Territory are set back.

As a member of the Standing Committee on Industry and Resources, which is currently studying the question of impediments to the mining industry in Australia, I can inform the House that the committee heard that a major impediment to resource development in the Territory is the operation of the Aboriginal land rights act and, specifically, the interpretation of that act by the two major land councils. The committee has heard of delays and frustration, of mining companies walking away, of logjams of exploration permits awaiting land council go-aheads and of reports to overseas boardrooms that there is little prospect of finalisation of agreements even after extensive and expensive consultation meetings with traditional owners. There is nothing in the land rights act that says that a land council can bill mining companies for anthropological, legal and other expertise—and yet they do. Evidence given at the Standing Committee on Industry and Resources stated that the average cost of such consultations on land access was around $50,000.

The NLC and CLC jointly submitted a paper—with their full endorsement—to the standing committee, written by a paid consultant, Dr Ian Manning. In that paper, Dr Manning writes:

… the time taken for [obtaining] consent has fallen, though Territory circumstances still require a typical duration of two years. Exploration companies have built this into their planning process and the costs are accordingly minimal. I put this assertion to representatives of the mining industry appearing before the standing committee. Their response was unequivocal: they described the costs associated with consultation as ‘substantial’. One representative told the committee that the total cost for land access in the year 2001 was more than half a million dollars and described such costs as ‘a considerable impediment’ to mining companies, particularly smaller companies. This position is supported by the Northern Territory government, which, through former director of mines Bob Adams, told the standing committee:

… there are excessive delays in the grant of tenure, which forms a significant impediment to major exploration expenditure in the Territory.

If there is no new exploration, there will be no new mines. There are just five mines underpinning the Northern Territory economy today, providing some 25 per cent of the Territory’s gross domestic product. While the existing mines have a 20-35 year life span, there are other variables—for example, commodity prices, international competition and operational costs—which could see any of these mines cease operations at any time. Since the commencement of the Aboriginal land rights act, no new mines have commenced on Aboriginal land administered by the Northern Land Council even though it is some of the most prospective land in the world. In the same period, 11 new mines commenced on pastoral-lease or non-Aboriginal land. The Central Land Council have done better with 12 mineral leases issued, although these are not yet operating ventures. They have done better but not much better.

Last year, the minister put forward an options paper for changes to the land rights act, including consideration of a handover of the administration of the land rights act to the Northern Territory government. One would think that the Territory government would leap at the chance to take over responsibility
for the 50 per cent of the Territory that is currently beyond its control to get new mines under way, to see commercial projects go ahead and to create jobs.

But the Territory Labor government will not even consider it. In response to the minister’s options paper, it appointed Bill Gray and Dr Ian Manning to conduct a round of consultations with the stakeholders. Bill Gray was one of the architects of the act 27 years ago, and it is the same Dr Manning who as a paid consultant of the land councils wrote that the costs to mining companies of obtaining consent from traditional owners are ‘minimal’. How much confidence does the Territory mining industry have in the outcome of Bill Gray’s and Ian Manning’s round of consultations? Not much. The minerals council was barred from a two-day forum in October on possible changes to the Aboriginal Land Rights (Northern Territory) Act and was later presented with a fait accompli by Bill Gray.

The Territory government is overdue to report back to the minister. It was due to report by mid last year and then by the end of last year, but it still has not formulated its response. The possibility of Northern Territory administration of the Aboriginal Land Rights (Northern Territory) Act was not even raised at the October forum, and Chief Minister Clare Martin has said that it is not even on her agenda. The Territory government is dodging the question of patriation of the land rights act to the Territory, and the reasons for that are clear. It is well known in the Territory that Labor Party apparatchiks and land council staff are interchangeable. I could name a few. One sits opposite—the member for Lingiari was a senior project officer of the Central Land Council from 1983 to 1987. There are many others, and today they sit on the front benches and in the back rooms of Labor government in the Territory. They are the architects of the political conspiracy that sees the land councils work hard to get their captive Labor members elected.

If Labor lost the support of the land councils it would lose office. And the multimillion dollar land council bureaucracy sees the transfer of the Aboriginal Land Rights (Northern Territory) Act to the Territory as the greatest threat to its continuing and comfortable existence. The Labor government refuses to consider taking over the management of Kakadu and Uluru. It refuses to represent the broader interest in the land claims process. It has withdrawn its objection to the Kenbi land claim even though it knows that the claim causes considerable concern among many in the Top End, particularly amateur fishermen, who fear they will need permits to fish in Darwin Harbour. The Territory government is in the process of trying to hand over existing Territory publicly owned parks to Aboriginal ownership. It has tried to introduce air permits over Aboriginal land. It is trying to progress the claims being made over the beds and banks of Northern Territory rivers—all land council agenda items. An unholy conspiracy of Labor and the land councils is running an agenda which can in no way be described as representative of the wishes and desires of the majority of Territorians, Aboriginal or non-Aboriginal.

**Health and Ageing: Aged Care**

**Ms ELLIS (Canberra) (5.10 p.m.)—**Today I would like to discuss how our aged citizens are faring under the Howard government. I am sure the figures are very familiar to you. The number of people in Australia aged over 65 is likely to grow over the next 20 years from 2.4 million to around 4.2 million. This aspect of Australia’s demography is being presented in lock step with figures on the declining birth rate to produce a panic scenario. But there should be no need to panic, and it is certainly not the role of government to induce panic. Rather, we need to distinguish clearly between the issues that are cause for concern and need policy changes to address them and those that are merely aimed at softening up the electorate for spending cuts in other areas of social policy. After all, blaming elderly Australians for a budget shortfall of your own making seems a rather cheap trick. One of the key triggers for the ageing panic has been the Treasurer’s Intergenerational Report, released along with last year’s budget. According to the report:
... a steadily ageing population is likely to continue to place significant pressure on Commonwealth government finances.

Labor will not allow ageing to become a negative force in policy making in this country. Unlike the Howard government's Intergenerational Report, Labor does not see ageing Australians through a purely financial framework that turns them into an impost on the Pharmaceutical Benefits Scheme, on the age and service pensions, and on younger generations in general.

Today I would like to focus on residential aged care. I have a number of concerns in this area. We need to break through some of the myths and stigmas surrounding nursing homes and hostels. This raises difficult questions. How do we make nursing homes a good outcome for people rather than an admission of defeat, as it is sometimes perceived? How do we remove the guilt in some families associated with having a parent or close relative in a nursing home or hostel? I have several concerns about the government's management of the aged care portfolio. As I understand it, the government is running quite a number of reviews in the aged care sector—the pricing review, the Resident Classification Scheme review, the internal community care review and the national model care documentation system review, to name just four.

Today I would like to focus on the pricing review into the funding of the aged care sector, for which the Minister for Ageing recently called for submissions. The issues under examination in the review are very important, and they deserve serious attention. But we should be very clear about one thing: it must be the needs and capacities of older Australians, especially those who are disadvantaged, which drive the policy. That includes the need for adequate infrastructure, which has suffered from a now chronic lack of capital funding from this government. The minister's review of the aged care sector cannot be a recipe for winding back the Commonwealth's responsibilities to older Australians. When the government gets aged care policy wrong, the whole community suffers.

Here are some examples where the government is getting it wrong. The first point is the aged care planning ratio. There is an assumption that the planning target ratio of 100 aged care places for every 1,000 people aged 70 years and over is appropriate to meet the needs of Australia's population. These 100 places include 40 high care, 50 low care and 10 community aged care packages. I believe this ratio has not changed since 1995 and should be examined to determine whether or not it meets the needs of our current population. Is the balance right between the high and low care and community packages, for instance? How can the ratio and balance be correct if there are people still waiting to get into a nursing home? For example, as I understand it the situation in the Australian Capital Territory is severe, with long waiting lists for high care residential places and community aged care packages. A constituent wrote to me recently and said:

In Canberra, waiting times can be many months. In the case of a close friend, she was in hospital for 6 months after a cerebral haemorrhage before a nursing home bed became available. In 2000 I approached three aged care facilities on behalf of my husband, who has dementia and various physical problems. All were sympathetic but all said 'six months to a year.'

The second point I want to make is about phantom beds. The minister likes to quote numbers of allocated beds, but there are many allocated residential places that are what is termed phantom beds—that is, they do not yet exist. In other words, they were in that queue for over two years. What is the government doing to reduce those phantom bed numbers?

The third point is about quality of care in residential facilities. In my capacity as member for Canberra, I have visited most of the aged care facilities in Canberra and found them to be of high quality. However, this does not mean that all older Australians have access to high quality facilities, and it does not mean that all facilities provide high quality services. In October 2002, the Aged Care Standards and Accreditation Agency informed the Department of Health and
Ageing that the Girrawheen Nursing Home in Brighton, which is in Victoria, had failed to meet 32 of the 44 accreditation standards. One of the appalling findings of the agency’s report was that residents had been abused verbally, emotionally and physically. The government failed to alert the public to these horrendous conditions and did not place any sanctions on the nursing home to ensure that no new residents would be admitted prior to the next review. To make matters worse, the minister’s spokesperson responded to this horrendous situation by saying that it is ‘an example of the system working well’, as quoted in an AAP report of 8 January this year. I doubt the residents of that home and their families would agree with that statement.

The fourth point I want to make is about the lack of commitment to equity. Another major concern of mine is the government’s lack of commitment to providing all Australians with equitable access to quality residential care. This is where the difference between the Liberal and Labor parties becomes very clear. In a recent Canberra Times article, the Minister for Ageing stated:

… where people can contribute to the cost of their own care, they will have added choice and flexibility to meet their specific needs and preferences. Was he suggesting that people with money deserve better quality care and easier access to residential places? This gives no comfort to those who are not well off. They too have made substantial contributions to Australian society and deserve the same quality of care as all other Australians. Access to quality aged care services should be based on principles of equity, not on how rich you are. One of my constituents recently wrote to me and said:

My observation is that not-for-profit facilities take applicants on the basis of need rather than ability to pay.

This is supported by the findings of the Australian Institute of Health and Welfare report Entry Period for Residential Aged Care. This report found that the median entry period for people admitted to private, for-profit services was 19 days, which is much lower than the 45 days for people admitted to charitable services. Similarly, the median entry period for religious services was 48 days; for community based services it was 50 days; and for local government services it was 53 days. I ask, should access to aged care services depend solely on how much money you have? I think not. I sincerely hope that the pricing review will make some attempt to address these issues rather than be a mechanism to cut costs in the aged care sector, which is responsible for the well-being of those we love and cherish and to where we trust their care.

Law Enforcement: Double Jeopardy

Mr DUTTON (Dickson) (5.19 p.m.)—People in my electorate I speak to on regular occasions often raise the issue of crime and the importance of crime to them and to their families. It is not by chance that I read in today’s Australian newspaper that the issue of double jeopardy is once again in the spotlight, and there is very good reason for that. This principle is responsible for some of Australia’s most serious offenders being able to remain members of our community rather than serving a life sentence for the ghastly crimes that they committed. It is a principle that makes the judiciary release criminals even where there is compelling evidence that highlights their guilt. Double jeopardy is an 800-year-old common law rule whereby an accused person cannot be tried more than once for the same offence. The rule itself protects an individual against the power of the state to continually pursue a defendant on a matter where they have amounted significant legal costs that are not recoverable from the state or to prosecute as an instrument of oppression.

However, while this law may have serviced common law countries in the past, in an age of major technological advancements this is one such law that no longer supports our criminal justice system. There are many reasons for this. Firstly, technological advances and DNA evidence may provide stronger evidence of a person’s guilt. Whereas a jury may have had insufficient evidence in the past to convict, which has led to an acquittal of a defendant, decades on we have the technology to mount a sizeable case against some of this country’s most heinous criminals. We should not allow principles
that are centuries old to get in the way of providing justice to the families whose lives have been devastated by serious offenders. Currently, courts in all criminal jurisdictions are using advanced scientific and forensic methods to quash wrongful convictions. It is commonsense that such procedures should also be used to ensure that those guilty of serious offences are brought to justice and convicted.

There is a growing chorus of public outrage following the Queensland case of Raymond John Carroll and the current dilemma concerning Clint Rex Betteridge. People can lose faith in the integrity of our criminal justice system when a defendant is acquitted and then new evidence arises which strongly points to their guilt. In compelling cases, it makes sense that the state should be able to apply to the court for a retrial. The factual situation in the Raymond John Carroll case is horrific. Carroll was convicted twice of the murder of 17-month-old Deidre Kennedy, who was sexually assaulted, bashed, strangled and left thrown on top of a toilet block in a local park. Raymond John Carroll successfully had his conviction overturned on appeal to the Supreme Court. However, based on new forensic evidence, Carroll was tried for perjury in 1999—but the High Court held late last year that this conviction should also be overturned based on the principle of double jeopardy. Clearly, we have a situation where justice has been evaded due to this outdated principle.

The Betteridge case is just as disturbing because Betteridge is currently on the run in Australia after being convicted of child rape in Cambodia and I am informed that any moves by the Commonwealth to pursue him would again be inhibited by the double jeopardy principle. Mr Angelo Vasta QC, the former Queensland justice who presided over Raymond Carroll’s murder trial in 1985, has joined the debate urging legal reform for serious offences such as murder. Mr Vasta said that:

... the community has a right to expect that any credible new evidence relating to serious crimes would be tested in a court of law.

The Blair government in the United Kingdom has announced comprehensive amendments to its criminal justice system, not only by repealing the double jeopardy principle but also by allowing hearsay evidence admissible in court and jurors to be informed of a defendant’s criminal history. These changes have arisen because the government in the United Kingdom felt that there was a need to:

... rebalance the criminal justice system in favour of the victim and bring justice to all.

In July of last year, the British Home Secretary David Blunkett told the House of Commons that the rebalancing of the system will not mean that a defendant’s rights to a fair trial and the presumption of innocence are compromised. However, it will mean that the rights of victims and witnesses are given greater weight.
Crime is just as big an issue in Britain as it is in Australia. A recent UK report highlights that, of the 5.2 million crimes reported in 2001-02, the number of criminals sentenced was a mere 326,000. Britain’s Prime Minister Tony Blair has said that:

... a proper desire to protect at all costs the civil liberties of the innocent—

has produced a criminal justice system that is—

... cumbersome, out of date and ineffectual in convicting the guilty.

I am not proposing that the rights of defendants to a fair and equitable trial be taken away and be replaced with a prejudiced system that automatically presumes guilt. Nevertheless, it is fundamental to our justice system that, where a crime is committed, it is the right of the victim or the victim’s family to seek retribution—to seek justice through the court. The current principle does not allow for this to happen—especially where there is commanding evidence that such a crime was actually committed. Where there is clear evidence that illustrates a person’s guilt, the Director of Public Prosecutions should be able to bring a case before the court. It is a blatant fallacy of our criminal justice system to know that someone can commit a crime and that no actions can be taken to provide justice to members of our society. Instead, we allow these criminals to walk freely in the communities they have devastated.

Former Chief Justice of the High Court Sir Harry Gibbs, who has supported a rethink of the double jeopardy principle, has said that there would need to be sufficient safeguards in place to ensure that there could be no opportunity for abuse of process. He proposes that it should be left to the court to determine whether or not strong new evidence warrants a consecutive prosecution. Sir Anthony Mason has also concurred with this viewpoint—he concedes ordering a new trial would be difficult if the new evidence would have been available at the first trial had the investigation been diligently conducted.

It is without doubt that this issue is of importance in this country. There is great public empathy for the families of the victims of murderers, rapists and serious drug offenders who can currently forever be acquitted of their crimes. However, a concerted effort is needed at all levels of government to ensure that this issue is thoroughly investigated. We need to make certain that laws in this country are workable and I call upon federal and state attorneys-general to address this injustice as a matter of urgency. Bob Carr’s comments in the *Australian* today are welcome—they show an open view before the meeting of attorneys-general in April. However, at a time when a state election is looming they represent nothing more than cheap political point scoring. This issue was raised by the New South Wales opposition and others following the Carroll outcome last year. At the time, Carr took no interest in it and consequently left the debate until such time as it could be used as election propaganda—and it reeks of opportunism.

The DEPUTY SPEAKER (Hon. B.C. Scott)—Order! The time for the grievance debate has expired. The debate is interrupted and I put the question:

That grievances be noted.

Question agreed to.

BILLS RETURNED FROM THE SENATE

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

- Migration Legislation Amendment (Migration Advice Industry) Bill 2002
- Commonwealth Volunteers Protection Bill 2002
- Australian Capital Territory Legislation Amendment Bill 2002
- *Broadcasting Legislation Amendment Bill (No. 3) 2002*

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day at the next sitting.

NATIONAL GALLERY AMENDMENT BILL 2002

First Reading

Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day at the next sitting.

PARLIAMENTARY ZONE
Approval of Proposal

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (5.31 p.m.)—by leave—I move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for works in the Parliamentary Zone: Temporary installation of vehicle barriers and permanent CCTV cameras.

Question agreed to.

CORPORATIONS AMENDMENT (REPAYMENT OF DIRECTORS’ BONUSES) BILL 2002
Second Reading

Debate resumed from 16 October 2002, on motion by Mr Costello:

That this bill be now read a second time.

Mr COX (Kingston) (5.32 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 is the so-called One.Tel bill. That is a misnomer—because it is not retrospective, this bill does nothing about One.Tel. The Howard government chose to delay this bill until this year. It could have been brought before parliament in 2002. If the government had acted quickly, it could have been dealt with any time after June 2001, when the Prime Minister promised to legislate. It shows where the Howard government’s priorities are; clearly, corporate governance is not one of them. Three years ago, Labor put corporate governance on the agenda—before Enron, before WorldCom, before HIH and before One.Tel. We have been discussing the issues and proposing solutions. In the last quarter of 2002 alone, Labor released their directions statement on corporate governance and introduced a private member’s bill in relation to section 300A.

It was not until the voices of Aussie mums and dads started demanding action after the collapse of One.Tel and HIH that the Howard government decided to do something—no doubt sensing that failing to act would cost it politically. This was one of those rare occasions for the Howard government where politics tipped the scales away from self-regulation for the big end of town in favour of ordinary investors. For Labor, this bill marks the beginning of turning the legislative spotlight on excessive executive remuneration. Labor supports the principle that unreasonable payments to directors should be clawed back once a company becomes insolvent. However, this bill does not go far enough. It is time to put executive remuneration under the spotlight.

This afternoon I will discuss the loopholes which exist in the bill and Labor’s amendments to close those loopholes; Labor’s amendments to put the spotlight on executive remuneration by enhancing the disclosure regime; and Labor’s proposals to empower superannuation funds. The first issue I will address is the loopholes in the bill as it is currently drafted. The bill permits liquidators to reclaim unreasonable payments made to the directors of insolvent companies. This principle is supported by Labor. Directors of companies like HIH and One.Tel should not be able to retain the excessive payments they made to themselves at the expense of creditors, policyholders and shareholders. In December last year the liquidator for One.Tel said it would commence proceedings against Jodee Rich and Brad Keeling to recover the $14 million in bonuses they paid themselves. The One.Tel liquidator is also pursuing Mr Rodney Adler. Apparently, Mr Adler was a director on the remuneration committee at One.Tel which approved the bonuses paid to Mr Rich and Mr Keeling. It has been alleged that whilst acting in this capacity he was involved in a number of breaches of the Corporations Law.

This bill does not go far enough in cracking down on directors whose greed overwhelms their responsibilities to shareholders. The bill provides that a liquidator can reclaim an ‘unreasonable director related transaction’ made within four years of a company appointing a liquidator. The definition of what constitutes an unreasonable director related transaction creates a loophole for certain benefits which escape this definition. The definition does not capture all transactions between directors and companies. In particular, the bill only refers to
payments made by the company and not to benefits received by the directors. The effect is that options issued to a director are clearly captured by the definition but any profit made on the exercise of those options is not captured. The legislation allows the company to claw back the original value of the options, which could be a small proportion of their ultimate value. This means that shareholders and creditors are ripped off—the company has gone belly up, the creditors are seeking payment for debts and the liquidator is unable to access the real benefit of the options payments received by the directors. Labor proposes to amend the definition of ‘unreasonable director related transactions’ to capture this benefit.

The second loophole in the definition is that it is up to the courts to determine when a payment is considered unreasonable. To give this legislation some real teeth, Labor recommends that proposed section 588FDA be amended to set out the circumstances which the court should have regard to in determining whether a transaction is unreasonable. Under Labor’s amendments, the court would be required to consider the following: the payments and benefits received by directors relative to payments and benefits received by employees in the company; whether the payments or benefits were subject to appropriate performance criteria; and the time the payments or benefits were received—in particular, their proximity to the time at which the company was placed into administration or liquidation and whether the company was insolvent at the time they were received. These amendments provide a guide to the court and a benchmark for boards to consider when setting the remuneration of their directors.

The third loophole in this bill relates to the timing of these new provisions. As the bill is currently drafted, these provisions will only apply to transactions entered into after the bill receives royal assent, so any payments made to directors before this date will not be captured. The government claims that this is necessary on constitutional grounds; however, the Australian Constitution has not prevented parliament from enacting retrospective laws in the past. In light of the situation where millions of mums and dads, pensioners and employees can be ripped off as a result of the mismanagement of a company, directors who have received unreasonable salaries and bonuses should be held to account—not from next year, but from when the Prime Minister announced he would legislate.

Let us see Mr Howard put some action behind the rhetoric. If he is serious about protecting shareholders, investors and policyholders, the bill should apply from 4 June 2001, when the Prime Minister said he would legislate. That is frequently the case with taxation measures, which are often applied from the date of a press release with legislation following. Why was that not the case with this bill? Labor proposes to amend the bill so that it applies from 4 June 2001. If directors who have ripped money out of failing companies since that date want to argue the constitutional niceties of retrospective legislation, they can do so in court. With this bill, the government is arguing the case for them in parliament. One wonders whom the Howard government thinks it is protecting.

Whilst the clawback of unreasonable payments made to directors of insolvent companies is supported by Labor subject to the amendments outlined above, the bill fails to address the core of the problem. That problem is excessive executive remuneration. Self-regulation has failed. Executive salaries, sign-on bonuses and termination payments are escalating and are now out of control. BHP is a textbook example. In 1998, John Prescott took more than $11 million out of BHP. Then, in 2002, Paul Anderson took a further $18 million. Now, in 2003, Brian Gilbertson is rumoured to be pocketing around $30 million after only six months in the job. BHP shareholders must be wondering whether the company is now like Florida: CEOs go there when they want to retire—and the Parliamentary Secretary to the Minister for Health and Ageing, who is at the table, chuckles her assent. Shareholders are forced to bear the financial impact of these payments, yet they are kept totally in the dark about the criteria on which they are paid.
This bill deals with the situation where unreasonable payments are scrutinised once the company has become insolvent. Unlike the Howard government, Labor is concerned about excessive payments made to executives whether or not the company becomes insolvent down the track. In 2002, the Howard government’s self-regulation approach gave a green light to corporate greed. Some of the most spectacular examples include the chairman of Newcrest awarding his board of directors a $300,000 pay rise in a year when Newcrest made a $53 million loss and the MD of Macquarie Bank taking home $4.2 million in bonuses in addition to his base salary, despite the bank reporting a 35 per cent slump in 2001 profit. He was also granted 126,000 options during the year. They do not call it the millionaires’ factory for nothing. Unfortunately for the shareholders, there was an 18 per cent drop in the share price.

However, the low point for Australian shareholders in 2002 must have been experienced by AMP shareholders. The mums and dads and pensioners who own AMP shares must be thinking that Santa came early to Paul Batchelor, the former CEO. He took over $3.3 million in the same year as the AMP share price was slashed by more than a quarter. As if this was not enough, it is expected that he will also receive a golden farewell when his final package is revealed.

A portfolio manager at Investors Mutual says, ‘Those sorts of salaries without some sort of performance criteria are a bit outrageous in this day and age.’ Australian shareholders are kept in the dark about the criteria on which these payments are made and have no legislative right to express their views on these outrageous salaries. Australia is falling behind both the US and UK in relation to shareholders’ rights. The UK Directors’ Remuneration Report Regulations 2002 are designed to improve the transparency of links between boardroom pay and company performance. These regulations require UK listed companies to put an annual, non-binding resolution to shareholders on the remuneration report to enable shareholders to express a view on certain remuneration issues. To give shareholders in Australian listed companies the same opportunity, Labor proposes to amend the Corporations Act to require that listed companies put to their shareholders an annual non-binding resolution on the remuneration report. This will put an annual spotlight on executive remuneration and will give shareholders the power to have their voices heard.

The UK regulations also require UK listed companies to publish a report on directors’ remuneration. In Australia, section 300A of the Corporations Act requires certain details about executive remuneration packages to be disclosed in the annual report. However, there is a low level of compliance with this provision. To overcome this, Labor proposes to amend section 300A to require listed companies to publish a report on directors and the five highest paid executives, which includes the disclosure of the board’s policy in relation to executive remuneration. The report would include details of the board’s policy in relation to remuneration, any performance conditions to which any entitlement is subject, certain performance graphs showing historic information on the company’s performance against the relevant criteria and the equity value protection schemes entered into in relation to remuneration.

Labor’s amendments build on the UK regulations and are designed to increase the transparency of company policy in relation to executive remuneration. The Howard government’s self-regulation approach has resulted in a system of setting executive remuneration which is both secretive and opaque. Labor’s amendments will put the spotlight on the system of setting executive remuneration. Labor’s requirement that the remuneration report include details of equity value protection schemes is an important part of increasing transparency in relation to executive remuneration. Under the Howard government, executives are able to use derivatives to lock in the value of shares and options granted to them as part of their remuneration package and so avoid any financial loss by a fall in the share price. This practice totally defeats the incentive structure which is supposedly the rationale for these forms of remuneration. Shareholders unfortunately do not have the luxury of being able to avoid falls in the
share price, falls that can often be attributed to bad management.

Last year, Labor turned the spotlight on this issue and, in response, Senator Ian Campbell promised to introduce rules some time this year. Labor counts this issue as a priority and, instead of waiting, will introduce amendments to this bill to require that participation in equity value protection schemes is disclosed. Investors need to know that the board and the management are acting in the best interests of the company. Retirees need to know that their retirement incomes are not being jeopardised by executives who have hedged their bets. In December, on the Inside Business program, ASIC chairman David Knott said that he was ‘hopeful that the business community will endorse’ the suggestion that executive option schemes include a standard clause outlawing the practice. Labor believes that an amendment to the law is required to stamp out this practice. Recently, the top 20 Australian companies were surveyed on this issue. The majority did not have a policy ruling out this practice and some companies, like Westfield Holdings, admitted that some of their executives had participated in the schemes and that there was no onus to inform the board. To protect Australian investors, regulation of protection schemes is necessary. Labor has taken the lead on this issue by moving an amendment requiring that protection arrangements are disclosed.

Excessive executive remuneration, the use of protection deals and the flouting of section 300A are all evidence that self-regulation is failing. Self-regulation has failed to produce outcomes that benefit the investor. An opaque system has developed where some super funds are apathetic. As the owners, super funds need to play a more active role. They are significant shareholders in listed Australian companies. Whilst ASIC Policy Statement 128 gives fund managers the power to discuss common concerns and voting intentions, it is unclear whether such provisions have been utilised in practice. Both the US and the UK have an activist approach in relation to this issue. In the UK, the Institutional Shareholders Committee released a new statement of principles in October last year. The Higgs report has also referred to this issue. In accordance with international best practice, Labor is considering moving amendments in the Senate which would make voting by superannuation funds mandatory, make disclosure of their voting record mandatory and require disclosure of the reasons why it was in the best interests of their members that they voted in that manner. These amendments would increase transparency and require a more activist role for superannuation funds.

The amendments proposed by Labor today would turn the spotlight on executive remuneration. They would give shareholders and superannuation funds a greater role in company affairs. This is how it should be: they are the owners of the company. To explore these issues, Labor will refer this bill to the Senate Economics Legislation Committee to allow aspects of the bill to be fully examined and to explore any other possible amendments to the Corporations Act which may increase the accountability arrangements governing executive remuneration.

Ms PANOPoulos (Indi) (5.49 p.m.)—I rise to support the Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002. Corporate governance in Australia is an important issue for all of us. I am proud to be part of a government that strongly holds the view that corporate directors are not above the law and are not above the contemporary checks and balances that exist for the rest of the community. No doubt the recent collapses in the USA and in Australia—in particular, our experience with One.Tel—have, as the Minister for Employment and Workplace Relations has noted, contributed to the bad name that corporate Australia was giving to market capitalism. Australians subscribe to the notion of a fair day’s pay for a fair day’s work. No other phrase more adequately sums up the attitudes to the dignity of work and to employment practices in this country. Contrary to the myth perpetuated by some on the other side of the House, this government does not believe that corporate directors should be receiving excessive remuneration packages to the detriment of shareholders and workers.
This bill will further the government’s reforms in this policy area and further strengthen the rights of workers while ensuring management responsibility for our corporate leaders. Indeed, many Australian families have been disgusted by the multimillion dollar remuneration packages offered to some of our corporate directors while hardworking families struggled with normal, everyday household payments. This notion was conveyed to my electorate office recently by a bemused family struggling to understand the fairness of the $30 million payout to BHP Billiton’s chief executive, Brian Gilbertson. I echo the Acting Prime Minister’s sentiments on this matter when he stated that such a payout was indefensible. I am in no way a market capitalist killjoy. However, given the recent shameful examples of corporate governance and accountability, I believe that effective measures need to be in place to ensure the integrity of our corporate world so that public confidence is restored in the directors who lead our corporate entities and fairness is guaranteed for the workers who provide the physical and intellectual capital for the success of many of these businesses.

Through the measures contained in this bill, the government recognises the importance of allowing corporations the freedom to excel, to make a profit and to provide jobs and investment, though at the same time ensuring that proper safeguards are in place to counter the very worst of corporate excess. Following the One.Tel collapse, the federal government made a decision to amend the Corporations Act to allow for the recovery of bonus payments to directors of corporations that have folded. I am proud to be part of a government that has made good this promise.

It is generally recognised that Australian corporate governance regulation and practices have traditionally reached somewhat acceptable standards. It is not a claim of Australian innocence: we are surely not immune from our fair share of corporate collapses. The Enron and WorldCom fiascos are not exclusively reserved for the US markets, and that is one of the main reasons why Australia’s corporate framework needs this bill to restore fairness and faith in the corporate governance system. We have all seen the unfortunate situation of a business collapse with staff left out of pocket and entitlements left unpaid. This is an entirely unacceptable situation and the Howard government has a proud record of confronting this problem with an effective system of employee entitlements when the collapse of businesses occurs. The situation can be, and is often, very devastating for employees, which is why appropriate safeguards are in place to assist employees in these particularly difficult situations. I am pleased that the government acted swiftly to implement this scheme on 1 July 2000.

The member for Kingston said that this matter was a priority issue—that is, the excesses of corporate bosses. Yet I had not seen, in the 13 years of a federal Labor government, any attempt to curb the excesses of their big business mates all over the country—most notably in New South Wales and in Western Australia. For all their moral posturing about representing the underdog, during their 13 years in power the Labor Party did not have a single protective entitlement scheme in place to safeguard the interests of workers who find themselves cheated of what is rightfully theirs. Claiming to be the workers’ friend means absolutely nothing without the action to prove that you are. This government has shown that it is sincere and it is prepared to act to safeguard the interests of Australian workers. This bill continues the process of striking a balance in ensuring fairness and equity within the corporate governance system and protecting the needs of workers.

Currently, the law states that employers must pay in full the entitlements of employees. If a business enters into insolvency the employer is liable, although there are certain circumstances where if there are insufficient funds available to meet this demand then the Corporations Law is applied. It is unfortunate that during the 13 years of federal Labor rule, no safety net was afforded to workers who found themselves in this position. The economy reached banana republic stage, interest rates ballooned, businesses could not cope and many simply went bust. This occurred at a time when there was no effective
mechanism in place to ensure workers entitlements were paid and their agreements honoured. The lack of action on this issue by previous Labor governments was nothing short of negligent and irresponsible.

Employers and employees alike should welcome the approach taken by this government in establishing the Employee Entitlements Support Scheme, furthered through the introduction of this bill. Whilst the rights of employees in receiving their accrued entitlements is of primary concern, attention also needs to be focused on the higher echelons of corporate management. I am pleased that this bill takes very important steps in assuring that this is the case. Corporate leaders are not above the law and need to conform to community standards of financial accountability and transparency—the sort of standards that apply to other leaders in the community.

In light of the recent One.Tel collapse, most Australians wholeheartedly agreed with the Prime Minister, who stated that the company directors who were paid exorbitant performance based bonuses had a ‘very strong moral obligation’ to repay these bonuses to the staff who had forgone their entitlements. For a company that employed over 1,400 workers, the scale of the One.Tel collapse was widely and severely felt. The hypocrisy inherent in company directors receiving substantial multimillion dollar bonuses while workers struggled to be paid all of their entitlements clearly shows that this bill is an important continuation of the government’s agenda of ensuring responsibility in corporate governance. Many Australians would also agree with the Minister for Employment and Workplace Relations, when he stated:

I don’t believe you need to pay people astronomic salaries to get a good day’s work out of them.

The specific provisions of this bill refer to ‘unreasonable director-related transactions’. They are transactions that in the ordinary circumstances would not normally have been entered into. The bill outlaw the behaviour of corporate directors attaining significant bonus payments at the expense of workers receiving their entitlements. In summary, the bill states that unreasonable payments to directors that are recorded within a four-year period of a company’s insolvency are to be reclaimed by liquidators for the benefit of workers in restoring their own funds and those of the insolvent business’s creditors.

The existing Corporations Act is amended in this bill to allow for a general tightening of the regulations to counter the very worst aspects of corporate greed. Some people may say that it is not the government’s place to be regulating such affairs or that this bill is, in fact, overregulation of the corporate world. But many in the corporate world have proved time and time again that they cannot be trusted to do the right thing. The measures contained in this bill will not adversely affect directors of corporations if they readily comply with responsible financial management, even when faced with the prospect of insolvency. I am not known to quote the secretary of the ACTU, but it was Greg Combet who stated:

I think people are fed up with the big end of town, all the false largesse and employees being rubbed. There will be eventually a comprehensive set of protections for employees.

Indeed, there will be a comprehensive set of protections for employees, but it certainly did not and could not have happened under the Labor Party. Between 1983 and 1996 they had the opportunity to do something about protecting workers rights and entitlements, and they failed time and time again. There was not one scheme in place that acknowledged workers entitlements in these situations, even when presiding over large-scale losses of small businesses and corporate jobs caused by the ALP during the ‘recession we had to have’.

In the last two to three years, the Howard government has shown that, unlike the Labor Party, it is not beholden to powerful sectional interests and that it will govern fairly for the benefit of all Australians—the Australian worker, the Australian small business person and the Australian corporate world. I am also pleased and heartened that the Ministerial Council for Corporations, which effectively speaks for the Commonwealth, the states and the territories, has expressed its approval of this bill. The bill does take a very important step in ensuring that the integrity of our corporate markets is kept intact and that a fair
balance is struck between corporate and managerial responsibility and the rights of workers to receive their accrued benefits and entitlements. I am pleased to be part of a government that acts to protect and stand up for ordinary Australian workers. I am pleased that this bill continues the recent reforms of corporate accountability. I commend the bill to the House.

Mr RIPOLL (Oxley) (6.01 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 could be called the One.Tel bill, because it is really about trying to deal with the situation of corporate excess getting out of hand in this country. When we talk about corporate excess getting out of hand in this country, it is not so much a matter of things that have been going on for 20 years but a matter of things that have been going on in the corporate world more recently. There has always been corporate excess to some extent, but it is the corporate excesses that have taken place since the One.Tel collapse, HIH, Ansett, the Enrons of the world and so forth that we are talking about today. That is what this bill is about.

When government speakers come into this place—and I am sure there will be many more on this bill—they will talk about what Labor did or did not do in its 13 years in government or what it should have done and so forth. But very little time will be spent dealing with the real issues at hand: how effective this bill is and what it will do in particular. I want to tell some government members, before they come back into this place to speak on this bill, to have a look at where this bill originated. Who was in power and let the reins of corporate governance and accountability go? Who had their eye off the ball and allowed these things to take place? We could look at a whole range of issues there—not just the corporate excesses but also HIH Insurance and the body responsible for that, APRA. Who had their eye off the ball? Who was on watch when these things took place? It was not Labor on watch; it was the Liberal Party that were on watch, and it was under their governance that these things took place. So let us not be under any misapprehension as to who should claim responsi-

We are here to talk about a bill, the purpose of which is to permit liquidators to reclaim unreasonable payments made to directors of insolvent companies. It is about those payments, shares, options and severance pays that are made to company directors in the dying phase of a company before it becomes insolvent, or while it actually is insolvent and perhaps still trading—unbeknownst to its shareholders or the rest of the community. That is what this bill is about. It is supposed to assist in the restoration of funds, assets and other property to companies in liquidation, and it should be for the benefit of the employees and the creditors of that company. It is certainly not, as the member for Indi tried to pass off in this House, some sort of goodwill bill towards workers and their families. I certainly do not see too much goodwill in any of the actions of this government when it comes to helping out workers who may have invested 20 or 30 years of their lives in a company that goes insolvent, and who find that there is no money left in the coffers and that they are the ones who will lose out. I have certainly not seen any bill introduced in this place that would deal with that, even though for years Labor has had on the table a private member’s bill that deals with these things. The government refuses to bring that bill on because it does not want to deal with those real issues.

On the one hand, we can talk about this bill and what it purports to do. It is extremely weak in its ability to actually do those things, but at least it is a step in the right direction. As with a lot of issues that revolve around this type of bill, the government is not so keen on introducing such measures and is always dragged to the table kicking and screaming. This has been no different. After the collapse of One.Tel, in June 2001 the Prime Minister announced that there would be an amendment made to the Corporations Act that would enable the recovery of bonuses paid to directors of those specific companies that later collapsed—so some time has elapsed.
What the government supposedly does in this bill is to reclaim what are considered to be unreasonable director related transactions made within a four-year period of a company appointing a liquidator. The particular question in this bill becomes what you would define within it as being unreasonable director related transactions. Under schedule 1 of the bill, such transactions may have the following features:

(i) a payment made by the company; or
   (ii) a conveyance, transfer or other disposition by the company of property of the company; or

(iii) the issue of securities by the company ... 
   (iv) the incurring by the company of an obligation to make such a payment, disposition or issue; and

(b) the payment, disposition or issue is, or is to be, made to:

(i) a director of the company; or

(ii) a close associate of a director of the company; or

(iii) a person on behalf of, or for the benefit of, a person mentioned in subparagraph (i) or (ii); and

(c) it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:

(i) the benefits (if any) to the company of entering into the transaction; and

(ii) the detriment to the company of entering into the transaction; and

(iii) the respective benefits to other parties to the transaction of entering into it; and

(iv) any other relevant matter.

The problem with that definition is that it is not considered to be unreasonable for a whole range of those things to take place; it depends on how one would define unreasonableness. The problem then, of course, is that it goes to a court to make a judgment. That is not a problem in itself, but for the test to prove that a transaction is uncommercial, whether or not it is purely objective, the liquidator must prove that it was provided by the company and was of such magnitude that it could not be explained as being normal commercial practice.

If you look at that and ask, 'Okay, what would be normal or what would be reasonable?' it is pretty hard for the average person in the street—it is certainly hard for me and, I think, for many other people—to work out what is reasonable in the corporate world. If you look at the past, over many years top corporate executives have been paid pretty well. I have an article here from an October 2000 Weekend Australian. It lists what is called 'the million buck club'—probably a better term would have been 'the million dollar club'—and it includes major organisations in Australia. I will not read them all out—there are quite a few—but it lists firms such as Coca-Cola Amatil. David Kennedy, its former CEO, got an annual package of about $1.6 million. These packages do not always include options, bonuses and all sorts of other incentives which, in dollar terms, are often two, three, four or even 10 times the size of what these executives actually get paid on a yearly basis. James Hardie's CEO Peter Macdonald got $1½ million. Telstra's Ziggy Switkowski got $1.654 million, including $400,000 in bonuses.

Ms Hoare—And Telstra's price is falling.

Mr RIPOLL—True, that certainly is a big issue. It seems to be almost a reverse theory in the corporate world that, as the share price falls, as the assets of the mums and dads out there fall, the corporate executive pay goes up. It is a bizarre world, but that seems to be the way it works. Westpac's David Morgan got $1.72 million, and Qantas's James Strong got $2 million. They all seem to be around that same mark. The reason I bring these figures to the notice of the House when talking about excesses is that I want to raise the issue of One.Tel. Jodee Rich being paid $7.5 million in the same year that these other guys, most of whose companies were holding their share value, if not increasing it, were paid around the $1.5 million to $2 million mark. Jodee Rich got $7.5 million, including a $6.9 million bonus—a bonus for what, we would all ask. Brad Keeling got $7.5 million and the same sort of bonus—a $6.9 million bonus. If we were to make a comparison, I think we could easily say that these bonuses were unreasonable, but certainly, in the view of the direc-
tors of that company and the people who supported them, they were not.

We can see that the definition of corporate excess may be a real problem. Since that time, only a couple of years ago, we have seen truly spectacular excesses. More recently, in September 2002, we saw the greatest golden handshake in Australian corporate history with Suncorp’s chief receiving over $30 million in his final term. That, to me, is unreasonable. It would have to be unreasonable, in terms of what that person was actually worth. That does not include bonuses during the year of $18.3 million, including termination payouts. Then there is the sort of money that Paul Anderson got in his last year at BHP Billiton. Ross Wilson departed with $9.2 million from his last year of heading up Tabcorp. He also happens to be the owner of Sydney’s Star City Casino. So when the government comes in here and says, ‘Labor didn’t do anything about this when it was in power,’ you just need to look a little closer at the years and the dates of this corporate excess. There truly is an excess under this government’s reign, not under ours. There were excesses, but not of the magnitude of those that have taken place under the liberalised approach of this government towards these types of activities.

There are many newspaper articles dealing with this issue, because it hit a real note within the Australian community. Those in the Australian community were asking themselves fairly basic questions such as: how is it that company executives who head up major firms in Australia get extra bonuses when the company is going bust; and how do they get those bonuses of incredible amounts of money when that company then goes into liquidation and there is no money left in the coffers to pay the creditors, the superannuation of its work force or the entitlements that people might have accrued for 20 or 30 years? They lose a lifetime of investment in making the wealth for that company partly on the basis that the corporate executives get these massive payouts, golden handshakes and quite outrageous bonuses.

Again, in reviewing this bill, it does not go close enough to dealing with these corporate excesses, and we will find that it is extremely lacking in any real ability to deal with corporate governance and accountability. The corporations will be able to quite easily move around this bill. There has been wide-ranging criticism not just from members on this side of the House but also from the corporate world, which has an interest in corporate governance and accountability. The corporate world is saying that this bill simply does not go far enough, that it is a weak attempt by a government that is continually dragged screaming and kicking to the table when trying to do something about its corporate mates and reining in those excesses.

I listened to the speech from the member for Indi. Her view that this was some sort of longstanding norm within industry and within the Australian corporate world is completely wrong and does not focus at all on the ability of the government to do something solid about this. If we look at some of the criticism, we see that it relates particularly to the fact that the Australian government’s bill comes in no way close to what is happening in the UK and the US. We know from recent happenings that this government is particularly interested in the way the US government decides to do things. Maybe it should take a closer look at what the security and equity commission in the US has proposed in its rule changes and in the things that it has put forward to try to deal with the same excesses in that country—for instance, relating to Enron. Enron’s executives who were on the way out when the company was failing and falling apart got bonuses, payouts and other options worth around the $1 billion mark, which is completely outrageous for a company that they knew was going under. Its top executives would have known, and they just decided to pilfer the coffers and fill their pockets. The US has reacted in the way that this government should react here—that is, it did something firm in trying to deal with it.

The US has proposed a requirement that a managed fund disclose in its registration statement the policies and procedures that it uses to determine how-to-vote proxies relating to portfolio securities. This would require a managed fund to file with the SEC and
make available member information and also the funds proxy voting record. The US will require a managed fund to disclose in its annual report to members information regarding any proxy votes that are inconsistent with its proxy voting policies and procedures. They will also require investment advisers who exercise voting authority over client proxies to adopt and implement policies that are reasonably designed to ensure that adviser proxy votes are in the best interests of clients. They will ensure that information on those procedures and policies and how clients may obtain that information is made freely available. The US legislation tries to deal with it in an open manner to rein in those corporate excesses.

The UK has taken very strong steps in trying to put some best practice into its legislation. This has included the formation of the Institutional Shareholders Committee, which consists of the Association of British Insurers, the National Association of Pension Funds, the Association of Investment Trust Companies and the Investment Management Association. They have put forward best practice principles such as maintaining and publishing policy statements of firms in respect of the companies in which they invest and actively engage, monitoring the performance of and maintaining an appropriate dialogue with those companies, intervening where necessary and evaluating the impact of those policies. They have gone a lot further than this government in making sure that there is a transparency in the corporate world.

Transparency is something that is expected by all Australians and it should be expected by this government. While this bill takes an initial step, I would recommend that the government refer this bill to the Senate economics committee. This would allow aspects of the bill to be fully examined and allow exploration of what possible amendments could be made to improve the Corporations Act in order to increase the accountability arrangements governing executive remuneration. I think there is a huge expectation in this country because of the collapses of One.Tel, HIH and Ansett. We have seen a great deal of damage done to the credibility of corporate governance and accountability in this country, and it will take some years to repair.

It is the role of this government to take those steps to repair the damage and rebuild the confidence of the Australian investing community, those ordinary mums and dads, the mattressers out there—we do not often hear too much about them now from the government—who invested their life savings and were then completely ripped off in terms of their losses after the collapses of companies like HIH and One.Tel. It is a disgraceful period in Australian corporate history and it is one that should not be repeated. It does not need to be repeated, because the government has the ability and the power through legislation to rein in those corporate executives.

I suggest that the government stop blaming Labor, stop blaming everybody else, stop going back in history and saying, ‘What did you do when you were there? Why didn’t you do this? Why didn’t you do that?’ Get on with the job now; you have got it in your hands now. We have some legislation. Take it by the horns and do something with it. Do not blame everybody else for what is clearly the government’s responsibility in this term. It is something that happened on their watch, it is something that ought not to have happened and it is something that can be addressed. The rest of the world is acting. The US is acting. The UK is acting. It is time that the Australian government took some action rather than concentrate all of its efforts in other areas.
biggest corporate scandals in the history of this country—in the 1980s under the Hawke leadership. They did nothing about it. It was the same with employee entitlements. They had the opportunity and they did nothing about it. Contrary to what the member for Oxley said this evening, our government has actually done something about it.

I spoke on the bill which sought to improve the outcome for employees when a company collapses. It contained measures which help to preserve the entitlements of employees. Of course, there is always more that can be done, but the minister for industrial relations has sought to remedy the employee entitlement issue and the Treasurer has now taken this action to protect a number of people in the event of a company collapsing and large sums of money being directed to the executive. Of course, we all know that the catalyst for this bill was the One.Tel collapse. These business collapses rob many of their investment nest eggs and certainly send more than ripples through the community. They are shock waves that go far beyond immediate executives and employees. Shareholders and creditors of companies such as One.Tel, HIH and the other companies that have had similar histories often pay the ultimate price. Such collapses often lead to a rash of bankruptcies. For the smaller companies relying on the large corporations for a substantial part of their income and the retirees relying on the income of their share portfolio, the effects are devastating.

These two company collapses are not just aberrations in the business world. As I have said, such scandals have been part of the commercial sector forever and we can only hark back to the dreadful 1980s, when greed seemed to be the catchword and we saw those sorts of scandals. But, as far back as the heady days of the turn of the 20th century, scandals involving banks and land deals shook the very foundation of the Victorian establishment. A book called *The Land Boomers* is an illuminating volume of the type of criminal activity engaged in under the cover of commercial enterprise and it makes for interesting reading. I would recommend it to anybody.

While deregulated environments are ideal in a market economy, experience has shown that they are a recipe for certain individuals to disregard their obligations to the investing public and to get rich at anyone’s expense. In the past two decades, the use of corporate structures for criminal activities has been prevalent. Professor Roman Tomasic, in an article entitled ‘Corporate collapses, crime and governance—Enron, Anderson and beyond’, writes:

... corporate criminality is too often conveniently and simply dismissed as merely a ‘market failure’ (in an otherwise efficient market), or even more benignly, it is seen as merely a produce of poor corporate governance practices.

He went on in the article to quote C. Leaf in an article ‘White collar criminals’, in which Leaf points out that, in the United States, it has been shown that the number of white-collar criminals who have been imprisoned has actually declined over the last 15 years, even though the level of corporate crime seems to have become more serious over this period. Professor Tomasic goes on to say:

Consequently, it could be argued that there is something more fundamentally wrong here which relates to business ethics and a failure of government and professional communities to adequately monitor and control corporate crime. If one accepts some old criminological theories (originally applied to delinquent games) about the link between crime and opportunity, it could be argued that because of the very considerable opportunities for fraud that exist in business, and because of the substantial benefits that may be gained through corporate crime, such conduct has become an endemic feature with the decline in the regulatory capacity of the sovereign state to deal effectively with very large corporations and with conduct that spans a number of jurisdictions.

There is little doubt that the current spate of events, both at home and abroad, have shaken the faith of the public in the ability of sections of the corporate sector to deal fairly and ethically with shareholders and the public at large. This lack of confidence has shaken the faith of the public in not only the corporations that have failed but also the professions that serve the corporate sector, including auditors, accountants, financial advisers and others, who have a duty of care to third parties but who may allow their duty
and impartiality to be compromised. And that has been part of the problem.

In that respect, the Joint Standing Committee on Public Accounts and Audit in this parliament completed a report in August last year entitled *A review of independent auditing by registered company auditors*. This report was completed under the chairmanship of my good colleague the member for La Trobe. The committee made the observation in the preamble that:

Current audit practice is limited to an attestation that financial statements have been prepared according to accounting standards. In forming the opinion, the auditor does not necessarily explore broader issues that may impact on the on-going viability of a company, such as the adequacy of corporate governance practices, risk management and internal control processes.

In turn, because a company’s governance practices, risk management and internal control processes are not regularly and rigorously tested, their continued veracity and importance to the ongoing viability of the company may be overlooked.

Oversight of both audit firms and listed companies is deficient. There is very little transparency regarding the independence (and to a lesser extent competence) of the firms carrying out audits. In regard to listed entities there is a lack of, and incentives for, compliance with accounting standards. The recent spate of corporate earnings restatements demonstrates that, regardless of any changes in audit structure or functions, only concerted action to police management activities will address these problems.

The report went on to say:

There are also concerns regarding the lack of informative and timely information being available to the market and a low level of public confidence (shared by some academics) in the veracity of the information produced by adhering to the accounting standards framework.

The committee went on to make a number of recommendations, and I think they are worth having a look at. They were as follows:

That the *Corporations Act 2001* be amended to require the Chief Executive Officer and Chief Financial Officer of a company to sign a statutory declaration that the company’s financial reports comply with the *Corporations Act 2001* and are materially truthful and complete.

The committee also recommended that the *Corporations Act 2001* be amended to require all publicly listed companies to have an audit committee of independent members; to require audit firms to report annually to ASIC on independent issues; to clarify the relationship between the need for financial statements to comply with accounting standards and provide a true and fair view; and to include a general statement on audit independence.

The committee also recommended that the Financial Reporting Council develop a set of corporate governance standards which would be given legislative backing in the *Corporations Act 2001* and that the Australian Stock Exchange Listing Rules be amended to require additional reporting by companies.

They also recommended:

- That ASIC explore the cost and benefits and alternative methods of introducing performance audits in the private sector and, in conjunction with the ASX, evaluate the costs and benefits of requiring pronouncements and other disclosures under the continuous disclosure listing rule to be subject to a credible degree of assurance and report its findings to the Treasurer.

Finally, they recommended:

- That a framework for protected (or whistle-blower) disclosure be established in the *Corporations Act 2001*. Included in this framework should be clear accountability mechanisms over the administration and management of disclosures.

I am not on this committee, but I think it has done a tremendous job in highlighting one of the areas that give rise to some of the more serious problems within our corporate structures. I congratulate the chairman and his members for an excellent report and recommendations. If public confidence in the independence of auditors is to be restored in relation to reporting on corporate practices, these recommendations need to be given close consideration.

Apart from the independence of auditors to report, a large part of the public’s view of the lack of fairness and ethical practice by some companies revolves around the level of executive pay and the excessive bonuses received by departing chief executive officers, which of course is the subject of this particular bill. In general terms, I am not greatly concerned about a negotiated pay that is generous when it is clear that the performance
has lived up to the remuneration taken. However, I note that, in a recent study by the Victorian University of Technology, 76.7 per cent of shareholders considered the level of executive remuneration to be excessive. The investing public have been justifiably offended when the value of their shares has greatly diminished or has been totally lost and executives are being given excessively large amounts of money for early termination of their contracts. I agree with the member for Oxley that, very often, some of our long-standing successful companies are much more modest in these payments.

With executive remuneration involving salaries and other, non-salary benefits such as share options, the issue of disclosure has been much debated. The Parliamentary Joint Committee on Corporations and Securities examined the issue and concluded that, despite objections that disclosure under section 300A of the Corporations Law was an invasion of privacy, the disclosure of remuneration and the naming of directors and senior executives were in the public interest. In the interests of accountability and transparency, the committee attached the highest importance to the full disclosure of directors’ and executives’ remuneration to ensure accountability and public confidence in capital markets. This bill goes part of the way to addressing concerns over substantial bonuses paid to directors as it becomes obvious that the business is failing. This bill provides the means to claw back bonuses paid to directors in the four years prior to a company’s liquidation, provided that a court deems that the payments were unreasonable.

As I said, this bill goes a considerable way. It is certainly a step in the right direction towards rectifying a serious problem that exists within the corporate sector. I totally support the actions of our government in placing some control over the level of bonuses paid when companies are on the verge of failure. I applaud the work of the Treasurer in bringing this bill to the House and ensuring that the public can have greater reliance on the corporate sector to protect shareholders’ interests and to protect the income stream of many people who rely on shares. I commend this bill to the House.

Ms HOARE (Charlton) (6.31 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 seeks to amend the Corporations Act 2001 to permit liquidators to reclaim unreasonable payments made to the directors of insolvent companies. The object of this bill is to assist in the restoration of funds, assets and other property to companies in liquidation for the benefit of employees and other creditors where unreasonable payments have been made to directors in the four years prior to the company going into liquidation.

Labor’s amendments in this debate include three which are directly related to the bill, and three points which go further to the disclosure and accountability of executive salaries and corporate greed. The definition of ‘unreasonable director related transaction’ has many features which have been criticised on a number of grounds. The definition does not capture all transactions between directors and companies. Labor seeks to amend the definition to capture benefits received by directors as well as those received by CEOs and their families. It is also not clear in the bill when a payment will be considered unreasonable. The government says that ‘unreasonableness’ cannot be defined in legislation and can only be determined by a judge, given the individual circumstances of each case. Therefore, in order to provide greater guidance to the court, Labor proposes amending the circumstances that the court must have regard to in determining whether a transaction is unreasonable. These will include: payments and benefits received by directors relative to payments and benefits received by employees in the company; whether the payments or benefits were subject to appropriate performance criteria; the time the payments or benefits were received and, in particular, their proximity to the time at which the company was placed into administration or liquidation; and whether the company was insolvent at the time that they were received.

Labor also proposes that the bill be amended to be operative from the date of the Prime Minister’s announcement that he intended to amend the Corporations Act. This bill should be supported to the extent that it
will enable liquidators to reclaim funds, assets and other property for the benefit of employees and other creditors. However, to improve the bill’s operation, we call on the government to accept Labor’s amendments in these areas.

Labor will also be moving an amendment similar to UK regulations, which include the requirement that listed companies publish a report on directors’ remuneration and put out an annual resolution to shareholders on the remuneration report. We recommend that section 300A of the Corporations Act be amended as appropriate to enable this to happen and to enable the remuneration policies of individual companies and the details of executive salary packages to be a matter for the boards of companies and for their shareholders.

Labor is also proposing to amend the bill to force full disclosure of participation of any derivatives of an executive share scheme or of an individual executive. Labor believes that this bill could also be used to amend the Corporations Act to facilitate greater voting by shareholders. The shadow minister for financial services, Senator Conroy, will be further outlining these proposals in the Senate. Labor is also proposing that the bill be referred to the Senate economics committee to allow aspects of the bill to be fully examined and to explore any other possible amendments to the Corporations Act which may increase the accountability of arrangements governing executive remuneration.

It has been said that the four corporate collapses—HIH, One-Tel, Harris Scarfe and Ansett—were the trigger for amendments to the Corporations Law. However, under the current proposal before us, it is not clear whether the obscene corporate salaries transactions which occurred before those collapses would fall within the scope of this legislation. This is why Labor are inviting the government to take this bill and improve on it by accepting our amendments. Corporate lawyers have also criticised the bill by saying that it fails to address concerns about executive excess. They said the so-called One-Tel bill would not catch share option profits and would not touch the hefty golden handshakes paid to underperforming executives.

Labor calls on the government to introduce this string of tough new amendments including tighter measures to prevent directors circumventing share ownership rules. Senator Conroy said that Labor would not support the legislation unless company boards were forced to disclose the salary packages of their senior executives to shareholders along with performance reviews. At that time, towards the end of last year, the Democrats gave an indication that they would support Labor’s amendments. We call on the Democrats in the Senate to stand firm in support of these amendments so we can make this a tougher, tighter bill which fully addresses the concerns of ordinary Australians in relation to corporate greed, obscene executive salaries and the circumstances in which employees and shareholders find themselves if a company goes belly up.

There has been a lot of discussion in this debate, and I presume there will be further discussion, about the amounts of some corporate salary packages as well as the amounts which people walk away from these companies with when they leave. I have a few examples here to refer to. One article stated in September last year:

Wesfarmers managing director, Michael Chaney ... leapt into the handful of highest-paid executives in the country, more than doubling his total salary from $3 million to $7.9 million. This included $3 million in bonus payments.

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Wesfarmers managing director, Michael Chaney ... leapt into the handful of highest-paid executives in the country, more than doubling his total salary from $3 million to $7.9 million. This included $3 million in bonus payments. Then it was stated:

Southcorp paid out $2.31 million to former managing director Tom Park in 2001-02 ... on top of a monster $7.8 million package Mr Park had already received for the 12 months to June 30, 2001.

You cannot even begin to imagine how to spend funds like that. Another article states:

Jeff Kennett’s years of suffering public service wages have been spectacularly reversed with a $3.3 million salary this year.

DCL’s annual report showed that Mr Kennett was paid $11,000 in director’s fees and received ‘benefits’ of $3.145 million, which includes the estimated value of share options. Telstra’s chief has already been referred to.
Telstra gave its CEO, Ziggy Switkowski, a pay rise. An article states:
... despite a slide in the telco's full-year profit and its depressed share price ... Dr Switkowski received total remuneration of $2.4 million in the year to June 30 ...
That was last year. This package also included $1.15 million in short-term incentive payments, despite a fall in Telstra's full-year net profit. Other Telstra executives' salaries topped $1 million, including:
... retail group managing director Ted Pretty who received $1.7 million, up from $1.4 million last year.
Everybody would be aware of the spectacular departure of Paul Batchelor from AMP last year. The figure has not been disclosed yet, but it is estimated he exited with around $7 million. That is following the exit of George Trumbull. It was stated that he:
... walked away in 1999 with about $14 million after overseeing the ... takeover of GIO.
During the Trumbull-Batchelor period, when just the payout amounts totalled over $20 million, they sacked 6,000 workers—something that I am sure enables them both to sleep very well at night. Steve Jones at Sun-corp Metway picked up between $12 million and $14 million when he left the company. CBA chief David Murray got a $4.65 million cash windfall on top of his regular earnings of $2.35 million last year. Who could forget Paul Anderson's '$10 million golden handshake at BHP Billiton on top of $8.3 million in regular remuneration'? Ross Wilson left TABCORP with $9.2 million, John Fletcher got about $9.2 million from Brambles, David Leckie got $2.4 million from FBL and David Higgins got $1 million from Lend Lease. Frank Lowy at Westfield got $11.9 million and Wal King at Leighton Holdings got $9 million.
These levels of salary and salary packages are absolutely obscene. This legislation is a first step that governments can take in reigning in some of that obscenity but, as we have said, it needs to go much, much further. That is why we recommend this legislation goes to the Senate economics committee—so that that committee can have a look at some of these wider ranging issues. Another example was brought to the fore in this parliament in June 2001 when the member for Fraser asked a question of the Prime Minister. The question related to director's bonuses received by the Prime Minister's brother, Stan Howard, prior to the collapse of National Textiles in my region, the Hunter Valley. The Prime Minister was asked whether or not his brother should pay that money back so that the workers could receive their full entitlements. Of course, that money was not paid back by the Prime Minister's brother.
A recent report in the Daily Telegraph talks about the differences in salaries that have evolved over the past 25 years. In 1976, a high-level package for an executive leaving a company was $110,000. That was more than 12 times the wage earned by the average worker. The article refers to Paul Anderson's departure as the CEO of BHP. He walked away with an $18 million package, which is 380 times today's average full-time wage. So a termination package of a CEO 25 years ago was 12 times the wage of the average worker, and today it is 380 times the wage of an average worker. No wonder average workers are sick and tired of the greed that is shown. In the last couple of weeks, a survey of 8,250 employees showed that inflated executive salaries are the second biggest concern of Australian workers. The Daily Telegraph reported:
ACTU President Sharan Burrow said the National Survey of Workplace Issues 2002 was a clear sign ordinary Australians were fed-up with fat cat salaries.
"Executive salaries are so out of control that workers are more concerned about them than about even their own pay," she said. I notice I am being followed in this debate by the member for Flinders, who would have been delighted to see that his predecessor's mate Chris Corrigan recently picked up $1 million in share options from Patricks, and he did it despite strong opposition from some shareholders. There were millions of proxy votes counted at the board meeting, where it was agreed by a very close vote that Corrigan could pick up the $1 million share options once the share price rises above $14. I think they have only about $1.50 to go, and I am sure he will be rubbing his hands together with glee and with no thought of the
waterfront workers who were sacked when he brought in his balaclava-clad security guards—

Mr Gavan O’Connor—And the dogs!

Ms HOARE—armed with their Rottweiler dogs. Chris Corrigan is going to be well set up. We cannot forget that he first came to prominence as a mate of the former member for Flinders. I have mentioned a few termination payments, and I would like to reiterate some of the payments that have been received in the last 12 months. As I said, the termination payment of Paul Anderson of BHP was $US5.14 million; for Ross Wilson of Tabcorp, it was $50 million; for Steve Jones of Suncorp Metway, it was $2.05 million; for Sheryl Pressler of Lend Lease, it was $US7.5 million; for George Trumbull of AMP, it was $13 million; for Paul Batchelor of AMP, it was $7 million; for Tom Park of Southcorp, it was $10.1 million; and for Dennis Eck of Coles Myer, it was $5 million. This payment was on top of their normal salary packages; this is what they got to leave the companies. Finally, I emphasise again the greed and obscenity of the salary packages of the executive officers and directors of some companies. With respect to the ACTU’s 2003 minimum wage case, Greg Combet said:

The Federal Government cannot urge wage restraint for workers earning less than $500 a week but do nothing about executive incomes of more than $20,000 a week.

He also said:

... top CEOs’ average income last year leapt from 67 times to 89 times the Federal Minimum Wage in just 12 months.

The pay increase alone for Australia’s top 100 CEOs last year was enough to pay the minimum wage increases of 59,000 low-paid workers.

This legislation is a very small step in the right direction. The government needs to be much tougher. We encourage the government to accept Labor’s recommendations and to work with Labor in the parliament and through the committee system on ways to regulate some of these obscene salary packages to enable some peace of mind for the workers of these companies—for the employees—as well as for the mum and dad shareholders right across our nation.
in today, the developed countries have a level and a standard of living that throughout human history has never been equalled and has never been paralleled. It is very important to recognise that, because you see the incremental growth in the basic material goods we have, which provide for our society, and that growth comes from a free and open economy, and that free and open economy is part of a full, free and open global trading system. As you look at that, you see that it is not just about materialism; it has a practical impact on quality of life. The basic fundamentals of health, of provision of shelter, clothing and food, are all far more prevalent in our society today than at any time since our coming together under the notion of human society. We have made extraordinary progress, and one of the principal means for that has been the limited liability company, which in turn encourages entrepreneurship, which in turn encourages the investment of capital, which in turn leads to advancement and creation. All those things are good things.

But for this very process to be effective the investors themselves must be protected against the unscrupulous. Human nature being what it is, of course there are unscrupulous people out there, and of course some of those are involved in the corporate sector. This bill and its background are about protecting the rights of mum and dad investors, of shareholders. The bill is working to protect each and every one of them and, in so doing, it is also at the systemic level helping to protect the regime which encourages the investment of capital and through that the generation of capital and through that the generation of the basic goods which have allowed us in 2003 to have a higher standard of living than at any other time in previous history. That is perhaps most simply demonstrated by the fact that a century ago the average life expectancy in Australia was barely over 50 whereas the average life expectancy in Australia is now in the mid-70s. The reason for that is the range of health and other goods which have been developed through investment and research. So we should not try to tear down that regime.

I will turn to the specifics, then, of the background to why we have come to where we are. The bill is about preventing the rapid transfer of company funds into the pockets of directors who are seeking to wind up their companies or to flee the scene. The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 expresses the commitment of the government—of the Treasurer, Peter Costello, of the Prime Minister, John Howard, and of all the members of the government—to preventing directors from receiving unreasonable payments. The bill is not against reasonable payments, and reasonable payments flow from the notion of wealth creation and wealth generation. But unreasonable payments effectively represent the stripping away of assets which are themselves the livelihoods of employees and shareholders. If you do that, there is human tragedy in each individual case and there is a destructive impact on society.

So it is about a balance between two notions. There is fair compensation and fair compensation comes when somebody adds significant value—and in this regard I disagree with my predecessor in this debate, the member for Charlton, who cited the example of Paul Anderson. Paul Anderson at BHP was attracted to Australia by the capacity to have an impact. In his work with BHP he transformed a company which was suffering, and he created two spin-offs and a strong and powerful core business. In doing that, he was rewarded. So that is performance based remuneration and it is the system working as it should. The second element of the balance is preventing the abuse of this system by effective asset stripping through stealth. This abuse by stealth is best evidenced where there is a lack of proportionality, where there are no corporate ethics. In mentioning corporate ethics I am pleased to note the presence in the House this evening of my good friend and counsellor Father Christoir MacDonald, who has a specialty in corporate ethics and has come from the Republic of Ireland to be here.

I now turn to the importance of the bill. The bill will protect the rights of shareholders through a number of steps. Firstly, it directly extends the circumstances in which a
liquidator is given access to funds paid out by a company. Current legislation does not include unreasonable transactions made to directors or, importantly, to their close associates. So these changes then are necessary and they are necessary due to two important possibilities: firstly, the possibility of directors transferring company funds to their spouses or to the associates of their spouses for the effective benefit of the director—putting it at arm’s length and pretending you have no connection. Secondly, the changes are necessary due to the possibility of directors entering into an agreement to transfer funds before the beginning of a wind-up and then relying on that agreement later—to relying on the veil of a legal agreement—to transfer the funds, despite the unreasonableness of the transfer given the ill health or pending insolvency of the company at the time of the transfer.

Turning to the third part, how does the bill do that? The specific provisions of the bill draw in part from the new section 588FDA, which refers explicitly to ‘unreasonable director related transactions’. Section 588FDA(1)(c) defines an unreasonable transaction as that into which ‘a reasonable person in the company’s circumstances would not have entered’. It is, then, an objective test. As has been traditionally the case with objective tests throughout law—whether it is in the criminal or the civil domain—they have been decided on the facts of the case, the testing and the work of the judge. In addition, what is unreasonable is determined by analysing the costs and the benefits for the company and the recipient. What we find, then, is that the reasonableness is determined at the actual transaction date—not in hindsight but taking into account what was known at the date on which the transaction occurred. Even if a transaction was reasonable at the time the obligation was entered into, the moneys may still be recovered if the transaction itself was unreasonable at the time it took place.

Ultimately, this bill is about protecting ordinary people from losing their investments to that minority of corporate leaders who operate through greed, dishonesty and inappropriateness. The bill is about aiming to overcome and prevent shoddy tactics by directors who attempt to dilute the returns to their shareholders and to defraud the employees, who have been critical in generating any surplus value. It is not perfect, but it is the beginning of a whole new culture within Australia—it is the first step. On that basis, I think it is an important and critical step forward. I commend this bill to the House because ultimately it is about protecting investors and employees. In addition, it is about protecting the very system of investment which is at the heart of our wealth creation and development as a society and which in the end means richer, fuller, healthier lives for people, as has been evidenced by the growth and development of society over the last 100 years.

Dr Emerson (Rankin) (7.02 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 is a reaction to the public outcry over corporate excess in Australia. In particular, it is a reaction by the government—and I emphasise ‘reaction’, because it very rarely does anything in anticipation of a problem—to the collapse of One.Tel and the fact that directors Brad Keeling and Jodee Rich each collected $7.5 million in bonuses just before its collapse. As usual with its treatment of corporate excesses, the government wants to give the appearance of acting but not do too much in that direction for fear of upsetting its corporate mates and the whole balance, as it sees it, of Australian society.

The bill does not apply to any profits from share options. This legislation would mean that, if a share option were taken by the director or other executive of a collapsed company, the courts will be unable to access and collect those profits on behalf of the less fortunate who were adversely affected by the collapse of the company. That is just as the government would like it to be, to give the appearance that it is being tough. But any director with any nous would take every measure at his or her disposal to realise those options, thereby completely avoiding the provisions of this legislation. That would suit the government quite well, because the government wants to give the appearance of being tough on corporate excesses but not
really do anything. So there is an avenue for corporate excess—for appalling behaviour on the part of executives—to realise those options. Once they get access to them, when they know the company is going belly up they can cash in their options and be immune to the bill. So that is a very nice little arrangement that corporate Australia—or those parts of corporate Australia who abuse the system—would have with the government if this legislation were passed.

Let us understand just what an insidious effect share options have had in this country over the last few years. Share options provide all company executives with very strong incentives to boost the corporation’s value in the short term. Why? Because if they can get a short-term boost in the value of the corporation then the share option will go up in value. The executive can then realise the increased value of that share option and thereby receive a very large remuneration, by and large hidden from the gaze of the public—again, just as they would want it. In Australia, that has led to the closure of bank branches. Mr Deputy Speaker Lindsay, I know that in Townsville in your electorate branch closures have been just as big a problem as they have been in other areas of regional Australia. Bank executives who have an options package have an incentive to close branches—not only the ones that are uneconomic but also those that are not seen to be realising the very high rates of return that are expected by head office and therefore by the company’s chief executive officer, who has a very strong interest in maximising the value of the share options.

Share options have also resulted in redundancies. If you sack as many staff as you possibly can in a short amount of time—just ask ‘Chainsaw’ Al Dunlap: he came across this formula early on and it proved successful for a while—again, the stock market will reward you: the value of the shares and your share options go up, and then you realise on the share options, get out of the company and go and do the same thing to the next company. Of course, in relation to banks, you increase fees and charges to the maximum amount possible because, again, that is going to maximise the shareholder value of the bank. In maximising the shareholder value of the bank, you maximise the value of the company executive share option package. All of the incentives through share options are directed to short-term shareholder value so that the company executive can realise on the increased value of the shares and get out of the door as soon as he or she can and then go over to another company and do the same thing again and again.

We have seen the social consequences of this sort of behaviour. We have seen the social consequences of retrenchments, redundancies, increased fees and charges and the withdrawal of services in regional Australia. This has been going on for at least a decade now. That flashing red light in the Prime Minister’s office has obviously got a dead battery—and that is just how the Prime Minister would want it—because it has not flashed for a very long time. If it has, no-one has noticed it—they are probably diverted by matters further afield.

The story with share options gets worse. When I was on a parliamentary committee looking into employee share ownership plans, we thought we were looking into remuneration plans for bona fide employees but, as it turned out, we uncovered a very large amount of tax avoidance activity all being channelled through the contrivance of executive share options. When that report was produced, we in fact had to produce a dissenting report because the government members were not interested in doing too much about this. They were certainly not interested in recommending tough measures to the government, and no such measures have been adopted to deal with this problem of tax avoidance through share options. In fact, the dissenting Labor members of that committee recommended strongly that legislation should be enacted to deal with rampant tax avoidance through company share options, and the government time and time again has refused to legislate, saying that it has got the whole problem under control. It did not have the problem under control; it does not have the problem under control. These schemes are still being aggressively promoted, and they are yet another bad
manifestation of what goes on with company share options.

This legislation deliberately leaves vague the definition of what constitutes an unreasonable bonus. Why would the legislation do that? Ostensibly, the government has said, ‘We’ll let the courts decide what is reasonable and what is unreasonable.’ But the experience of the courts overseas indicates that Australian courts, in determining whether a bonus is unreasonable, will have regard to the remuneration of executives in like positions. Here is the caper: make sure all of you, as company executives in like positions, get really big executive packages—get the largest amount of executive remuneration possible—so that, under this legislation, if a court has to determine what is reasonable and what is unreasonable, it will have regard to all the other company executives in similar positions who will be getting very large bonuses and other forms of remuneration. The court would then be left in the position of saying, ‘Well, this doesn’t look unreasonable because they’re all in on it.’ The legislation would not have any effect, and that is just how the government intends it. In fact, this, if anything, would provide an incentive to make sure that everyone maximised their executive remuneration so that the legislation would have no effect because the court would be in a position of saying, ‘Is this unreasonable? That’s the test. How do we judge that? We look at the remuneration of executives in similar positions. They’re all in on it, so it can’t be unreasonable.’ It is a nice little earner if you can get your hands on it, and that is what this legislation would provide.

The current legislation on the disclosure of executive remuneration in Australia has a very low level of compliance. That, too, is in the government’s interest because it does not want the Australian public to know the true extent of executive remuneration in this country. If the public were fully aware of the extent of executive remuneration in some of the biggest companies, there would almost be open revolt in this country. There is a very good, very strong incentive for this government and similar governments around the world to help disguise the extent of executive remuneration packages.

A very respected economist, arguably the pre-eminent economist in the Western world, Professor Paul Krugman, has had a fair bit to say on all of this. I want to spend some time tonight going through what he has said about the situation in the United States, because the parallels between the United States and Australia are perfect. Writing in the *New York Times* late last year in an article entitled ‘The disappearing middle’, Professor Krugman referred to the fact that, when he was a teenager growing up on Long Island, one of his favourite excursions was a trip to see the great, gilded-age mansions of the north shore. Already the parallels here are pretty evident. In fact, the Prime Minister just a couple of years ago referred to a ‘better than golden age’ of productivity growth in this country when everyone was going to share in this great surge in productivity. There has been a big surge in productivity, much of that arising from the economic reforms of the previous Labor government. The problem is the benefits of that productivity growth in the so-called better than golden age are not being shared fairly. That is Professor Krugman’s argument in the United States, and it is absolutely correct here in Australia.

Professor Krugman sets out the case of one particular executive, Jack Welch, the former CEO of General Electric, where he describes the messy divorce proceedings. He said that those divorce proceedings have had one unintended benefit: they have given us a peek at the perks of the corporate elite, which are normally hidden from public view. It turns out that, when Welch retired, he was granted, for life, the use of a Manhattan apartment, including food, wine and laundry—I bet the wine was pretty good—access to corporate jets and a variety of other in kind benefits worth at least $2 million a year. This is not while he was still working; this is after he left the company. In the year 2000, his last full year running General Electric, Welch was not paid $2 million, he was not paid $4 million and he was not even paid a pitiful $10 million. He was paid $123 million, mainly in stocks and stock options; that is, share options—the very device that we are talking about here tonight.

Mr Gavan O’Connor interjecting—
Dr Emerson—The member for Corio says that this is a massive amount; almost as large as the government’s advertising budget. But I do not think even Jack Welch could match the government’s advertising budget. I do not know if he has got an antiterrorism fridge magnet.

The Deputy Speaker (Mr Lindsay)—Order! The member for Rankin will return to the substance.

Dr Emerson—But the point is that $123 million is a lot of money by anyone’s measure, let alone by the measure of struggling Australians and tens of millions of struggling Americans, a matter to which I will come in a moment.

Professor Krugman points out that there is no comparison whatsoever between what executives got a generation ago and what they are paid today. We need to understand that there has not been a gradual increase; there has been an explosion. Over the previous 30 years, most people in the United States, the average wage earners, got an increase in income in real terms of about 10 per cent over the entire period—not 10 per cent per annum but 10 per cent over the entire period. But, over the same period, the average annual compensation in real terms of the top 100 CEOs went from $1.3 million each, 39 times the pay of an average worker, to $37½ million each, more than 1,000 times the pay of ordinary workers. There was an explosion of inequality in the United States. As Professor Krugman points out, the big winners are the very, very rich. He has been able to ascertain that most of the gains in the share of the top 10 per cent of taxpayers over the 30 years were actually gains to the top one per cent, not the next nine per cent. The very, very rich are getting very much richer. That is what has been going on in the United States. As Professor Krugman points out, this transformation has happened very quickly and it is still going on.

Professor Krugman goes on to say that the explosion in executive pay represents a social change rather than purely economic forces of supply and demand. Most Americans would say, ‘Well, we must be getting something out of this.’ But Professor Krugman says that over the last few decades it is remarkable how little of that growth has trickled down to ordinary families. We have seen the same thing here in Australia in the last few years under this government. Americans who feel that theirs is now one of the most affluent countries in the world are entitled to say, ‘That’s because, on average, we are better off.’ But let us compare the situation of the United States with that of Sweden. Life expectancy in Sweden is about three years higher than in the United States, the level of infant mortality in Sweden is half that in the United States and functional illiteracy is much less common in Sweden than it is in the United States. Sweden is a country with lower per capita income but with—by many measures—higher standard of living. What has this got to do with Australia? The answer is: all of these things are going on in this country too. They are going on behind closed doors. This is just the way the government wants it to happen. They are going on behind closed doors, because if Australians knew the extent of executive remuneration, the forms of executive remuneration, there would virtually be a riot in this country. The extent of the widening inequality in this country is being disguised. Analysis has been going on of the top 10 per cent and how the top 10 per cent are faring relative to the middle and to the average. It is not the top 10 per cent; it is the top one per cent. The top one per cent in this country are doing extraordinarily well.

What does the government really want to do in relation to this? It has two policy prescriptions out in the public domain, one of which is already the subject of legislation before this parliament. The first is that the government is considering making these share options—tax deductible. Wouldn’t that be dandy for everyday Australians? To use the government’s terms, it would give them an opportunity to contribute by effectively subsidising the share options of corporate Australia. When the Minister for Agriculture, Fisheries and Forestry was describing the sugar levy, he said the levy will:
... give Australian consumers the opportunity to contribute.

Nowadays we do not have fees, taxes, levies, charges and imposts. The Howard government provides to Australian taxpayers an opportunity to contribute. I am sure Australian taxpayers are very grateful for an opportunity to contribute. Their latest opportunity to contribute would be, if the government got its way, an opportunity to contribute to the already obscenely high remuneration of company executives by making share options tax deductible.

If that is not enough to make us sick, let us have a look at the second proposal; that is, that the foreign sourced income of foreign company executives be tax free. This would mean that the foreign sourced income of some of the wealthiest company executives in this country, from overseas, would be exempt from tax.

When will this government, the Howard government, start acting in Australia’s national interests? When will it start acting in the interests of everyday Australians, instead of acting in the interests of the wealthiest Australians and being complicit in hiding from the public gaze the full extent of these company executive remuneration packages instead of offering everyday Australians an opportunity to contribute? I hope I have done just a little bit by referring to the American experience, into which a lot more research has been done, to expose the full extent of company executive remuneration in this country and the fact that this legislation is little more than a sham to give the impression that the government is doing something about it when it in fact wants to do absolutely nothing about it, because it is very happy with the current state of affairs in this country.

Mr HARTSUYKER (Cowper) (7.22 p.m.)—I rise to speak on the Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002, which is being debated in this House. The issue at the heart of this bill is enhancing corporate integrity and accountability, and this bill proposes some very important measures for directors, companies and other shareholders, corporate law and the wider community.

This bill has a very simple and very important purpose: to allow liquidators to reclaim unreasonable payments that have been made by companies to directors prior to those companies going into liquidation. It is useful in the debate to note the circumstances and the context in which these amendments have been proposed by the government. I think there have been, in recent times, feelings of disappointment and frustration amongst shareholders, and in the wider community, about some of the extraordinary remuneration packages that have been given to a number of company executives, directors and the like. I certainly believe that in most of these instances a remuneration package is something that is to be worked out on a one on one basis or a case by case basis between the employer and the employee. I also believe that the system of negotiation ought to be able to take into account all the individual and specific circumstances of the company, and the skills and expertise that the employee will be offering. However, I really do feel that it is very frustrating and disappointing to hear and read reports about some instances of the exceptionally high bonuses and so on that have been paid to directors of companies in the lead-up to those companies going into liquidation. It is particularly frustrating to learn of these bonuses being made at a time when the company was not performing well, or was indeed performing very badly. It must be frustrating for a corporate liquidator in these instances when, under the Corporations Act in its present form, these payments or bonuses cannot be recovered when the company goes into liquidation.

In Australia we have seen increases in the level of share ownership. Many of these new shareholders are the so-called ‘mum and dad shareholders’. There are also a large number of small businesses, family businesses, which are creditors to corporations. Whilst we might more easily point to the larger creditors, like banks, it is important to remember the carpenters, electricians and other small-scale suppliers who are owed money by companies in liquidation. These groups hold great Australian ideals and values with
notions of a fair go for all, integrity and accountability in business and commercial dealings. These notions and values are being frustrated, to an extent, by certain deficiencies in the current legislation, as I have raised.

The government has acted responsibly and appropriately in introducing this bill to address the expectations in the community, and in this parliament, to improve the law so that it can deal with these matters when they arise. If there has been an unreasonable bonus given to a director, the current law makes it very difficult for various parties interested in the liquidation—such as shareholders, creditors, liquidators and, of course, the wider community—to obtain a fair and reasonable outcome. It is easy in this context to become very concerned about issues like corporate integrity and accountability. The amendments to the Corporations Law, which are being proposed by the government in this bill, will address these concerns. The voidable transactions provisions in the Corporations Act are to be amended to include unreasonable director related transactions. This will mean that a bonus payment that has been made to a director by a company during the four years prior to that company going into liquidation can be recovered from the director if it is deemed to have been an unreasonable payment.

The amendments before the House propose to establish a number of important measures. Firstly, the type of bonus transactions that are applicable to these provisions are defined in broad terms, such that the new legislation will be effective in capturing and recovering unreasonable director related transactions. Secondly, the provisions take into account transactions involving close associates of directors, which includes directors’ relatives, de facto partners or spouses. In determining whether the bonus or transaction is voidable, the court must examine the circumstances from the viewpoint of a reasonable person. If the court decides that the transaction or bonus was not reasonable, it can make orders to declare it void, or the proportion of it that was considered unreasonable can be declared void.

Of great concern in these issues is the apparent relationship between the performance and reward. There is a perception, which I believe is well founded, that in some instances companies have paid bonuses to their directors that have been in amounts seemingly out of all proportion to the performance of that particular director concerned and the performance of the company commercially. This is a very important issue because it goes to the perception of corporate integrity and accountability. The government’s measures for addressing these concerns are put forward in the amendments proposed in this bill. These measures are timely, appropriate, well conceived and considered. I believe the stakeholders—that is, the shareholders, creditors, et cetera—and the wider community will welcome, as I do, the changes to the Corporations Law that are before the parliament today. They are changes that will give added weight and credit to the operations of the Corporations Law in improving corporate integrity and enhancing the overall accountability measures in the principal legislation.

In this country we believe in a fair go. When a company prospers it is only reasonable that the directors responsible for that performance should be rewarded. Australians are genuinely appalled at the prospect of directors rewarding themselves handsomely as a company flounders. The proposed amendments give legislative effect to the Aussie notion of a fair go with regard to directors’ bonuses. I think Australians generally have been appalled at the antics in relation to One.Tel, Bond Corporation, Quintex, HIH and the like. I commend the bill to the House.

Mr TANNER (Melbourne) (7.28 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 amends the Corporations Act to allow liquidators to reclaim unreasonable payments that have been made to company directors prior to liquidation. It is especially relevant to situations such as that of One.Tel, where, notoriously, $6 million bonuses were paid to the directors, Jodee Rich and Brad Keeling, shortly before One.Tel went into liquidation and at a time when it would have been obvious to all concerned that the company was in pretty
serious financial difficulties. That is the kind of situation that the legislation is directed towards, and it clearly is worth supporting in a narrow sense, on its merits, for that reason. However, the bill is inadequate.

Labor believes that legislation is required on a much broader basis to tackle issues of corporate misbehaviour that have been be-devilling not only the Australian corporate sector but also the corporate sectors in other nations, particularly the United States. It is time that we started cracking down seriously on these issues and ensuring that we have proper sets of rules and decent standards of behaviour in our corporate sector. We ought to ensure that ordinary investors, particularly smaller investors, are not constantly being milked by unscrupulous CEOs and company figures who are basically ripping off their own companies for their own gain.

One situation that I raised in this parliament only months ago, which is absolutely relevant to this kind of legislation, involved a company called Coogee, which suffered the same kinds of problems that One.Tel suffered. It was going well for a time and then it went into receivership. Its managing director, Jacky Taranto, was discovered to have undertaken a whole range of very dubious transactions, including moving money around and creating different corporate structures, all of them unrelated to the best interests of the company and all of them questionable from any decent corporate governance angle. This legislation will at least provide some opportunity to address those issues and some opportunity to ensure that the interests of workers in companies that are going broke can be protected.

It is an absolute outrage that in contemporary Australia we have situations occurring time and time again where, shortly before a company goes broke, large sums of money are paid by way of performance bonuses or general payments to the people running the company. Money is stripped out of the company and workers are in a situation where their entitlements are not covered and they are left languishing. There are often substantial amounts of money owed to individual workers, and workers who have worked for a considerable period with that company are left languishing as the people running the company take the money and run.

This legislation would empower the liquidator to reclaim unreasonable director related transactions or to reclaim amounts of money related to those transactions that have been made within a four-year period. Labor has been critical of the definitions that are being used to determine the nature of the transactions caught by this legislation and the benefits that are covered by the definitions provided in the legislation. For example, the bill clearly covers options—which are one of the key means by which people running companies have been able to feather their nests at the expense of shareholders, consumers and employees—but it does not cover the profit made on those options. In other words, there is a nominal value rather than an actual value assessment. Similarly, it is unclear when a particular payment is deemed to qualify as unreasonable and therefore attract the impact of this legislation. There is a vagueness in the legislation that needs to be dealt with. Labor will be moving amendments to provide a stronger, more robust definition of ‘unreasonable’ and to ensure that there is a clarity and strength to the legislation that, for all its good intentions, does not exist at present.

This legislation is a belated and rather embarrassed attempt by the Howard government to deal with one aspect only of the rash of corporate misbehaviour we have seen in this country and elsewhere in recent times. The pattern has been one of gross inflation of the wages of chief executive officers and other senior figures of companies. There has been a proliferation of creative mechanisms for feathering the nests of people running companies. There is a variety of payments and options that are all designed to increase the amount of money taken out of companies by those running them, ultimately at the expense of shareholders; at the expense of consumers, who therefore have to pay higher prices for their products; and at the expense of employees, who therefore encounter a greater risk of not being able to have their entitlements fully paid should the company go broke.
The bill does raise, for consideration by the parliament today, a number of critical broader issues about the future integrity of business, of corporate governance and of capital markets in Australia. I wish to make some observations about those issues. Labor are committed to a much wider range of disclosure requirements with respect to corporate remuneration, perhaps reflecting broadly the arrangements that now apply in the United Kingdom. We want to see genuine details of board procedures with respect to remuneration and to get rid of the situation where remuneration of CEOs is a case of nudge-nudge, wink-wink at board level, where there is a conspiracy of silence, where boards of mates are happy to wave through huge increases in remuneration that are not related to performance—along with all kinds of bonuses and extra payments that, in many cases, are rewarding poor performance, a decline in share price or a decline in profits.

We also want to see disclosure of performance criteria so that where there are performance payments—and there is certainly no reason to outlaw performance payments, just a need to regulate them—there is a set of transparent, rigorous criteria that govern those performance payments. We want shareholders and the general public to see that, when some of these CEOs and senior executives are getting large sums of money, an objective, rigorous set of criteria is being applied in a transparent way and therefore payment is being made and received for value and benefit delivered. We also want to ensure that performance outcomes are reflected, so that the kind of situation you saw in One.Tel, where the two key players were rewarded with $6 million each on an alleged performance basis shortly before the company went broke, cannot occur.

Labor is also committed to ensuring that there are stronger provisions for institutional shareholders, such as those that are now in place in the United States and the United Kingdom where, for example, managed funds are required to disclose the details of how they exercise their voting policies and of the actual votes that they cast. These are the kinds of measures that are absolutely essential to ensure that we see an end to the corporate misbehaviour and skulduggery that has dominated corporate Australia, corporate America and, to a lesser extent, corporate Britain in recent years, and the corporate governance in numerous other countries.

We never seem to learn the lessons of the boom and bust cycle of market economies. We never seem to learn the lessons that in these cycles investors invariably get ripped off. We never seem to learn the lessons, that in these kinds of boom situations, spivs sometimes get control of companies—sometimes quite significant companies; that they are ingenious in their pursuit of private gain and the development of mechanisms to reward themselves; and that, with share prices rising off the back of generally rising economic activity, it is common for people who have responsibility for determining these issues to turn a blind eye. No more! It is time that our society read the riot act to these people. In order to protect ordinary small investors, the workers whose superannuation is being invested in these companies, the consumers and the employees, we need much more rigorous regulation of the corporate governance that applies.

This legislation is inadequate. It is a rather shamefaced attempt to honour a promise given by the Prime Minister some time ago in order to satisfy talkback radio, but at least it is a first step. At least it is an acknowledgment that there is a big task in front of us. Whether we go back to the Poseidon affair of the early 1970s, off the back of the resources boom, where a lot of small investors got ripped off, or whether we go back to the late 1980s, with the misbehaviour of the Alan Bonds of the world, or whether we go to the present day, with HIH, One.Tel and other corporate disasters, every cycle of behaviour seems to get more creative and more ingenious, and the amounts of money seem to increase.

Executive remuneration has soared. Double-digit increases have been the norm for executive remuneration, and mediocre corporate leaders whose performance has often been questionable, who have often surfed into good results on the back of a good economy and strong economic growth but who have been found out when they have seri-
ously been challenged by more difficult circumstances, are getting paid millions. Their giant egos are pursuing ever-inflated rewards that have no connection with their personal needs, even luxurious personal needs, and they are all about staying ahead of the CEO pack. They are all about demonstrating that, of that very small group of people in the community, they are worthy of a higher level of remuneration than their Toorak next-door neighbour who happens to be the CEO of a similar company. It is all driven by ego. It is all driven by the insatiable need to be recognised as the head of the pack, as the biggest lion in the jungle, and it is not driven by any genuine sense of need, quality, merit or performance. It is time that our society said no. It is time that some commonsense, rationality and fairness came into the administration of companies and the payment of salaries for corporate high-flyers.

It is interesting to follow the international debate on these issues, because there are some significant balances that have to be maintained. There are very significant contrasts in the way that corporate governance issues are dealt with in the United States, compared with Britain and Europe, and compared with Australia. In the United Kingdom, for example, the notion that you should have a separate chairman of the company is entrenched because of the idea that you should have diffuse centres of power—checks and balances. That idea is anathema to the United States corporate sector. It is interesting that, in the United Kingdom, recent proposals that have been floated entail a notion that a minimum of 50 per cent of directors must be independent directors, that there will be an effective chair of the independent directors and that they will be required to occasionally meet separately. That is a very challenging and radical proposal, but it indicates the extent to which these issues are being taken seriously in Britain.

Greater transparency in the case of CEO remuneration, particularly in the case of the accounting for stock options, is also being pursued and must be pursued in Australia—although we do need to take care not to micro-regulate, not to overregulate and not to inhibit companies pursuing the most able people and seeking to put the best people in positions. The experience that we have had in this country in recent times is that the lax regulation, the ‘she’ll be right’ approach, is delivering outcomes that simply cannot and should not be tolerated anymore. If the corporate sector does not look after itself—if it is incapable of regulating itself and ensuring that we get decent behaviour and remuneration, however generous, that is not ridiculous and not based on reward for poor performance—and if it cannot crack down on this behaviour then the society, through its government, through this parliament, has to do it. This bill should serve as a small warning to the Australian corporate sector that it should clean up its act. If the small number of people who dominate the directorial positions on Australian boards do not treat these issues seriously then public opinion is ultimately going to force the parliament and this government to deal with these issues. Certainly, it will ensure that a Labor government, if this government fails to act, will do so.

In conclusion, there is a broad theme underneath this issue that connects with a range of issues in our society, and it is something that we as a parliament have to deal with. People in our society are sick and tired of the fact that it seems there are no rules anymore. If you are smart enough, if you are rich enough or if you are well connected enough, you can get away with virtually anything—be it not paying tax, be it avoiding things like the ACCC and competition regulation, be it corporate misbehaviour, be it paying yourself huge amounts of money for running a company badly or be it the way you treat your employees, and the list goes on. In our society in recent years—and it has accelerated under the Howard government—we have had a pattern where anything goes, where we no longer have any rules, where there is one rule for the ordinary person in the community—for the ordinary sucker who has to comply with the rules—but where those who are well heeled and powerful can get away with whatever they like. An example of this has just been revealed to us today. One of Mr Howard’s own ministers has been caught out getting a free plasma TV set in his home from Telstra on supposed indefinite loan, a
TV set that is worth up to $10,000—way out of the reach of the vast majority of ordinary citizens.

Mr Zahra—Is it on his register of interests?

Mr TANNER—Senator Alston has registered it on his list of interests and the Prime Minister has approved it. Senator Alston has for several months had free use of a plasma TV set—cinema quality TV—which the vast majority of Australians can only dream of owning or having access to. He has had that provided by Telstra, by a government-owned organisation, free of charge, on the totally spurious basis that this enables him to further develop his views about digital TV policy. Senator Alston’s policy on digital TV is to provide cinema quality TV for himself and nothing for Australian TV viewers. That is his policy and this is yet another example of the Howard government’s attitude of ‘one rule for the rich and powerful and another rule for every other Australian’. We see it in corporate regulation, we see it in industrial relations and now we see it in digital TV policy. Senator Alston is feathering his own nest and wallowing in luxury at partial taxpayer expense. He is treating Telstra as if it were his own Retravision or Radio Rentals service, providing him with free, indefinite rental of the best available cinema quality TV that money can buy. That is typical of the Howard government’s approach to these issues.

It is time that we took charge of the rules in our society again. It is time that we had a decent ministerial code of conduct that the Prime Minister enforced. It is time that Australian companies and the people running those companies operated by a set of rules that delivered decent outcomes—where good performance receives generous reward but bad performance is punished; where ordinary investors, consumers and employees are properly protected by the rules and those rules are applied without fear or favour irrespective of whether you are the boss of BHP or a small investor who has $500 worth of shares. That is the kind of situation that Labor are committed to and we are going to ensure over the remainder of this parliament that this issue is pursued time and again.

Australians want fair rules and strong umpires. Australians want to ensure that there is equality before the law, that there is decent treatment of people, that people get reasonable returns for effort and that those who have onerous positions of great responsibility and great decision making powers receive good returns when they do a good job and, if they do a bad job, they do not receive the kind of outrageous returns that we have seen in recent times given to the Jodee Riches and Brad Keelings of the world. This will be Labor’s call throughout the rest of this parliament: we want strong regulation, we want an end to corporate misbehaviour and we want fair rules and strong umpires to enforce this in industrial relations, in corporate regulation, in competition regulation right across the board and most of all, given today’s disclosure, in the behaviour of Howard government ministers.

Mr ZAHRA (McMillan) (7.48 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 is all about accountability. It is about bringing accountability into a place where there is none right now. We understand, on this side of the House, that when we are talking about matters to do with the corporate law we are not talking about rules which apply to a privileged group of businesspeople, corporate lawyers or merchant bankers; we are talking about laws which affect people’s lives. We are talking about laws which affect people’s savings—the amount of money that they have put aside their whole life so that they have got something to retire on.

People like Jodee Rich and Brad Keeling—and all these other Richie Riches from Sydney, from Cranbrook School, from King’s School and from all of the places where people have enjoyed incredibly affluent upbringings—have no idea what it means when you lose everything that you have. These people have no idea what it is like to have to scrape, save and struggle your whole life to put some money aside so that you might be able to afford to retire some day and live in some modicum of comfort. These people have got no comprehension of that, because they were born to wealth and whatever happens in their business lives they will
enjoy a life of wealth. These people play fast and loose but they play fast and loose with other people’s money. That is the constant theme of Brad Keeling, Jodee Rich, Malcolm Turnbull and all of these shonks, all of these people who have been associated with the dodgy deals which have been done in the corporate world over the last few years.

In some small way, this bill tries to bring some accountability into that arena. The corporate world in Australia has been a place where for too long there has been no law. It has been like the Wild West: it has been a place where there has been no law and people have made up their own law. These filthy rich people have had an attitude for far too long that the laws as they exist in Australia do not relate to them. They think paying tax does not relate to them because they have enough money to employ slick lawyers, smart advisers and merchant bankers like Malcolm Turnbull and other people to get them out of their obligations and to find ways for them to get around keeping within the law. This is the culture that exists in some parts of corporate Australia right now. It is a culture which says that directors, chief executives and senior managers can pay themselves whatever they want, whenever they want, without being held to account.

No-one on this side of the House begrudges anyone the opportunity to earn a decent income. We do not begrudge people the right to get paid an appropriate amount of money if people are delivering. It is a very old working-class notion. If you work hard and if you do a good job, fair enough—you should get decent pay. It is as simple as that. But people like Brad Keeling, Jodee Rich and Malcolm Turnbull are all about getting paid massive amounts of money irrespective of whether the advice, the management or the services they provide are high quality or absolutely lousy. These people are about getting other people’s money and making it their own private money. That is what they are about.

These companies that we are talking about that have been affected by corporate scandals in Australia over the last several years are not rinky-dink little outfits; these are big public companies. A lot of people’s savings, superannuation and assets were wrapped up in these companies. We should make sure that there is appropriate accountability in the structures and corporate governance of these institutions to ensure that people whose savings are invested are not exposed to massive risks and losses if people within those companies do the wrong thing. We should set up structures to try to make sure that risk is minimised.

We do not want to see another One.Tel. We do not want to see another HIH, where billions of dollars of people’s savings and share value get wiped away because of the actions of greedy individuals, greedy managers, greedy directors—people who never know when it is enough. Several luxury cars, several luxury houses, a salary of several million dollars a year and a gold-plated dunny—all of these things—are not good enough for the likes of Ray Williams and these other corporate executives who are intent upon stripping the value of companies and making themselves even more absurdly wealthy. We want to see some accountability brought into this part of corporate Australia. We do not want to see the culture of lawlessness continue and we do not want anyone in Australia to feel as though they can find their way around our laws because they are rich. We want to see the laws as they exist in corporate Australia apply to everyone fairly.

The reason that we are here talking about this bill today is that, whilst many people waited, hoped and wished that corporate Australia would regulate itself, it has not. We still see this attitude from some of the Hooray Henrys and the Richie Riches of the world who think that, just because they have inherited large amounts of money and they live in a grand house, the laws do not apply to them. These people need to understand that the parliament of Australia makes laws for everyone and that we will make laws that affect what they are able to do and we will try to curb some of their excesses. This bill is not a revolution; this bill is one small step towards trying to get some more accountability in corporate Australia. The reason for
this bill is the fact that corporate Australia, if left to its own devices, will not self-regulate; it will not make sure that the excesses which have now become famous through the HIH collapse and the One.Tel fiasco will not happen again. It has failed to self-regulate and it has failed to have the self-discipline and the decency to make sure that its actions stay in line with the attitudes and opinions of mainstream Australia.

I think one of the primary reasons that so many people in corporate Australia still find it impossible to arrive at a point where they find the will and have the courage to make sure that these excesses are stopped by dint of their own action, their own conscience and their own decency is that, for so many of them, the way that they are behaving is a way of life. What we are talking about here is not behaviour which many of these people have been brought up to understand is criminal or wrong; these people, the sons and daughters of the privileged elites—the wheeler-dealer businesspeople of the world; the people who are into the fast buck—have been brought up and nurtured in the hothouse environment of places like the Cranbrook School in Sydney where, if you can get away with it, it is all right—and what is wrong with taking other people’s money? That is the attitude that exists in so many of these people’s lives. This is the attitude that so many of them have grown up with: if you can get away with it, then it is okay and being a good businessman is being able to separate another man or woman from their money and make that money yours. That is the attitude that so many of these people have been brought up with: if you are not in business, you are a sucker; if you are not in business, then you are there to be had.

Breaking through that culture is a difficult thing and has sadly proved to be impossible for the great majority of that elite of corporate Australia made up of the likes of Brad Keeling, Jodee Rich, Malcolm Turnbull and others. These people find it impossible to resist just one more shonky deal, to say no to doing something which might make them that little bit richer even though it is morally wrong and it is going to harm a lot of other people. They do not have the ethics that would allow them to stop that type of behaviour and to take action to make sure that others do not suffer as a result of their greed. Today, the parliament is going to try to take some of that action for them. The parliament is going to try to bring to heel some of their corporate excesses. We want to see more accountability in Australia. We want to see those people who think they can get away with anything in corporate Australia brought to account. We want to make sure that the auditors, the shonky merchant bankers like Malcolm Turnbull, and others do not think that they are able to get away with whatever they want whenever they want and to separate ordinary, decent, hardworking Australians from their money.

What would these people know about work? What would they know about a working life where you have to struggle and toil and get yourself to work every day of the week or work shifts or bend your back in a hard day’s work labouring somewhere? They would have no idea about what it is to live and work and to rely on your savings for your retirement. But it is these same people who are taking money away from those who have toiled and worked hard all their lives. So today we are trying to bring a little bit of fairness and decency into the conduct and dealings of some of these people who are obviously so divorced from real life in Australia that they cannot find a way to regulate themselves, they cannot find a way to behave decently and they cannot find a way to control their greed.

It is not for nothing that we are here. We are here today because of all the excesses that have taken place. There has been too much excess, too much greed and too much despicable behaviour from people, which has led to a lot of ordinary people losing a lot of savings and then experiencing financial hardship as a result of the actions taken by this group of people. We are here to say, ‘Enough is enough.’ We are here to give people a warning that this type of behaviour will not be tolerated and that it is not something that the Australian parliament is prepared to allow to go on forever. It is important for the Australian parliament to send a
message to these types of people that this behaviour will not be allowed.

Unfortunately, there are a lot of people in this country for whom there is just never enough affluence in their lives. You have to ask yourself, ‘How many luxury houses do people need; how many Toorak mansions; how many luxury cars?’ I read in the newspaper—and I am sure you and the others members of the House did, too, Mr Speaker—about some of the excesses of some of the people appearing before the HIH Royal Commission. These included people buying first-class tickets for their briefcase when they travel overseas. I like to take good care of my briefcase—it was a present from my parents for my 21st birthday—but, if I ever travel overseas for work, I am not going to spend $6,000 on a seat so that I can sit with it next to me and look at it, stare at it and stroke it from time to time. I am not going to do that. But some people think that is all right. They think that the shareholders in their company would say, ‘That’s all right; Mr Williams loves his briefcase. He has a special relationship with his briefcase and he needs to have it sitting next to him when he goes overseas.’ Shareholders are not going to say that. It is not okay. The Australian parliament needs to say that it is not okay either: that type of excess is unacceptable. Why is it that people need these types of flash fittings in their toilets and bathrooms and all these things that have been the subject of much interest—and rightly so—from the Australian public and the media and that have been the subject of some admissions and revelations which have come to light in the HIH Royal Commission? It is unacceptable.

Shareholders and ordinary people in the community want people to do a good job in order to get paid a good amount of money—it really is as simple as that. We do not mind if someone does a good job in a company by restructuring it, making it better, adding to shareholder wealth, making it run better, treating their staff better—we want those people to get paid good money because they are doing a good job. But we have seen a type of behaviour where people received tens of millions of dollars in share options. The system has become so perverse that, when the CEO of a corporation—I remember this situation happening in BHP years ago—has tens of millions of dollars of share options and resigns because they have been doing such a woeful job in their role as CEO, the company share price can actually increase; because they have tens of millions of dollars in share options, the sale price of their share options can increase by millions of dollars just because they have resigned from the company. What a perverse outcome that the person who was responsible for bringing the company down in terms of share value, in terms of what people in the community think of it, in terms of what people are prepared to pay for shares, can then somehow end up with millions extra because they stand down from the company. Because their resignation leads to an increase in the share value of the company and they have so many shares, they end up with more money. What a disgusting situation and a terrible state of affairs.

It is right that the parliament should take an interest in these things because it is very obvious that corporate Australia will not regulate themselves. They will not stop this type of excess. They will not make sure that this does not happen. From time to time, we get lectured by the Tories about what unionists should be doing: that unionists should be behaving in a certain way, that militant unionism is no good. They say that people in the Labor Party should take a stand against it and that unionists should behave in such and such a way. You never hear them giving the likes of Adler, Rich, Keeling and Turnbull a lecture about their excesses. You never hear a lecture from anyone in the Liberal Party about how obscene it is when people like Malcolm Turnbull get paid tens of millions of dollars in fees when they run a merchant bank. You never hear anyone say, ‘That’s enough,’ or, ‘That’s too much,’ or, ‘That’s inappropriate,’ or, ‘That’s absurd,’ or, ‘That’s obscene,’ or, ‘That’s wrong’—but they should. It is right that the Australian parliament debates these matters.

We do not have too many millionaires in the electorate of McMillan, but we do have nurses and doctors who have worked hard in their lives. We have health professionals, power station workers, teachers and people
who have worked in the building industry. We have people who have bent their backs and worked hard. Those people deserve to have their savings protected. They deserve some protection if they invest their money in shares. They deserve to have that money protected from the people who do not know when to stop—people like Malcolm Turnbull, Rodney Adler, Brad Keeling, Jodee Rich and the whole cabal of young Liberals that emerge from Cranbrook School. We need to ensure that these people are not allowed to play fast and loose with the money of others.

The constant theme of the conduct of these people is that, whilst they may well lose other people millions of dollars of their savings—or lose someone from my electorate tens of thousands of dollars which they have worked hard for all their lives—they never end up any worse off; they always end up managing to line their pockets with other people’s money. They have no shame, sadness, guilt or remorse about it—and I am utterly unconvinced that, if left to their own devices, they would ever change. So it is important that the parliament today considers this small step towards bringing a bit more accountability into the boardrooms of Australia.

How many more corporate collapses do we have to see? Do we have to see another HIH? Do we have to see another scandal of the type that we have seen in relation to One.Tel? Do we have to see more excesses from merchant bankers who are only interested in getting commissions and fees from companies and who provide them with whatever advice they want to see so long as they get the millions of dollars of commissions for the advice they provide? When will enough be enough for these people? We might not have much in McMillan by way of money, but we have a lot of pride and a lot of understanding about basic working class decency. People like Rodney Adler, Brad Keeling and Jodee Rich would be well advised to take a leaf out of our book and respect people’s money, because we respect how hard people have worked to have that money in the first place.

**BUSINESS**

**Days and Hours of Meeting**

_The SPEAKER_ (8.08 p.m.)—This is the first occasion on which the House has continued to meet from 6.30 until 8 p.m. under the arrangements put in place last week.

_Mr Latham_—There is no-one left.

_The SPEAKER_—There are standing orders about what is obliged when the Speaker is on his feet. Although no division has been deferred today and no quorum call made, I should inform the House of some details of the way I believe the new provisions should be applied. I deliberately waited until the member for McMillan had concluded his speech before making this statement in order to graphically illustrate what this statement is about.

If a division has been deferred but a member is speaking at 8 p.m. that member should be allowed to complete his or her speech. At the end of the speech the chair should state that the debate is adjourned, if that is necessary, and then put the question on the deferred division. I believe the only exception—that is, the only time a deferred division would be held precisely at 8 p.m.—would be when the question was one which, if agreed, result in the member’s speech being ended. Examples would be motions for the closure of the question or of the member’s speech. I should say that it would be reasonable for the wording that allows a division to be proceeded with on a motion moved by a minister to be interpreted as meaning ‘a motion moved by a minister between 6.30 and 8 p.m.’. This would mean that a division on a motion moved by a minister earlier—for example, that a bill be read a second time—would also stand deferred.

Under standing order 45A, a call for a quorum between 6.30 and 8 p.m. would be activated at 8 p.m. if the member who called the quorum so desired. I believe it would be reasonable for that matter to be dealt with at 8 p.m. regardless of whether a member was addressing the House. I also propose that the provisions of standing order 47, requiring members to remain in the chamber until the House is counted, shall only apply to standing order 45A when the chair counts the
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House if necessary. I hope these views are of assistance to members. I believe there is a great desire to make these new arrangements work and I would be happy to discuss with members any proposals for further change should finetuning be required.

**CORPORATIONS AMENDMENT (REPAYMENT OF DIRECTORS’ BONUSES) BILL 2002**

Second Reading

Debate resumed.

Mr HATTON (Blaxland) (8.11 p.m.)—The Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 is a government response which goes some way, but not all the way, to addressing significant problems which have emerged in Australia’s recent financial history. So far, a number of speakers have alluded to the One.Tel saga, to the HIH dissolution and, of course, to the royal commission which attended the dissolution of that company. In this bill, the government has attempted to put forward the proposition that certain directors’ bonuses should come under scrutiny which they currently do not come under. This is so that they can, in effect, be disallowed and so that there can be a provision to take back the money or other assets that the director was incorrectly given.

According to this bill, that will occur if and only if a series of matters are taken into consideration. At clause 588FDA the bill starts outlining a series of steps, all of which must be agreed to. They are (1) that the transaction is ‘a payment made by the company’, (2) that that disposition is made to ‘a director of the company or a close associate of a director of the company’ or a person on behalf of either of those who gets a benefit from that, and (3) that a series of conditions are met which take account of the payment being made by the company to that person or persons. These are the conditions necessary to put that into effect. Subparagraph (c) of 588FDA states:

(i) the benefits (if any) to the company of entering into the transaction; and
(ii) the detriment to the company of entering into the transaction; and
(iii) the respective benefits to other parties to the transaction of entering into it; and
(iv) any other relevant matter.

Apart from the last part—‘any other relevant matter’, which could be widely interpreted—the narrow focus of this bill is encompassed within these subclauses at 588FDA. One of the significant things it leaves out is any consideration at all of benefits that may in fact accrue to a director other than benefits directly paid by the company to the director. In consideration of this, Senator Stephen Conroy, the shadow minister for financial services, the shadow ministers whom he consulted with and indeed the caucus thought that the narrowness of the definitions within this bill needed to be addressed. Consequent upon that, the amendments that Labor has put before the House and will seek to pursue here as well as in the Senate are quite significant, quite substantial and extremely detailed.

The core point is that, if you narrow it down to too fine a point, you have a situation where it is possible that some but not all of the funds, assets or other property may be regained. So the question of whether benefits are received by directors is a key one that needs to be taken into account, and the government has not done so. The reason that is important is that there are a variety of schemes in operation—as there have been over the whole history of companies being in operations, since the original small guilds that gave rise to them—and that, without appropriate government regulation that responds to not just historical but also current circumstances and practice, you will not catch the bad practice that has been so evident in the past couple of years. We have example after example through Australia’s European history of companies going bust in a very big way and, quite often within a year of going bust, being in effect re instituted in another guise. They then run for a while and people are paid very high sums to run them,
but they go bust again. We have had case after case of that happening. The shareholders in those companies are the people who are ripped off, and the Australian people at large are ripped off as well.

The opposition are entirely willing to support this bill so far as it goes, but we argue that it is fundamentally flawed in that it does not pick up the question of not just payments by companies to directors but the other goodies they may receive. One of those was detailed by our shadow minister, and I think it is also detailed in the amendments. It goes to the question of trading in financial derivatives. We know it has become a fashion, particularly over the last five years—and certainly over the last 10—for directors to be given significant options over shares in the company and for those options to be dramatically discounted. We also know, probably with particular effect and immediacy, the depth to which company directors might sink to try to keep the share price on the rise and that, in the end, that could have a dramatic effect on the company's prosperity. Probably the best recent overseas example is the American utility giant Enron, a company that was effectively gutted because the directors pursued a headline profit over dividends—that is, the directors pursued the price on the stock exchange in front of just about everything else. They put aside normal restraints, normal sense and the interests of the vast majority of shareholders, and there was virtually no restraint by the shareholders, by the other corporations and investment utilities that were involved or by people investing in it through major investment firms. There was effectively no control over what the directors distributed to themselves.

We have seen case after case of Australia's major companies—and not just the ones that have made the news, such as the failed One.Tel and the failed HIH—where enormous bonuses have been paid either directly in money given in a particular year or, and we have seen this in the last five or so years, through increased share options that have been given to directors or CEOs. The argument has been that, if they have an interest in the company—and not only a direct monetary interest in terms of what they are getting back for running the company but a larger stake within the company—then they will have more to protect. One of the important lessons that has been learnt is that that can have catastrophic effects on the way a company is run. Accordingly, because of the enormous excesses of this in the late 1990s and early 2000s, consideration has been given in company after company—both in Australia and worldwide—to pulling on the reins of disbursements to directors where they take the form of a share in the company in terms of profit.

What cuts across that is that, although it has been talked about for two or three decades—and this is apart from companies in Germany in particular and also some other jurisdictions in Europe—very few companies have dramatically pursued a policy of including their entire work force as participatory shareholders and of seeing their work force, being significant shareholders, playing a direct part in ensuring that the company was working well and profitably and as productively as possible, as it was in their interests to do so. If you are going to pursue policies of remuneration through participation in owning the company, it is a lot better to make it entirely broad based—as it is fairer to the work force and fairer to those who own shares within the company—rather than to front-load it onto the directors, the CEOs or others who are in a position to quite effectively manipulate to their own end the benefit they have been given.

In the normal course of events, there is nothing improper about remuneration being given to a director who holds a more responsible position in 2003 than a director did in, say, 1993. The company law has been toughened so that directors are required to be more accountable before the law for the decisions that are made by boards. That increased onus has brought with it a reluctance by some people to serve on boards or to serve without trying to protect themselves in some way and requiring of the company some form of protection against losing all of their assets when they are trying to do the best job they can to run the company as well as possible. But there have been a legion of circumstances where companies have gone very wrong.
The recent One.Tel and HIH examples tell us a great deal about the hidden underbelly of Australian corporate life. When what is undisclosed in those dark corners has the light flashed on it—and the HIH Royal Commission has flashed light into those dark corners—what we can see is profligacy on a grand scale. It is profligacy in terms of the corporate culture, its structure and the benefits that the CEO, directors and other senior officials gave unto themselves out of what otherwise would have been profits accruing to the shareholders as a whole. We know that the final end product of the fact that there was unrestrained profligacy is that, from one end of Australia to the other, there have been enormous problems in getting public liability cover because HIH covered so much of that area. It had effectively been able to corner that market, so when the company collapsed public liability insurance collapsed as well, with a dramatic effect on normal civic life and on the life of volunteers in one city and municipality and shire after another. The question of liquidators being able to claim unreasonable payments made to the directors of insolvent companies is dealt with in this bill, and we support that, because the object of the bill is the restoration of funds, assets and other property to companies in liquidation, for the benefit of employees and other creditors, where unreasonable payments have been made to directors in the four years prior to the company going into liquidation.

Listening to the HIH Royal Commission, you can get a feeling for the fact that the 1980s were not so long ago. In political, social, cultural and company life, it is often the case that when a period has passed what stands out most in that period can be quickly forgotten. Quite regularly, when the lessons are supposed to be learnt, there is a mea culpa or two or three, made quite publicly by the chairman of the board or the outgoing directors, and the expectation is that a company will then run in an entirely different way. We know from the Japanese experience that if things go entirely wrong CEOs of Japanese companies take things very literally and very seriously. We have seen a number of cases where their responsibilities were so heavily taken that those people committed suicide because they thought that they had brought dishonour not just upon themselves and their families but also upon the company and the shareholders they served. But in Australia’s case, the Gordon Gecko mentality of the ‘greed is good’ 1980s—where we saw, up until the crash of the stockmarket in 1987, a rash of takeovers, an attempt to build wealth that had no substantial foundation, a willingness and desire to accrue to directors, CEOs and company secretaries far more wealth than should have been granted to them, with far fewer controls than there should have been—remained. In the nineties and the early 2000s, with the lessons having been learnt from that period of excess, you could have expected that all companies would have acted differently. But our recent experience tells us that if a week is a long time in politics it is certainly a long time in company life as well, and if we stretch it to a year or 10 years we know that these excesses can occur again and again. Half a million dollars on an end of year company party was deemed not to be excessive.

Effectively, most of the misappropriation of HIH funds happened in the last year before the collapse of HIH when, it has been argued before the royal commission, those directors and the CEO knew of the impending demise of that company. That is the core of what this bill gets to, despite the fact that almost all the people giving evidence said they really did not know that the company was in trouble—they had no real contact with the fact that the company was in such serious trouble and of course they would not have taken the enormous bonuses they got if that had been the case but, given they had them, they thought they should keep them. In that circumstance, in that last year when it is possible that a company might in fact be saved, there almost seems to be a lemming-like rush to give more than should ever have been their due to those people, who should be operating properly as directors or CEOs. It is that excess and profligacy that rightly is targeted within the bill.

But we say further that, in terms of these transactions, you have to go to all the other means that have been dreamt up so far—and the ones that probably will be dreamt up in the future. Likewise, the opposition takes the
view that this is one case—or yet another one—where it might be reasonable for the government to pinpoint that this legislation be made retrospective. As it is, the legislation is prospective. No-one caught in the One.Tel fracas and no-one caught in HIH can be subject to the provisions of this bill. Labor is of the view that advice from the Parliamentary Library indicates that there is nothing constitutionally wrong with making legislation retrospective—the shadow minister has already put this view, and we have certainly seen plenty of bills in the past where this has operated. There have been some specific cases where it has been put into effect. One of the things the government needs to do is to look more closely at the question of whether or not it would be right and proper to catch those directors or CEOs or those other operatives in HIH and One.Tel and other companies. If they are found, as they indeed so far have been found, to have been guilty according to the provisions of this bill, they should be brought to account. Labor is arguing strongly for that to be the case. We know, of course, that these last great examples are not the only ones, but a $4 billion company does not fall overnight—that certainly did not just happen within the last year. Certainly what helps it to founder entirely is unreasonable payments of this sort being allowed to go unchecked.

Also you will note that, in terms of the extensive changes argued for within this bill, the opposition include in subsection 4 of our amendment, under (iiic):

the time the payments or benefits were received, in particular their proximity to the time at which the company was placed into administration or liquidation, and whether the company was insolvent at the time they were received.

In the normal course of operations a company may fall into giving excessive benefits to directors. But our concentration is on a situation as massive as that which we have seen in HIH. In relation to the critical times—the question of when it is placed into administration or liquidation and whether the company was knowingly insolvent at the time—this bill needs to be toughened up even further. We support the main intention of the bill, but we also have the overriding view that it is incumbent upon the government, with the support of the opposition, to strongly regulate and legislate in the interests of not just the Australian people at large but also those shareholders who poured part or all of their savings into companies that looked like they were solid, substantial, well run and governed and regulated in accordance with Australian law. We need to make sure that companies perform according to their prospectuses and according to what is promised in Australian law and that the impoverishment and destruction of people’s lives as shareholders is ended. 

(Time expired)

Mr BRENDAN O’CONNOR (Burke) (8.31 p.m.)—It is about time that the Corporations Amendment (Repayment of Directors’ Bonuses) Bill 2002 was before us, as it does go to very significant issues which confront what sort of country we want to be. I have to agree with some of the comments made by the member for Blaxland. He pointed to the fact that, whilst we can support this bill, there are areas which are deficient, which do not go to retrospectively rectifying matters where directors have clearly received bonuses unduly and undeservedly. It is important that this bill is before us. It is a shame it has taken this long. The reason I think it is important is that very few people are left wondering whether something should be done about regulating the greed—and the criminal activity, on occasion—of some directors of companies. This bill goes some way to regulating their behaviour and perhaps in some way penalising their greed.

It is almost a universal view now, for different reasons. I would like to refer to a quote by an observer of this general area. This observer was commenting on the fact that the earnings ratio of CEOs to factory workers 20 years ago was 42 to one—that is, CEOs on average were paid 42 times the weekly earnings of an employee at the ground level. It is now 400 to one. That has occurred in America, and we are certainly heading in that direction. The observer says:

I am old enough to have known both the CEOs of 20 years ago and those of today. I can assure you that we CEOs of today are not 10 times better than those of 20 years ago.
He is certainly not wrong there. What is interesting about the comment is that it has come not from a militant unionist or from someone who wants everyone to be paid the same but from someone seen as conservative: William J. McDonough, who is CEO of the Federal Reserve Bank of New York. He made those comments because he is aware of the alarming speed at which these directors—CEOs in particular—are lining their pockets with the earnings of shareholders and hardworking men and women. The problem he identifies in America is mirrored here.

The fact is that we are seeing a growing disparity between people in this country. I suppose in a vengeful and punitive sense it is about ensuring that directors—whether they are from OneTel, Ansett, Harris Scarfe or anywhere else—cannot benefit from moneys after the collapse of their company. One part of it is preventing them from taking the money before the liquidator can access it to pay the creditors. You could argue that that is one part of this matter. But, if someone were to ask me what the nub of this issue was, I would say that a greater matter underlies this bill—and it underlies the need for a superior bill which will regulate the behaviour of greedy directors—and that is that we are seeing a growing disparity between the rich and the poor in this country. The need for this bill exemplifies the manner in which this country is dividing.

We do have faults as a nation—like the fact that some of us still want to maintain a monarchy, a leader who is not an Australian—and there are all sorts of other things we could perhaps be critical of. But it is not too far off the mark to say that not long ago—perhaps 20 years ago or so—people in the economic, social and political world would rightly contend that there was at least some sense of egalitarianism. I think that perception is no longer valid. This behaviour by directors of companies occurs not only before a corporate collapse—not only when a company is in trouble. As a matter of course, they receive extraordinary sums of money. Worse still—as this bill is looking to rectify—they receive moneys and bonuses even knowing that the company that they are director of is collapsing. So we have a situation where rich people take extra bonuses even after gaining knowledge of the collapse.

One of the reasons I rise tonight is that I represent a couple of thousand, if not more, former employees of Ansett in my electorate. It really is difficult for me and other members to explain to former Ansett employees who are still waiting for the payments that they are due under law—the redundancy benefits and their full superannuation—that we cannot find the money to provide for them and yet, at the same time, we cannot stop the directors of Ansett receiving moneys after the collapse. In effect, that is what has happened. We have had situations where people have been in receipt of moneys in and around the time when Ansett was clearly going to hit the wall. That is an impossible situation. It is an obscene situation to be in, when these workers have to confront the problems of selling their homes, of pulling their kids out of school and of just getting enough food in the cupboard until they get another job—if they get another job. They are asking me to explain why the directors of the company receive bonuses. I cannot explain that. I am not able to explain that. What I am hoping is that this bill will go some way to rectifying things in the future. But, as the member for Blaxland said, one of the problems with this legislation is that it is not looking to act retrospectively. To that extent, it is deficient.

The other area that should be looked at more closely—and it is something we fore-shadowed late last year—is that the government should accept amendments dealing with corporate disclosure of executive remuneration based on recent changes that were adopted in the United Kingdom. Broadly speaking, these changes would require boards to publish a report on the way in which the directors’ and executives’ packages are calculated, including the explanation of performance criteria. It would be impossible for anybody to understand the manner in which people can be in receipt of large bonuses when their stocks are going down. I can just imagine the meeting now: you have got a room full of directors, there is one chart with the arrow going up—that is their bo-
nuses—and the other chart with the arrow pointing downwards is their shareholders’ profits. That sort of behaviour, where there seems to be no nexus between the performance and the outcome of the company, is something that really has to be properly assessed.

When you have the likes of Alan Wood from the *Australian* saying something has to be done, you know that you are not really moving too radically. Even Mr Wood, writing in the *Australian* last year, said we had better do something, otherwise we will strengthen the hand of those who always want to be enemies of the market economy. Okay, he is perhaps not motivated by entirely pure reasons, but he goes on to say:

Sensible action now can head off more extreme and economically damaging solutions later. The amendments to the Corporations Act tabled in federal parliament last week by Peter Costello, which aim to get back excessive payments made to directors of insolvent companies, are a step in the right direction. He wrote that in October last year, when the Treasurer introduced the bill. As I say, more needs to be done in terms of rectifying the problem, but this is moving some way forward.

One of the failures of this government is not only its proximity to some of the directors involved but a failure to see that these people are not able to self-regulate. I do not see the minister for workplace relations saying, ‘I trust unions, and I think they should run all their own elections—in fact, they should run everything—and they should self-regulate the way in which they operate.’ No, there are more laws now for unions. Unions are regulated, and I think rightly so. I think it is good to have regulation ensuring there is efficacy and transparency. The fact is that unions are expected to be accountable and transparent, and elections are in fact regulated by a statutory authority. I think that is okay. What is difficult for the government to understand is that corporate directors, who have at their disposal enormous amounts of money—and, in their case, it may be tempting for them to consider what they should do with that money—have shown that they have failed to regulate their own behaviour. If they cannot regulate their own behaviour—and they have shown manifestly that they cannot—then the government of Australia must regulate their behaviour.

There is no point in attempting to have directors on some sort of honour basis. That clearly has not worked. It is like having kids run a lolly shop or giving firelighters to arsonists. I say that not to reflect upon directors as a whole. I am sure that many of them are upstanding citizens, but clearly there is a significant proportion of them that are greedy, that cannot help themselves, that continue to cheat others out of moneys and that do not seem too concerned about doing it. Without proper regulation, we are not going to see any changes in the behaviour of those who are interested only in transgressing and contravening normal, standard behaviour for a director.

I do support this bill. As I said, I am disappointed that it lacks some other provisions. What I would like to be able to do soon is go back to where I am from—to Sunbury, to Gisborne and Riddells Creek, to places around Broadmeadows where the member for Calwell lives and works, and to the area of the member for McEwen, who I know would be equally concerned with this issue—and say, ‘I know you’ve been wronged. There’s been a real problem with this, but we’re going to make sure that this won’t happen again.’ At the very least, whilst that may not fix their problem, they will say, ‘Here’s a parliament, here’s a government, that’s willing to do something.’ It would be a lot better if the government had decided to retrospectively apply this and try to secure the moneys back from these directors who have happily taken the money out of the hands of workers. That appears not to be the case on this occasion, but I do support the bill. It is one step forward, but a few steps short of what I thought would have been a more ideal set of laws.

Mr Latham (Werriwa) (8.45 p.m.)—The Australian people were shocked by the manner of OneTel’s collapse and, in particular, shocked to learn of the extravagant bonuses that were paid to Jodee Rich and Brad Keeling. This legislation, the Corporations Amendment (Repayment of Directors’
Bonuses) Bill 2002, tries to do something about that. It has been a long time coming; it has been extensively delayed but, now that it is here before the House, it deserves passage. The bill not only is about the collapse of One.Tel and these extravagant bonuses; it is an opportunity for members to say things more generally about corporate responsibility and about standards of corporate governance in this country.

From my perspective, I look at corporations through the prism of something I was taught as a child. It is also a message I have used recently in the debate about Iraq. I was critical of President Bush, and a few people asked: ‘How could you ever be critical of someone as powerful as George W. Bush?’ I was taught as a child that being powerful does not always mean that someone is right. Being powerful does not always mean that someone is acting in the public interest. In fact, powerful people, if they are not held to account, if they do not uphold decent standards of responsibility, can often do the wrong thing. One.Tel is an example of this process. Who would have thought that, with their power and their business resources, the Packer and Murdoch empires could invest in a company and then lose so much money? Who would have thought that business people as powerful as the Packers and the Murdochs would invest in a company that was so badly run, so badly governed, so incompetent, so lacking in standards and accountability and so lacking in common decency as One.Tel? But it happens from time to time, and it is one of the reasons why this parliament exists: to make laws that hold people to account, that act in the public interest and that ensure that powerful people apply proper standards. That is what is happening, in part, with Jodee Rich and Brad Keeling. Powerful people are not always right. Thank goodness we have a democracy and we have people in the parliament who, from time to time, are willing to be sceptical—to ask questions and to raise doubts. That is the role of a functioning, healthy democracy.

One.Tel is a very sad story of incompetence, of cavalier attitudes and of a company attempting to rip off its customers. Anyone who has read about the One.Tel collapse would be astounded by the behaviour that went on. In fact, the only thing that One.Tel ever really tried to do was to rip off its customers and to line the pockets of the senior staff. At a time when One.Tel was still returning losses, these extravagant bonuses, these extravagant amounts of money, were paid to Jodee Rich and Brad Keeling, basically by themselves—and all of this without proper accountability and without proper responsibility to customers, to shareholders and to the Australian public. There are other examples. I read recently of a practice at One.Tel. One.Tel had in its foyer a board that displayed all the backed up calls. When customers rang One.Tel, all the backed up calls would light up on this board in the foyer of the company. But if important visitors to One.Tel were in the foyer, the lights would be cleared away. A notable case was when Kerry Packer was in the foyer, having called in to visit the company. The board was blank, even though calls were backing up and people were frustrated. People were being abused by this company. Those customers, who sometimes waited 90 minutes in a queue just to have their matter dealt with, were also being ripped off financially.

Jodee Rich and Brad Keeling revealed the ugly face of capitalism. They revealed the unfortunate practice of people who line their own pockets at the expense of decency and responsibility and at the expense of their shareholders and customers. They revealed the ugly face of capitalism. It is no surprise there was so much outrage about it. What is surprising, though, is that this government is doing so little to improve standards of corporate governance and responsibility in this country. But it is not just the collapse of One.Tel; the list goes on and on. There are the disgraceful examples at HIH and, most recently, the huge amount of money that was paid to the former chief executive of BHP Billiton, Brian Gilbertson. They gave him a $30 million payout. Here is what he had to say about his sacking earlier this year, as reported in the Melbourne Age:

Mr Gilbertson declined to make any comment on the way Australians do business, saying that he had experience only of BHP, which had been a “good team”.

Mr Gilbertson declined to make any comment on the way Australians do business, saying that he had experience only of BHP, which had been a “good team”.
But he admitted that he does have some regrets.

“I’d set myself the challenge of working through the book of restaurants in Melbourne,” he said. “I have only got about one-third of the way through, so there’s a lot of ground I haven’t covered.

I also set myself the target of working through the wine book but I realised early on there were so many I hadn’t a chance, even with dedicated effort.”

This is the indecency that people complain about. The corporate world cannot just be a bottom line balance sheet—an exercise in profitability and finance. The corporate world has also got to have a notion of what is right and what is wrong. The corporate world cannot be detached or divorced from notions of decency and responsibility. When someone is paid out $30 million just to go—that is what Brian Gilbertson got: $30 million just to go—and his parting comment to the Australian people is that he is disappointed he has not worked his way through the book of restaurants in Melbourne and through the book of wines in Australia, people feel their stomachs turn. They feel there is something fundamentally wrong with those attitudes. In a world where there is so much poverty, suffering and need, how can someone pocket $30 million and say that their only regret about the state of our society and about the state of corporate behaviour in Australia is that they have not worked their way through the book of restaurants in Melbourne? It is just plain wrong. It makes the point that these companies cannot divorce themselves from notions of common decency and morality. There is a thing called right and there is a thing called wrong. Part of the role of government is to apply these notions to corporate Australia. Powerful people are not always right. Powerful people often make mistakes. Powerful people often act badly. The role of government is to recognise that. Just as mutual responsibility might be applied to unemployment benefit recipients in Australia, mutual responsibility must also be applied to the other end of the economic scale: to corporate Australia itself.

In recent times companies have won many more rights, and they have won these rights on a global scale: the right to trade internationally and invest across the world. In return these companies have been reluctant to discharge their proper social responsibilities, and the obscene level of executive bonuses in Australia is just one sign of corporate irresponsibility and greed. We have had too many instances. We now need a government that is willing to take strong action to impose decent standards of corporate social responsibility, standards of decency and morality, upon the private sector. That is what we need. Unfortunately, the signs from this government are not good.

Just a few weeks ago the Australian Financial Review reported the Minister for Finance and Administration, Nick Minchin, saying that Australia did not need to upgrade its rules for corporate governance. The Financial Review put to him the new British government recommendations for corporate governance. The recommendations include:

... proposals that chairmen should be restricted to chairing only one major company, that chief executives be allowed only one outside directorship, and that directors who have served more than 10 years should no longer be considered independent.

Nick Minchin, a cabinet minister, said that this would be:

... over-regulating and over-dictating to both individuals and corporations.

So he wiped the idea of upgrading Australia’s corporate governance, more generally. I think that is regrettable. Nick Minchin is the sort of minister, joined by his colleagues, who thinks that powerful people have always got the right to do whatever they want. This government has a lopsided view of mutual responsibility. It is a government that wants unemployed people to work for the dole. But it is a government that also says that companies should not be overregulated, over dictated to, and that companies should really be given an environment of laissez faire where they are not expected to discharge their proper responsibilities to society. So we have to correct that imbalance. We cannot have one rule for the unemployed in this country and a different set of rules for the rich and powerful. We are all Australian
citizens and we should all be equal under the rules of our Commonwealth.

I have been raising some of these instances lately, and I want to put a few more instances on the record in this debate. Recently I raised the issue of the shocking role that Malcolm Turnbull played in the collapse of HIH. This was reflected in the summing up of submissions to the royal commission earlier this year when Turnbull was heavily criticised for his role in the sale of FAI, which, in turn, triggered the collapse of HIH. The *Sydney Morning Herald* reported:

The role the Liberal Party federal treasurer and merchant banker Malcolm Turnbull played in the HIH collapse made him unfit to hold public office...

They were quoting me. I said:

I stand by my assertion [in Parliament last year] that Mr Turnbull is unfit for public office or any public role such as Liberal Party federal treasurer in this country.

Of course, I have received a lawyer’s letter for my trouble. The litigious Mr Turnbull— he never changes his habits—sent me a lawyer’s letter about those comments. This is a fellow who is so litigious that if you tell him that his tie is crooked he will send you a lawyer’s letter. The truth is that some of his own colleagues in the Liberal Party are losing confidence in him. I noticed a report in the *Financial Review* on 15 January which, quoting an unnamed senior Liberal, states:

“It will be very tough for him to raise money while all this is going on. Business people will use this as an excuse not to give,” said a Liberal stalwart. “This is not going to be helpful to Malcolm or to the party. The Labor Party will have a field day.”

If business people are not going to donate to the Liberal Party, it is a recognition that Malcolm Turnbull has done something seriously wrong in his role in the collapse of HIH.

I want to raise a few other instances of corporate irresponsibility under the coverage of this bill. I have long had a concern that the laws of franchise in this country are geared against the small business person. I have long held the view that the Trade Practices Act does not give proper coverage to the franchise holders, the small business people, of this nation. Recently, I have been alerted to a case concerning misconduct against an Arnold’s Ribs and Pizza franchise—in particular, the franchise held by David Searle and Lesley Gagan on the South Coast of New South Wales at Ulladulla. They have had that Arnold’s franchise for the past 15 months and they have approached me with a series of complaints about Arnold’s, the parent company. Looking at these complaints, I believe that they have been very badly treated, with the parent company failing to meet its commitments in several respects.

The two sharks who operate Arnold’s, Michael Azzopardi and Eric Chan, really should hang their heads in shame. They have acted disgracefully in the way in which they have ripped off these small business people. The franchise holders are not really well covered and protected by the Trade Practices Act. The rules are one sided.

Mr Lindsay—Crooks!

Mr LATHAM—The member for Herbert joins me in labelling Michael Azzopardi and Eric Chan as crooks. They have acted improperly in several serious respects. The first is that they misled the franchise holders Searle and Gagan with regard to the likely profitability of this Arnold’s franchise at Ulladulla. The documents provided to me clearly show that the franchise holders were misled. The profitability was overstated and it has not been realised in practice.

The second area was that they failed to disclose the fact that the ACCC was investigating them for breaches of the Trade Practices Act. That is something that should be corrected under the law: if a parent franchise company is being investigated by the ACCC for breaches of the Trade Practices Act, it should have to say that to people who are signing up to hold a franchise. That company really should have had to disclose the investigation under way by the ACCC. Azzopardi and Chan failed to do that. Now, after the event, David Searle and Lesley Gagan, these battling business people, find out that this company is under investigation. If they had known that at the very beginning, they would have been reluctant to go into the franchise arrangement.
The third example was the promise by Arnold’s to provide extensive training for the new staff taking out the franchise at Ulladulla. The training provision never came. One of the principals came down to Ulladulla and basically spent the time on the beach. He did not provide training to the new staff and franchise holders; he went to the beach and took his young family with him. That was a clear breach of promise, a clear breach of the commitments that were given to Searle and Gagan.

The fourth breach concerned advertising and marketing. Basically, Arnold’s promised the world—Azzopardi and Chan promised extensive advertising and marketing support. But, as in so many of these cases we find around the country, it never came; it was never delivered. So, too, with promotional activities. The final breach was that Azzopardi and Chan promised reliable supplies to the Ulladulla shop. Of course, you cannot run a ribs and pizza shop unless you have got reliable supplies coming through. This has not been the case at Ulladulla. Searle and Gagan, again, were misled. So I call on the ACCC to extend their investigation into Arnold’s. They are looking at this company for other breaches of the Trade Practices Act. They should examine the specific instance at Ulladulla. They should bring Azzopardi and Chan to account and ensure that these protections are given under Australian law to battling small business people who are being ripped off by franchise companies.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 9.00 p.m., I propose the question:

That the House do now adjourn.

Australia

Mr LINDSAY (Herbert) (9.00 p.m.)—I want to share tonight some words that were sent to me by the very proud parent of eight-year-old Sheridan Hardie from Townsville. Sheridan was given an assignment by her grade 4 teacher as part of her Australia Day homework exercise. From what Sheridan has written, it certainly appears that young people in our land take a lot of interest in, and know a lot about, current issues. Young Sheridan wrote these words, headed ‘I am Proud to be an Australian’:

I’m proud to be an Australian because we are quite safe in Australia. We also have no dangers like terrorism or wars. We Australians have rules that protect us and keep us healthy. I am also proud to be an Australian because of the great places to travel like Cairns, Brisbane, Perth and many others. The way you may see animals like koalas, kangaroos and more. These animals are special because they are native to Australia.

We have many different environments. Some of them are deserts, beaches, rainforests, mountains and grasslands. We are very lucky to have clean water and healthy food. We need these to survive. A lot of children in Australia have excellent education. This is because of the fully trained staff.

The best thing about Australia is the friendly people.

That was a great bit of philosophy from young Sheridan Hardie in grade 4. It is great to see that she recognises how wonderful Australia is; but we all do. This land of ours shines because of our people. We are the most culturally diverse people in the world today. We are a people that live together harmoniously and certainly respect each other’s point of view. We have a very strong rule of law and the experiences in and diversity of our environment are second to none in the world. As we travel about Australia and go from the extremes of the deserts of Central Australia, the barren landscapes of northwest Australia, the forests of Tasmania and the south-west of Western Australia, the Great Barrier Reef Marine Park, the great cities and so on, we see that Australia is a truly wonderful land.

As a member of the House of Representatives Standing Committee on Science and Innovation, I have had the privilege of seeing much of the science that is done in Australia. We lead the world in so many aspects. To use the colloquial Australian expression, we do not blow our own trumpet enough. The science is truly wonderful in Australia, whether it be through agencies like our cooperative research centres, our universities, the CSIRO or indeed our private research and development organisations that are doing so well in
heavy industry and the mining of minerals
and so on. In sport, Australia does wonder-
fully well throughout the world. I think that
as a country we punch above our weight, to
use the words of our Prime Minister, in rela-
tion to the rest of the world. I pay tribute to
Sheridan Hardie and others like her who rec-
ognise, and I hope continue to recognise,
what a great country we live in.

Chisholm Electorate: Chinese New Year

Ms BURKE (Chisholm) (9.04 p.m.)—
Tonight I want to wish everyone Guey Hay
Fat Choy—happy Chinese New Year. The
actual translation of that is: I wish you plenty
of wealth in the coming year. Those who
have Chinese citizens in their electorate will
know that wealth and prosperity are big
things, particularly at this time of year. I
want to congratulate the Asian Business As-
sociation of Whitehorse for the phenomenal
event they conducted on Friday, 31 January,
on the eve of Chinese New Year. It was the
first dusk to dawn ceremony to celebrate
Chinese New Year in Australia. It was a re-
markable evening, and a lot of hard work
went into hosting this wonderful event. They
started the night at seven o’clock and went
well into the wee hours of the morning—I
think they finally finished up at four o’clock.
I admit that I was a bit of a wuss and crawled
home at about 10 or 11 o’clock, pleading that
small children keep me awake at night and I
was not going to see in the new year. I do
apologise that I did not count down with
them. To Jason Soo, the Vice-President of
the Asian Business Association of White-
horse, and to Derek Chan, the President, I
give full congratulations on hosting the
event, and congratulations also go to the rest
of the organising committee.

Sadly, in Whitehorse in Box Hill, we have
not had a Chinese New Year celebration for
the last couple of years. There was a break-
down in the various groups that had hosted
this wonderful event for 14 years previously
in our city. Some 35 per cent of people in my
wonderful electorate of Chisholm were born
overseas. In that figure is a high proportion
of Asian people, predominantly from Indo-
Chinese and Chinese backgrounds. Those of
you who have been lucky enough to come to
Box Hill and sample our fantastic restaurants
will know that there are some phenomenally
good Chinese and Asian restaurants, grocery
stores and other Asian businesses within the
community. Not only is there a large com-

The night was a wonderful success. The
only black spot was the use of the event by
Senator Tsebin Tchen to politicise the event
and to score some cheap shots against the
City of Whitehorse, which had put a lot of
effort into hosting, supporting and running
the event. I think his choice of the occasion
to bag the elected councillors of the City of
Whitehorse was uncalled for. I do want to
thank the other sponsors of the evening—
they were many and varied—who ensured
that the night was a great success.

It was interesting that Dr Stanley Chiang,
one of the deputy commissioners of the Vic-
torian Multicultural Commission, noted that
in his 20 years in Australia he had often
failed to know on which night the Chinese
New Year would be occurring because we
did not pay it much heed. But, like me, on
the way over to the event he had heard on
PM an analysis of Chinese New Year and the
year that we would be celebrating. Australia
is a richer country from our diverse multi-
cultural society. I had a bit of confusion, like
a lot of people. Usually the symbol for the
year is very definite, but this year many peo-
ple were referring to it as either the ram, the
goat or the sheep.

It is interesting that the Year of the Ram or
Goat in 2003 will have a gentler and slower
pace than that of the Year of the Horse in
2002. This year should focus more on per-
sonal and domestic matters. The year 2003 is
for reconciliation, diplomatic moves and the
healing of rifts. People born in the Year of
the Ram are typically kind, gentle, helpful
and wise. They are shy and always passion-
ate about their beliefs. Another interesting
thing is that the direction of the ram is asso-
ciated not with the north, south, east or west
but with the Chinese fifth direction—not
used in the west—of central. This centrality
is perhaps indicative of the ram’s desire for
peace and tranquillity, and the avoidance of
taking sides. I think that is very symbolic of
what we have been discussing in this House—that it is a year for reconciliation, diplomatic moves and the healing of rifts. I think a lot of our world leaders should look at the Year of the Ram and decide to take heed of this ancient tradition—to take a central way, avoid war at all costs and try to go with the desire for peace and tranquillity. It was wonderful to see such an event returned to the suburbs. I hope we celebrate many more wonderful Chinese New Years within the great city of Whitehorse in my electorate of Chisholm and that 2003 is a year of peace and not war.

**Indonesia: Terrorist Attacks**

Mr RANDALL (Canning) (9.09 p.m.)—It is appropriate this evening that I read into Hansard a letter written to me by constituents in relation to the Bali bombings, particularly as this evening there is an expose on Four Corners on Channel 2 regarding the relationship of Jemaah Islamiah and the construction of these sad series of events. The letter from John and Margaret Harrison dated 4 February 2003 states:

Dear Don,

If at all possible I would appreciate it if you could in Parliament, thank everyone concerned with the Bali tragedy & in recovering our daughter’s body (Nicole).

Margaret, myself & our three remaining children, Andrew, Sherrie & Lee & their partners would like to say a special thankyou to Fiona Lennard from Foreign Affairs for all her assistance, also Centre Link & Telstra.

All the help has been greatly appreciated. Thanking you all,

John & Margaret Harrison

The current world uncertainty is a great reminder of the October tragedy. I feel very much for the family who have lost Nicole. I am only too happy to convey their thanks to this parliament and to all those who have helped—our Prime Minister; the opposition, for their bipartisan support; government departments, including the Federal Police; and everybody involved in this sad tragedy. It is my honour to bring the family’s sentiments to this parliament.

**Telstra: Committee**

Ms GRIERSON (Newcastle) (9.11 p.m.)—I rise to place on the parliamentary record a matter that I think the Australian public would want to know more about and would unfortunately be very disappointed with. Just over a year ago I joined this parliament, and I felt that I had a great responsibility to undo some of the cynicism that the Australian public do feel about politicians and their work. Part of that responsibility that I thought I shared with my colleagues was participation in parliamentary committees. I thought they were a worthwhile extension of electorate work and that they would be a way to influence government and opposition policy for the good of this country. I knew that committees took submissions from real Australians about real experiences and that they were used by groups and associations to put forward views.

I joined several committees, and I am pleased to say that in most cases they have been very worthwhile. The Joint Public Accounts and Audit Committee has contributed very much to corporate governance debate. It certainly has had a very close look at government departments and agencies such as the ABC, the Department of Defence and the CSIRO, with particular regard to the accountability and performance of those organisations. The science and innovation committee seems to have had particular relevance to industry, looking at the expenditure on research and development in Australia. Already, the work of that committee has influenced the government to put in place some measures that the public and the industry were hoping would be reinstated. So popular programs are back in place, and it seems that the report that will come out very shortly will help to encourage research and development expenditure by industry. I have been delighted that my electorate has been represented on those inquiries.

Recently, the CITA committee put forward a very valuable report: Connecting Australia! Wireless broadband. That was not trouble free, with a lot of hard work for the secretariat when staff changes impacted. But the report was an honest view reflecting the views expressed by the communications and
information technology community to that inquiry. Some of the recommendations would have supported government policy; others would have perhaps supported the views of people opposed to some of the policies. But it put forward those things without fear or favour, and I think it certainly will guide the debate on wireless broadband very well.

That brings me to the problem: a recent decision by the committee to hold an inquiry into the separation of Telstra. That seemed to me to be a very worthwhile debate. The Australian Labor Party had flagged this position as one option to be considered when developing policy for the future ownership and operation of Telstra. I thought this would add to the debate and allow the government to hear what the public and the industry thought about future options for Telstra. Diaries were scheduled, submissions were called for and certainly the details of the inquiry were circulated in my electorate. But apparently that inquiry was seen differently by the Minister for Communications, Information Technology and the Arts, and we now know that that inquiry has been pulled. When I say ‘pulled’, I mean that it just sits there. The secretariat staff diligently organised hearings, and submissions were prepared for circulation. But, coincidentally, a report that analysed the separation of Telstra was released, finding that the complexities and costs involved would make this a difficult option. The ALP spokesperson—the shadow minister, the member for Melbourne—released an announcement saying this would clarify our position and we would look at other ways of structuring Telstra and look at regulatory accounting frameworks or virtual separation. This announcement was part of a range of directions that the ALP were pursuing but, the evening before the inquiry was to go ahead, we were told that the inquiry would be pulled. The minister’s media release stated:

Even before its hearings have started, the House of Representatives inquiry into structural separation has achieved its objective by flushing out Mr Tanner into admitting that his structural separation proposal was a foolish and unworkable concept.

Unfortunately, the result was that an inquiry that was earnest and perhaps well intended for the future of Australia was now in abeyance. I register here my disappointment that the politicising of committees has happened. I hope that it will not happen again, because I do not like to see my work, the work of my colleagues or the work of the secretariat wasted. I certainly do not like to see the public waste their time on submissions. I would ask that the Prime Minister make sure that Minister Alston is reminded that we are here to do an honest and earnest job in committees for the Australian public, not to deliver political agendas.

Canberra International Airport

Mr SECKER (Barker) (9.16 p.m.)—Mr Speaker, like you—like the member for McEwen, the member for Lalor, the member for Bendigo and other members in this chamber—I have been arriving at the Canberra airport and watching the works that have been going on there for the last 12 months. I have to say that I am not impressed. The whole set-up of the Canberra airport is such that those leaving the car park have to go past the pick-up and drop-off point, thereby increasing the traffic, which is really silly. Even Adelaide airport, which we heard the member for Port Adelaide knocking a little bit earlier, does not have that situation. When people drive out they do not have to go back through the pick-up and drop-off point.

First of all, we have a very poor design. The easy solution would be to have the outlet on the opposite side to where it is now but, of course, that would be much too easy. I raise this point because I noticed last week a sign saying that people can no longer pick people up from the airport entrance because of security. I find it quite ridiculous to suggest that it is a security risk to pick up people from an airport when they have already been through the security channels of the airport at their place of departure. Surely the people who are being dropped off, who have not actually gone through any security, would be more of a security risk. It seems to me that the airport has said, ‘It’s getting too clogged up because we’ve already got them going around the wrong way. Now we’ll say they
can’t drop off people there; we’ll make them use the car park and thereby get some more money, but we’ll blame it on security.’ I think that is taking things too far. I think that they are taking the Australian public for suckers.

Another point that I raise about the whole design of the Canberra airport is that I, like many members here, live in Queanbeyan. The airport have us going all the way through security in a circle to get there, whereas they could cut off probably about a kilometre. Of course, that would be too smart. What happens now is that people take the shortcut through the Caltex service station. I am sure that they are not very impressed by that either. We have the ridiculous situation of traffic going where it does not have to go because they have not got the outlet in the right place. Because of that, we now have a situation where people are not allowed to pick people up because things are already too clogged up. If they obey the laws they go around in a full circle, but if they want to go to Queanbeyan they take a shortcut through the Caltex service station. It just shows me that it is very poorly planned.

Not only is this apparent in the macro detail of the whole Canberra airport but I have also noticed on the last two Sunday nights when I have flown in that they have had sprinklers going at about 7 o’clock. Because of the wind, they were actually wetting the road. As a result of that, the road was slippery and could have caused some danger. It would be quite simple for them to change their computers as we all do if we happen to have a sprinkler set-up at home. We change the sprinklers so that they come on perhaps at 2 o’clock in the morning, which those interested in using water more efficiently do anyway. But no, they have got them going at 7 o’clock, thereby increasing the chance of having an accident in the already clogged up roundabout route to the Canberra airport. I thought that there were water restrictions in Canberra but these sprinklers seem to be going flat out and are wasted at that time. To whoever is in charge of the Canberra national airport, I simply say it is a very poorly designed airport and it is about time someone took charge of designing a better set-up and using water more efficiently. Then perhaps we will all be better off and all the travellers who come into Canberra might have a better time. (Time expired)

Prime Minister

Fuel: Ethanol Content

Mr HATTON (Blaxland) (9.21 p.m.)—Like me, a number of other people, when they picked up the Australian today, may have been knocked over with a feather when they looked at page 2. There are a number of things of interest on page 2: a series of articles about the PM in Washington facing a peacekeeping test and what the Labor caucus has been up to, but there is a very large picture of the Prime Minister—I think it is, I am not sure—trudging purposefully through the Washington snow. I note that there may be a sponsorship issue here, because a certain national telephone company, which is neither Optus nor Telstra, apparently has supplied the tracksuit that he is wearing. Be that as it may and whatever questions arise as a result of that, I am sure that a number of people would have been surprised at the message that came out of Washington on Sunday supposedly with regard to the Prime Minister’s future.

Above that photo advertising what I suppose is a determined tread in the Washington snow is the heading ‘Howard won't walk away from the leadership’. We have heard a lot of prognostications—last year, this year and certainly leading up to a certain event later this year—about what might happen. I suppose that a certain member of parliament in particular might have got some indication of what might be happening in the future and he may well have been knocked over when looking at page 2 of the Australian to see that the Prime Minister spoke to a number of journalists while he was in Washington. As Dennis Shanaghan indicates, he said that he was not even thinking about his own political future while Australia faces a very difficult international situation and that there was absolutely no chance of him walking away from his responsibilities, and he played down any speculation about what effect that might have.
In the past couple of years we have seen a lot of speculation about what the Prime Minister might do in the future. But I note, just in passing, that in question time today the Treasurer was in fact preoccupied with stating his case once again for the Liberal Party faithful behind him as to his credentials in terms of managing the economy, keeping his eye on the ball and performing and so on. I would also note, as a relatively disinterested bystander from this side of the House, that no-one was really picked up and moved too much by today’s performance. I also note that, given the significance which he attached to discussions with the Prime Minister in the past, he would not have expected to get a letter from Washington similar to — given that it is a wartime theme — the World War II ‘Dear John’ letters that a lot of other loved ones got. But I imagine that we could put it that there could in fact have been an actual letter along the lines of ‘Dear Peter, apropos of our core and/or non-core discussions which may or may not have taken place regarding my forthcoming birthday celebrations’—to the beat of the old Beatles’s hit *When I’m 64*; ‘When I get older’ et cetera—’you need to put that on hold because I’ve got a war to fight. There’s absolutely no chance of my walking away from the prime ministership while my country needs me. I know you’ll understand,’ signed Yours, John, Washington, Sunday et cetera.

Whilst the Treasurer has been occupied for a very long period of time with his prospective future and where he might go, and whilst I have been utterly convinced that the Prime Minister is, in his terms, ‘going nowhere’ and does not intend to stand down at any time—when he is 64 or otherwise—there is a series of issues that have come before this parliament that this Treasurer has not given his close attention to. Two hundred and twenty-four independent retailers of petrol in the city of Sydney are at peril of having their service stations closed down because this Treasurer will not make a decision in relation to the amount of ethanol that should legally be in the tanks of the cars people are driving in Sydney. One operator from my electorate was on *Today Tonight*. For the full day on the Wednesday after that program there was no effect, but on Thursday, Friday, Saturday and Sunday half of the business of that very busy petrol station was destroyed—destroyed by one program. The reason for that was that, when they tested the petrol, it said 18 per cent ethanol, and Holden will not underwrite people’s Commodores if the petrol has more than 10 per cent ethanol. What my constituent and the people who own all the independent service stations not only in the electorate of Blaxland but also throughout Sydney would like is for this government to mandate a safe level of ethanol. Labor have argued for 10 per cent. We think the Treasurer should get on with the job and make a core decision instead of worrying about whether—(Time expired)

**Fuel: Ethanol Content**

Mr SECKER (Barker) (9.26 p.m.)—It was very interesting to listen to that speech from the member for Blaxland, saying that it is up to the federal government to mandate a certain level of ethanol in fuel. That ignores what should be happening in New South Wales, which is that the New South Wales government should be ensuring that the information goes to all motorists. The New South Wales government should be enforcing that sort of consumer information campaign to make sure that the petrol stations show how much ethanol is in the fuel, and then the motorists themselves can make up their own minds.

The federal government is in an almost impossible situation, where we are getting conflicting information when it comes to ensuring what level of ethanol is safe to have in fuel. Some say it should be 10 per cent; some say 20 per cent is fine; some say that, with different motors, we have to go back to 10 per cent. If Premier Carr made sure that that information were given to the motorists and all those people on the east coast of Australia, there would not be the sort of problem where people do not know what is in their fuel. It should be mandatory for petrol stations in Australia to ensure that people know what percentage of ethanol is in the
fuel. If we had that sort of information, we would not have this problem. It is cheap, political gamesmanship to come in here and suggest that the federal government has a responsibility for this, when we all know that the state government could quite simply legislate that all petrol stations provide that information. It is the state government’s responsibility, not the federal government’s.

Question agreed to.

House adjourned at 9.29 p.m.
Monday, 10 February 2003

The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 4.30 p.m.

MINISTERIAL STATEMENTS

Iraq
Debate resumed from 6 February, on the following paper presented by Mr Howard:
Iraq—Ministerial Statement to Parliament

and on motion by Mr Abbott:
That the House take note of the paper.

upon which Mr Andren moved by way of amendment:

That the following words be added to the motion:

“and insists that in the absence of specific, unambiguous and unanimous support of the United Nations Security Council, Australian defence forces not be involved in any military action in Iraq”.

Mr BRENDAN O’CONNOR (Burke) (4.30 p.m.)—I am very happy to be speaking on this motion on Iraq today. Much has been said in this place about the threat of war—about the awful impending conflict that may result in thousands of civilians and military personnel being killed and injured. Every member in this place has said that war is undesirable; most have said that war is the last resort. It is very easy and predictable to say that one is against war; in fact, it would be thought to be absurd if a person said that they preferred war. This was highlighted aptly by a war correspondent for the New York Times who commented, immediately following World War II:

I have never met anyone who wasn’t against war. Even Hitler and Mussolini were, according to themselves.

To say that you are against war means little; it is trite to the point of being a worthless contribution to this debate on Iraq. What the Australian public rightfully expect of their parliamentarians are not cliches, but some well-considered debate about the way we can maximise the prospects of peace in view of the growing likelihood of war. Given everyone’s assurance in this place that they are against war, I believe it is incumbent upon the Prime Minister to convince Australians that everything has been done to avoid war.

The Australian public expect their government to place the interests of this nation and its people at the centre of this debate. What has been done to date? In his attempt to steal the banner from former Liberal leaders and ministers—a group vocally in opposition to unilateral action against Iraq—the Prime Minister has said that he supports a peaceful solution, that he is a ‘Liberal for Peace’. If the Prime Minister is a dove in this debate, I think we are in deep trouble.

Many members opposite swear that they oppose war and hope for a peaceful resolution. According to government members, peace is the Prime Minister’s preference. That, I suppose, should be a given, but the real question for the Prime Minister is: if he genuinely seeks peace, what action should he take in order to increase the likelihood of that occurring? Having landed in the American capital, is John Howard seeking to persuade the United States President that UN sanctions are required before Australian military involvement would occur? Alas, it would appear not. From all the posturing since late last year, culminating in the rash
redeployment two weeks ago of 2,000 Australian troops, there are no signs that our Prime Minister has peace on his mind.

Another claim made by the Prime Minister is that he is acting first and foremost in the nation’s interests: Australia and Australians first—a claim reiterated by many government members desperately seeking to convince the Australian public that this country’s interest is not subordinate to the whim of the United States. But in politics, as in most things in life, seeing is believing. While I would like to believe that our Prime Minister would not subjugate our interests, I must look to his actions and not his words to determine his intentions. Having witnessed his duplicity on the ‘children overboard affair’ it would be unwise to take him at his word. Looking at his conduct in this matter, observing his rash decision to redeploy troops to the Gulf, we can unequivocally say that this is not a Prime Minister who is looking to secure peace. In short, the recent deeds of our Prime Minister are not in the national interest. The Prime Minister has sought to serve the desires of the President of the United States first and foremost.

In being one of only two countries in the world to redeploy troops to the Gulf to accompany the United States without any resolution by the United Nations, the Australian government has put this country at the pointy end of an imminent war. At a time when Australians are being warned—some might say spooked—by a $15 million fear campaign that tells us that there is an unprecedented threat of terrorism at home, the Prime Minister has sent our specialist troops, the SAS, disturbingly, far away from home and on standby, ready to receive the orders from US command.

The Prime Minister cannot have it both ways. He cannot, on one hand, argue that our threat at home is great, therefore requiring the spending of millions of dollars, albeit on brochures and fridge magnets, and then, on the other hand, tell this parliament that it is wise and proper to leave us unprotected at home, our SAS personnel not here to defend our citizens. The Prime Minister’s actions belie his words.

Why has the Prime Minister enacted this redeployment? From the conduct of the Prime Minister, ever the populist politician normally, I have concluded that he has committed our troops because of his absolute subservience to the President of the United States. In blindly following the dangerous and isolated path blazed by the US President, he attempts to use the ANZUS treaty as part of his justification. I ask the PM whether he has read this 50-year-old treaty recently? The first article of the treaty states:

The Parties undertake, as set forth in the Charter of the United Nations, to settle any International disputes in which they be involved by peaceful means in such a manner that International peace and security and justice are not endangered and to refrain in their International relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

It is apparent to me, as it is to others, that it is wrong to invoke the ANZUS treaty in order to form the basis for this decision to redeploy our troops. Article 1 of our treaty with the United States and New Zealand makes clear that it is incumbent upon the signatories to ‘settle any international disputes … by peaceful means in such a manner that international peace and security are not endangered’. Last September I rose in this place to comment on this matter. I stated:

The debate on Iraq is as much about Australia’s role in ensuring international bodies are respected and international law is adhered to as it is about a war on terrorism.
I still believe this to be true. A country that supports international law would look to avoid war. Such a country would conduct itself in a manner that provides the best opportunity to find an alternative to military conflict. I would like to refer to an article in the Age some weeks ago by a correspondent who writes for the Washington Post. In respect of the build-up in the Gulf, he uses a rather apt metaphor. He states:

Think of the Bush campaign for regime change in Iraq as a crowded bus picking up speed on a straight, clear highway. There are still exit ramps that can be taken at 60 kmh. But they become impossible to take at speeds of 100 kmh or higher. And that is close to the speed now attained in the build-up of diplomatic and military pressure on Saddam Hussein.

I believe that, as a result of the Prime Minister’s decision, we have moved irreversibly towards war. I think this government has shown scant regard for the United Nations and the rule of international law as a result. As I have said, this government puts the priorities of the United States ahead of the United Nations and Australia. The decision to defer to a nation state on a matter that would best be determined by the international bodies is wrong—it is wrong irrespective of how well we regard that other nation state and it is wrong irrespective of how large that nation state may be. You cannot secure global peace by fighting a rogue state as a rogue state. Vigilante behaviour—that is, a member of a self-appointed group undertaking law enforcement but without legal authority—will not provide for greater global security. To side with one or two countries without the sanction of the United Nations is to undermine, not strengthen, international governance.

Two arguments have been advanced by the government as to why Labor is opposed to war. The first involves the insulting slur that Labor has sympathy for, or lacks enmity towards, the Iraqi regime. Those opposite say this knowing it to be untrue. The Iraqi regime is undemocratic and violent. It has committed countless human rights violations. Indeed, I have been in contact with Iraqi dissidents, as I am sure other members have, who outlined terrible crimes perpetrated by this regime. Iraq is not, however, the only nation to commit such crimes. If these crimes are the test to trigger a war without United Nations endorsement then the Prime Minister should explain why only Iraq. If Iraq is not the only nation, what other countries may be subject to attack by Australian troops at the request of the United States?

The second reason cited for Labor’s opposition to the war by members opposite is anti-American sentiment, and they depict any criticism of the United States as America bashing. No doubt there have been some emotional words said on this crucial issue. Emotions run high when we talk about shedding the blood of our own citizens. But the fact that we have criticised the capacity or indeed the strategy of the President of the United States does not make us anti-American. In fact, General Schwarzkopf opposes the strategy to redeploy troops in the Gulf—he would hardly be called anti-American. In the last poll I saw from America over 50 per cent of Americans would not support a United States led invasion of Iraq without UN sanctioning. It would hardly be logical to claim that over 50 per cent of Americans are anti-American. The fact remains that people are critical of the US administration’s conduct and there has been some questioning of George Bush’s judgment and capacity as leader. This will continue regardless of public interventions by US diplomats if a case for a just war is not made.

In response to these attacks upon Labor’s motives it must be asked: where is the nexus between Iraq and the Taliban, which was the original argument for going to war? And, in respect to weapons of mass destruction, where is the smoking gun? Let me remind those who
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gave unqualified and unquestioning support to the Bush administration that, as I said earlier, the majority of Americans oppose the war without the United Nations imprimatur.

I do not think it is for us to be following Bush blindly. This is not some political pantomime where we can choose between black and white hats; we are making decisions that will affect people’s lives and may result in their death or injury. I think the government in this case has got it wrong. I think it is true to conclude that Mr Howard has put a lot of Australians at risk because of his inability to stand up and distinguish himself from the stance taken by the President of the United States and that administration. I think it is true to say that the Prime Minister will rue the day when he placed his duty to Australians behind his relationship with the President of the United States. I can only hope that his decision to rashly redeploy 2,000 young Australian men and women will not result in needless death.

Mr Vaile (Lyne—Minister for Trade) (4.44 p.m.)—It has been a very interesting debate on this motion about the series of decisions that we are confronted with not just in Australia but in the world today with regard to what is happening in the Middle East—the instability that has been emanating from Iraq over the last decade or more, certainly since Iraq invaded Kuwait and then the ensuing first Gulf War that took place where Iraq was pushed back within its borders and Kuwait was liberated. That was an activity that Australian forces participated in with the full bipartisan support of the parliament of the day, the decision being taken by the former Labor government.

Since then the world has witnessed the cat and mouse games that Saddam Hussein has been prepared to play with the international community. The member for Burke, the previous speaker, referred to Australia’s strongly held belief in the multilateral institutions that uphold the international rule of law that all countries must abide by. We believe in the international organisation that is the watchdog policing against some of the things that have been done in the name of so-called dictatorships like Iraq, and where human atrocities have been wrought on the people of those countries. The United Nations is supposed to be the watchdog that ensures that the international rule of law does prevail. It is supposed to be the watchdog that ensures that there are not oppressed peoples in the world.

But for 12 years—ultimately until the end of last year—it had failed in its charter of responsibility in dealing with a dictator, in dealing with a despot, that had perpetrated unbelievable crimes against humanity on his own people in Iraq. It has failed to deal with a dictator who has generated instability in the region by attacking his neighbours in Iran and in Kuwait. I understand there are still some 675 missing Kuwaitis taken by the Iraqi regime when it invaded Kuwait in the early nineties who still have not been repatriated to Kuwait. It is not known whether they are still alive. They were not military personnel; they were civilians. The Kuwaiti government and the Kuwaiti people have been demanding the return of those missing persons ever since they disappeared. In Iran, they maintain a similar circumstance exists where many Iranians have been detained, and still are detained, by Iraq following its invasion of Iran. It was in those conflicts in Iran in particular that the regime of Saddam Hussein used weapons of mass destruction on the people in those countries. He has also used them on his own people, the Kurds, in Iraq.

What does the global community do about a country under the leadership and control of a dictator like Saddam who is known to have weapons of mass destruction, who is known to have the disposition to use those weapons of mass destruction, given the current environment
of loose and freewheeling terrorism across the world? What has happened in recent years to draw the focus on this issue? For four years there was nothing happening. Saddam had expelled weapons inspectors from Iraq; they had not been achieving anything, so there has been a four-year absence. In that time the world witnessed the most devastating acts of terrorism that we have ever seen: the attacks on the United States in September 2001 and then last year, much closer to home, the attacks on Australian citizens and others in Bali, in Indonesia. It is not that there is or is not a linkage between a rogue state like Iraq and terrorist organisations. There has been evidence that has been prepared and that is being sought in that regard.

The question exists: what explanation do we give to the free and democratic people of the world if there is a convergence of a known rogue state and its weapons of mass destruction—weapons known to be in Saddam's possession—and terrorist organisations which would absolutely not have a second thought about using those weapons of mass destruction if they came into their possession? We have seen what has happened. We have seen the examples of terrorism and the way it has unfolded in recent years. These people have absolutely no value for human life, either their own or that of others, and, given the opportunity to have weapons of mass destruction in their possession, what would happen? What explanation would the free countries of the world give to future generations if we allowed to continue a situation where that might eventuate in the future? What explanation would we give?

I am reminded of the old anecdote that evil only prevails when good men do nothing. We live in a time when the United Nations should prevail. They have been trying to address this issue for 12 years. Last year, a great debate took place in the United Nations Security Council, and the council ultimately passed UN Security Council resolution 1441. Iraq, led by Saddam Hussein, has not complied with elements of UN Security Council resolution 1441. Australia, through the Prime Minister and our diplomatic process, engaged very solidly in pursuing the passing of Security Council resolution 1441. We believe in the processes of that multilateral organisation in terms of the maintenance and pursuit of fairness, freedom and the rule of law across the world. This whole issue is an ultimate test of the ability of the United Nations not just to be able to enforce compliance with international decisions on democratic liberal countries like Australia, where they do regularly and where we abide by those decisions because we believe in that institution, but also to be able to force rogue states like Iraq to comply with the decisions of that body.

Kofi Annan, the Secretary-General of the United Nations, is on the record as saying that he does not believe that the weapons inspectors who are in Iraq as we conduct this debate would be there without the clear indication by a number of countries and the United Nations that force will be used if Iraq does not comply with the United Nations resolutions. Kofi Annan himself said that; not President Bush, not Prime Minister Howard and not Prime Minister Blair, but the person in charge of that international body that we as members expect to act to enforce its decisions—the decisions of the free community across the globe. We expect the United Nations to deliver in that regard. As we conduct this debate, the Prime Minister is in Washington, and will be in New York and London, arguing the case that, if necessary, there should be a second resolution from the United Nations.

There have been a number of aspects to this debate. At the end of the last parliamentary sitting week, we had the unprecedented circumstance in which an American government official had to complain about the rhetoric that was being used in this debate about their president, his motivations and his ability. Let us have the debate by all means. Let us have a sub-
stantive debate about one of the most important issues that this nation is likely to face in decades. But for some speakers on the other side, it has all been about denigrating the leadership of the United States of America and denigrating the processes of decision making that have taken place over there, and that has certainly not helped our relationship with the United States.

Through this debate, there has also been a series of forensic analysis and questioning of who did what, where and when about the process. This is indicative of this particular Labor Party in this parliament at the moment. They are absolutely focused on process rather than substance. They critically questioned the Prime Minister last year and continued to question the Acting Prime Minister today about decisions of deployment. Yes, there has been a forward deployment of forces into the Middle East, but Kofi Annan—none other than Kofi Annan himself—has indicated that, without that taking place, he does not believe that the weapons inspectors would be in Iraq as we speak. Some countries are arguing that the weapons inspectors should be given more time. But so far Saddam Hussein has displayed quite clearly that it does not matter how much time we give him, he is not going to give up his weapons of mass destruction, nor is he going to provide any evidence of where they may have been destroyed.

The Prime Minister has also said in this debate that there have been no undertakings or commitments by the Australian government at this stage to military action. We have participated in that forward deployment to put pressure on Saddam Hussein to (a) let in weapons inspectors and (b) ultimately disarm. This debate is not about the United States trying to control the oil in the region or all the oil across the world. This debate is about the disarmament of a rogue state that we believe possesses weapons of mass destruction. We should also not lose sight of the fact that Australia has a significant interest in stability in the Middle East. It is important to note that those interests involve the many thousands of Australians who live in that region. An Australian government has a responsibility to look after the national interest and look after the interests of all Australians, whether they be living in Australia or abroad. We have significant interests in the numbers of Australians living and working in the many countries in the Gulf states and right across into North Africa.

Why are they there? They are there supporting Australian investments and Australia’s trade interests in the region. Our trade to that region is worth almost $8 billion a year, and not just in terms of commodities and manufactured goods. There are Australian universities that have a physical presence in some of the countries in the Middle East in terms of expanding their export activities and operations. There are many Australians working for companies like Multiplex—and it could be argued that Multiplex is now the contractor of choice in, for example, the United Arab Emirates and other Gulf states. The interests of those Australians lie in stability being maintained in the Middle East. It is important that we recognise that.

It is also important—and I go back to my very first point—that we consider: what do we say to future generations if we sit idly by, do not act and do not do everything that we possibly can to disarm Saddam Hussein of weapons of mass destruction? What do we say to future generations if we do nothing and at some stage in the future a rogue state with weapons of mass destruction converges with some of the freewheeling terrorist organisations in the world to bring about a devastation in the future such as we have already witnessed in the attacks in the United States on 11 September and the bombing in Bali on 12 October last year? What do
we say? Again, I say that evil only prevails if good men do nothing. We are not prepared to do that. We must pursue the disarmament of Iraq.

Ms HALL (Shortland) (4.59 p.m.)—I rise to argue for peace, not war. Unlike the Prime Minister—Deputy Sheriff Johnny—I am not attempting to justify declaring war on another country by using political speak or by selectively quoting George Bush, Colin Powell or Tony Blair. My purpose is to argue against war, to show how futile and destructive it is and to show just how few problems it actually resolves. Any student of history knows that there is never a winner in war. Wars are usually fought to promote the agenda of a powerful and aggressive nation.

We had World War II. Everyone knows what Hitler’s agenda was, what the devastation was and what the result of that was. It can be argued that that war is still being continued in the Middle East, in Israel and Palestine. We had the Korean War and the US intervention in that country. We heard President Bush’s recent comments about the ‘axis of evil’. Korea is still in there, so there is another issue that still has not been resolved. We had the lengthy conflict in Vietnam and its loss of life by civilians, Americans and Australians—people’s lives. The country was decimated. What did that really solve? We had the last Gulf War—the intervention of the US in the Gulf back in 1991. What did that resolve? We are back there again.

My heart is heavy when I think about the wars of the past, the resolutions that have come from those wars and the pain that still continues throughout the world. Now, last week in this parliament, the Prime Minister has unleashed a tirade of propaganda and justification for Australia sending troops—young Australian men and women—to fight the US’s war in Iraq. It is not good enough. It will not resolve anything; it will only cause hurt and pain. John W. is going all the way with George W., and it is the men, women and children of Iraq who will be the casualties of this war, along with Australian troops—young Australian men and women—Australia’s reputation, world stability, peace, decency and truth.

Truth has been a victim of this government for a very long time. We had the kids overboard incident. We have the issue of troops being sent into the Middle East and the fact that many of us in this parliament—on both sides of this parliament—believe that the Prime Minister has already committed young Australian men and women to war and committed our country to war in a very backhanded, dishonest way. You can see this even from the fit-out of the Kanimbla. Australia is an independent country—I believe a truly independent country—and, as such, it deserves to have an independent foreign affairs policy. The people of Australia expect their government to make a decision based on the interests of Australia and not the interests of the United States. The Prime Minister is ignoring the wishes of the Australian people and kowtowing to the US and his good friend George W. He gives a new meaning to the phrase ‘forelock tugging’.

There is a lot of evidence to show that the Australian community does not support the stance of the Prime Minister and the government on committing troops to Iraq. In fact, I conducted a survey within my own electorate which had responses from over 2,500 people. The question I asked was: ‘Do you think Australia should commit troops to Iraq?’ In that survey, 69.4 per cent of the people who responded were against Australian troops being committed to a war in Iraq. Of the others, 11.6 per cent were undecided and only 19 per cent said that they were in favour of sending troops to Iraq. Within that 19 per cent, a number added that they would only support sending troops if there was UN sanction. That is one electorate in Austra-
lia, and I would argue that the Shortland electorate is not very different from other electorates. The people who live in Shortland are Australians who hold Australian values and they feel that they are being sold out by the decision to commit Australian troops to fight the American war in Iraq.

Locally, the Lake Macquarie City Council and Newcastle City Council have passed resolutions opposing Australia going to war with Iraq. On the day after the Kanimbla went to the Middle East, I had the partners of veterans in my office. There were 10 women there and they all opposed the decision. At the same time, they all urged me to get the message across that they did not want the mistakes of Vietnam being repeated.

I would also like to turn to a letter that was in the Sydney Morning Herald on 27 January, a letter I know the members opposite are very familiar with now. It was from the former New South Wales president and federal president of the Liberal Party, John Valder, who posed the question:

Does anyone seriously believe that Iraq constitutes the greatest problem confronting the world?

What about Israel and Palestine for a start? He talks about poverty and starvation and ends by talking about regime change. He suggests that regime change is needed in the US because George W. Bush is pushing us towards a war that we do not need. I would also like to refer to a letter from Major General Alan Stretton, and I think this is a very important letter. He states:

As a former deputy director of the Joint Intelligence Organisation and member of the National Intelligence Committee, I am unconvinced about the veracity of US intelligence reports presented to the United Nations by Secretary of State Colin Powell ...

The alleged connection between Saddam Hussein and al-Qaeda is ludicrous. So American intelligence believes there is an al-Qaeda supporter in northern Iraq. There is probably also one in Australia, but to suggest that as a consequence the Howard Government supports the al-Qaeda organisation is laughable.

He goes on to say that it is absolutely disgraceful that an Australian government should be sending young Australians to be embroiled in a war in the Middle East.

There is a lot of evidence out there in the community that people do not support this war. I was listening to a radio interview with an Iraqi GP who is in the Hunter. He said that the message that should be given to our parliament and parliamentarians is that it is the people of Iraq who will suffer if there is a war. The people who will be most affected by a war are the men, women and children who live within Iraq and who have done nothing to aggravate the rest of the world.

With all this information, why is Australia contemplating attacking Iraq? Is it because Saddam Hussein is an evil tyrant who is stockpiling weapons of mass destruction, or is it because Iraq is a haven to terrorism and al-Qaeda? No-one can argue that Saddam Hussein is a virtuous man or a benevolent dictator, but UN inspectors have not found any weapons of mass destruction. They have argued that there should be more cooperation and, since the Blix report, as reported within the news today, there has been an improvement in that cooperation.

What the UN weapons inspectors have asked for is more time. France and Germany have put forward a plan for peace, but Bush and Howard have put forward a plan for war, death and destruction. There has been no case made for attacking Iraq for its potential to unleash weapons of mass destruction or for its links to al-Qaeda. Those links have not been convincingly
established. The only case that has really been made is to give the UN weapons inspectors more time.

The US case for American imperialism—that is, rearranging the balance of power in the Middle East and giving it unfettered access to Iraqi oilfields—has failed. I would like to quickly turn to an article that was written by John Le Carre. In it, I found some very interesting information. It says:


America, the US and people in power in the US have very strong connections with oil companies. It is important to put that on the record. The US has a history of interfering in the internal affairs of other nations and seeking to change the balance of power. It often finds itself with strange bed partners. In Iran, its bed partner was Saddam Hussein. Who are they seeking to attack? Saddam Hussein. What a difference a few years make. In Afghanistan, it was Osama bin Laden. Who is their No. 1 enemy now? Osama bin Laden. I think a little bit of forethought often helps in these situations. They are talking about regime change. What regime do they want? As recently as last week, we saw that the US will not hesitate to interfere in even the internal affairs of our own country.

The US has systematically waged a campaign to justify an attack on Iraq. It has unleashed a propaganda campaign promoting the evils of Saddam Hussein. It has sought to both ignore and manipulate the UN to promote its position. It is unusual for the US to have any regard for the UN, as the US has constantly undermined its effectiveness more than any other country in the world. The US has used its veto 22 times. The case for war has not been made with or without sanctions from the UN. I would like to close by returning to that article by John Le Carre. He starts by saying:

America has entered one of its periods of historical madness, but this is the worst I can remember: worse than McCarthyism, worse than the Bay of Pigs and in the long term potentially more disastrous than the Vietnam War.

I would like to read a conversation between a child and their father. It goes:

‘But will we win, Daddy?’
‘Of course, child. It will all be over while you’re still in bed.’
‘Why?’
‘Because otherwise Mr Bush’s voters will get terribly impatient and may decide not to vote for him.’
‘But will people be killed, Daddy?’
‘Nobody you know, darling. Just foreign people.’

Mrs MOYLAN (Pearce) (5.13 p.m.)—Over the last few days we have had many heartfelt contributions in the parliament in this debate on the disarmament of Iraq. This is nothing short of what the public would expect of its elected representatives in this parliament; they want rigorous debate and they want that rigorous debate to be based on the facts. Of course, they do not want war. None of us do. No person in this place that I know of wants that as their first option. Today, I have an obligation to allow the voice or the voices of people in my electorate to be heard in this place. I have made that commitment. Many of them have asked me to bring
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to this parliament a message for a peaceful resolution to this situation. They do not want war; many of them do not want Australia to engage in war without the United Nations declaring this to be a legitimate action.

But I must ask this: what are we to make of the opposition—or, rather, what are we to make of the serious rift in the ranks of the opposition and the lack of serious intellectual input from many of them? Simplistic, sanctimonious claptrap and a sense of desperation have replaced meaningful contributions. And for what? Are they grasping for a short-term fix for their leader’s failing attempt to portray himself as an alternative leader?

Whatever the reason, we have seen many on the other side abandon the capacity for thoughtful, intelligent debate that has been the hallmark of several issues of national importance that I have seen debated in this parliament over the last year or so. In fact, the low-level debate by the opposition has been punctuated with unparliamentary language, name-calling and invective. I think it has been a very poor contribution by the opposition.

Some of the opposition will permit an attack on Iraq providing the UN sanctions it. That is a view that is held by many, of course. It is certainly a view not substantially at variance with that of the government. Others—few in number, I admit—refuse to countenance the use of force in Iraq under any conditions. Some of those seeking peaceful solutions advance their cause with a curious and snarling belligerence, one that defies the cause that they are promoting—the cause of peace. I find this quite interesting, to say the least. Between the expletives and the strident name-calling by those on the other side, we may discern their dim message, for that is what it is. Their message is peace at any price—as if that were possible in anything but the fairytale land they seem to mentally inhabit. From their point of view, it is a case of: ‘Let the dictator continue to burn, let him behead, let him pillage and let him torture.’ They say to let him do anything rather than having them sully their precious consciences. That is what this is about. One cannot dignify their cause by giving it a great deal more attention.

It is not the cause of peace that I decry. I think anybody who knows me in this place would recognise that I am probably a dove in the lexicon of political speak. But I am also pragmatic enough to realise that, on occasions, wanting peace, no matter how desperately—and I am desperate for a peaceful solution—is not enough. It is not always achievable through dialogue and diplomacy when one side is not prepared to make any concessions or to change. I gave a speech about Iraq in September last year, and I have constantly said that I believe the international community still has some work to do before it gives up on a diplomatic solution. I have been of the opinion that we need to continue to pursue a policy of containment and/or deterrence with a permanent force in Iraq until such time as the international community is certain that all weapons of mass destruction have been destroyed and that the activity has permanently ceased. My opinion, though, is that this needs to be carried out in parallel to lifting the sanctions on Iraq, which are causing terrible deprivation to its citizens. In this morning’s paper, I was pleased to see that some of the European countries are promoting that view and examining the possibilities.

With the eyes of the world turned to Iraq, the question of deterrence and containment may have some legitimacy, along with the lifting of sanctions. One hopes for such a solution. Achievable with the cooperation of Iraq, it could provide a relatively peaceful outcome for us all. However, to succeed, the pressure must go on Iraq’s leaders. When democratically elected governments allowing freedom of speech and expression and a robust political system are
faced with the kind of stand-off we are facing today with a country such as Iraq, which does not offer its citizens any similar rights, then peace is very difficult to achieve and the peace movement in democratic countries can become an instrument in the hands of the dictator.

I am very much for the peace movement. It is very much a part of the country that we live in. It is very much a part of what we stand for—freedom of speech and the ability of people to put their point of view without fear of retribution. But it must give some credit to leadership for the terrible job that they have to do in these situations. Herein lies the dilemma. The people of Iraq have no voice in opposition to their government’s policies; those who oppose are silenced by imprisonment, by torture, by death. To succeed, the call of peace must be universal. An equal chorus of voices must be heard from the people of the opposing country.

There is little doubt that Iraq’s leaders have amassed a considerable arsenal of weapons of mass destruction. We can assume reports of gross human rights abuses—and again I read a report on that this morning from a member of the European parliament—are diverse enough to be given considerable weight. If such dictators have no tolerance or concern for the human dignity of their own citizens, it is very unlikely that they will show any concern for people of other faiths and other nationalities. The international community must now address the root cause of the rising number of tin-pot dictators—not just in Iraq but in other parts of the world—and the harm that they are doing to people, to the environment and to world peace.

How does the international community deal effectively with corrupt regimes who deny citizens their democratic rights, rob the community of any hope of economic prosperity, withhold entitlements to adequate food, housing, health services and education and then hold their neighbours and the international community to ransom for more money to amass more weapons of mass destruction? Forgiving debts, donating large sums of money to these countries or disbanding world trade agreements cannot alleviate poverty and the advent of tin-pot dictators. What will go some way to eradicating poverty is responsible leadership, a democratic system of governance, protection of human rights with a viable legal system, protection of legitimate trade and commerce with a commercial legal framework and expenditure of national capital on telecommunications, transportation and decent social services rather than on amassing war machinery that can only add to the vast mass of human misery that we are all watching today.

To date the international community for all its efforts must declare its common failure to stop both the production of weapons of all types and the massive abuse of human rights in so many countries. It has certainly failed to date to stop the violations by Iraq of its rulings over the past 12 years. Simply disposing of the current regime will not solve any problems in the long term. As long as masses of people remain trapped by poverty, dispossessed and desperate, new Saddams will arise to replace him. So simply wishing for peace and peaceful solutions is not enough. Simply ridding the world of one dictator is not enough.

The opposition can posture sanctimoniously about the United States and about all the arguments on oil—unintelligent arguments, from my perspective. You only have to think through the issue to see just how unintelligent they are and how we are falling into a trap that is clearly set by the leader of Iraq. Many of the opposition who are speaking about approving the government’s action only if the UN sanctions an attack on Iraq are, at the same time, baulking at the manner in which a responsive government has sought to prepare its military
by sending troops to the Middle East in an effort, I might say, to prevent war—as well as pre-
paring them in case that is the only option.

The opposition have contributed little, promising only to cringe like a Neville Chamberlain
if no international moral majority can be found to acknowledge the dangers confronting the
world. Peace at any price is a dangerous illusion. It plays into the hands of dictators such as
Hussein. Peace can only be achieved if the entire international community speaks with one
voice in condemning the policies of a leadership that has thumbed its nose at the UN and
continues to amass biological agents and nuclear devices unabated. This debate must focus on
the facts and should not be used as a case against the US or its leader. It should not seek to
impugn the character of the British leader Tony Blair, nor should it seek to do that to our
own Prime Minister and government. The case ought to be that the responsibility rests with
the Iraqi leadership to adhere to the United Nations resolution, to cooperate with the weapons
inspectors, to destroy existing weapons of mass destruction, to desist from developing future
weapons of mass destruction and to begin using their capital to deliver decent living standards
and a fair system of government to their people. That is where the focus of this debate ought
to be.

The pressure ought to be on Iraq. The pressure ought to be on Iraq’s leadership to do the
right thing, to come forward and to cooperate. I believe that the opportunity does still exist
for the international community to take such a stand, but it will require great determination, great
resolution on the part of the international community, and it will require the international
community to stand firm, as many are doing at the moment—as this government is doing.
This government has shown that it has the determination, it has the leadership to be able to
contribute to an international solution. I applaud the efforts of our Prime Minister in going
this week to speak to leaders of other countries and to the international community. I believe
that the Prime Minister desperately does want a peaceful solution to the disarming of Iraq and
I think that he is doing everything he possibly can to bring that about.

Mr FITZGIBBON (Hunter) (5.26 p.m.)—I always enjoy taking the opportunity to ac-
knowledge the thoughtful contributions of others on the other side in this place. As I listened
to the first couple of sentences of the contribution of the member for Pearce, I was again
looking forward to acknowledging her thoughtful contribution. She began by acknowledging
the heartfelt contributions of many others in this place. She then departed from that script very
quickly and proceeded to launch an attack on all of those in this place who have decided to
take a different line of thought on this issue from her own. It is typical of those who sit on her
side of the House—they believe in the right of a person to have an opinion as long as it is not
in conflict with their own. How dare she accuse all of those who have stood in this place ex-
pressing very grave concern about the Prime Minister’s decision to run headlong into a con-

There could be no more weight placed upon a politician than a decision as to whether or
not to send young people to war on foreign soil. As Jacques Chirac put it, very eloquently I
thought, ‘War is always an acknowledgment of failure and always the worst solution.’ At risk
are not only the lives of those young men and women in the ADF and those serving other
countries but also, of course, the lives of thousands upon thousands of innocent Iraqis. In ad-
dition to that, the war the PM has apparently committed us to brings with it an additional risk:
a risk to the security of all Australians living in this country—the risk of additional exposure
to terrorism in this country. We saw in New York, in Washington and, closer to home, in Bali how devastating that can be.

War should never be viewed as anything other than a last resort—a decision taken only when it is likely that not going to war is more dangerous, and poses a greater risk to our nation, than going to war. Therein lies the great question in this equation: is that the case now? My view, and my assessment of the overwhelming view in my electorate, is that the answer to that question is an absolute no. Around 80 members have already taken the opportunity to speak on this ministerial statement. While it carries some disadvantage—the risk of repeating things that have already been said and points that have already been made—there are some advantages in speaking later in the debate. I have done so deliberately, because this is a moving feast. The Iraq situation changes on a daily basis.

When the Prime Minister made his statement on 4 February, a second UN resolution seemed fairly unlikely, but as we stand and speak here today it seems far more likely. Of course, we now know what we did not know on 4 February, courtesy of a leaked memo of a conversation between Minister Downer and the ironically named New Zealand High Commissioner—that the PM has already committed Australians to a war on foreign soil. This is a revelation that I think shocked members on both sides of the House, if those on the other side were honest about the situation, but is also a revelation that I know caused much anger out there in the Australian electorate.

We have also seen since 4 February a not-too-subtle change in the PM’s rhetoric. We have seen that on two counts. The first is the importance of a fresh UN resolution. For months it was ‘All the way with LBJ’, but now it seems that our Prime Minister is on a peace mission to Washington; he has become a peacenik! The second change is the new emphasis on the human rights violations that Saddam Hussein has imposed upon his own people. I do not recall any such sympathy being extended to those oppressed and dispossessed Iraqis who were seeking refuge in Australia when that was the dominant issue of debate in this country. I saw no sympathy for those people at that time. Indeed, I recall very vividly a Prime Minister prepared to exploit their misery and their suffering as a means of ingratiating himself with the Australian electorate. Suddenly, our Prime Minister is a champion of those who suffer at the hands of Saddam. What a turnaround and what a disgraceful display of hypocrisy.

Of course, we know why we have seen the change: the change is driven by opinion polling. It is very clear to all and sundry that the Prime Minister is gravely and massively out of step with the views of the Australian people. The Australian people are not dills. It takes more than a highly orchestrated US State of the Union address to convince Australians that there is any justification for an Australian military involvement in a conflict in Iraq. No sufficient case has been made to justify Australia’s participation in an invasion of Iraq, and the Australian people know that. In the eyes of my own constituents, intervention in Iraq in the absence of a UN resolution is entirely unjustifiable.

There has been some talk in recent days about opposition MPs taking a hostile, anti-American approach to this debate. In the context of this appropriately emotional debate, people should not be surprised by the desire of members to air in this place what their constituents are thinking and saying back in the electorate. I know that my constituents do see George W. Bush as belligerent, as cowboyish in manner and as behaving like a guy who was denied the opportunity to play cowboys and Indians at a young age and who is taking the opportunity
to catch up. Phrases like ‘This is the guy that tried to kill my daddy’ resonate in the minds of people in my constituency as they discuss this subject, whether it be in the pub, around the dinner table or on the sidelines at the kids’ footy. They are highly suspicious that George W. Bush’s campaign is more about regime change and oil than it is about weapons of mass destruction or human rights abuses. The inconsistencies of the Bush-Howard-Blair doctrine or position—I will count Blair in—are constantly sounding alarm bells in their consciousness. ‘Why Iraq,’ they ask, ‘why not North Korea, Pakistan, India or Israel? Why not enforce UN resolutions elsewhere where they have been ignored? On the human rights front, why not Zimbabwe or any number of other countries where human rights violations take place on a daily basis? The PM wants to send young Australians into Iraq but will not take the initiative on whether our cricketers should be giving oxygen to a despot elsewhere.’

These are the inconsistencies my constituents see on a daily basis and these are the inconsistencies my constituents struggle to reconcile. They take the general view that, if George W. Bush cannot convince the international community through UN processes that there exists a case for sending young men and women into a war on foreign soil, then they remain unconvinced also. No doubt attitudes will change if a second UN resolution is forthcoming that supports a coalition going into Iraq and reflects a desire on the part of the international community to go into Iraq. In those circumstances, there is doubt in my mind that a majority of Australians will support the cause, as they have done in the past.

But then the debate, of course, will rightly turn to the extent of Australia’s involvement. I am confident that my constituents will agree with me that any involvement should be in proportion to our size, ranking and geographical location. They will also expect our Prime Minister to ensure that any commitment in Iraq does not undermine our capacity to defend ourselves on our own shores, particularly at a time when the Prime Minister’s action—his sycophantic performance on this issue—has exposed us to a considerably greater risk than we have known in the past.

I began my contribution to this debate by making the point that there could be no greater burden placed on a politician than being asked to consider sending young men and women to war. I can only say that I wish I had had that pressure applied to me. Unfortunately, none of us in this place had that pressure applied because there was no consultation with the parliament, the legislature, and therefore with the Australian people. The Prime Minister took it off his own bat to commit a very large contingent of young Australian men and women to war on foreign soil without any consultation whatsoever with the Australian people.

There is one issue in this debate on which we all agree: Saddam Hussein is an evil man. But the fact is that very few people in the Australian electorate are convinced that a case has been made for military intervention. Certainly, no real evidence has been produced of a military build-up or of the construction of a military arsenal. Certainly, no link has been found between Saddam Hussein and al-Qaeda, the events of September 11 or Bali. Maybe when the people of Australia see that evidence they will join with the government in agreeing that Saddam has to be dealt with immediately. But until those links are made, that evidence is produced and the international community collectively is convinced that a case has been made out, I will remain opposed to that intervention. I know the overwhelming majority of people in my electorate will remain opposed to that intervention.
Mr KING (Wentworth) (5.39 p.m.)—No-one wants war. ‘War is hell,’ said General Sherman to General Grant, probably his best general in the US Civil War—the first of the modern wars. The Australian Rats of Tobruk knew this, as did many other Australian soldiers who fought in France in World War I and in New Guinea in World War II—just to name three important theatres of war. Such people were my father and my grandfathers. Those who fought in Afghanistan in the recent war against terror also know this. But it is not just brave soldiers who know this; those who died also include civilians in the war zones, and they have suffered terribly in war. The garrotted and raped victims of Russia, Prussia and Poland are savage and edifying examples.

Australia is a peaceful country. We do not envy others or their land, although we know that others would like to benefit from the sort of governance that Australia enjoys. We understand the human and financial costs of war. We know that our lead in international economic management depends on the continuation of peace; therefore we must not enter into war lightly or unadvisedly. I do not want war against Iraq, and my constituents do not want war against Iraq. I acknowledge the views of my constituents who are worried at the prospect of war—the loss of Australian lives, the possible loss in trade and the loss of civilian life in Iraq—and that it ought to be contemplated only as a last resort. But, having regard to these considerations, I rise in support of the Prime Minister’s efforts to preserve peace in the Middle East.

Let me begin by stating what should be obvious to all honourable members: the best means of preserving peace is to persuade Saddam Hussein to divest himself of his weapons of mass destruction. On a daily basis we hear of campaigns intended to whip up opposition to our Prime Minister, couched as campaigns against possible Australian involvement in hostilities. One poster I saw recently, still circulating on the Internet, announced a rally in Sydney on 16 February 2003. Speakers advertised included John Pilger, Mr Brereton, Bob Brown and Andrew Bartlett—a panel dripping with objectivity. I have no difficulty respecting genuine pacifists—there is legitimacy in a view that no-one should take up arms no matter what the provocation—but pacifism is not a cloak that one can take out of the wardrobe at a whim.

In September 1999, in the aftermath of the referendum in East Timor that saw a large majority in favour of independence, pro-Indonesian militia launched a series of vicious attacks on the East Timorese. Certain elements of Australian society clamoured for an immediate military intervention by Australian troops without the permission of Indonesia and without the authority of the United Nations. The Australian Democrats were vociferous with demands, and they were supported by the Greens on both sides of the Tasman. The Prime Minister and the Minister for Foreign Affairs, whose dedication to the cause of East Timorese independence had in very large measure contributed to the conduct of the referendum, wisely insisted on persuading the Indonesian government to grant permission for our troops to enter East Timor. In that diplomatic effort, Australia was assisted by its ally the United States. In the event, Indonesia did grant permission for Australian troops to land in East Timor in September 1999. It is well known that our troops have performed honourably and creditably since.

The demands made in early September 1999 for precipitate military action by Australia would have been very likely to lead to immediate hostilities with Indonesia and, at best, could be described as grossly irresponsible. It is worth noting that some of the same individuals and organisations who were keenest to demand unauthorised action by Australia in early September 1999 are now using terms like ‘warmonger’ in their attacks on the cautious, peace oriented policies of the government.
Let me make one further observation on this point: when the Australian government, for all the best humanitarian motives, deployed troops to East Timor, elements of the Australian and international Left asserted that Australia’s interest in East Timor was motivated only by covetousness towards East Timor’s oil. So it is no surprise that opponents of the United States government today falsely accused President George W. Bush and Prime Minister Tony Blair—and, by implication, John Howard, our Prime Minister—as being motivated by a desire to grab Iraqi oil. This is a patently false assertion. If that had been the objective of the United States, or if it still is, why didn’t it take many of the several easier opportunities to do so in the last 15 years?

At present, the free world is staring down Iraq’s dictator. The issue is whether Iraq has breached its obligations on the amassing of weapons of mass destruction. To my mind, Blix and Powell have presented significant and persuasive cases to the United Nations Security Council regarding a substantial breach by Iraq of the UN resolutions, passed in 1991 at Iraq’s request as the price for peace, and passed again in amended form last year.

Resolution 1441 is instructive. Let me read some of the terms of that resolution, because they seem to have been forgotten in the current debate. The preamble reads:

Deploring the fact Iraq has not provided an accurate, full, final, and complete disclosure, as required by resolution 687 (1991) of all aspects of its programmes to develop weapons of mass destruction ...

... ...

Deploring further that Iraq repeatedly obstructed immediate, unconditional, and unrestricted access to sites designated by the United Nations Special Commission (UNSCOM) ...

The resolution goes on:

Deploring the absence, since December 1998, in Iraq of international monitoring, inspection and verification, as required by relevant resolutions, of weapons of mass destruction and ballistic missiles.

... ...

Deploring also that the Government of Iraq has failed to comply with its commitments pursuant to resolution 687 (1991) with regard to terrorism, pursuant to resolution 688 (1991) to end repression of its civilian population ...

Then the resolution provides:

1. Decides that Iraq has been and remains in material breach of its obligations under relevant resolutions, including resolution 687 (1991), in particular through Iraq’s failure to cooperate with United Nations inspectors and the IAEA, and to complete the actions required under paragraphs 8 to 13 of resolution 687 (1991);

2. Decider, while acknowledging paragraph 1 above, to afford Iraq, by this resolution, a final opportunity to comply with its disarmament obligations ...

It is obvious from the terms of that resolution that the nations of the world who are part of the United Nations Security Council—each and every one of them—unanimously adopted the language of the resolution that Iraq is in serious breach, giving it a final opportunity to cooperate. That cooperation, as Blix and Powell have pointed out, has not been forthcoming.

The peace dividend has not been beneficial for the Iraqi people—the repression of minorities such as the Kurds and other religious groups like the Shiites in Iraq is evidence of that—nor has it been beneficial for the Middle East generally, as evidenced by the financing of suicide bombers, in Israel especially, nor the rest of the world. Let me refer briefly to recent evi-
idence of an al-Qaeda cell in northern Iraq which has responsibility for Europe. This is the notorious Ansar al-Islam cell of some 600 terrorists. Its existence is sometimes denied by commentators, but it was placed there some time after September 11 by Osama bin Laden, or with his support, as a haven for his followers infiltrating from Afghanistan. They have tried to assassinate an articulate Kurdish leader Barham Salih, killing several bodyguards who subsequently escaped, although several of these killers were captured. The Kurds induced the captives and some defectors to reveal that the Ansar cell had begun producing poisonous chemicals for export. One product reported to be exported was a cyanide cream. This cell was given responsibility in relation to operations in Europe.

The importance of sending a message to the world and the people of Iraq that those engaged in abuse of human rights cannot get away with it is just as important as the question of breaches of resolution 1441 and the operation of an al-Qaeda cell in Iraq. Saddam Hussein’s record on human rights is without doubt equal to that of the worst dictators and despots of all time, including in some respects Hitler and Pol Pot. The list of human rights abuses, as verified by a number of objective observers of events in Iraq over time, is extraordinary. Torture has been systematic in Iraq, with senior figures of the regime involved. In mid-2000, the Revolutionary Command Council approved the amputation of the tongues of those who criticised the regime as penalty for slander, particularly against Saddam Hussein and his family. Iraq TV has broadcast pictures of these punishments as a warning to others.

The treatment of women is particularly instructive. Under the Hussein regime, women lack even the basic right to life. In 1990—and we are talking just 10 years ago or a little over—a decree was passed allowing a male relative to kill a female in the name of honour and not receive punishment. According to Amnesty International, in October 2000 dozens of women accused of prostitution were beheaded without any judicial process.

The record goes on. Let me turn to arbitrary and summary killings. Executions are carried out without due process of law. An estimated 2,500 prisoners were executed just a few years ago, in 1997 and 1999, in the name of cleaning up the prisons. In 2000, 64 male prisoners were executed at Abu Ghraib, followed in March by a further 58, all of whom had previously been held in solitary confinement. In October 2001, 23 political prisoners, mainly Shia Muslims, were executed at Abu Ghraib.

Persecution of the Kurds and Shia communities are consistent with the above terrible story of suffering. It is not possible for me now to go through it, but let me just say this: it is estimated that over 100,000 Kurds have been killed or have disappeared in the period 1987-88 alone. And amongst the Marsh Arabs, an ancient community going back to the culture of the Sumerians and Babylonians of some 5,000 years ago, around 40,000 of the estimated half million people now survive in the marshes and the others in refugee camps in Iran.

It is important in these circumstances to continue to stare down Saddam Hussein and to work towards achieving support in the UN Security Council for an attack on Iraq if the UN accepts in the coming days the reports of Blix and Powell that Iraq is in serious breach of resolution 1441. I see three important objectives: to bring Saddam Hussein to justice and to ensure compliance with UN resolution 1441; to confer in due course basic rights on the Iraqi people—which they have never enjoyed—to make Iraq a functioning democracy and, as such, an example to other nations with an Arabic heritage, especially in the Middle East; and, finally, to ensure that Iraq’s resources, especially its oil wells and reserves, belong to the people
of Iraq—that will convince, it seems to me, those who think that any war against Iraq concerns some sort of oil grab and disabuse them of those concerns.

The ALP—the opposition—has no reasoned view on Iraq. Its leader supports war if the UN endorses it. But the group of dissenters I referred to earlier oppose war at any price. The ALP has sacrificed its long held support of a strong alliance between Australia and the USA for the sake of maintaining an uneasy internal truce in a riven party. The ALP has gone soft in this case on dictators, soft on serving those in genuine humanitarian need. It is instructive to remember what a well-known Labor Prime Minister, John Curtin, said in an article in the Melbourne Herald on 26 December 1941, causing some controversy at the time but setting the tone of ALP foreign policy since the Second World War, which it has now departed from. He wrote:

Without any inhibitions of any kind, I make it quite clear that Australia looks to America, free of any pangs as to our traditional links or kinship with the United Kingdom ...

Churchill and others made comment about that, but John Curtin would turn in his grave if he had read or heard the speech of Mr Latham, the member for Werriwa, in the House last week—words which I will not repeat because I do not wish them to have any further currency than that which they have already received. They were a great shame on the opposition in this current debate.

We saw some extraordinary attacks from members opposite on the United States last week and they have continued. The Australian community, no matter what their views on Australia’s approach to Iraq, should be concerned that the Labor Party is, for no purpose other than to attempt to secure political points, willing to put at risk our relationship with our most important ally. At least three senior members of the opposition leader’s shadow ministry were prepared to make comments that can only be described as rash and deliberately inflammatory. It again places in question the capacity of the Labor Party to ever hold government while those views persist. How could the Leader of the Opposition, if—God forbid—he were ever to be Prime Minister, seriously expect to maintain a strong relationship with the United States while senior members of his cabinet have had a history of denigrating the United States in terms that almost outstrip their condemnation of Saddam Hussein.

The member for Werriwa’s comments were alarming. This is a pretender to the leadership of the Labor Party and yet, for a few crass headlines to confirm his role as Labor’s bover boy, he has been willing to foment irrational anti-US feelings within the Australian community. The fact that some in the Labor Party are even prepared to consider the member for Werriwa as a future leader demonstrates how desperate they are becoming.

In conclusion, the international campaign to ensure the UN resolutions are enforced and respected should be carried on by Australia. I support the Prime Minister’s statement. (Time expired)

Ms GRIERSON (Newcastle) (5.54 p.m.)—Today is the fourth day of sittings in our parliamentary year and each day unfortunately seems to take Australia closer toward full-scale war in Iraq. The Prime Minister, absent this week, claims he is on a peace mission and that he does not want war to happen. In fact, he put this position forcefully last week to a man of the cloth who spoke out for peace but the Prime Minister’s aggression seemed to tell a different story. Everyone is listening to the Prime Minister and everyone is watching but no-one is really believing that he wants to be a leader on the world peace stage.
The polls show that the Australian people believe a war with Iraq has not yet been justified, has not yet been sanctioned by the United Nations and has not yet been formally declared. Until those factors are clearly in place through global decision making, Australians do not want to see their nation at the front of the queue preparing for another futile war. They want to see their nation as a strong advocate for peaceful resolutions to the threats of renegade regimes and nations. Their voices call for a vigorous and concerted peace mission by their government aimed at avoiding war at all costs.

I say to the Prime Minister: John Howard, this is your war—the war you think we have to have. Sadly, it seems the Australian people and the people of Iraq have much in common. In both countries they will be the last to be consulted, but they will be the first to suffer the consequences of war. For us, it will be the terrible fear for the safety and welfare of our defence personnel serving under the threat of a war where weapons of mass destruction may be deployed. For the Iraqi people, it will be the fear of death and mayhem in their own homeland. For them, this impending war must seem to be a continuation of the suffering borne from the ongoing neglect of the collective responsibility of the global community and the United Nations to actively pursue human rights and justice for all nations around the world. Now it seems we must all pay the price for that neglect.

Fears held for our defence personnel are multiplied by their early deployment to the impending military zone. Because of this government’s excessive and early deployment of our forces and its reckless rhetoric last year about supporting unilateralism and pre-emptive strikes by the United States, and against even our regional neighbours, the Australian people now also live with the real fear of reprisals against our civilians on our mainland or wherever they may be around the world—reprisals from any extremist and terrorist groups who will now believe and promote the view that Australia is an ally in aggression. The wounds of the Bali tragedy last year are still raw and acutely felt by our communities. That horror did not happen on our soil but Australians died there, the victims of terrorism. Terrorism is inspired and fed by hatred, intolerance, extremism and all the unfortunate dimensions of perceived inequity and injustice, as well as the evil desire to exercise power through fear. Terrorism flourishes during war and at times of global division and instability. Peace is the greatest enemy of terrorism, but peace seems unlikely at this stage.

The people of my electorate, the electorate of Newcastle, are using the processes of our democracy to raise their voices for reason and peace. A poll in the Hunter and Newcastle area published last week showed that 85 per cent of respondents oppose any war without UN sanction. Although they consider that Saddam Hussein is a serious threat and that we would be better off should he be removed as leader of Iraq, they want their government to do all it can to give peace every chance. I register my thanks to the many Novocastrians who have contacted me on this issue.

Sadly and regrettably, under this Howard-led government, the time for turning back the tide of war appears to be long past. The foreign affairs minister’s indiscreet comments to the New Zealand High Commissioner in October that the script for this world conflict has been written for some time. It is another American epic apparently coming to the world’s screen in a war theatre near you, but the scenarios are real, not celluloid. The weapons inspectors and Hans Blix know the scenario is a real one. They have no illusions. They have confirmed that there is a real problem with Iraq’s failure to properly commit to the eradication and removal of its weapons of mass destruction. Colin Powell’s presentation of evidence adds more reason
for the weapons inspection program to have the full support of the United Nations. It also confirms that the inspection regime must be accompanied by absolute deadlines and an absolute range of sanctions if Iraq fails to cooperate. It is correct that the UN Security Council should decide those deadlines and sanctions. The UN has its flaws, and that is an indictment of every country that abuses the UN processes for self-interest ahead of global interest. But the UN is all we have and its charter, which Australia significantly influenced, is worthy of noting here:

We the peoples of the United Nations determined to save succeeding generations from the scourge of war ... to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small ...

The UN is the only body we have that can try to shape a civilised world. It is the only organised hope for international law and order, for justice and human rights, and for the peaceful advancement of our delicately balanced civilisation and our ecologically fragile planet.

When the UN makes its decision, Australia should and will commit to that decision, whatever it may be. But if the UN resolves that weapons eradication in Iraq should be achieved through military action, then the real decision confronting Australia should be about the nature and extent of our commitment. That should be for this government and the Australian people to decide—not for George Bush or the Pentagon, no matter how strong our alliance with the United States is and has been. But the Prime Minister works from the premise that our alliance with America is the most important single factor in determining our national interest, and that seems to mean that whatever George Bush wants, John Winston Howard will deliver.

I believe our national interest lies in peace and diplomacy in our region. Our regional security depends on new and improved relationships with our regional neighbours. Our resource capability is a small one that can never match the armaments of military nations, so our contribution should be modest. But the government failed to take those factors into account before deploying our defence forces. Although Australians hold many affections and appreciations for America and for our historic alliance, I think Australians also consider that that relationship should be strong enough to allow and respect self-determination.

With our troops committed, John Howard continues to craft a mood that supports a decision to take Australians to war. Ever alert, he has sent us all a fridge magnet to counter terrorism. When faced with the very personal, community and human tragedy of the Canberra bushfires, he described them as a ‘summer terror’. No, Prime Minister, the fires were a very human and personal tragedy of the Australian landscape and the Australian way of life. In the chamber last week, the Prime Minister again attempted more rhetoric to build the mood for war, claiming that, if we on this side of the House did not support strong action against Saddam Hussein, we would bring terror and war together. But, Prime Minister, that is exactly what you seem to have attempted to do in every statement you have made. The rhetoric of terror just inflames and tries to build in the Australian psyche a belief that war is acceptable. Such rhetoric attempts to create an atmosphere of constant threat and fear, thereby justifying some military strike against Iraq. That is not leadership; that is shameless political exploitation, cant, propaganda and warmongering. By those actions and words, continuing to align terror and war, the Prime Minister will no doubt increase the chance of bringing these two forces together to rain down on this country.
If the UN proceeds to war, then our decision about Australia’s commitment should be a considered one that takes into account the real mood and the real needs of Australians. That mood says clearly that this has been a punishing time for Australia: ravaged by drought, bushfires, a terrible train crash in New South Wales and still grieving over Bali. Perhaps Australians would prefer us to commit our resources in a way that lessens the chance of further tragedy. That is not cowardly—just realistic and appropriate for a nation facing domestic hardships and struggling to improve its focus on our regional relationships and security. Australians too would want to see the long-term global foreign affairs agenda that this war may be part of, but no-one is talking about a long-term strategy for peace and disarmament around the world. Australians would no doubt agree that if Saddam Hussein has significant weapons of mass destruction, and the capability and willingness to use them, then Iraq should be forced by UN sanctions to disarm. But they would no doubt feel the same about North Korea, Israel, India, Pakistan or any other country where armament, potential domination, terror or systematic human rights abuse is a major goal. But it seems the United Nations and the United States of America look the other way if the economic gain is not a tangible one. And oil has a very tangible quality.

We would expect that the destruction of Iraq’s weapons potential should be part of a plan for global peace, but the plan is not in place; in fact, war now could escalate armament policies in the countries mentioned, and even increase the deployment of those weapons. The Prime Minister of Australia is not here at present to have discussions about these important matters with the Australian people. We are not being told anything about what regime change in Iraq would achieve or what it might look like. Would Australia have a part to play—or even a say—in that? Would we be committed to peacekeeping? If so, for how long? But the Prime Minister is not mentioning these consequences which would no doubt flow from any military action in Iraq.

It goes without saying that war is always ugly, and the Iraq campaign is shaping up as potentially one of the ugliest we may ever witness. Will nuclear weapons be used in a first strike designed to wreak maximum destruction before any weapons of mass destruction can be launched by Iraq? Will this campaign be fought in the villages and towns, like Saddam has threatened, so that the world will watch the human suffering and feel the human shame on every network and in every newspaper, and hear the human pain on every radio station? Is that what our leader wants for the Australian people? If so, nothing will divide us more. Our veteran organisations know that, and some have experienced that division first-hand. They too raise their voices for peace. Those who know war best know its failures and know that the price is usually and often too high. Australians deserve to have this debate and they deserve to be consulted so that we never experience that division again.

Just over a week ago I had the privilege of meeting Christopher Reeves. When he talked about spinal injury and making connections in our communities, he said that, although Australia was a small nation, in science and medical research we are giants. Ever small, we once used to be a giant in championing human rights and global justice. We will know only national shame if we do not use our strengths now for unity and peace. The Prime Minister must heed the voices of concerned Australians and address their concerns and questions.

Bali was an important lesson, and it defined the Australian spirit very clearly. Sadly, the summer bushfires have done the same. In watching the Australian reaction, it is obvious we are different from America. Australians have demonstrated that they would rather we expend
our human energies on emotionally supporting each other and on rebuilding our lives, our homes and our hearts with hope, courage, mateship and love. The human and tangible losses of these tragedies have always been the real focus of our grief rather than collective anger or the need to blame and avenge. Yes, we feel the anger, we feel the pain and we grieve sorely, but we have the courage and determination to get on with the job rather than adding further destruction and pain to compound our suffering.

I believe that this time the Prime Minister has got it seriously wrong. He is out of step with the Australian people. It is not too late to listen and to decide that Australia will commit to peaceful resolution of global conflicts and inequities. There is still time to do all we can as a nation to avoid and minimise more human suffering.

Last week I attended a launch in Parliament House of the Australian Defence Force Parliamentary Program. This is like a work experience program for parliamentarians, who participate in a real Defence Force exercise or operation. Having had that experience, I spoke in support of that program because I think every member of this House should spend real time with our defence personnel in their actual working environment so that, when we make decisions and have debates here in parliament about the future of our Defence Force, we do so knowing that the decision affects real people. Every parliamentary member should see first hand the military equipment and resources we have in the field, because then they would realise that none of that means anything without the men and women who operate and manage those resources. Every member of this parliament would then know that at the end of their defence decisions are some of the finest young Australian men and women they could ever hope to meet or represent. When I say ‘young’, I remind this House that the average age of our Australian Defence Force personnel is 22.

Many of them have left already and perhaps more will go if Australia is declared to be at war. They go with our hope for their safety, our support for their courage and our appreciation of their commitment. No matter what, they should be welcomed back into arms of gratitude and understanding, but better that they do not go at all.

Mr HUNT (Flinders) (6.08 p.m.)—I come to the question of the future and status of Iraq with three things. Firstly, I come as a former human rights worker who has worked in Cambodia and in Rwanda. I chronicled human rights abuses that occurred in Bosnia while I was based in Geneva working for the United Nations. I recognise the extraordinary human toll, cost, pain and suffering that comes from military action—and also from military inaction. All of those three cases I described—all of these three cases I have experienced—show the untold suffering that comes when we are bystanders to acts of butchery when, through the most well-meaning and well-intentioned of positions, we sit silently by in the belief that not to act is the moral thing to do.

In the case of Cambodia, over one million people perished at the hands of a genocidal regime. In Bosnia, 250,000 people perished as Europe decided whether or not to act over the Milosevic regime. In the case of Rwanda, over one million people perished as the international community—the United Nations, Europe, North America and all of us—argued over whether or not we should act. In each case, the most well meaning of intentions led to the most catastrophic of human outcomes.

I come also to this debate as a representative of an electorate. I have been asked by many of my constituents to lay before the House and the Prime Minister their deep, sincere and heart-
felt views that conflict would be wrong, that under any circumstances they believe that conflict would be wrong. I respect those views and I respectfully present those views to the House, but, as I say, I also come with the legacy of my own personal experience of having witnessed both the costs of military action and also the tragic costs of military inaction.

I come also under a third hat, as does everyone in this place—as a student of human affairs. What I understand and what I believe is that everybody here is concerned about minimising human suffering, maximising liberties and maximising freedoms. But there is a deep moral and personal commitment by every member of this House. I have the strongest respect for all of the views. What this debate is really about is the question of how we achieve that outcome. It is the question of whether we achieve and maximise the human condition through action or inaction. Would that inaction could be the means of preserving and protecting the maximum number of lives. It is the morally easy case and it is ideally the outcome which we would all seek to achieve.

I argue that it is incumbent on the world not to sit idly by as two things occur. Firstly, an extraordinary continuum of human rights abuse passes forth in Iraq, as it has done so for the best part of two decades. There is an irreducible minimum beneath which human rights cannot be allowed to sink, and that irreducible minimum has been passed within Iraq. Secondly, I wish to present a generational argument—that my generation, our generation, is facing an unparalleled threat if it allows the collection, the development and the distribution of chemical and biological weapons to continue unchecked as it has for a decade now.

I wish to turn first to the question of the human rights atrocities in Iraq, and I do this in the belief that there is an irreducible minimum below which human rights abuses cannot be allowed to pass before we are impelled to take action. In 1993, I was working with the Centre for Human Rights in Geneva for the United Nations. The task that I was given was to help collate and chronicle the different reports of human rights abuses in Bosnia as they came in from the field, to try and develop some semblance of sense and understanding. I remember vividly the examples of men being murdered, hammer blow by hammer blow, in front of their families. I remember the stories of women being violated and then locked in their houses, and their houses being set alight. They perished in those circumstances. I remember the number of people—250,000—who all perished while the international community sat idly by in Bosnia and debated whether there should be action or whether inaction was the more moral course. I remember the commitment I made to myself at that time—that, if it were possible to in some small way take steps which would lead to those things never happening again and if I had the opportunity, I would work, strive and seek to ensure that that did not happen again.

Iraq’s appalling record of human rights abuse has been well documented and condemned, not just by the Foreign and Commonwealth Office and the United States Department of State but by Amnesty International and Human Rights Watch. We find that Saddam Hussein—not the people of Iraq but Saddam Hussein and the small group, drawn from the town of Tikrit, which runs Iraq—became the first leader in the world to systematically and aggressively gas his own people. During the 1998-99 Iraqi military campaign, the regime attacked over 40 Kurdish villages with chemical weapons. In the town of Halabja over 5,000 men, women and children were gassed by the regime.

Is it arguable that we should have acted earlier—that we should not have sat by? It is. Arguably, we should have taken action on East Timor and Indonesia. We did not. But, when the
time came to take it, it would have been extraordinary to argue: ‘We should not act now, because we did not act in the past. We were negligent before, so we should be negligent now.’ This is an unsustainable position.

The regime in Iraq has a pattern of systematic summary execution. Human Rights Watch and the United Nations Special Rapporteur on Human Rights in Iraq have reported that 4,000 prisoners were executed in the Abu Ghraib political prison in 1984. Only recently, from 1997 to 1999, more than 3,000 prisoners were executed through beheading, machine gun and burial alive. In April 1998, 100 detainees from Radwaniyah prison were buried alive in a pit in Ramadi province.

Over 100,000 Kurds have been killed. The Marsh Arab population and culture of over 500,000 has been destroyed. The summary executions are replicated in the pattern of systematic torture of Iraqi citizens. Beatings, rape, breaking of limbs, and denial of food and water are commonplace in Iraqi detention centres. Gouging of eyes, electric shocks, pulling out of fingernails, suspending individuals from rotating ceiling fans―these are not tales from the Dark Ages; these are the reports from Iraq in the late 1990s.

The Sjin Al Tarbut prison, or casket prison, in the Directorate-General of Security building in Baghdad contains 150 steel caskets in its walls. In each of those, the size of a coffin, is a prisoner. That is their lives. They are placed in these caskets until they either expire or confess. They are allowed to live there for 24 hours a day. That is the sum of their existence.

I say that it is not acceptable, that there is a just case for action, that this regime must be called to account for these human rights conditions and that, just as we said in Kosovo, Timor and Afghanistan, action is the lesser of two evils because of the extraordinary human suffering which will occur if we do not intervene. The same applies here, because the alternative is Bosnia, Rwanda and Cambodia. In each of those situations, inaction led to the deaths of hundreds of thousands of human souls. I maintain that there is an irreducible minimum for human rights and that the citizens of Iraq have lived beneath that bar.

In addition to that, we also have in Iraq a situation where there is an undeniable chemical and biological capacity. In 1998 there were 25,000 litres of anthrax, 38,000 litres of botulism toxin, 500 tonnes of sarin and 30,000 munitions capable of delivering chemical weapons―and they are all gone; they have all mysteriously disappeared. No-one casually loses 25,000 litres of anthrax and 38,000 litres of botulism. There is no doubt within the educated, carefully examined views of the international community that Iraq has maintained its position as a chemical and biological weapons manufacturer.

The question then is: why can we not just contain it? Because, in the world in which we live today, we know that Iraq has links to the Abu Nidal organisation, the Mujaheddin-e Khalq organisation and the PLF, and we know that these threats are facing the world. If you link the nexus of tyrants and terror, and terror and weapons of mass destruction, you face an unprecedented challenge. We know that the links to those three groups are established without doubt.

So, for the most human reasons, I believe that we cannot sit idly by and watch as suffering occurs. It is not an argument to say that there have been two decades of suffering and so we should allow it to continue. Iraq today is the greatest human rights abuser in the world. The world acted on Milosevic and the world acted on the Taliban. I believe it is incumbent on us to take action now to relieve the situation in Iraq. Similarly, for the sake of the next genera-
tion—for my generation; for the group of people who will inherit the future—it is incumbent upon us also to take steps that will protect their security against the spread of chemical and biological weapons. A regime that is willing to take those steps internally and to act out that sort of aggression will also be willing to feed those dark weapons out.

I have the greatest respect for the views presented by the people within my electorate and the greatest respect for different sets of views, but I cannot speak more strongly than to finish with the words of Andrew MacLeod in the Age last Monday:

To say “continue with diplomacy” is to say “continue with rape, murder and torture”. To say “it is not our problem” is to say “continue with rape, murder and torture”. To say “the US is a global imperialist that just wants to control the oil” is to say “continue with rape, murder and torture”. Anything except action is to say, ‘Continue with rape, murder and torture.’ I am sorry that it is a choice between two difficult options. There is no good option. Each is about human consequences. But make no mistake: as we witnessed in Cambodia, Rwanda and Bosnia, to take no action and to take no steps is to condemn the next generation to the same fate that has befallen the present generation. That, to me, is unacceptable. My view is that there is an irreducible minimum for human rights and that the situation in Iraq has fallen below it.

Ms PLIBERSEK (Sydney) (6.22 p.m.)—I do not support an attack on Iraq. I am particularly opposed to a pre-emptive first strike and to any action that is initiated by the US alone rather than UN sanctioned. Even if the UN calls for tougher action against the Iraqi regime, I hope that war is not the outcome. I am unconvinced by the case that the US, Britain and our own Prime Minister have attempted to make to support attacking Iraq.

I believe the precedent of pre-emptive strikes is extremely dangerous. The civilian casualties of any invasion of Iraq are bound to be massive. The 1991 Gulf War caused many thousands of deaths and heavy-handed sanctions have killed more; without doubt, it is ordinary Iraqis who continue to suffer. Iraqi citizens get shot if they oppose Saddam and bombed if they do not.

We are in the middle of a war against terror. This proposed attack could be a scripted recruitment call for suicide bombers. Citizens of neighbouring Arab nations, many of whom have grave reservations about the Iraqi regime and its weapons program, are not going to sit by when the footage of burnt babies and bombed hospitals starts filtering out.

The US position seems to be that a few hundred thousand deaths now will save lives later because war will prevent Saddam using weapons of mass destruction. There is no logic at all to this. Firstly, if Saddam has weapons of mass destruction, he is most likely to use them when cornered. That is what the CIA says. If we want to stop these weapons being used, why not give weapons inspectors the extra time they have asked for to disarm Iraq? Why not look at the plan the Germans and French are allegedly working on to send in UN forces to protect a beefed up inspections regime?

Secondly, the likely number of civilian casualties undermines this argument completely. The death toll of any conflict will be high. Estimates vary, but it could be as high as 260,000 people. The survivors of such conflict will be left without food, clean drinking water, sewage, electricity and medicine—any of the necessities of life. The ruling class, of course, will be fine. Sanctions have never hurt them. They have been squirreling away money in overseas bank accounts for decades. Their women and children will be evacuated before any bombing starts. Perhaps a few will come to Australia in the business migration category. They will
certainly get a much better reception than the refugees fleeing Saddam whom we have turned away, jailed or sent to Nauru.

I think the catalogue of the previous speaker, the member for Flinders, concerning torture and the appalling human rights record of Saddam Hussein is particularly ironic. We also have the Minister for Foreign Affairs getting up day after day in our parliament to talk about the horrors that Iraqi civilians face at the hands of Saddam Hussein. These are the very same people who we have been turning away and calling queue jumpers—saying they have no legitimate reason to stay in Australia. These people did not matter to the government before the last election; they were expendable in an effort to whip up racial fear and win the next election.

It is worth remembering that 90 per cent of the casualties of modern wars are noncombatants. Between 50,000 and 70,000 children under the age of five died as a direct result of the 1991 Gulf War, and infant and maternal mortality went through the roof. Because of years of sanctions and malnutrition, children are already extremely vulnerable. Twelve million children are currently reliant on government food aid. The death rate for children under five is already 2.4 times greater than it was in 1990, before the Gulf War. The hospital system is run down. Most children die of diarrhoeal and respiratory diseases. Seventy per cent of child deaths are caused by these diseases, which are very simple to treat if you have adequate medical attention and hospital facilities. If there is a war, up to 500,000 people will require emergency medical treatment. Almost half of those will be children.

Survivors of the initial bombardment will try to gather their families around them and look for a safe place to shelter. The Iranians expect 900,000 refugees and the Saudis expect 50,000. Turkey, Syria and Jordan also expect refugees. There will be another 200,000 waiting on the borders in makeshift refugee camps. Another two million internally displaced people will be looking for somewhere to live in Iraq. The United Nations estimates that 7.4 million people in the southern part of Iraq alone will be in immediate need of humanitarian relief. Unaccompanied minors and female-headed households will be particularly vulnerable. The UN estimates that up to three-quarters of a million children will become refugees and one million children will be internally displaced.

No electricity means that hospitals will not function—nor will sewerage plants. Raw sewage will flow into the Tigris and Euphrates. Water will not be fit for human consumption. There is already grave concern about the quality of water in many parts of Iraq at the moment but, as water treatment plants break down, pipes are bombed and water distribution facilities are destroyed, the situation will only become worse. People will become sick and die from the after-effects of weapons, burning oil fields—as we saw during the last Gulf War—and diseases such as cholera and dysentery, which no longer exist in developed countries. If we agree that these people are victims of Saddam Hussein, how can we live with ourselves if we contribute to their misery in this way?

The United States has posed another potential reason for a military attack against Iraq: regime change. What sort of puppet regime will the US support if it achieves its goal? Another Shah of Iran? Another Pinochet? Another President Ngo Dinh Diem or another Marcos? Perhaps the US will quickly lose interest. Look at Afghanistan. Things are just as bad now as ever for those living under the control of the warlords. The situation in Kabul is better but people in outlying areas face all of the same hardships and discrimination as before.
Saddam Hussein is part of a minority Sunni group in Iraq. It is unlikely that another Sunni would win a democratic election when Sunnis are only 17 per cent of the population—the Kurds make up 23 per cent and the remainder are Shiite. Yet, letting an Iranian aligned Shiite win power may well endanger US access to oil. It hardly seems likely that the US will be promoting democracy if the result is not to their advantage. Will any of this postwar political fallout matter to ordinary Iraqis anyway? Will they have time from day to day, between scavenging for food and building shelters, even to grieve for the relatives that they have lost? How will they care for family members who have been exposed either to Iraqi weapons or to the radioactive casings left by US bunker busters and depleted uranium missiles? How will they look after the burn victims that the hospitals cannot take and prevent their wounds from becoming infected when there is no clean water, no antibiotics and no pain relief available?

How will women who give birth during this period look after themselves and their babies? How will they get enough calories in a day to produce enough milk to prevent their babies from starving? Sixty per cent of the population are already dependent on government food aid. Half a million children are already malnourished. Middle-class families have already sold everything they own—their furnishings and books—to buy food. They have no reserves. Poor families, of course, have always been worse off. Unemployment is high and the standard of living is already desperate in Iraq. The port, roads, railways will all be targets of initial bombings and, therefore, unlikely to be functioning for humanitarian efforts after an initial bombardment—and supplies may be blocked for strategic reasons anyway.

Maybe I could believe the argument that we need to stop Saddam now if the international community were more consistent and if the pro-war propaganda were not so full of exaggeration and hypocrisy. Maybe I would be less sceptical of the arguments of my pro-war colleagues if they had not stood here six months ago talking about the sanctity of human life during the stem cell debate. Don’t Iraqi children deserve the same passionate defence as a collection of cells dividing in a petri dish? Maybe I would be less sceptical of the arguments about the importance of the United Nations if the international community had actually stood between Hutus and Tutsis when a million people were slaughtered in Rwanda. We sent Australians there, and those poor soldiers have come back traumatised because of what they witnessed. Under UN rules of engagement, the Australians present at the Kibeho refugee camp massacre in April 1995 were not permitted to open fire to protect the Hutu refugees from the forces of the Rwanda Patriotic Army. The Australians could return fire only if they or their medical teams were attacked.

Maybe I would be less sceptical if the US were a little more interested in other countries with weapons of mass destruction or if it were prepared to curb its own massive weapons program. The US pulled out of the Anti-Ballistic Missile Treaty in June last year and has refused to sign any number of other treaties that support disarmament and, of course, it has refused to support an international criminal court. If the US had not supported Iraq during the war with Iran in full knowledge that Iraq were using chemical weapons, if it had not sold Iraq weapons and precursors, its outrage about these weapons would be a little more believable. If the US had paid what it owes to the United Nations—it is a mere US$0.738 billion behind—and if the UN had been able to use some of that money to aid the Kurds or the Marsh Arabs or any of the others that have suddenly become the focus of so much sympathy and outrage, maybe I would be more credulous. Maybe the US could encourage its allies to follow UN resolutions.
of which it is the subject, or maybe the Australian government could pay some heed when the UN buckets us for the way we treat Aboriginal people and refugees.

If Britain had not been busted using out-of-date information from newspapers, magazines and some guy’s doctoral thesis, and if it had not spun this information to make it sound more serious and substantial than it is, perhaps I would be less sceptical about the information we receive. If the US had not intercepted the 12,000 pages of Iraqi weapons documentation presented to the Security Council in December last year before UN experts had a chance to look at it and passed on only 3,000 pages to most of the other members of the Security Council, maybe I would not be so suspicious about the information we are getting. As it is, what the pro-war camp seems to be saying is that we have to go to war to save lives. The logic is bizarre.

If one expresses concern for civilians the hawks say, ‘It is Saddam’s choice; he can avert conflict.’ At the same time, the same people argue that he is a madman who will stop at nothing and who cares nothing for the lives of his own citizens. Don’t we have some responsibility to these people? It seems to me that, if we have genuine sympathy for the victims of Saddam Hussein, the last thing we should be doing is bombing them. Some people are desperate to go to war. Who can tell why—oil, ego, stupidity, electoral advantage? I cannot get past the point that 250,000 civilian lives may be lost in this conflict. Millions will be left homeless and malnourished, the Arab world and the West may become mortal enemies for decades to come, and all for what?

Ms GAMBARO (Petrie) (6.35 p.m.)—We stand at a pivotal juncture in our history. We had never before seen terrorism to the extent that, in such a guileless manner, wounded our nation in the bombings in Bali last October; nor had the world ever witnessed such devastating events as those of September 11, 2001. While what we know of the world has certainly changed, one thing that rarely changes is human nature. Missing from many an argument on the situation in Iraq is the notion that the very person capable of preventing any possible war, or the use of weapons of mass destruction, is Saddam Hussein himself. In an article in the Australian, Greg Sheridan summed it up like this:

Hussein is required, as a condition of peace, to disarm fully.

But Hussein’s response is simply to wantonly shake his finger in the direction of the West and, to that end, the United Nations. His treatment of his own people and ethnic minorities in Iraq, let alone the citizens of Kuwait in 1991, is testimony to this fact. Yes, many Iraqis are starving, as the previous speaker, the member for Sydney, stated, but Saddam Hussein simply builds more monuments to his great self. Last week, his Australian envoy, Saad Al-Samarai sought to threaten Australia with ‘horrible casualties’ if we partook in a US-led attack.

All along, Australia has sought the direction of the UN and applied pressure on Iraq to comply with UN Security Council resolution 1441, which sets out a process by which disarming Iraq of its weapons of mass destruction can be achieved peacefully. Australia, as a non-Security Council member, continues to support that process. When Hans Blix presented his report on Iraq to the UN his message was clear:

Iraq appears not to have come to a genuine acceptance—not even today—of the disarmament which was demanded of it …

Nobody wants a war with Iraq—the Prime Minister has stated that himself—but what many fail to realise is that the person at the very centre of this issue, Saddam Hussein, is an individ-
ual who does not hold the UN with the same regard as does Australia, the United Kingdom and the United States. The opposition leader has himself acknowledged that Iraq is in material breach of UN Security Council resolution 1441.

The Iraqi weaponry includes 6,500 chemical bombs, the nerve agent VX and over 30,000 special munitions for the delivery of chemical and biological agents. This arsenal of chemical, biological and nuclear weapons sends a message of destruction to the world. But Iraq is yet to come to the conclusion that it must comply in order to permit peace for its people and peace for the world. Last week we heard US Secretary of State Colin Powell provide evidence of Saddam Hussein’s weaponry and his attempts to deceive the UN weapons inspectors and the world at large. If Iraq is permitted to continue to mock the efforts of the United Nations, then it sets the agenda for other nations to follow and to amass weapons of mass destruction and to hold in contempt the very essence of democracy and freedom.

As a government, we place our hope for a peaceful resolution with the UN. Weapons inspectors have returned to Iraq to attempt to resolve disputes about the search for banned weapons of mass destruction. But while people question the processes through the UN that this government supports, they deliver a message that demonstrates their support for Saddam Hussein. According to Dr Al-Samarai in last Tuesday’s Australian, the Iraqi government, led by Saddam Hussein, is grateful for the support of so many Australians who are against the Australian government’s position. Is that really the message Australians want to send? I don’t think so. As a nation, we are opposed to the proliferation of chemical, biological and nuclear weapons. We do not possess these weapons but we support the international treaties and agreements that restrict and prohibit the spread of such weapons. At the start of this speech I spoke of how the world had changed since September 11 and the Bali bombings. The message is clear: we are no longer immune from the threat of others who do not cherish, but rather covet, our quality of life.

History provides us with a litany of yellow Post-it notes that serve to remind us of the lessons we need to learn. In Germany in the 1930s, following the Great Depression, one Adolf Hitler changed the dimensions of industry and social behaviour and changed the face of that country. Although industry bolstered and production levels increased, there was concern that some elements of this amassing of weaponry were not quite right. Who can ever forget British Prime Minister Neville Chamberlain who, in 1938, signed the Munich Pact, the culmination of a policy of appeasement towards Germany? He arrived home and declared ‘Peace in our time’, only to be greeted weeks later with the news that Germany had invaded Poland.

Hitler was not a rationalist. Neither is Saddam Hussein. If Hitler could not honour an international treaty like the Munich Pact, the world should learn from this in the light of Saddam Hussein’s reluctance to comply with, and blatant snubbing of, UN resolutions. We cannot afford to treat this matter lightly. The Prime Minister put it succinctly when he said: ‘We all hate the thought of war in any form. Our natural instinct is to recoil from it. The temptation is to turn our backs on the problem and hope that it will go away.’

As a nation we must continue to show support for the measures that result in the disarming of these weapons of mass destruction. We do not want the situation to be resolved with military action. We believe that the UN process should be given every opportunity to work. For it to work, we need to continue to step up the pressure on Saddam Hussein. It is in this context that Australia’s forward deployment of military forces needs to be viewed.
I supported the Prime Minister’s decision to continue to apply pressure on Saddam Hussein to comply with international obligations and to seek a resolution to the Iraqi situation by supporting the United Nations Security Council resolution 1441. But Iraq continues to defy the UN and the Iraqi public relations machine continues to defraud the world about the reality of who Saddam Hussein is and what his intentions are.

According to Iraq, the issue in this call for Iraq to disarm and the consequences as declared by President Bush if he does not is all about oil. They would argue that it is greed that is the cause celebre. A quick look at the latest OPEC statistics on oil production and reserves shows a very different picture. Although Iraq has more oil reserves than the United States, the United States produces just over double the oil production of Iraq in barrels per day. Saudi Arabia, which has given the United States permission to base service personnel there, has more than double the Iraqi reserves of oil and produces more than three times the oil production of Iraq on a daily basis. Since the Gulf War, the United States has decreased its dependence on oil and has explored sources from the former Soviet states and parts of central Asia.

As a nation we value our alliance and our economic and historical ties with the United States. They served with us in the Pacific during the Second World War and they helped turn the tide on both Hitler and the threat of Japanese invasion. It was on the strength of this relationship that the Prime Minister and the foreign affairs minister underlined to the United States in September last year the importance we place on pursuing this issue through the United Nations.

Indeed, it is the joint support of nations such as the United Kingdom, the United States and Australia that put pressure on Saddam Hussein to force him to accept weapons inspectors and comply with the UN resolution in September 2002. I share with many in hoping that the Security Council will issue a second resolution to Iraq following talks this week and demand that it meet its obligations under the United Nations charter. We cannot ignore the material breach of Iraq and its failure to cooperate and comply with the very UN resolutions that we in Australia support and endorse. We cannot ignore the reality of the spectre of Saddam Hussein. Neville Chamberlain taught us an important lesson in history. It is up to us to make sure that we have learnt it.

Mr Kerr (Denison) (6.44 p.m.)—War is always a horror, but until the last century the choice of war or otherwise was regarded as the lawful choice of nation states. We all knew that those who participated in war were at risk, and those who have any sense of human suffering will read our history and read literature like Bertolt Brecht’s Mother Courage and realise that at no time has war been other than terrible for civilian populations. But it was the massive nature of human destruction of civilian populations in World War I and later in World War II that led the world to resolve to end the scourge of war by establishing international institutions that are designed to regulate and control the use of military force against another nation state.

The United Nations charter prohibits the use of armed force against another nation state except in two defined circumstances. The first is in self-defence. No plausible case whatsoever has been made for Australian participation in a war in relation to Iraq on the basis of self-defence or, indeed, for a war by the United States on the basis of self-defence. No plausible connection whatsoever has been made between acts of terrorism conducted in the United States, which we all deplored, and the intention to invade Iraq.
The second basis upon which the use of armed military force is authorised under the UN charter is by virtue of the enforcement of a Security Council resolution. That was the circumstance which gave rise to the first Gulf War. After the Iraqi invasion of Kuwait, the United Nations authorised an international response, in which Australia, correctly, participated. That authorisation was limited to resolving the invasion, to ending the invasion. Quite properly, the United States stopped before seeking to go further and implementing an invasion, a regime change and a further exercise of power in that circumstance.

That left issues to be resolved. Those issues need to be resolved. They involve the possession by Iraq of weapons of mass destruction, some of which were demonstrated to exist before the invasion of Kuwait, others which are believed still potentially to exist. Those issues have been the subject of international enforcement, including by a regime of economic sanctions which have been terrible in terms of the price they have inflicted on the Iraqi civilian population. That is not simply because of their direct impact, but because of the way in which Hussein has himself used the resources—the oil and the food for oil arrangements—so that those that his regime most honours, its military support, are protected, whereas innocent civilians are left starving.

There is no doubt about the odiousness of the Iraqi regime. Nonetheless, there is no doubt that there are many other regimes which are odious. The whole basis of the United Nations charter is to prevent pre-emption and to prevent an individual nation state acting without the sanction of the United Nations Security Council in ways which would provoke further destabilisation and war.

It is not, of course, the case that the lawfulness of any conduct is itself a rationalisation for participation. An action can be lawful under international law, yet still not be pursued for rational and good reasons. We need to come back to that point in terms of Australia’s national interests. So, too, is it conceivable that there are some instances where an action may be unlawful in terms of international law and yet be morally justified? Yet I can think of only one instance in the 50 years in which I have been alive where such a case could have been prosecuted and made. That would be when Vietnam invaded Cambodia, contrary to international law, and put an end to the terrible Khmer Rouge regime. Yet indeed, of course, there may have been an argument that they were genuinely acting in self-defence under the UN charter. That aside, there is no instance of which I am aware where there has been a legitimate case for pre-emption. There have been instances where the UN ought to have been more effective and more forceful. The instance of Rwanda has been brought to mind. The failures in the UN system are not that it did not act in that instance but, firstly, that the instructions to those carrying out its mandate were insufficient and, secondly, that we have never put in place a stand-alone military enforcement capacity for the UN. The UN constantly relies on the support of those who provide forces. Essentially, that means that, without the backing of major powers, the UN does not have the capacity itself to implement and to exercise outcomes, even in those terrible humanitarian circumstances where its direct involvement has been called for. In Rwanda and Somalia—and to a lesser degree in East Timor—the United Nations’ failure to define the terms of engagement and to act promptly may be the subject of some criticism, but it is not a basis for arguing that there is a lawful justification for war now in Iraq.

The second point I want to make is that the odiousness of the regime, whilst uncontested, is a matter of some grave hypocrisy. In Australia we have seen terrible denials of human rights
to those who have sought refuge in this country claiming humanitarian grounds for refugee status. Their claims have been traduced, they have been regarded as queue jumpers, and their quite legitimate claims—now being so clearly displayed by those who account for the terrible torture and repression that occur in that country—have been dismissed.

Let us approach this with deep hearts. We need to find a way through this which will sustain an international regime committed to peace and the end of the scourge of war without giving way to the kind of terrorist that uncontrolled nation states outside UN Security Council control could otherwise subject the world to.

What are the issues we face? We face the prospect of a unilateral US action if the Security Council does not endorse these proposals—if it accepts the French or German proposals for further inspections. If that were to occur, I would stand out and oppose Australia’s participation in a US-led force. I do not believe such a case exists and I believe it would without justification condemn the world to the conflagration of war.

There is a possibility that the UN Security Council will endorse an engagement. If it does, there is a proper basis for Australia to consider participation. But what should be the degree of our participation? What is our national interest? In this parliament, I and many others have spoken about these issues, some in fairly glib terms. But I do believe that there is a distinctly different Australian national interest from that of the United States. I feel it acutely, because as a condition of my entry to this parliament I renounced my citizenship of the United States, which I had inherited through my mother. My mother and father met as a result of the Second World War. They met in Japan, where my mother served as head of a medical reconstruction team in Hiroshima and Nagasaki and my father as part of the Australian defence forces. In those circumstances, and in the situation where my parents directly recounted to me the horrors of war, I do not wish to be directly responsible for an engagement without knowing its consequences and its depth.

If you do enter a war, you have to do so against the possibility of worse consequences. You cannot do so on the expectation that it will be quick and easy. It is possible it may be quick and easy, but it is equally possible that the people of Iraq may resist—as the people of Russia resisted the German invasion, virtually to the last man, woman and child, in Stalingrad. It is impossible to know what will be the circumstances and how they would resist. Then, too, there is the question of what happens when you win. One of the most interesting pieces of analysis I have read recently is in an article called ‘Thinking about Iraq’ by Thomas Friedman. We really do not know what will happen. Thomas Friedman says:

Iraq is a black box that has been sealed shut since Saddam came to dominate Iraqi politics ...

Think of it this way: if and when we take the lid off Iraq, we will find an envelope inside. It will tell us what we have won and it will say one of two things.

It could say, ‘Congratulations, you’ve just won the Arab Germany—a country with enormous human talent, enormous natural resources, but with an evil dictator, whom you’ve just removed. Now, just add a little water, a spoonful of democracy and stir, and this will be a normal nation very soon.’

Or the envelope could say, ‘You’ve just won the Arab Yugoslavia—an artificial country congenially divided amongst Kurds, Shiites, Sunnis, Nasserites, leftists and a host of tribes and clans that can only be held together with a Saddam-like iron fist. Congratulations, you’re the new Saddam.’
We have to contemplate the worst of both circumstances, in terms of the military consequences, the loss of life and the political destabilisation that is potentially in store in relation to those outcomes. Only if we are confident that those are the lesser of the evils is it proper for us to engage in a war, no matter what potential lawfulness there is for our engagement.

In considering the degree and scope of that engagement we also have to consider our national interests. We have large interests that we ought to pursue. Little has been said about the greater causes behind some of the anti-Americanism that is being expressed in many parts of the world. As long as Palestine is a running sore, the people in that area, and many Muslim people, will feel that the war is directed essentially at their communal and religious interests and that it is a war for oil rather than for any of the larger objectives that we have heard spoken about with such solemnity.

If we do participate, we have to accept that we may be there for the long haul and that we may be able to play a significant and, for once, constructive role by arguing for something like the Marshall Plan, which allowed Europe to recover after World War II. If the Americans, with their great military power, do conquer Iraq relatively quickly, there is still an issue of reconstruction. The reconstruction measures that have been put in place in Afghanistan fall very short of the kind of world we would hope to leave for those who are left in Iraq afterwards.

If we are a nation state that is participating in a UN sanctioned operation, we ought to use our position to be at the table and say that there must be substantial long-term engagement towards reconstruction of the region. Otherwise we will be found wanting not only by those in the Middle East but also by those who look on us more closely. Indonesia is a nation populated by a Muslim majority. Thus far we have a good working relationship with that country, but we could easily find ourselves in a situation where we were perceived to be hostile to its interests. And, if we do not take action that shows the world that the reconstruction effort is genuine, other states might be tempted towards greater anti-Americanism and radicalism. Think only of Pakistan with its nuclear weapons.

Those are the reflections I wish to put on the table today. I concede that it is possible that there will be a UN resolution. I am the President of the Tasmanian branch of the United Nations Association of Australia, and I hold seriously the responsibility of the United Nations Security Council to enforce its obligations. But I do believe that, when you weigh the choice between war and peace and the consequences that will follow each, you must think not only of the best consequences—the circumstances that you hope might flow—you must also bear in mind the terrors that may come to pass if the worst consequences flow. You must be prepared for both. I believe that too many people in this parliament have spoken glibly about participation in war, as if it is a childish game.

Mr WAKELIN (Grey) (6.58 p.m.)—All of the contributions remind us that we do not live in a utopia. We seem to very quickly get into labels about pro-war or anti-war instead of contributing to the best or obvious solution that we would all seek. The Leader of the Opposition said during the debate last week, ‘We can secure a peace.’ The member for Hotham has a strong objection to unilateralism. There seems to be quite a strong anti-US presence within the Labor ranks; the member for Werriwa is prominent amongst them.

From the speeches of the last few days, I was left with an impression that much of this was more about an attack on the Prime Minister, the government and President Bush than about
dealing with the issues at hand, as serious as they are. I was left with an impression that many in the opposition did not understand what the Multinational Interception Force was and that they could only focus on what they saw as an upcoming war.

My own views on this were formed as much as anything during a visit to the United States and to Europe—Brussels, Belgium and some neighbours—back in September. I quote from a speech I made about four months ago:

So I believe there is much more unity within the Western democracies—

than many would have us believe.

I still think that is the case. It has firmed up. There are some closing stages to this serious issue. But the real turning point for me came when I saw Tony Blair on television when I was in New York. At about 2.30 in the morning, I was watching the great variety of US television. We had a full two hours of Tony Blair’s speech to his constituents and then a question and answer process. That came directly from the UK. In his speech, he asked, ‘If we knew that someone had weapons of mass destruction and they were careless enough or stupid enough to use them, would it be moral to do nothing about it?’ I found the Prime Minister of the United Kingdom very compelling as he tried to explain to his constituency this worst of circumstances.

The Senate passed a vote of no confidence in the Prime Minister last week. I was, quite frankly, appalled. I want to quote from what the member for Brand said in 1998:

... part of the reason why we have supported the Government in giving our approval to the steps they have taken thus far has been to assist in putting pressure on Saddam Hussein.

And there’s no doubt in my mind if there had not been pressure coming in from those who are prepared to be part of a coalition, the energising of a couple of members of the UN Security Council—Russia and France—to try and find solutions, simply wouldn’t have occurred.

There is a leader facing up to the terrible dilemmas of this task and coming to a decision.

Resolution 1441 was unanimous. Dr Blix was quite clear in his opinion and in his view about the attitude of Iraq. There is no doubt in anyone’s mind, surely, about what Dr Blix has said. As the Prime Minister reminded us in his speech last week, resolution 1441 in its unanimity, from every faith and every political persuasion throughout the world, set a very clear direction. Remember that Iraq had not complied with 24 of the 27 provisions of the Security Council resolution of 12 years ago. The world has been treated with contempt by a dictator and a regime that very few can find a good word for.

In conclusion, I am deeply grateful to the UN and to Kofi Annan for their leadership and commitment to world peace. I can put it no better than the Prime Minister in the conclusion of his speech on the censure motion last week. He stated:

War has visited evil, devastation and death on millions of people over the last 100 years. It is an evil thing. I would like to be able to walk away from this. I would love to be debating something else. I would like to walk away and forget about Iraq; forget about the weapons of mass destruction; and forget about the fearful possibility, as Tony Blair said, that those two things will come together with terrifying consequences for the world. I would like to do that, but unfortunately the world we live in does not permit us the luxury of being able to do that. History is replete—as the member for Brand, who is a student of military and political history, would know ...
The Prime Minister continues:

I am constrained by the office I hold to take those considerations into account. I cannot play fast and loose with the cheap jibe ...

I wish him well in these days ahead and I hope that this parliament might wish him well, in Washington, New York and the United Kingdom. There is no doubt that those on this side of the parliament seek peace. Let us hope that we can find peace.

Mr ALBANESE (Grayndler)  (7.07 p.m.)—The end of the Cold War brought the prospect of international stability and peace. The world community had great hope for ending divisions and advancing the cause of common humanity. The vehicle for this was of course to be the United Nations—no longer hamstrung by a polarised geopolitical environment. Now as we enter the 21st century that earlier optimism has faded and the world community faces the very real prospect that religious differences will replace the political ideological battles of the past.

There are many brutal evil dictatorships in the world today and without question Saddam Hussein is one of them. The litany of his human rights violations against his own people have been extensively documented and include the use of chemical weapons, torture and a secret police force. While the evils of the Iraqi regime are indisputable, the question that we must ask ourselves is: does this justify Australia's support for the new US foreign policy doctrine of pre-emptive strikes and should our armed forces be involved in its implementation?

The proponents of military action have failed to fulfil their own preconditions for war. No substantial links between Saddam Hussein, al-Qaeda and the events of September 11 have been established. Indeed, one can argue that this has been a distraction from the chase for Osama bin Laden, which seems to have been forgotten. We know that links have been established with groups in Saudi Arabia, Pakistan, Indonesia, Yemen, Somalia and even Germany—I hope that no-one is suggesting military action against these countries.

There is no proof that Saddam Hussein’s much-depleted armed forces pose a clear and immediate threat to the stability of the region and the security of his neighbours. History suggests that the policy of containment of Iraq has indeed been successful. When George Bush Sr and Iraq agreed to an accord in October 1989, George Bush declared ‘normal relations between the US and Iraq would serve our longer-term interests and promote stability in both the Gulf and the Middle East’. Of course the Middle East envoy was then Donald Rumsfeld, now the US Secretary of Defense. Whatever criticisms can be made of the Iraqi regime, Islamic fundamentalism is not one of them. This is one of the reasons the United States supported Saddam Hussein in the 1980s, including supplying his regime with weapons of mass destruction, which he then used against both the Iranians and the Kurds.

In light of these facts, I do not believe it is in Australia’s national interest, particularly as we are only a medium-size power in a highly volatile region, to be joining any military action that would undermine the legitimacy and supremacy of international law. Any US-led military action not sanctioned by the United Nations would be illegal under international law.

Unfortunately, it is clear that John Howard has already given a commitment of support to the Bush administration, despite the overwhelming mood of public opinion and without the debate in this House having been completed. US officials are proclaiming that 12 nations have already signed up to a US led coalition of the willing. Nobody believes John Howard when he states that no final decision has been made. Back in October, the foreign minister told the New Zealand High Commissioner that Australia was not in a position, if the UN process
broke down, to withdraw our ships and other presence from the Gulf. He was not wrong. Australia has already committed over 2,000 personnel—more than three times the commitment at the height of the 1991 Gulf War, which occurred after the invasion of Kuwait.

This commitment to war includes the SAS, Navy frigates, FA18 Hornets, Chinook troop lift helicopters, C130 Hercules transport aircraft, mine clearance teams and much more. And the Prime Minister would have us believe that no commitment has been made! John Howard is going to show all his peers at Canterbury High School that he was not a wimp after all. Just like the US President, he has never fought in a war but never misses a photo opportunity to be seen with those who bravely serve our nation.

Whilst the Prime Minister is committed to war, it is a different story when it comes to peacekeepers. He told this week’s *Bulletin*:
I don’t see Australia, for example, providing peacekeepers.
He went on:
An ongoing peacekeeping role is not something that I would seek for a moment.
I have news for the Prime Minister, the man who has nothing but a plan for war: the aftermath of a war on Iraq needs to be considered. The hawks who want to destroy the regime in place from outside have no plan for the future government of Iraq let alone the rebuilding of the nation or how to deal with the hundreds of thousands of refugees the war will create.

During this debate, most of the government members—and in particular the foreign minister—have spoken of Saddam Hussein’s persecution of his own people as if this were a new event. However, it was a different story when political opportunism became the Prime Minister’s modus operandi prior to the 2001 federal election. I recall the member for Moreton, Mr Gary Hardgrave, telling the parliament at the time:
It is offensive of those opposite to talk about the MV *Tampa* and bandy about the terminology of refugees. The people on board MV *Tampa* are not refugees; they are occasional tourists ...
Perhaps it was because of this extraordinary outburst of intolerance and insensitivity that the member of Moreton was promoted to—guess what!—the Minister for Citizenship and Multicultural Affairs. What an indictment. The government that has vilified the victims of the Iraqi regime has also systematically attacked the UN for daring to criticise Australia’s treatment of asylum seekers and breaches of international law.

Reports emerged last Friday that the British government has released a dossier on Iraq’s weapons program that was later found to have been largely plagiarised from the work of a postgraduate student. Governments that are condemning the Iraqi government as being deceptive and propaganda driven need to conduct themselves in a fashion that is beyond reproach and does not undermine their own credibility.

There has been criticism of the emotion people have displayed during this debate. I contend there is no more important decision than whether or not this country goes to war. It is not surprising, therefore, that the debate has been emotional. One would be concerned had it not been thus. Not only does such a decision place the men and women of our armed services and those of other countries in harm’s way but it will also lead to the death and injury of tens of thousands—perhaps hundreds of thousands—of innocent Iraqi citizens.

In 1991, the Harvard based International Study Team conducted a comprehensive assessment of child deaths due to the 1991 Gulf War, which lasted just six weeks, and its aftermath.
It was estimated that 3½ thousand civilians died during the war and that a further 111,000 civilians died subsequently. Of these, over 70,000 were under the age of 15. The civilian deaths resulted largely from the destruction of Iraq’s civilian infrastructure, especially electricity generating power plants, which led to a breakdown in water purification and sanitation. This breakdown caused outbreaks of infectious diseases such as cholera, typhoid, malaria, meningitis, polio and hepatitis.

According to former US Attorney-General Ramsey Clark, the Allies dropped 85,000 tons of bombs—or the equivalent of 7½ Hiroshimas—on primarily civilian infrastructure. Of these bombs only 7 per cent were precision-guided. So much for all the media coverage showing the images of a clean, sanitised, ‘surgically accurate’ bombing campaign.

Since the end of the 1991 War UNICEF estimates that about 5,000 Iraqis have died every month as a direct result of the sanctions, primarily the very young and the elderly, who bear the harshest brunt of the food and medicine restrictions. Many military analysts believe that a second Gulf War would not be fought in the desert but in urban areas, thus increasing the likelihood that large numbers of innocent civilians will die. And President Bush and Prime Minister Howard are calling this a war to liberate the Iraqi people!

If there is one lesson for the world community from September 11 and the Bali tragedy it is this: military power is not enough in the modern world—security can only be achieved by a victory of humane, democratic values. The international community must act in a manner that reduces terrorism, not inflames tension. There is something perverse about arguing that the cause of democracy is advanced through the use of our own weapons of mass destruction.

While I do recognise the importance of our cultural, political and economic relationship with the United States, I believe that we must continue to tell them that unilateralism can never be the basis of a satisfactory world model and that pre-emptive action should not involve the use of military power. The recent criticism by the US Ambassador of the right of Labor members to speak out, including the member for Werriwa, is an outrage. The US undermines its own advancement of democratic institutions if its representatives do not respect the right of elected members to state their views in the parliament of Australia. Concerns about the Bush administration’s new foreign policy doctrine have been voiced in the President’s own country by people who have held senior ranks in the US government and military. Notable amongst these critics are Marine General Anthony Zinni, former US envoy to the Middle East; General Brent Scowcroft, former National Security Adviser to Republican Presidents Ford and Bush Snr; and General Norman Schwarzkopf.

It is not surprising that there has been criticism of George W. Bush when he makes juvenile comments such as this last September: ‘This is the guy who tried to kill my dad’—as if he were a Texas Ranger in a B-grade Hollywood movie. His repeated invocation of God invites images of a holy war that does nothing except promote an extreme response from Islamic fundamentalists. At the end of the day, extremism from all sides must not be allowed to control the international political agenda. A desire for peace, security and a future for the next generation are aspirations not confined to one society or another.

There are many conflicts taking place at this time requiring the attention of the world community: Palestine-Israel, Cyprus, Northern Ireland, Kashmir and the Korean Peninsula. The Palestine-Israel conflict could be seen as a microcosm. The tragic escalation of violence has brought nothing but insecurity to both sides in the conflict. Israel’s superior military ca-
pacity has caused many more Palestinians to be killed, but that has led to greater insecurity
for Israeli citizens. It is perfectly rational for citizens in the Middle East and other primarily
Islamic regions, including those to our north, to question why the US regards the imposition
of its will in Iraq as an urgent priority after more than 30 years of rule by its former ally, Sad-
dam Hussein, but UN resolutions regarding the withdrawal of Israel from the occupied territo-
ries are treated with contempt.

I have written to my electorate outlining my views on this fundamental issue and received
hundreds of supportive replies. I have received only one from someone who supported the
war. I will be marching for peace with the Walk Against the War Coalition this Sunday from
12 noon at Hyde Park North with my state Labor colleagues Andrew Refshauge, Sandra Nori,
Linda Burney and Virginia Judge and thousands of my constituents. I would not be at all sur-
prised if more than 200,000 Australians join us this Sunday. I encourage Australians to vote
with their feet and demonstrate that we believe that Iraq should be disarmed but this should
occur under the auspices of the UN and in a peaceful manner. I want to repeat a quote from
Shakespeare that was in a letter sent to me this week:

Beware the leader who bangs the drums of war, in order to whip the citizenry into a patriotic fervour,
for patriotism is indeed a double-edged sword. It both emboldens the blood, just as it narrows the mind

This is a time when the international community must expand its horizons and its thought
processes to ensure a peaceful resolution of this conflict. This morning’s initiative from
France and Germany is surely preferable to the military option. While the hawks in the US
dismiss these countries as ‘old Europe’, perhaps it is no coincidence that these are the very
countries that have endured bombing and the ravages of war first-hand and on a massive scale
on their home turf. It is a tragedy that Australia’s Prime Minister is not an advocate of peace-
ful disarmament of Iraq rather than being a barracker for war.

Mr NEVILLE (Hinkler) (7.21 p.m.)—As Paul Kelly so succinctly put it in the Australian
last week, the one thing we are all agreed upon is that Saddam Hussein has to go. To quote
him directly:

The core issue has been whether Iraq is such a threat to the world that it must be disarmed. George W.
Bush, John Howard and Simon Crean say “yes”. Unequivocally. That is the fundamental point of
agreement. Of course, people who want Saddam Hussein disarmed have different views about how to
achieve it. But diplomacy and sanctions over 12 years have not yet done the job.

This whole debate, so central to the safety of the world, has been sidelined by process. The
opposition fails itself and fails this country by its total lack of any credible vision or biparti-
sanship on the issue. We need to examine the facts clinically and carefully, with evidence and
substance over rhetoric and process.

What are the facts? Firstly, when Saddam Hussein was defeated in the 1991 Gulf War, he
agreed to disarm by the removal of weapons of mass destruction. Clearly this has not hap-
pened. We know that 1,500 litres of anthrax and 38,000 litres of botulinum are not accounted
for, to say nothing of the ingredients for sarin and mustard gas and to say nothing of 30,000
shells to deliver them.

Secondly, the UN has parried with him for 12 years, during which time he has flouted 24
out of 27 obligations laid down in UN resolutions. How many more resolutions need there be?
Are we not already down the track of appeasement? Thirdly, weapons inspectors were ex-
pelied from Iraq four years ago. Saddam Hussein has had four years to hide anything remotely incriminatory. If we believe Hans Blix, the leader of the current inspection team, there is a lack of cooperation from Iraqi authorities and unfettered access is not being given to all their scientists.

Fourthly, we are dealing with a vicious, cruel, uncompromising and evil regime. It has not baulked at using chemical and biological weapons on its own people and its neighbours. To quote a few instances, in 1988 Saddam used mustard gas and nerve agents on Iraqi Kurds at Halabja in northern Iraq. A month after the attack on Halabja, Iraqi troops used 100 tonnes of sarin against Iranian troops at the al-Fao Peninsula. Over the next three months, Iraqi troops used sarin and other nerve agents on Iranian troops, causing extensive casualties.

In 1992, in an attack involving the dropping of a package of chemicals or agents from a helicopter, the citizens of Eligdur suffered death in their homes after their flesh turned blue and bleeding occurred from their noses and mouths. Saddam Hussein’s regime is capable of the most amazing cruelty—branding, beatings, using drills on human flesh, dripping acid on skin and cutting out tongues. Does any person in this parliament doubt for one second the evil intent of this Iraqi government?

But by far the most damning is the evidence of a UK member for the European parliament, Emma Nicholson, who will present to Hans Blix this week that there were recently two chemical attacks on dissident Marsh Arabs. This was from a helicopter, again, and rained death on the village of Gandeleh. What is more significant about this attack is that it occurred in 1998 after the previous teams of weapons inspectors had left. When he ostensibly had no such weapons, Saddam Hussein used them. Perhaps he has had a change of conscience. Yet we have people going around here saying that there is no hard evidence against Iraq. How much harder does the evidence need to be?

No-one in this country wants war; no-one wants to subject military personnel or civilians to needless death or injury. I do not want it and the government does not want it. We have worked in the past, and will continue to work, through the United Nations. We have supported resolution 1441 as, indeed, has the UN Security Council unanimously. We support the weapons inspectors and their unfettered access. We support the prospect of a new, clear and definitive resolution. The majority of both houses of parliament, excluding a small group in the ALP and the Greens, would support an action by the UN in respect of Iraq. In fact the Leader of the Opposition would go further. He would be prepared to act if the UN processes were stymied by the veto. He says:

We won’t support any military action outside the authority of the UN. The exception to this position might occur in the case of overwhelming UN Security Council support for military action but where support for such action was subject to veto. In other words, we might need to assess such a situation in light of the circumstances of the veto.

But thereafter the opposition position is all over the place, with a mixture of crude abuse, disingenuous rhetoric, inconsistency and the not too smart denigration of our military forces and their capacity.

Let us look at the abuse. It has ranged from ‘lackey’ to the member for Werriwa’s disgusting ‘conga line of suckholes’—hardly the stuff of the alternative government of this country at a time of international crisis, hardly leadership. Worse still, the Leader of the Opposition did not have the courage to discipline his frontbencher. There is inconsistency: we have heard
hours of criticism of the United States and denigration of George Bush but not a word about
the United Kingdom or Tony Blair; yet, on almost every issue in this particular scenario, they
are in total harmony. Inconsistency again: the opposition has criticised the forward deploy-
ment of troops, yet Kim Beazley said in 1998 at the time of the last deployment to the Gulf
area:

... part of the reason why we have supported the Government in giving our approval to the steps that
they’ve taken thus far has been to assist in putting pressure on Saddam Hussein. And there’s no doubt in
my mind if there had not been pressure coming in from those who are prepared to be part of a coalition,
the energising of the UN Security Council and the energising of a couple of members of the UN Secu-

This is not so for the current Leader of the Opposition. Would someone explain to me how
you can support the proposition of UN action, probably endorse an alternative action in the
event of the irresponsible use of the veto and then turn around and refuse to endorse the for-
ward deployment of troops with no concern for their readiness and no willingness to put the
Iraqi regime under any pressure? Disingenuous? Yes. How could anyone committed to the
Leader of the Opposition’s view of possible involvement turn up at the farewell for Army and
Navy personnel on the Kanimbla and tell the troops they should not be going?

As regulars, those men and women signed on the dotted line. They were bound to go where
the government of the day ordered them, albeit at that stage only for forward deployment.
Fancy turning up on a day like that and questioning their orders. What about consistency?
What about bipartisanship? What about morale? To top off the denigration, in his MPI on 5
February, the member for Griffith, in the most derisive terms—and I noted the way he spoke;

I quote him:

The first answer that the government gives is that this adds to the military and diplomatic leverage on
the government of Saddam Hussein to comply with UN Security Council resolutions. I would simply
say that, when it comes to Saddam Hussein confronting 150,000 US troops, four carrier battle groups
and 28,000 British troops, is the addition of 2,000 Australian troops going to matter one jot or tittle
from his perspective? That argument falls apart because of its inherent numerical ridiculousness.

I repeat: not ‘one jot or tittle from his perspective’ and because of its ‘inherent numerical ri-
diculousness’. Fancy that. The size of the commitment is surely not the issue; the issue is,
rather, the quality and expression of determination. In relative terms, small groups of Austra-
lians have distinguished themselves on the battlefield on countless occasions. Try Milne Bay;
try Kapyong; try Long Tan. We were not even the biggest contingent at Gallipoli. We were
the only contingent that stopped the Japs coming down the Malay Peninsula until the British
withdrew us. Yet we denigrate the 2,000 people who are going to the Middle East because the
United States and the United Kingdom contingents are somewhat larger.

Let me deal with another aspect, that of appeasement. Recent history should tell us that, if
the international community had acted sooner and with more clarity in Kosovo and Rwanda,
the bloodshed could have been considerably less. But if we go back to 1934-39, the picture
becomes hauntingly familiar. During that time, Europe tried appeasement with Hitler, who
built up the then weapons of mass destruction—the blitzkrieg, the Stuka dive bombers, the
panzer tank divisions and the like—with which he terrorised Europe. He tried out the Stukas
on the citizens of Spain during the Spanish Civil War. Do you see the parallel with Saddam
Hussein? During that period of 1934-39, he defied the international community by marching

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REPRESENTATIVES

MAIN COMMITTEE

Monday, 10 February 2003
into the Rhineland, claiming the Sudetenland and annexing, by one means or another, Czechoslovakia and Austria. He would have gone on into Poland, and after Poland, if the free world at the time had not said, ‘Enough.’ In today’s crisis we need to contemplate the timeliness and the timelessness in Churchill’s famous dictum: the appeaser is one who feeds the crocodile hoping it will eat him last, but in the end, as we all know, if you appease you still get eaten.

As to the claim that we are a target if we join the coalition forces, I have this to say. Since the English landed here 215 years ago, we have been part of the empire, the Commonwealth, and clearly allied to Britain in a myriad of ways. Is there any doubt around the world where our ultimate loyalties lie? For 60 years, Australia has developed a growing relationship with the United States. We cannot and should not walk away from our moral responsibility for fear of retribution. Until now, at least, that was not the Australian way. If we duck this issue, the world will become a vastly more dangerous place.

I ask what security the UN will offer future generations if we squib on this issue. What moral authority will it have? Will it become less than a talk shop and a glorified aid agency? Worse, will it go the way of the old League of Nations—meaningless and impotent? Even worse still, will we be able to face future generations? What will we be able to say to our children if we do not act at this time? Contemplate this: if we fail to act, how do we exert any moral influence or international authority over North Korea? What about the next rogue nation that steps into the frame? Finally, when it comes to the end play, what happens when the twin streams of chemicals, biological and nuclear weapons on one hand and the wanton evil of organised terrorism on the other come together? It would be Bali on a monumental scale. When that happens, fellow members, there is no place to hide.

Mr SERCOMBE (Maribyrnong) (7.35 p.m.)—The member for Hinkler in his contribution referred to, amongst other things, some aspects of Australian military history. Of course, all members of this House are very proud indeed of so many aspects of Australian military history. In commencing, it is worth noting that one of the tragedies of Australian military history is that on far too many occasions, gloriously but tragically, Australian troops have been engaged in places like Gallipoli where, one could argue, Australia’s direct national interests were not necessarily at stake. It was in the context of something like Milne Bay, that the member for Hinkler referred to, that the importance of making defence and security decisions overwhelmingly in the light of Australia’s own direct, national interests came into play. If our then great and powerful friend Britain had had its way, the Australian division returning from the Middle East would not have been diverted to the South West Pacific, and the result at Milne Bay could well have been different. Certainly militia units at Milne Bay were engaged with great distinction but also some regular AIF troops were probably necessary to achieve the first defeat of the Japanese on land. The decision to stand up to Churchill during the Second World War by Labor Prime Minister John Curtin put Australia’s national interests, Australia’s priorities, first—not simply kowtowing to the great and powerful friend. As important and great as powerful friends are, Australia’s national interests are also important and need to be considered first. I would suggest that Australia’s national interests in relation to the Iraq issue are nowhere as clear as the government would have us believe; in fact, they may lie somewhat differently.

Australia in the world context is a small to medium power. However, in the South West Pacific, we are a great power; we are the major power. This is an area of the world not only
where we have very direct interests but also which is currently facing considerable instability—for example, one only has to look at the recent incidents in East Timor and at the current situation in a number of parts of Melanesia where there is the possibility of failed states. There are plenty of threats to Australian security closer to home that we need our national government to be giving priority to. On the leadership that Australia demonstrated in East Timor just a few years ago, for example, it is very noticeable that the United States did not make and was not expected to make a direct military contribution. It was seen as our region and a region of the world where we had particular capabilities—that was the situation. When one looks at the situation in Iraq, one needs to take account of that sort of circumstance as well. If you look at the South West Pacific, you will see that Australia is able to achieve very substantial gains in terms of its relationships with the Pacific Island nations through projects such as providing patrol boats. I know from my personal experience there that these projects achieve very considerable kudos for this country. We need to do more. We need to be more focused on our own area of immediate interest.

When one moves a little further afield and looks at South-East Asia, particularly Indonesia, one also recognises the need for Australia to be much more focused and direct in advancing our interests and our priorities. Indonesia is the largest Muslim nation in the world. It is a nation with whom our relationship over recent times has not been uniformly brilliant. It is overwhelmingly in our national interest to give considerable regard when formulating our national policy in all sorts of areas—political, social, security, cultural and economic—to Australia’s position in relation to engagement with countries like Indonesia. The direct tangible benefits of that can be shown, for example, in relation to the successful cooperation that has occurred with Indonesia after the recent Bali outrages.

There are other reasons why we need to be closely engaged in giving absolute priority to relations with countries in our immediate area like Indonesia. In last Friday’s *Australian Financial Review* there was an excellent article by Melbourne University Professor Merle Ricklefs, who I know well, entitled ‘Islam in Indonesia’ on what we have to fear and what should give us hope. That particular article, apart from identifying—as many Australians, regrettably, have become aware of over recent times—extremist organisations like Laskar Jihad and organisations like Jemaah Islamiah, makes the very powerful and important point that Indonesia, in more recent times, is the source of some of the most original and progressive thought in the Islamic world. The article discusses in some detail, for example, the mass support for organisations such as Muhammadiyah—led by the fourth president of Indonesia, President Wahid—which has a mass membership of perhaps 25 million people. Other organisations of moderate Muslims total about 60 million people. These are the people who defend values that underpin a tolerant, multi-faith, democratic Indonesia. Merle Ricklefs finishes off his article by saying:

One should not underestimate the battle for the soul of Islam and of Indonesia going on within our nearest Asian neighbour. But the violent extremists are only part of the story. They are vastly outnumbered, out-educated, out-publicised (within Indonesia, but alas not elsewhere) and out-influenced by the tolerant, forward-thinking moderates of Indonesian Islam.

It is precisely these people with whom it is in Australia’s very powerful, direct national interest to ensure we are engaged. We cannot afford, in our own national interest, to be in a position where we are seen to be a totally compliant follower of the United States where that action would be seen to be offensive and condemned by Muslims throughout the world. I am
not in any way detracting from the US link and the importance of it. In precisely the same way that the US did not have boots on the ground in Timor, we do not need in our interest to follow the US wherever it may care to lead. We need, therefore, to be considering our national interest in the context of discussion about Iraq, not other countries' national interests.

There are a variety of very important issues that will arise in the world in the context of war with Iraq and the probable occupation of Iraq. What is going to be the impact of that situation on a nuclear-armed Pakistan, the Islamic political organisations of which are increasing in strength? What conclusions does a country like Iran draw from a situation where the US handles its position in Iraq in one way and its position in relation to North Korea in another way? What conclusions are going to be drawn about the US position of not actively pursuing just solutions on issues affecting Israel and Palestine? How will Kurdish aspirations be handled and what will be the impact on Turkey's stability in that regard in a postwar world? What will be the position of the Shia majority in Iraq after the war? Will the US, in fact, commit itself fully to the reconstruction of Iraq—building this new 'shining light' in the Middle East that some of the apologists for the American administration talk about?

One would have to say that the example that has been given of post-war reconstruction in Japan is not all that striking when applied to Iraq. Japan is a very homogenous society with a quite different social, cultural and strategic context to Iraq. Over recent times, the American experience in terms of having the long-term commitment required for that type of reconstruction is fairly suspect. Against the background of all those questions, one wonders what sort of world is likely to emerge out of this conflict and occupation. Will it in fact be a safer world? I would have very serious reservations about that.

Frankly, I do not think Australia’s national interests are served by giving this issue, and our participation in it, the sort of attention that the government gives it. On the contrary, our interests are much better served by addressing areas that we can much more directly influence and play an important role in. In that context, the recent Franco-German initiative is worth very close study indeed as an alternative approach for the world to handle some of these issues.

As I said earlier, the member for Hinkler spent considerable time talking about the Australian deployment. In that respect, members would be well advised to read the report that has just been produced by the Parliamentary Library, ‘Operation Bastille’: Forces and likely tasks for Australia’s contribution to the war in Iraq. In the light of the work that the Parliamentary Library has done, there are some fairly concerning issues in relation to our deployment. For example, on the question of forces committed for deployment to the Persian Gulf, the report says:

Special Forces Task Group. These troops are said to include (but not necessarily be limited to) one SAS squadron. A larger deployment could encompass two squadrons of SAS and two companies from the 4th RAR (Commando) Battalion ... Their deployment date has not been made public.

Elsewhere in the report it talks about the forces detailed for potential deployment, including the Quick Reaction Force from the 4th RAR (Commando) Battalion. The report goes on to say:

These have only two commando companies and could be considered to be in a state of flux as they develop the skills required to maintain the East Coast Tactical Action Group ... as well as retaining the traditional raider skills gained from its amalgamation with 1st Commando Battalion. A deployment of troops from this battalion will adversely affect the establishment of an effective counter-terrorism group on the East Coast of Australia.
Note those words. This deployment, in the view of the Parliamentary Library researchers, will adversely affect effective counter-terrorism on the East Coast of Australia. I note that in the context of the recent media coverage from Papua New Guinea suggesting that there are increasing possibilities of infiltration from terrorists adversely affecting Australia through PNG’s ‘porous borders’. We are finding a situation where this deployment can have adverse consequences very quickly. The report also talks about the impact on the RAAF. The report notes:

Australian combat aircraft and helicopters being sent to the Persian Gulf lack effective EWSP—
Or electronic warfare self-protection capacities. In the context of a squadron of FA18 aircraft, the report states:

These aircraft have a reasonable capacity for ground attack, but are limited by their lack of electronic warfare self-protection (EWSP), poor interoperability with US command and control systems, and their relatively short range. No details have been released on the number of crews that will accompany the fourteen aircraft. However, if the aircraft are to be committed as a squadron to operations around the clock, then at least two crews would be required per aircraft—
and this is the cruncher—
This would require the deployment of the bulk of the RAAF’s operational fighter pilots.

That is in the context of what the Parliamentary Library describes as ‘forces committed for deployment to the Persian Gulf’.

Madam Deputy Speaker, what I suggest to you here is that we have a government that is not rigorously looking at Australia’s national priorities or the areas where we can have our most direct, telling and tangible effects on the security of our nation and our region. We have a government that is not acting in a way consistent with Australian national interests, in a way that involves us engaging closely, sympathetically and sensitively with Muslim opinion in our own immediate region. I repeat that our largest nearest neighbour is the largest Muslim country in the world. Professor Ricklefs says that there is a battle for the heart and soul of that country going on at the moment in terms of Islamic traditions. We have to be doing everything we can to assist the forces of modern Islam, progressive Islam, to emerge as the key ideology and key faith of that country. By providing a participation in the George Bush-led crusade we may well significantly contribute to strengthening the other types of forces within that world and, in the process, I think, significantly damage our national interests.

As I have indicated, there are serious implications for the capacity of the Australian Defence Force to operate in our own immediate environment from this deployment. Overall, we need to take this opportunity to have a good look at the Franco-German initiative. We need to look at all sorts of other opportunities to ensure that the world does not experience the instability that may very well and very likely emerge from conflict and ongoing problems in the Middle East as a consequence of action there. Fundamentally, our job is to look after our own national interest.

Ms LEY (Farrer) (7.51 p.m.)—It is with great awareness of the gravity of the issues that confront us as a nation that I rise to support the Prime Minister’s statement on Iraq. And I am aware of the feelings of so many in my electorate who are disturbed and worried about the future.

Every mother imagines their own child caught in a foreign conflict not of their own making. Every parent experiences that fleeting sense of panic—that gut-wrenching feeling that
hits you when you even contemplate that your child is threatened. My own instinctive reaction was: could I send my own child to war? If not, how can I be part of a decision that sends another mother’s son?

We have to recognise that only a generation ago other women sent their men to war, many more than once. I am reminded of a fragment from the song *Mothers, Daughters, Wives*:

The first time it was fathers,
The last time it was sons
And in between your husbands
Marched away with drums and guns.

A generation lost its youth; the women who waited endured awful suffering; the men that returned carried the burden of what they had seen with them forever. One world conflict heralded another and other more localised wars followed, right down the years, until now and presumably beyond today.

We all abhor war. The stories of past wars fill us with sorrow and regret. As members, we all join with our constituents on Anzac Day to recognise that it is in no small part due to the sacrifices these men and women made that we enjoy peace and freedom today. In this debate in this House, I am sure we are one on these things. What it comes down to is whether you believe that war is avoidable and whether you believe it is the answer. Well, I firmly believe that war is not always avoidable and sometimes war is the only answer.

As the ‘no war’ movement gathers momentum, I would like those who are attracted by its message ‘War never solves anything’ and ‘War should be avoided at all costs’ to actually think their arguments through to their logical conclusion. The anti-war message these people are marching in support of needs both sides to sign on. And, of course, both sides do not. If the marches and blockades for peace, if the constant bitter criticism of the US and its supposedly devious motives, if the demonstrations and placards and furious emails that are circulating—any of these things—were able to put any pressure at all on the regime of Saddam Hussein to sign on to the cause of peace, then I would see some merit in them.

As I said, opponents of military intervention should follow their argument through to its logical conclusion. If we had not gone to war in 1939, what sort of world would we be living in? Could we have stopped the imperialist aims of Germany or Japan in any way other than war? If the Japanese occupied Australia, would they have financed our reconstruction and renewal, as America did theirs?

There is no doubt that as the world and its civilisations age its nations tend to become more sophisticated. This is particularly the case with Western liberal democracies like ours. We no longer see things in black and white, right or wrong, but in many shades of grey. And we take great delight in analysing issues, interests and perspectives from a myriad of different angles. Sometimes that is a good thing. But we have lost the ability perhaps to distinguish between good and evil. The regime of Saddam Hussein is just plain bad and we have been patient, trusting and tolerant. Many like to paint the American President as a gun-toting cowboy bursting through the swing doors of some wild west saloon, firing bullets at all and sundry, looking for that one that got away.

It has been a year since war with Iraq became a real possibility, and still hostilities have not commenced. President Bush has obtained a UN resolution, worked towards an international
coalition and waited for weapons inspector Hans Blix to report his findings. Hans Blix is of the view that Saddam possesses weapons of mass destruction. He found 16 chemical warheads, but 6,500 are unaccounted for. He has been refused permission to take surveillance flights. Iraqi scientists are not allowed to talk unsupervised. UN inspectors were kicked out of Iraq and not allowed back for four years, giving Saddam this long to hide evidence of a biological weapons program.

In Bosnia, the West did take the course of diplomacy, although it was accompanied by a threat of mild force. The situation was considered to be too complicated and too dangerous, but there were sanctions, mediations and peace brokers running around the world arranging cease-fires. The UN Security Council declared six safe areas for Bosnian Muslims to be protected by UN troops who, it must be said, were not well equipped. On 11 July 1995, like a slow-motion horror movie, the world watched Serbs enter the safe haven; disarm the protectors, who were Dutch; and separate the men and the boys from the women and the small children. We all knew what would happen to the husbands and the sons. Another year, another continent, the world watched again while one of the peoples of the sovereign nation of Rwanda attempted to exterminate the other. The UN was ignored, and no-one intervened. In Bosnia, Kosovo and Afghanistan, the peace protesters and those going along for the ride railed against the use of force, just as they are doing today. Their ranks were swelled then, as they are now, by those who believe that, no matter how bad a particular country is, the United States is always worse.

There is war in the world already today. There is war between the haves and the have-nots. There is great stress on the earth’s resources of land, water, food, timber and energy. By 2020, according to the World Bank, one in every four children will be malnourished as the world struggles to feed itself. There is a cruel connection between poverty, political chaos, the failure of an economy and environmental devastation. We know that civil war and cruel dictatorships occur in the poorest countries. The war that the Iraqi people have fought for so long and are condemned to bear the weight of is a war against poverty. The cruelest face of poverty is babies and children dying every day. The worst infant mortality and malnutrition in Iraq occurs in areas under Saddam’s control. In the northern parts, under Kurdish control, there are greater sanctions and shortages and yet fewer lives are lost. Saddam is killing more Iraqi children than anyone else. Half of Iraq’s population are children under 14. Fifteen million Iraqis depend on the oil for food program for their very survival.

I do not presume to speak for the Iraqi people, but how can they lift this oppression on their own? How can they remove this tyrant by themselves? Deep in the cockroach corners of this regime, there are some ugly things going on. According to Amnesty, the torture of political detainees takes place in the general security directorate in Baghdad, in the heart of government operations. A woman obstetrician was beheaded in the capital on a charge of prostitution. Amnesty notes that the real reason was probably criticism of the corruption within the Iraqi health services. Dozens of women—suspected prostitutes, no doubt—were subsequently decapitated in front of their homes by the swords of Saddam’s militia.

I believe that rebuilding Iraq can be a step towards building a new order in the Arab world, one in which there is no tyranny. Yes, this cannot happen without a settlement between Israel and the Palestinian people. After a childhood in the United Arab Emirates, I have a profound affection and respect for all people of the Arab world. I acknowledge that the Palestinians, who have been refugees in our world for longer than any other people—for so long they truly
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MAIN COMMITTEE

feel forgotten—deserve a homeland and self-determination. Security for Israel and justice for the Palestinians is very much a work in progress, but the present view on Iraq is not at odds with this, as some suggest. Our attitude towards Iraq relates to the fact that it is a dangerous, repressive regime and it is a humanitarian disgrace. We are not defending Western values and Western morals; we are defending the morals that good, decent people find honourable the world over.

No-one is taken in by Saddam’s excuses: ‘We never had chemical weapons or those we had we never used. And even if we did it was purely self-defence, and then we destroyed them anyway, although a few warheads did get lost. But if you say they are here then you come and find them.’

My comments in this House have always been with the argument rather than the politics. I know my constituents feel that finger-pointing and point scoring between government and opposition do not add value to the things that matter in their daily lives. After all, a government is only as good as its opposition. But I want to say that as the Prime Minister addressed this parliament on the grave and dreadful circumstances that confront us and the opposition members sneered, laughed and interjected, I felt sick. We are talking about biological weapons and they are a whole new ball game.

The British and Americans both stopped defensive biological research by the late 1960s and have since helped to make these weapons illegal. They are cheap and easy to make. It only costs $1 to create one square kilometre of casualties with germ warfare. It costs $2,000 for conventional weapons. A biological weapons arsenal is a poor country’s path to mass murder. It has been described as about as complicated as manufacturing beer and less dangerous than refining heroin. You can use the same equipment for making beer or vaccines. You can hide it and you can do it in secret. The most frightening aspect of development of this type of warfare is that we really do have the technology, with our knowledge of genetic engineering, to produce a weapon that attacks a specific racial or ethnic group, selectively targeting some in the population. Imagine what this weapon would have done in the hands of the Hutus or Tutsis in Rwanda, or in the former Yugoslavia.

There is no doubt that atrocities become more acceptable if nobody objects to them. Sudan used chemical weapons on the Iranians in the Iran-Iraq War and on the Kurds in northern Iraq. Fifteen years on they are still suffering horribly from the effects. Governments cannot do everything. They need public support and condemnation for anything to do with biological warfare. People perhaps do not really know what is going on, where the science is or what its capabilities are.

I would like to conclude by saying that the saddest thing is that all the military hardware in the world is not going to stop the suffering and loss of life that confront us in Iraq. I join my constituents in a prayer that, whatever the future holds, the loss of life and the suffering are kept to a minimum.

Ms VAMVAKINOU (Calwell) (8.02 p.m.)—There is a growing chorus of opposition against the pending Australian military action in Iraq and, while my single voice may not rise above the din of world opinion, I come with a greater responsibility, and that is to speak for the 100,000 residents of Calwell in Melbourne’s northern suburbs, who, like other members of the Australian community, want their voices heard on this issue.
Emails—we have all received them—letters, phone calls, surveys, direct conversations and petitions have indicated an overwhelming opposition to this war, in particular one without the backing of the United Nations. My constituents are largely concerned about the morality of this proposed war and have difficulty following, and I must say have not taken kindly to, our Prime Minister seemingly moonlighting as a mouthpiece for the American President. The Australian people want to know why peace is not being given a serious chance and why our Prime Minister has from the onset too readily embraced aggression as he now advances the cause for war. The PM insists over and over again that he has not yet made a final decision. This is a case of ‘he who predeploys doth protest too much’. We are going to war, and at the very least the Prime Minister can just own up to his commitment to a US-led invasion of Iraq.

There are two world camps: on one side the axis of three trigger-happy states committed to war from the beginning, and on the other the rest of the world, wanting more time to be given to the UN weapons inspectors and requesting that this particular matter be dealt with within the processes of the United Nations.

Although today’s reports that the United States is confident of a new UN resolution backing war only add to the suspicions and cynicism the general public already feel, these manoeuvrings do very little to give this war any real morality or legitimacy. Australians want us to pursue the path of peace. Their voices grow louder and clearer and no amount of spin from the Prime Minister can deny or suffocate the concern and the will of the Australian people. No amount of Bush-talk can quell our concerns either. While we all recognise that the path to peace is often fraught with difficulties and challenges, its pursuit is vital and it is our responsibility as parliamentarians to seek a peaceful conclusion to this present conflict, one that will disarm Saddam Hussein without killing innocent people.

In the pursuit of peace, we have to change the way we do things. We need to change the culture and the attitudes that too often and too quickly defer to violence and aggression as the only way to deal with conflict. Above all, we need to review the propensity of nation-states to prop up brutal and repressive regimes because of their geopolitical value at a given time and because the business of war is a lucrative one, driving the economy of some nations at the expense of other nations and people.

It has become an established practice that the value of a person’s life, their right to dignity and respect for their human rights is assessed and defined on the basis of their geopolitical status and value. This is indeed a sick world we live in. Therein lies the hypocrisy of the current conflict, and that is why I and many other Australians feel appalled and distressed at the Prime Minister’s uncouth eagerness to be a part of this international duplicity. In this debate, the issue of the relevance and credibility of the United Nations are at stake, but not for the reasons the Prime Minister and the American President proclaim. The United Nations is accused of, and derided for, failing to do its job, and it has been warned that, should it fail to secure the implementation of its own resolution, it will be cast aside as irrelevant and obsolete.

Those who accuse the United Nations and challenge it to prove its relevance are, ironically, the very ones who have used and abused its processes. The UN is now under attack quite simply because it has not fallen into step quickly and dutifully with the American agenda. There are countless examples of UN resolutions past, present and outstanding that are blatantly ignored by countries, many of which are American client states. They get away with it because
of their geopolitical and strategic importance to those countries that dominate the international arena. I share my constituents’ concern about the undermining of an institution that has served the global community for 50 years. Dangerous precedents are created when the UN can be used or ignored when required by any nation-state in order to wage war on its own terms and conditions.

What kind of war are we looking at? A quick war, we are told, distinguished by a massive bombing campaign of unprecedented size. The architect of this war plan has indicated that the goal is to avoid a protracted struggle and produce a quick surrender simultaneously—rather like the weapons at Hiroshima. Indeed, it has been suggested that there will not be a safe place in Baghdad. Also worrying are signs that the United States appears prepared to nuclear weapons. Increasingly, we recognise the tendency of the US administration to order the world community how to behave while, in the same breath, ignoring the conventions that do not suit it. The most recent evidence of this is its treatment of prisoners at Camp X-Ray and, before that, the International Criminal Court. Highly respected US commentator Samuel Huntington, in his thesis, ‘The Clash of Civilisations’ discusses a world of clashing civilisations and double standards. People apply one standard to their kin countries and a different standard to others.

Like everybody else, I want weapons of mass destruction to be destroyed and eliminated from the face of the earth. However, Saddam Hussein is not the world’s only procurer of weapons of mass destruction. Their production is, as I said earlier, a lucrative business, and the eradication would require a collective effort—a desire to put the need for a safer world ahead of profit and a fascination with developing smart and sophisticated weapons that are ultimately lethal and threaten world peace. George Bush’s determination to develop a missile defence system does not promote the eradication of these weapons; rather, it escalates the race to acquire weapons of mass destruction. It also means that the United States and other powers should cease arming dictators in the first place. Prevention is always preferable to cure.

We are concerned that the US could potentially use nuclear weapons in a war on Iraq—one that Australian troops have already been committed to. As such, our soldiers will be exposed to the use of nuclear weapons that I understand will put them in a difficult position if those weapons are used against non-military targets.

Official government and American rhetoric has spoken of the substandard conditions that many Iraqis live in, of the oppression that they live under and of the need to address this. In fact, the foreign minister has presented detailed accounts of unspeakable horror. I do not disbelieve those accounts, but I ask why we have not previously voiced our concern over the sanctions—enforced by our own contribution to the multinational enforcement team—that have led to the death of hundreds of thousands of Iraqi people, especially children.

The first international study team of the Medical Association for the Prevention of War indicates that between 50,000 and 70,000 children under five have died as a result of the Gulf War, and hundreds of thousands since. For a decade, we have ignored them, but now we evoke their misery because it is convenient to justify this war. The argument for saving and freeing the people of Iraq has a very hollow ring indeed. It has a diminished value.

The Prime Minister states that we are good friends with the United States. Indeed, we are. But good friends do not simply accept everything they are told. Friends are critical. Friends can be objective. Under Mr Howard, however, Australia has become a compliant friend,
happy to serve in its team without asking any questions, ‘ lulled by good intentions and high rhetoric’, to quote John F. Kennedy.

Is it any wonder that the US is under such scrutiny by the Australian public? We have every right to ask questions and every right to be concerned without being accused of being anti-American or naive and reckless simply because we want to defend our own Australian national interests. We should stand with the whole world in the war against terror, not just with the few. We should support all efforts for peaceful resolution, such as the current Franco-German proposal, for example. Why haven’t we explored the proposals of our European friends instead of just concentrating on being at the front of the queue in the coalition of the willing?

This began as a war on terror, yet there is no established evidence of a connection between Saddam Hussein and September 11. Indeed, as has been documented, secular dictators and religious fanatics rarely mix. British intelligence confirmed this in their report which was released last week. There is no link, because they are too different on ideological grounds. Yet in his report to the UN last week, Colin Powell indicated that there was. What are we to believe? Is there or isn’t there?

What has happened to the war on terror and where is Osama bin Laden? Strangely, there was no mention of him in the Prime Minister’s speech last week. We have to ask why. It is hard not to be suspicious of this government. If the threat of terror is so pressing, especially at home, why are our elite troops halfway round across the world? And of course there is no greater terror than war itself. A war on Iraq will make the world a less safe place and will make the so-called war on terror all the more difficult. There is no doubt that any attack on Iraq will increase and inflame an already existing hatred of the West, a lot of it stemming from feelings of resentment of the West’s military presence in the Persian Gulf and the widely held belief that this is a war for US control of Iraqi oil—not to mention that other problem in the Middle East, the Israeli occupation of Palestinian territories.

A unilateral attack led by the US will fan the anti-US cause. The fears of a war between Islam and the West could become a self-fulfilling prophecy as people begin to define their identity in ethnic and religious terms, creating an ‘us versus them’ world. I put this question to you: what would be the impact on our own society, our own multicultural society? How is our national interest served? Are we lining ourselves up for protracted struggle? We have too readily jumped into a snake pit that is not even of our own making.

As Australians, we have been proud of our decency and our unique national identity. We have also been proud of the fact that, by and large, we have not until recently had an aggressive foreign policy. To commit Australian troops to this questionable war without UN approval makes us accomplices to illegality and partners in a dangerous and reckless pursuit that will jeopardise our national interests and our national security.

Opportunity still remains, I believe, although very little, to pursue what is the more difficult of the alternatives—peace. Together, working as a parliament, representing the people of Australia, we can change the course of the world and do our part in promoting universal peace, but above all upholding our national interests.

Mr BARRESI (Deakin) (8.14 p.m.)—There is no greater issue for an MP to debate than that of committing Australian troops to a possible war. It is an issue which sits heavily on my mind and I know that it sits heavily on the minds of all in this House. Like many in this place,
my constituents have voiced their opinions to me about possible military conflict with Iraq. I have listened to their views and I know that many of them speak with great passion and great conviction on the issue.

It must of course be said that no-one wants war. We would all agree on that point. There is no side in this debate, whether it be here in this House or out in the community, that can claim a greater right to the belief of ‘no war’. But, while my role as a member of parliament is to represent my constituents, it is also to consider what is in the best interests of our nation. This does not mean that I have any greater insight than my constituents—far from it. I do not purport to be so arrogant. But we must consider not only what is in the best interests of our nation today but also, importantly, what is in the best interests of our nation for tomorrow and tomorrow’s generation. It is that latter point that convinces me of the need to support every attempt to disarm a regime such as the one that we find in Iraq today and to support the actions of the Prime Minister in his representations around the world.

As most of us know, the issue of Saddam Hussein’s possession of weapons of mass destruction is not one that has crept up on us. Australia’s pressure on Saddam Hussein to disarm is not new. Whilst our pressure has been constant, so has his refusal to comply with UN resolutions. Another element that needs to be stressed and understood is that our Prime Minister has made representations to President Bush, and has made them since last September, urging that the process of the UN be followed.

This debate on possible military action is also a debate about compliance. There may at times appear to be a multitude of information for us to draw on, but at the end of the day this whole debate is centred on Iraq not doing the things it said it would. It said it would disarm, and it has not. Iraq agreed to destroy biological and chemical weapons in 1991, and it has not done so. The United Nations, through the Security Council as the highest order of international arbitration, explicitly requested that Iraq disarm, and it has not—or, more importantly, it has not demonstrated to the world that it has.

There are a number of other facts that warrant examination. Firstly, as the Prime Minister said, the Iraqi government does possess the motivation and the means, if not the actual weapons of mass destruction. Its propensity to use them ought not to be tested. It has history and form on its side. It has used biological and chemical weapons of mass destruction not only on its own people—5,000 people wiped out—but also on its neighbours. Saddam Hussein has the willingness. This differentiates Iraq from other nations that have weapons of mass destruction. It cannot be placed in the same camp as other nations that have those weapons. Saddam Hussein is willing to use them and, importantly, he has used them. Nothing about what he has done in the last 12 years gives me any great comfort that he has changed his mind and his intentions.

Secondly, the government of Iraq has not adhered to previous resolutions of the UN Security Council. It has thumbed its nose at them. Saddam Hussein has attempted to question the authority of the UN, an authority that strives to ensure peace and security. The United Nations has ingrained within it the ability to ask and expect that its resolutions be accepted. UN Security Council resolution 687, passed on 3 April 1991, states in simple terms, in paragraph 8:

Iraq shall unconditionally accept the destruction, removal or rendering harmless, under international supervision, of: (a) All chemical and biological weapons ... and (b) All ballistic missiles with a range greater than 150 kilometres ...
This has been repudiated by the report recently brought down by Hans Blix.

The third undeniable fact is that diplomatic channels are being followed. The primary focus of diplomacy, of course, must rest with the United Nations. It is our hope, as outlined by the Prime Minister, that, if action is taken against Iraq, that action is at the behest of the UN Security Council.

Many have argued for a peaceful outcome. That has been at the forefront of the dialogue that I have had with my constituents, and I too share their hope. However, the peaceful processes, being the processes of the UN, have been followed since 1991. There have been 16 UN resolutions condemning Iraq’s noncompliance. How many more resolutions must there be? To me, that says that up until now the peaceful process has been waning. The UN Security Council, as a principal body of the United Nations, strives for peace and security. However, that adds another element to this debate. If you want peace, it is logical to expect security to be ensured first.

I pose a question to those who question Australia’s involvement in this issue. Without security, how can there be any chance of peace? As we speak, Saddam Hussein has refused to demonstrate that he does not have in his possession weapons of mass destruction. Only at such time as that uncertainty is removed will the world community be satisfied. Australians have every right to feel insecure. First, there was the terrorist attack on Bali; now there is the possibility of war. ’What next?’ many are asking. It is that very sense of insecurity that has been called into question. We are vulnerable while there are despots in the world who are a danger not only to their own people but also to their neighbours. They threaten the very values of freedom and democracy that we hold dear. That threat is real; it is also undeniable.

Whilst we may recognise a threat to our peace and security, we should think about the threat Saddam poses to his own people. The dictatorship within that nation, the abuse of humanitarian rights and the slaughter of innocent people—the slaughter of anyone who disagrees with his regime—are well documented and understood.

Therefore I return to the central question: if we want peace, how can we ensure we get it without security first? Some Australians are reluctant to be involved in any form of military action. Instead, they advocate peace. I suggest that pursuing a peaceful outcome is paramount; every effort should be made to do just that. But ignoring security threats is also a foolish path to walk down. This is not a matter of nations against nation but of compliance versus non-compliance, of security against insecurity and a despot with weapons of mass destruction. It is also an issue about the future and relevance of the United Nations itself. There should be no doubt in our minds—and certainly the minds of all Australians—when we question what is at stake here.

We are at the crossroads, confronted with two issues. First, we are combating a new world order, an order that sees terrorism attempting to grab hold of our daily routine. Secondly, we are forced to confront the threats of weapons of mass destruction. Overriding these threats is a threat to world order itself. If the United Nations’ authority remains tested and unresolved, I fear that the United Nations may become irrelevant and, in its irrelevance, face the same fate as its predecessor, the League of Nations. For the sake of peace, I sincerely hope that the security of citizens all over the world is at the forefront of the deliberations of the Security Council. It is then and only then that the foundations of peace will be laid.
Australia is indeed fortunate to have a Prime Minister who has demonstrably put our interests first rather than responding to every twist and turn in the opinion polls. The way in which he has handled this matter and the leadership he has shown will never be seen from the other side. The Leader of the Opposition has seemingly ignored the sovereignty of Australia. Our position to follow the UN channels has been projected both at home and abroad by the Prime Minister and the Minister for Foreign Affairs. There has been no deception on this side. There certainly has been preparation, which, as the Prime Minister says, is befitting in any prospect of military action. The only deception has been brought about by the Leader of the Opposition. He is attempting to hoodwink the Australian people, yet he is attempting to hoodwink the Australian people without even recognising the facts of the issue.

The Leader of the Opposition, through his ignorance, underestimates the intelligence of the Australian people. His predecessor certainly had a better grasp on these issues. The member for Brand understood the need for the pre-positioning of Australian forces when, in 1998, he said:

... part of the reason why we have supported the Government in giving our approval to the steps that they’ve taken thus far, has been to assist in putting pressure on Saddam Hussein. And there’s no doubt in my mind if there had not been pressure coming in from those who are prepared to be part of a coalition, the energising of the UN Security Council and the energising of a couple of members of the UN Security Council—Russia and France—to try and find solutions, simply wouldn’t have occurred.

This was the member for Brand speaking in 1998. The case for action mounts, as it has done for the past 12 years. I say to those who claim we need more evidence beyond Secretary Powell’s submission to the Security Council: we will probably never see evidence that would pass the test of evidentiary proof normally expected in a court. But is it right for us to play Saddam Hussein’s game of ‘catch me if you can’? What happened to the tonnes of chemicals? We simply cannot take the dictator’s word for it that they have been destroyed. We have been burnt too many times by his game playing.

Some in this place question the legality of action against Iraq should the Security Council fail to pass a second and strong resolution. In my understanding, there are only two scenarios that render legal the use of force in these circumstances: one, Security Council resolution authorising the use of force; and, two, anticipatory self-defence. In the latter, the defending state would need to prove that its security was at risk—a case possibly well argued by the United States, which may then call into effect the ANZUS treaty. It is a development that I am sure we will all watch carefully over the ensuing weeks.

There have been exceptions to both of those. The actions by NATO in Serbia are all too recent. The world marshalled its forces—particularly the European nations, some of whom right now are opposed to military action—to oust a dictator in Kosovo. The Australian people were behind it. While we did not commit military forces, it was an action that had the support of the international community but it never had a United Nations resolution to support it. The Cuban missile crisis was also resolved without a UN resolution.

To some, this is a complex international relations concern; to others, the case is clear-cut. I believe that a peaceful resolution is now in the hands of Saddam Hussein. Pending the UN Security Council’s resolution on possible action, Hussein needs to understand that the authority of the United Nations cannot continue to be tested and remain unchallenged. Failure to comply with the nonproliferation treaty and posing a real threat to the security and peace of
Ms CORCORAN (Isaacs) (8.28 p.m.)—There are several points to be made in this debate on whether or not Australia should support a war on Iraq or, indeed, whether there should be any attack against Iraq at this stage. The first point is to query why there is interest in a war with Iraq. There have been a number of reasons put forward for attacking Iraq; however, most of these reasons do not stand up to the test of consistency or logic. One reason put forward is that Iraq is breaking international law by not complying with its disarmament obligations. Iraq is not the only country not meeting its obligations, but I do not hear serious threats of war being made against other countries.

Another reason put forward is the need to dispose of a terrible regime. There is no serious argument that Hussein is anything other than a brutal leader with no interest in the wellbeing of his people or his country. Hussein is not the only bad ruler in the world, but I do not hear threats of war against other regimes. The other inconsistency in this argument is that we have not heard about plans for after the war—after Hussein is disposed of. Iraq does not have a history of reasonable democratic governments, and a lot of work will need to be done if that is the objective. Even if we accept this reason, how does the war help the people of Iraq? History tells us that wars do nothing for the people of the countries concerned, other than add to their hardships. Others link Hussein with terrorism threats and particularly with the events of September 11. There have been claims of this but no evidence to date. Other regimes have also been associated with September 11 but there are no threats against these countries.

In passing, it should be noted that, although there has been no evidence to connect Saddam Hussein with the recent terrorists, there are an increasing number of people, who should know better, who are trying make the association. It is irresponsible and mischievous to try to increase the level of fear amongst people by suggesting a link for which there is no evidence.

Another reason put forward is that the United States is more interested in oil wells than anything else. Whatever else, it is clear that there are a number of agenda issues at stake here but none of them support a case for immediate or unsanctioned intervention in Iraq. Whatever the reason for going to war, the important point is that the United States and every other country, including Australia, must observe the processes of the United Nations.

The United Nations was established after the Second World War in an attempt to avoid the waste and destruction of another war. A key role, although not the only one, of the UN is to find peaceful solutions to tensions and problems that arise around the world. For any country to now ignore the UN processes is to thumb their nose at international law, their international neighbours and every decent thinking person.

In November 2002, the United Nations passed a resolution that required the head of the United Nations Monitoring, Verification and Inspection Commission and the head of the International Atomic Energy Commission to update the UN Security Council on Iraq’s compliance with its disarmament obligations. These inspectors presented their first report to the UN on 27 January 2003 and another report is expected on 14 February this year. The inspectors’ first report made a number of points: Iraq has generally complied with its disarmament obligations; Iraq has not provided a complete and accurate account of its weapons programs; there is no evidence so far of a nuclear weapons program but that more time would be needed to complete this task; Iraq has cooperated on issues of process but not on the substance of the
inspections; Iraq has been slow to respond to some requests made by inspectors and isn’t providing active assistance. The most important point made is that, despite all of the disappointing findings, the inspectors are also saying that there is still a way of resolving these issues peacefully and that time is needed to do this.

The main questions that are now exercising all of our minds are: should Iraq be attacked now because it has not yet fulfilled its responsibilities as set out by the UN regardless of decisions by the UN? If the USA does act now without the support of a UN decision, should Australia fall in behind and join in the attack? If the UN does eventually decide to attack Iraq, should Australia actively support that decision?

There are a number of people who argue that enough is enough and that the USA should move in now to sort out Iraq. I do not agree. If the US decides to ignore the UN processes, it takes itself outside international law—it puts itself in a similar situation to Iraq. Remember that one of the reasons the USA cites for attacking Iraq in the first place is that Iraq is operating outside international law by ignoring its disarmament obligations. The USA cannot morally or logically argue that it has any right to act outside the UN processes and attack Iraq because Iraq is not meeting its obligations.

It follows then that if the United States does decide on unilateral action against Iraq, Australia must not follow. The arguments for not attacking Iraq without UN sanctions apply to Australia even if the USA decides to go without the sanctions. Australia should be strong enough to stand up for what we believe, even if our friends do not agree.

Many people have contacted my office, as they have contacted many other members’ offices, to register their firm conviction that Australia must not act without UN sanctions. I absolutely agree with them. A number of people go further than that and say that Australia should not join an attack against Iraq even with UN sanctions. Whilst I understand why people feel like this, I cannot agree, and I want to put on record my reasons for not agreeing with this point.

I want to be very clear on this matter. I am opposed to war. I do not think that it achieves anything and it inflicts enormous suffering on all those involved. However, I do accept that sometimes—rarely—war is an appropriate course. I draw the parallel with a threat against a member of my family. I would attack to defend my children if necessary despite my firm belief that violence is wrong. Just as I would do this, so I accept that there occasionally comes a time where attack is the only alternative. It seems to me that, if we are arguing that Iraq and the USA must comply with UN resolutions, then it follows that Australia must do so too. If the worst happens and the UN decides that action is needed, then Australia has an obligation to support that action within the limits of our capacity.

To argue for peace and to then avoid playing our role in attaining that peace once all other options have been exhausted is not a good or honourable way to behave. It is with a very heavy heart that I say this and I hope we never get to this point. I stress again that we are not yet at this point with Iraq. The weapon inspectors argue that we can still achieve a peaceful disarmament. Reports today of the option of UN mandated peacekeepers, being discussed by France and Germany, may well be the answer.

I want to express my disgust at the way this issue is being handled by this government. Throughout this issue the Prime Minister and his ministers have treated the Australian people with disdain and arrogance. The Prime Minister has not been open and honest with us. He has
not kept us informed of the decisions he has made. The Prime Minister is saying that he wants a peaceful solution and that he has not committed Australia to supporting the USA. However, his actions say otherwise. The glaring example of this duplicity is the deployment of our troops a few weeks ago. Sending troops and machinery off to the Middle East and to say at the same time that no commitment has been made to the USA is breathtaking. If there is any doubt about the matter, take note of the leaked confidential foreign affairs department document in which the foreign affairs minister states that, although he would prefer UN-sanctioned action, the government is not in a position to withdraw our ships if that sanction does not eventuate.

The final point I want to make tonight is the importance of drawing the distinction between, on the one hand, utterly opposing the actions of the government in committing our service men and women to this action and, on the other, not being critical of the troops themselves. It is to our shame that those who served in Vietnam a generation ago bore the brunt of anger felt by many Australians about our involvement in that conflict. Our troops have no choice but to follow orders; indeed, I would not want it any other way. But we must make sure this time that we do not take out our anger and frustration on the men and women who are sent overseas. We must hold and direct that anger and disgust towards the right people—that is, the government which made the decision.

**Dr SOUTHCOTT (Boothby) (8.36 p.m.)—**The issue under discussion is one of the most serious the parliament can consider. It relates to our future security and to the proliferation of weapons such as anthrax, mustard gas, botulism toxin and nerve agents such as sarin and VX. It relates to the proliferation of missiles and, potentially, nuclear weapons.

Listeners who have been following this debate could be forgiven for thinking that the central issue was the Prime Minister and the US administration. Saddam Hussein and his arsenal rarely rated a mention last week. Disarmament has been one of the fundamental objectives of the Left in Australia, but, when presented with a tough choice to effect disarmament, the Greens, the Democrats and the left wing of the Labor Party find it all too hard. The only thing they have to offer is to run diversions: ‘Oh, it’s all about oil’ or ‘Look at North Korea’. They question the motivation and look at other regimes. None of these diversions presents a cogent argument for doing nothing in Iraq.

As the member for Flinders said earlier, the cost of inaction is for the human rights abuses in Iraq to continue. Australia have a proud record of standing against proliferation of inhuman weapons, but we have to recognise that 12 years of UN Security Council resolutions and eight years of weapons inspections have failed to contain Saddam Hussein. We must recognise that Saddam still harbours plans to obtain more deadly weapons in the future. The parliamentary debate last week from the opposition was at times emotional and irrational. At many times it was personal. Can you imagine what would happen if government members talked about the Presidents of China and Russia and the Prime Minister of Japan in the sort of language we heard from opposition members? The parliament witnessed the most virulent outburst of puerile anti-Americanism since the 1970s. In fact, it was worse than during the Whitlam years. One example from the member for Werriwa:

Bush himself is the most incompetent and dangerous president in living memory.

The member for Melbourne drew a moral equivalence between Iraq and the United States in saying that Iraq:
... has launched invasions of other nations in recent times, as has the United States.

But the thing that was different about this debate is that the Leader of the Opposition is the first Labor leader I can recall who has failed to repudiate those comments by members of the Labor Party. Can you imagine Bob Hawke, Paul Keating or Kim Beazley letting these comments from senior frontbenchers go through to the keeper? These Labor leaders understood the importance of the American alliance and the access it gives us to intelligence sharing and to modern defence equipment. More importantly, what did all the abuse achieve? If, as it seems likely, the United Nations Security Council passes a resolution which authorises the disarming of Iraq, I presume the majority of the ALP will support Australian involvement. So we have been on an exercise of personal anti-Americanism, of distressing the families of members of the ADF who are going off to the predeployment—for nothing, for what is an academic point: the issue of the United Nations.

Newspoll findings reported in the Australian last Monday showed that only 18 per cent of Australians were in favour of military action without UN support, while 57 per cent were in favour with UN support. While the support of the United Nations is preferable, it is not essential. If we think back to the Cold War, for its whole duration the United Nations Security Council was unable to pass chapter VII resolutions due to the veto of the superpowers. The Korean War was authorised by the UN Security Council only because the Soviet representative was boycotting the council at that time. The Gulf War was authorised through UN Security Council resolution 678 with the consent of the Soviet representative at that time.

Labor has always approached the United Nations with a reverence which ignores its record and which ignores reality. In 1954 Richard Casey talked about how Labor was fascinated with what he called the ‘abracadabra of the United Nations’. The problem with this reliance on a UN Security Council resolution is that it is a clever device to paper over some very nasty divisions in the opposition. If the UN Security Council leaves us with an ambiguous resolution or does not pass a resolution authorising the use of force, Saddam Hussein will still have stockpiles of anthrax, mustard gas, botulinum toxin, missiles and nerve agents—and the issue will still be there.

Labor has a long tradition of putting its head in the sand whenever security is threatened. Labor’s approach to the rise of Hitler was to ignore the problem. In response to the invasion of Czechoslovakia, John Curtin in a speech to the House of Representatives on 27 September 1938 said:

Our view, based on an acute realization of all that has happened to Australia in the last twenty-five years, is that the wise policy for this Dominion is that it should not be embroiled in the disputes of Europe. ... The wars of Europe are a quagmire in which we should not allow our resources, our strength, our vitality to be sunk ...

As Senator Brandis pointed out in the Senate last week, Curtin later realised how much he had misjudged Hitler and how wrong he had been. But this device which he came up with united the Labor Party with both the appeasers and the isolationists at the time—in much the same way as this device of the UN Security Council has been used in this debate.

We should recognise that the UN Security Council does not have a perfect track record in building peace and in preventing conflict. In 1994 in Rwanda, United Nations peacekeepers stood by while over a million Rwandans were killed. In Bosnia, 250,000 were killed through ethnic cleansing while the West looked on. If you recall, the killing in Bosnia only stopped
with the NATO air strikes and action in 1995. Compare that with the more recent actions which this government has either supported or led. I am speaking here of East Timor, the INTERFET operation, which was a great success and which was, of course, authorised as a chapter VII resolution by the United Nations. The humanitarian intervention in Kosovo was not authorised, yet it saved the lives of many Kosovars and was, once again, in response to aggression from Slobodan Milosevic.

If the UN does pass a chapter VII resolution authorising the international community to use whatever means necessary to disarm Saddam Hussein, there is not a great difference between the government and the opposition. The Labor Party have ramped up the rhetoric against a possible military action, which, if the UN Security Council passes the resolution, they will ultimately support. Having raised the expectations so high, it will be hard for them to explain to their supporters that they actually do not oppose the use of force to disarm Iraq.

Why should Australia be there? Australia has always stood against aggression. After the fall of France in 1940 we were one of only a handful of countries which were fighting Nazism and fascism in North Africa and Europe. We have long been active in supporting global non-proliferation of biological, chemical and nuclear weapons. Defiance by a rogue state will only encourage others to develop deadly weapons. My concern is that in the future, 10 or 20 years down the track, you will see any number of countries that will think, ‘Iraq got away with it; North Korea got away with it; let’s start developing chemical and biological weapons.’ Lastly, we cannot be sure that these weapons will not be passed onto a terrorist group.

There is a fear in the community that the predeployment of troops and the current military build-up in the Persian Gulf can only lead to war; that Saddam Hussein’s recent actions—his re-admittance of the UN weapons inspectors and, even more recently, his permission for one-on-one access to Iraqi scientists—showed that, if there is one thing that Saddam Hussein will respond to, it is force, and only force. It is why we predeployed the SAS in 1998. I note that that predeployment was supported by the ALP. The only chance for peace rests with Saddam Hussein complying with his obligations to the UN.

What we have seen in the debate is that the Labor Party finds it easier to attack than to put up any alternative. I am yet to hear an alternative for how to disarm Iraq. This opposition is just irresponsible. You see it by counterpoise with the approach taken by the British Labour Prime Minister, Tony Blair. We will never hear of that from those opposite. Labor sees George Bush and John Howard as easier targets than Saddam Hussein and even Tony Blair. In his 53-minute speech on Iraq last week, Simon Crean, rather than arguing an alternative view, degenerated into an antigovernment spray which mentioned Prime Minister Howard 88 times, George Bush 11 times and Saddam Hussein four times. Tony Blair rated only one mention. Of the 50-odd Labor speakers last week, only six mentioned Blair; but almost all seem fixated by Bush and Howard. Tony Blair has similar issues with his backbench to those that Simon Crean faces. Yet in the House of Commons on 3 February, he said:

I repeat my warning ... unless we take a decisive stand now, as an international community, it is only a matter of time before these threats come together ... That means pursuing international terrorism across the world in all its forms. It means confronting nations defying the world over weapons of mass destruction. As I said, Tony Blair does have opposition on his backbench, just like Simon Crean. But he is a strong leader who is prepared to stand up for what is right and what is in the British national interest.
We often hear that it is only America, Britain and Australia that feel this way. Yet the prime ministers of Spain, Portugal, Italy, the UK, Hungary, Poland and Denmark, and the President of the Czech Republic, wrote a letter which emphasised shared values with the United States, the September 11 attacks and the United States role in setting Europe free from Nazism and communism. It went on to say:

The combination of weapons of mass destruction and terrorism is a threat of incalculable consequences ... Resolution 1441 is Hussein’s last chance to disarm using peaceful means. The opportunity to avoid greater confrontation rests with him.

We have seen Iraq’s track record. Iraq invaded Iran; Iraq invaded Kuwait; Iraq fired missiles on Iran, Saudi Arabia, Israel, Bahrain and Qatar; and Iraq has long been involved in the funding of terrorists. I support the Prime Minister’s motion.

Ms GEORGE (Throsby) (8.50 p.m.)—’Peace is possible, war is not the answer!’ rang out the voices of 5,000 citizens in one of the largest demonstrations, if not the largest, ever held in Wollongong. It strengthened my conviction that, even at this late stage, war with Iraq is neither inevitable nor in Australia’s national interest. To say so does not mean that I am anti-American or that I fail to understand the importance of the US-Australia alliance. In my view, any constructive relationship should be based on mutual respect, not on subservience.

The Iraqi government, headed by Saddam Hussein, is a militarised authoritarian regime which has a shocking record of abuses of human rights, including execution of trade union leaders and political opponents. Saddam is guilty of horrendous atrocities against his own people. All of that is well understood by the citizens of Australia and is widely condemned.

It is understandable that the world and its people have grown even more anxious about the use of biological and chemical weapons by terrorist organisations post the horrendous September 11 and Bali tragedies. But would a war on Iraq guarantee that there would be no repeat of those horrendous events? We know that these agents of destruction can be sourced from other countries. Remember the use of ricin in the subway attacks in Tokyo in 1995; and remember very recently when Jack Straw, the UK Foreign Secretary, affirmed that he had ‘seen no evidence to link the Iraqi regime with Osama bin Laden, al-Qaeda or the Taliban’.

While it appears that stores of chemical and biological agents remain in hidden in Iraq, there is no evidence that Iraq has a nuclear weapons capacity. Iraq is only one of several countries which in recent years has produced anthrax. It is therefore vitally important that the current inspection regime verify that any stocks of this highly toxic agent are destroyed.

I take pride in the fact that Australia has played a leading role in recent years in trying to introduce a verification regime into the biological weapons convention. But why has the United States been one of the key countries blocking these efforts? The hypocrisy of the leading hawk in the US administration, Donald Rumsfeld, is hard to comprehend. In December 1983 it was Rumsfeld, then a special envoy to the Middle East, who travelled to Baghdad to inform Saddam Hussein that the United States was ready to resume full diplomatic relations with Iraq. This resumption of diplomatic relations was proposed by him, despite warnings from the US State Department that Iraq was engaging in ‘almost daily use of chemical weapons’ in its war against Iran. There is no doubt that US corporations—along with British, French and German corporations, and others—assisted Iraq’s weapons build-up, including biological agents.
My greatest fear is that a war on Iraq, which has as its aim the elimination of weapons of mass destruction, would provide an even greater rationale for their further proliferation and would give oxygen to the growing threats posed by international terrorism. We all remember the images of burning oilfields during the Gulf War; but what if military action ignites more than oil and sets the politics of the Middle East ablaze? Further fuelling the fires of violence that are already consuming the region will only exacerbate intense hatreds, strengthening extremist ideologies and breeding further global instability and insecurity. Is this what we as a people want? Will such an outcome be in the best long-term interests of our nation and our people? I believe not.

All peaceful and diplomatic means to compel Iraq to comply with UN Security Council resolutions have not yet been exhausted. Of interest in this regard is the statement made by the Catholic Bishop of Wollongong at Saturday’s rally that His Holiness the Pope is due to meet Tariq Aziz. So not all diplomatic measures have yet seen fruition.

The hawks in the Bush Administration argue in essence for a preventive war, so it is not surprising that they seek to exaggerate Iraq’s capabilities and to inflate the risk. But in my view recourse to war is not justified given that there is no evidence of an imminent threat to any country, let alone Australia. I am heartened to hear of the latest proposals advanced by Germany and France as a credible alternative to war—a strategy of vigilant containment. Such a position has been advanced by numerous respected academics, including Stephen Walt from the John F. Kennedy School at Harvard, who concluded a perceptive analysis with these words:

Both logic and historical evidence suggest a policy of vigilant containment would work

Enormous power is vested in the UN Security Council for the resolution of international disputes. Due and consistent process provides for the exercise of a veto power on the part of any permanent member, a power that has previously been exercised on many occasions by the United States. I await the final outcome of the weapons inspectors’ report due to be presented this Friday, 14 February, and the Security Council’s response to it.

Finally, I share these sentiments expressed in a recent Oxfam document:

It is very difficult to see how a military strike on Iraq can be justified, nor indeed how such an attack could be waged without violating international humanitarian law.

Article 54 of Additional Protocol 1 of the Geneva Convention prohibits attacks upon ‘objects indispensable to the survival of the civilian population.’ In Iraq, this would include ports, roads, railways and power lines. The convention states ‘... in no event shall actions against these objects be taken which may be expected to leave the civilian population with such inadequate food or water as to cause its starvation or force its movement.’ Given this, it is difficult to see how an attack on Iraq cannot fail to violate international humanitarian law.

The long-suffering and innocent citizens of Iraq must be given hope that there are alternatives to both dictatorship and war. A war would have unacceptable humanitarian consequences, including large-scale displacement of people, great numbers of refugees, the possibility of civil war and major unrest across the entire region. The World Health Organisation estimates 100,000 direct and 400,000 indirect casualties of war, with pandemic outbreaks of cholera and dysentery. The number of people requiring medical treatment is estimated in a UN report to be as many as 500,000 if there is war. In the total Iraqi population of 26.5 million people, 13 million are children, of whom already some two million are moderately mal-
nourished. They, along with one million pregnant and lactating women, are particularly vulnerable to disease and death. The Iraqi water and sanitation system is already on the verge of collapse, with 500,000 tonnes of raw effluent pumped into freshwater sources on a daily basis. An estimated 900,000 refugees will require assistance—100,000 immediately, with as many as 500,000 people estimated to end up in transit camps on Iraq’s borders.

And at the end of the war—and who knows how long it will take to impose a ‘regime change’—there will be the massive task of reconstructing and rebuilding a devastated nation. The rebuilding of Iraq is estimated by the UN Development Program at a cost of about $50 billion. But it seems to me from the Afghanistan experience that regime change is no guarantee of a decisive change for the better in the lives of ordinary folk; at least not in the short term.

There is, in my view, a credible alternative strategy to force Iraq to comply with its obligations. Such a policy of even more vigilant and interventionist containment would spare the innocent citizens of Iraq from the potentially horrendous impacts I have referred to. In the absence of any imminent threat from Iraq to another nation, let alone Australia and its people, we should give the peaceful alternative every chance of success. As best as I can assess, the people in my community do not support Australia’s involvement in the war against Iraq. I am in this chamber to give political voice to the sentiments expressed at the rally in Wollongong on Saturday. I will continue to do so both in my caucus and in the parliament. I believe that peace is still possible and war is not the answer.

Debate (on motion by Ms Burke) adjourned.

Main Committee adjourned at 9.01 p.m.
QUESTIONs ON NOTICE

The following answers to questions were circulated:

**Taxation: Charitable Institutions**

(Question No. 36)

Mr Murphy asked the Treasurer, upon notice, on 13 February 2002:

Will he obtain Income Tax Exemption Charity Status for non-profit child care centres that look after children, including children with a disability, children with special needs, Aboriginal children and children from disadvantaged families; if not, why not.

Mr Costello—The Minister for Revenue and Assistant Treasurer has provided the following answer to the honourable member’s question:

Yes.

Under the income tax law, charitable institutions and charitable funds can apply to the Australian Taxation Office for income tax exempt charity status. At present the tax law does not define the term ‘charity’, and so the common law definition is used. That definition does not include childcare centres. However, on 29 August 2002, the Government announced its response to the Report of the Inquiry into the Definition of Charities and Related Organisations. This announcement included the intention to enact a legislative definition of charity for the purpose of the administration of Commonwealth laws. That definition will explicitly include not-for-profit childcare services. This legislation is intended to begin on 1 July 2004.

Taxation: Charitable Institutions

(Question No. 37)

Mr Murphy asked the Treasurer, upon notice, on 13 February 2002:

(1) Is there a large number of anomalies associated with the current definition of a charity as a benevolent institution under the Income Tax Assessment Act 1997 (ITA Act).

(2) Will amendments to the ITA Act need to be made to reflect community needs to enable charitable entities to benefit from tax deductible donations to assist their work.

(3) In view of the need for some charitable entities like the Breast Cancer Action Group NSW to undertake advocacy on behalf of their clients, is he prepared to recommend to the Government that amendments to the ITA Act should be made to ensure that such advocacy activities should not be a disqualifying criterion for Deductibility Gift Recipient Status; if not, why not.

(4) Does the St Vincent de Paul Society enjoy Deductible Gift Recipient Status; if so, is the Society precluded from engaging in any form of advocacy on behalf of the people it assists; if so, why; if not, why not.

(5) Is the St Vincent de Paul Society precluded from engaging in any form of advocacy on behalf of the people it assists; if so, why; if not, why not.

(6) Did the Charities Inquiry complete its report by 30 June 2001; if not, why not.

(7) Will the Charities Inquiry report be made available to the public during the 40th Parliament; if so, when; if not, why not.

Mr Costello—The Minister for Revenue and Assistant Treasurer has provided the following answer to the honourable member’s question:

(1) The tax law does not define the terms ‘charity’ or ‘public benevolent institution’ and so the common law definitions derived from various court decisions handed down over a number of years are currently used for both terms.

(2) The Government announced its response to the Report of the Inquiry into the Definition of Charities and Related Organisations on 29 August 2002. This announcement included the intention to establish a new category of deductible gift recipient for charities whose principal activities promote the prevention and control of harmful and abusive behaviors among humans. This will assist such organisations in attracting public support for their activities. The new category will apply from 1 July 2003.
(3) Undertaking advocacy activities that are merely incidental or ancillary to the dominant purpose of a deductible gift recipient will not disqualify an organisation from being a deductible gift recipient.

(4) According to the Australian Business Register (ABR), the Society of St Vincent de Paul Pty Limited is endorsed as a deductible gift recipient from 1 July 2000. Undertaking advocacy activities that are merely incidental or ancillary to the dominant purpose of a deductible gift recipient will not disqualify an organisation from being a deductible gift recipient.

(5) As Question (2).

(6) Yes.

(7) The report was made available to the public on 24 August 2001.

**Australian Taxation Office: Information Technology**

(Question No. 91)

Mr Kelvin Thomson asked the Treasurer, upon notice, on 13 February 2002:

1. What has been the total outlay by the Australian Taxation Office (ATO) on the EDS contract in each financial year since EDS won the information technology delivery contract for the ATO.

2. What sum has been spent by the ATO for non-EDS delivered IT functions in each financial year since the commencement of the contract.

3. What is the price charged by EDS to the ATO for a basic call out.

4. What was the total cost of the ATO’s IT functions prior to the contract being outsourced to EDS and did that cost include the cost of call outs.

5. What was the total cost of the ATO’s IT functions after the contract was outsourced to EDS, including the internal support and does that cost include the cost of call outs.

6. Further to the answer to question No. 799 (Hansard, 19 October 1999, page 11914), will he provide copies of the reports EDS is required to prepare each month on service levels, since the commencement of the contract until 1 May 2000.

Mr Costello—The Minister for Revenue and Assistant Treasurer has provided the following answer to the honourable member’s question:

1. EDS assumed responsibility for the provision of information technology and telecommunications services to the ATO on 24 June 1999. Please refer to the attached table for the amounts outlaid by the ATO to EDS for the provision of information technology and telecommunications services for each financial year.

2. Please refer to the attached table for the expenses associated with non-EDS delivered information technology functions for each financial year.

3. For call outs during contracted support periods, the price of call outs to repair equipment is included in the monthly charge for each category of equipment.

4. Please refer to the attached table for details of the operating expense of information technology and telecommunications provision for the 1998/99 financial year. The expense included the cost of call outs.

5. Please refer to the attached table for the total cost of the ATO information technology and telecommunications functions for each financial year.

6. The reports provided by EDS are extensive and cover a range of aspects of information technology and telecommunications performance including mainframe, network, desktop computers, printing and help desk support. The reports are technical in nature, complex and voluminous and I am not prepared to authorise the use of the time and resources necessary to collate them. EDS has generally met the operational service levels specified in the ATO Services Agreement for IT&T Services and Industry Development, and there has been continuous improvement in service delivery and in refinement of processes over the course of its operation. The ATO believes that it is continuing to make savings through the outsourcing of its IT&T, taking cognisance of a Deloitte Consulting report that assessed savings of $6.75 million relative to the baseline for Year 1 of the ATO outsourcing initiative. It is not possible to quantify savings against the original cost baseline for later years due to the substantial changes to the IT&T infrastructure service delivery that have occurred.
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<tr>
<td>1999/2000</td>
<td>$272M</td>
<td>$247Mb</td>
<td>$142.7M</td>
<td>$104.3M</td>
</tr>
<tr>
<td>2000/01</td>
<td>-</td>
<td>$303Mc</td>
<td>$197.7M</td>
<td>$105.3M</td>
</tr>
<tr>
<td>2001/02 to 31 January</td>
<td>-</td>
<td>$238.8M</td>
<td>$112.8M</td>
<td>$126Md</td>
</tr>
</tbody>
</table>

Notes

(a) Previously reported, in the ATO response to Question On Notice 1558 from Mr K J Thomson to the Treasurer on 29 May 2000, as approximately $181M which included some $17M of internal cost attribution.

The figure also included full year expenditure in relation to the Child Support Agency to which the ATO continues to provide information technology and telecommunications services but which moved to the Family and Community Services portfolio during that year.

(b) Previously reported, in the ATO response to Question On Notice 1558 from Mr K J Thomson to the Treasurer on 29 May 2000, as approximately $272M which included some $25M of internal cost attribution.

The figure did not include any expenditure in relation to the Child Support Agency.

This was the first full year of outsourcing. The increase in operating expenditure from the previous year reflected the additional workload required to prepare for and implement tax reform initiatives.

(c) The increase in operating expenditure reflected the workload associated with ongoing implementation of tax reform initiatives and the bedding down and refinement of their delivery.

(d) The non-EDS costs include IT-related functions performed outside ATO Technology, such as other Business Line-developed applications.

Housing: First Home Owners Scheme

(Question No. 202)

Mr Bevis asked the Treasurer, upon notice, on 12 March 2002:

(1) How many applications for the First Home Owner Grant for the (a) construction of new dwellings and (b) purchase of existing dwellings were approved in each month in each State and Territory since the scheme commenced.

(2) For each of the applications approved, what was the postcode of the applicant.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) and (2) The First Home Owners Scheme is being administered by the States and Territories, consistent with the principles outlined in the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations endorsed by Head of Government in June 1999. Detailed information on applications is not held by the Commonwealth.

Economy: Debt Management

(Question No. 785)

Mr Murphy asked the Treasurer, upon notice, on 19 August 2002:

To further reply to part (2) of question No. 357, can fiscal management of debt in Australia be recovered through taxation revenue, rather than reliance on sale of capital assets to service Commonwealth debt; if so, how; if not, why not.

Mr Costello—The answer to the honourable member’s question is as follows:

The Government’s medium-term fiscal strategy is to maintain budget balance, on average, over the course of the economic cycle. The strategy is outlined in the 2002-03 Budget Paper No. 1, page 1-7.

Since coming to Office, accumulated surpluses have been used by the Government to pay off debt, thereby lowering future interest payments.
Taxation: Concessions
(Question No. 1079)

Dr Emerson asked the Treasurer, upon notice, on 11 November 2002:

(1) What has been the annual cost of the research and development (R&D) Tax Concession as reported in the Budget since 1996.
(2) Do these official estimates of the tax concession cost include the effect of higher personal income tax revenue as a result of companies distributing less dividend imputation credits.
(3) If not, what has been the net cost of the R&D Tax Concession since 1996 once this additional revenue is taken on account.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) The annual cost of the R&D Tax Concession is reported in the Tax Expenditure Statement.
(2) Yes.
(3) Not applicable.

Defence: National Service Medal
(Question No. 1137)

Mr Murphy asked the Minister Assisting the Minister for Defence, upon notice, on 14 November 2002:

(1) How many National Service Medal applications have been received from applicants in the electoral division of Lowe.
(2) How many National Service Medals have been awarded to applicants in the electoral division of Lowe.
(3) What is the total number of National Service Medal applications currently outstanding.
(4) How many National Service Medal applications received from the electoral division of Lowe are currently outstanding.
(5) What steps has she taken to address the backlog of National Service Medal applications.
(6) When will the backlog of applications for National Service Medals be dealt with.

Mrs Vale—The answer to the honourable member’s question is as follows:

(1), (2) and (4) Identification of applicants within the electoral division of Lowe is not able to be computer generated as electorate information is not a required data field for processing applications. A manual search would require diversion of resources now utilised to process applications.
(3) 65,000.
(5) An additional 2 staff have been recruited to assist with the processing of applications.
(6) As soon as possible. Over 1,500 medals are issued each week.

Trade: Malaysia
(Question No. 1173)

Mr Danby asked the Minister for Trade, upon notice, on 3 December 2002:

(1) Is he able to say what level of tariffs Malaysia places on four and six cylinder Australian automobiles produced by Holden, Ford and Mitsubishi.
(2) Is he able to say what level of tariffs Malaysia places on other Australian elaborately transformed manufactured (ETM) goods.
(3) Is he able to say whether there is a projected decrease in the tariff level by Malaysia, on (a) automobiles and (b) other ETMs as part of the APEC voluntary tariff reduction program.
(4) What is the total number of Australian automobiles exported to Malaysia at the present time, and what level is it projected to reach under the new voluntary APEC tariff reduction standards.
(5) What level of tariffs does Australia place on Malaysian automobiles imported into Australia.
(6) What level of tariffs is placed on (a) Malaysian ETM goods and (b) other Malaysian manufactured goods imported into Australia.
What is the total number of Malaysian automobiles exported into Australia and what are the projected changes to the level of Malaysian automobile imports under future planned changes to the level of car tariff imports.

Mr Vaile—The answer to the honourable member’s question is as follows:

1. The current tariffs applying on passenger motor vehicles in Malaysia range from 140% to 300%.

2. The levels of tariffs applied to Australian ETM products by Malaysia are illustrated in Attachment A. This Attachment identifies the range of tariffs, as well as the simple average tariff, applying on each of Australia’s top nine ETM export categories to Malaysia. Complementing this table is Attachment B setting out the import-weighted average applied tariff rates applying for broad categories of manufactures as included in Malaysia’s APEC Individual Action Plan.

3. No information is available on projected decreases in Malaysian tariffs in the sectors specified. The general policy of the Malaysian Government, as stated in its Individual Action Plan (IAP) report to APEC for 2002, is to undertake progressive liberalisation with a view to achieving the long-term goals of free and open trade while simultaneously strengthening its domestic capacity to participate actively in the open trading environment.

4. The numbers of Australian automobiles exported to Malaysia are set out in Attachment C. Information on projected changes to these figures is not available.

5. Australia’s tariff on passenger motor vehicles from Malaysia is 15%. The rate applying to vehicles for the transport of goods and four-wheel drives is 5%.

6. Australia’s general tariff rate applying to ETM and other manufactured imports is 0-5% except in the case of passenger motor vehicles and replacement parts where the duty is 15%, and for certain TCF products where the duties are 25% for apparel and certain finished textiles; 15% for cotton sheeting, woven fabrics, carpets and footwear; and 10% for sleeping bags, table linen, tea towels and footwear parts. While no longer part of the Australian System of Tariff Preferences (ASTP), Malaysia continues to enjoy some residual developing country preferences.

7. The numbers of Malaysian automobiles imported into Australia are set out in Attachment C. Information on projected changes to these figures is not available.

**Attachment A Question 1173 Part (2)**

**Australia’s top 9 ETM exports to Malaysia**

<table>
<thead>
<tr>
<th>ETM export category (6 digit TREC)</th>
<th>Exports FY2002 A$’000</th>
<th>Rank</th>
<th>Tariff Range*</th>
<th>Average Tariff*</th>
</tr>
</thead>
<tbody>
<tr>
<td>242116 MEDICAMENTS (INCL. VETERINARY MEDICAMENTS)</td>
<td>67,031</td>
<td>1</td>
<td>All 0%</td>
<td>0%</td>
</tr>
<tr>
<td>243201 OFFICE MACHINES &amp; AUTOMATIC DATA PROCESSING EQUIPMENT</td>
<td>50,689</td>
<td>2</td>
<td>0%-10%</td>
<td>1.16%</td>
</tr>
<tr>
<td>243441 ELECTRICAL MACHINERY &amp; APPARATUS (EXCL. HOUSEHOLD) &amp; PARTS</td>
<td>47,060</td>
<td>3</td>
<td>0%-30%</td>
<td>10.96%</td>
</tr>
<tr>
<td>243119 MACHINERY FOR SPECIALISED INDUSTRIES &amp; PARTS</td>
<td>33,664</td>
<td>4</td>
<td>0%-30%</td>
<td>4.14%</td>
</tr>
<tr>
<td>241421 ALUMINIUM &amp; ALUMINIUM ALLOYS, WORKED</td>
<td>29,060</td>
<td>5</td>
<td>0%-30%</td>
<td>23%</td>
</tr>
<tr>
<td>243458 TRANSPORT EQUIPMENT &amp; PARTS NES</td>
<td>21,085</td>
<td>6</td>
<td>0%-30%</td>
<td>13.35%</td>
</tr>
<tr>
<td>242135 ARTIFICIAL RESINS &amp; PLASTIC MATERIALS &amp; CELLULOSE ESTERS ETC.</td>
<td>15,409</td>
<td>7</td>
<td>0%-30%</td>
<td>21.70%</td>
</tr>
<tr>
<td>243449 PROFESSIONAL, SCIENTIFIC &amp; CONTROLLING INSTRUMENTS &amp; APPARATUS</td>
<td>15,215</td>
<td>8</td>
<td>0%-25%</td>
<td>1.48%</td>
</tr>
<tr>
<td>242101 PIGMENTS, PAINTS, VARNISHES &amp; RELATED MATERIALS</td>
<td>11,882</td>
<td>9</td>
<td>0%-25%</td>
<td>11.13%</td>
</tr>
</tbody>
</table>

TOTAL ALL ETMs 526,275

* Tariff rates may encompass some tariffs on STMs, as ETMs are defined in terms of AHECC which only concords with the HS at the 6 digit level.

Source: ABS data on DFAT, STARS database
Attachment B: Question No. 1173 Part (2)
Malaysia’s APEC Individual Action Plan, 2002: Simple Average Applied Tariff Rates on Manufactures

<table>
<thead>
<tr>
<th>Wood, Pulp, Paper and Textiles</th>
<th>Leather, Rubber, Footwear and Travel Goods</th>
<th>Chemical, Photographic Supplies &amp; Transport Equipment</th>
<th>Non-electric Machinery</th>
<th>Electric Machinery</th>
<th>Mineral Products, Precious Stones &amp; Manufactured Articles, n.e.s.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.53%</td>
<td>13.37%</td>
<td>12.52%</td>
<td>17.59%</td>
<td>5.82%</td>
<td>48.05%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.03%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7.51%</td>
</tr>
</tbody>
</table>

Attachment C, Question No 1173: Auto trade with Malaysia

Australia’s exports of motor vehicles to Malaysia

| Partner Country | Ahec8-Auto - Vehicles | Unit Of Quantity | FY2001 Quantity: | FY2002 Quantity:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>93</td>
<td>262</td>
</tr>
</tbody>
</table>

Partner Country | Ahec8-Auto - Vehicles | Unit Of Quantity | FY2001 Quantity: | FY2002 Quantity:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>111</td>
<td>295</td>
</tr>
</tbody>
</table>

Australia’s imports of motor vehicles from Malaysia

| Partner Country | Htisc10-Auto-Vehicles-Total | Unit Of Quantity | FY2001 Quantity: | FY2002 Quantity:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>- Vehicles</td>
<td>NUMBER - number</td>
<td>2,645</td>
<td>1,027</td>
</tr>
</tbody>
</table>

Source: ABS data on DFAT, STARS database.

Aviation: Air Services
(Question No. 1181)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 4 December 2002:

(1) What are the implications for Australian airlines and travel by Australians of the European Court of Justice decision to treat Europe as a single aviation market.

(2) Is the Government sending a representative to the March 2003 International Civil Aviation Organisation World Air Transport Conference where the issue will be discussed; if so, who will represent Australia and what position will they put in relation to this issue.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Australia’s current bilateral air services treaties with European Union member states remain in place and allow Australian carriers to continue to operate either in their own right or under commercial arrangements with other carriers. Access to services to Europe for the Australian travelling public will not be affected by this decision.

(2) Australia will attend the ICAO World Air Transport Conference in Montreal next March with the Delegation led by a senior Department of Transport and Regional Services Official. The European Court of Justice’s decision is not a specific topic for discussion at the Conference. Australia is not able to take a final view on implications until those countries in the European Union and the United States have clarified the impact of the Court’s decision.

Aviation: Deep Vein Thrombosis
(Question No. 1184)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 4 December 2002:

(1) Is the Civil Aviation Safety Authority (CASA) involved in any projects, programs or studies relating to deep vein thrombosis (DVT) arising from air travel.
(2) Is CASA monitoring the court and any other proceedings on this issue; if so, what is the view on the need for regulatory intervention or action.

(3) How is CASA assuring itself that there is no need for more regulatory action on this issue.

Mr Anderson—The answer to the honourable member’s question is as follows:

The Civil Aviation Safety Authority (CASA) has provided the following response.

(1) No.

(2) and (3) CASA is currently a party to litigation in the Victorian Supreme Court regarding deep vein thrombosis (DVT). To date approximately 380 writs have been served on CASA (either as sole defendant or as a joint defendant with various airlines). The writs relate to flights occurring between 1995 and 2001. CASA’s view is that DVT is not a matter that falls within CASA’s responsibilities under the Civil Aviation Act 1988.

Trade: Tariffs
(Question No. 1190)

Mr Danby asked the Minister for Trade, upon notice, on 4 December 2002:

(1) Is he able to say what level of tariffs (a) South Korea, (b) Taiwan and (c) Thailand place on four and six cylinder Australian automobiles produced by Holden, Ford and Mitsubishi.

(2) Is he able to say what level of tariffs (a) South Korea, (b) Taiwan and (c) Thailand place on other Australian elaborately transformed manufactured (ETM) goods.

(3) Is he able to say whether there is a projected decrease in the tariff level by (a) South Korea, (b) Taiwan and (c) Thailand on (i) automobiles and (ii) other ETMs as part of the APEC voluntary tariff reduction program.

(4) What is the total number of Australian automobiles exported to (a) South Korea, (b) Taiwan and (c) Thailand at the present time, and what levels are they projected to reach under the new voluntary APEC tariff reduction standards.

(5) What level of tariffs does Australia place on automobiles imported into Australia from (a) South Korea, (b) Taiwan and (c) Thailand.

(6) What level of tariffs is placed on (a) ETM goods and (b) other manufactured goods imported into Australia from (i) South Korea, (ii) Taiwan and (iii) Thailand.

(7) What is the total number of (a) South Korean, (b) Taiwanese and (c) Thai automobiles exported to Australia and what are the projected changes to the level of (d) South Korean, (e) Taiwanese and (f) Thai automobile imports under future planned changes to the level of car tariff imports.

Mr Vaile—The answer to the honourable member’s question is as follows:

(1) The current tariffs applied to Australian passenger motor vehicles in the countries listed are as follows:
   South Korea 8%, (b) Taiwan 29% (in quota rate), (c) Thailand 80%

(2) The levels of tariffs applied to Australian ETM products in the countries listed are illustrated in Attachment A. This Attachment identifies the range of tariffs, as well as the simple average tariff, applying on each of Australia’s top ten ETM export categories to those countries. Complementing this table is Attachment B setting out the import-weighted average applied tariff rates applying for broad categories of manufactures as included in the countries’ APEC Individual Action Plans.

(3) The following information has been obtained from APEC Individual Action Plans of the countries listed in the question on their projected decreases in tariffs:

(a) South Korea
   In accordance with WTO Ministerial Declaration on Trade in Information and Technology, Korea will eliminate its tariffs on 6 (HS 8517.30, 8517.50, 8525.10, 8525.20, 8534.00, set top boxes) IT products by 2002.

(b) Taiwan
   In order to implement the concession commitments for accession into the WTO, Chinese Taipei has amended the rates of more than 4,000 tariff lines, effective on January 1, 2002. The average nominal rate of industrial products is reduced from 6.03% in 2001 to 5.78% in 2002, and to 4.15%
in 2007. Taiwan’s in-quota tariff on passenger motor vehicles will decline progressively from 29% in 2002 to 17.5% in 2010.

(c) Thailand – no information available.

(4) The numbers of Australian automobiles exported South Korea, Taiwan, and Thailand are set out in Attachment C. Information on projected changes to these figures is not available.

(5) Australia’s tariff on passenger motor vehicles from the countries listed is 15%. The rate applying to vehicles for the transport of goods and four-wheel drive vehicles is 5%.

(6) Australia’s general tariff rates applying on ETM imports are 0-5% except in the case of passenger motor vehicles and replacement parts where the duty is 15%, and for certain TCF products where the duties are 25% for apparel and certain finished textiles; 15% for cotton sheeting, woven fabrics, carpets and footwear; and 10% for sleeping bags, table linen, tea towels and footwear parts. While no longer part of the Australian System of Tariff Preferences (ASTP), the countries listed enjoy some residual developing country preferences.

(7) The numbers of automobiles imported into Australia from South Korea, Taiwan, and Thailand are set out in Attachment C. Information on projected changes to these figures is not available.

Attachment A: Question No 1190 Part (2)

Tariffs applying on Australia’s Top 10 exports of ETMs to Republic of Korea, Taiwan, Thailand*

<table>
<thead>
<tr>
<th>Partner Country</th>
<th>ETM export category (6 digit TREC)</th>
<th>EXPORTS FY2002 A$’000</th>
<th>Rank</th>
<th>Tariff Range*</th>
<th>Average Tariff*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Korea</td>
<td>243321 ROAD MOTOR VEHICLES, PARTS &amp; ACCESSORIES NES (INCL. PARTS FOR AGRICULTURAL TRACTORS)</td>
<td>234,184</td>
<td>1</td>
<td>8%-10%</td>
<td>8.15%</td>
</tr>
<tr>
<td></td>
<td>243421 INTERNAL COMBUSTION PISTON ENGINES &amp; PARTS</td>
<td>128,451</td>
<td>2</td>
<td>0%-8%</td>
<td>7.05%</td>
</tr>
<tr>
<td></td>
<td>242101 PIGMENTS, PAINTS, VARNISHES &amp; RELATED MATERIALS</td>
<td>113,035</td>
<td>3</td>
<td>All 8%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>242116 MEDICAMENTS (INCL. VETERINARY MEDICAMENTS)</td>
<td>97,823</td>
<td>4</td>
<td>0%-8%</td>
<td>7.43%</td>
</tr>
<tr>
<td></td>
<td>244117 FILM IN ROLLS, SENSITISED (EXCL. CINEMATOGRAPHIC)</td>
<td>37,439</td>
<td>5</td>
<td>7.4%-8%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>243441 ELECTRICAL MACHINERY &amp; APPARATUS (EXCL. HOUSEHOLD) &amp; PARTS</td>
<td>30,202</td>
<td>6</td>
<td>0%-8%</td>
<td>6.20%</td>
</tr>
<tr>
<td></td>
<td>243449 PROFESSIONAL, SCIENTIFIC &amp; CONTROLLING INSTRUMENTS &amp; APPARATUS</td>
<td>29,058</td>
<td>7</td>
<td>0%-8%</td>
<td>5.98%</td>
</tr>
<tr>
<td></td>
<td>243458 TRANSPORT EQUIPMENT &amp; PARTS NES</td>
<td>27,078</td>
<td>8</td>
<td>0%-8%</td>
<td>4.70%</td>
</tr>
<tr>
<td></td>
<td>241421 ALUMINIUM &amp; ALUMINIUM ALLOYS, WORKED</td>
<td>26,247</td>
<td>9</td>
<td>All 8%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>241411 NICKEL &amp; NICKEL ALLOYS, WORKED TOTAL ALL ETMs</td>
<td>21,538</td>
<td>10</td>
<td>All 8%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>961,260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>241411 NICKEL &amp; NICKEL ALLOYS, WORKED</td>
<td>124,308</td>
<td>1</td>
<td>0%-5%</td>
<td>2.43%</td>
</tr>
<tr>
<td></td>
<td>242116 MEDICAMENTS (INCL. VETERINARY MEDICAMENTS)</td>
<td>101,314</td>
<td>2</td>
<td>0%-50%</td>
<td>7.88%</td>
</tr>
<tr>
<td></td>
<td>243441 ELECTRICAL MACHINERY &amp; APPARATUS (EXCL. HOUSEHOLD) &amp; PARTS</td>
<td>26,313</td>
<td>3</td>
<td>0%-25%</td>
<td>6.09%</td>
</tr>
<tr>
<td></td>
<td>241421 ALUMINIUM &amp; ALUMINIUM ALLOYS, WORKED</td>
<td>23,285</td>
<td>4</td>
<td>0%-27.5%</td>
<td>4.23%</td>
</tr>
<tr>
<td></td>
<td>242101 PIGMENTS, PAINTS, VARNISHES &amp; RELATED MATERIALS</td>
<td>18,212</td>
<td>5</td>
<td>2.5%-7%</td>
<td>5.51%</td>
</tr>
<tr>
<td></td>
<td>243449 PROFESSIONAL, SCIENTIFIC &amp; CONTROLLING INSTRUMENTS &amp; APPARATUS</td>
<td>18,381</td>
<td>6</td>
<td>0%-20%</td>
<td>3.25%</td>
</tr>
<tr>
<td></td>
<td>243201 OFFICE MACHINES &amp; AUTOMATIC DATA PROCESSING EQUIPMENT</td>
<td>17,240</td>
<td>7</td>
<td>0%-8%</td>
<td>1.85%</td>
</tr>
<tr>
<td></td>
<td>243119 MACHINERY FOR SPECIALISED</td>
<td>12,969</td>
<td>8</td>
<td>0%-27.5%</td>
<td>4.23%</td>
</tr>
<tr>
<td>Partner Country</td>
<td>ETM export category (6 digit TREC)</td>
<td>EXPORTS FY2002 AS$'000</td>
<td>Rank</td>
<td>Tariff Range*</td>
<td>Average Tariff*</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------</td>
<td>--------------------------</td>
<td>------</td>
<td>---------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>INDUSTRIES &amp; PARTS</td>
<td>24419 PHOTOGRAPHIC &amp; CINEMATOGRAPHIC SUPPLIES NES</td>
<td>10,520</td>
<td>9</td>
<td>0%-8%</td>
<td>3.21%</td>
</tr>
<tr>
<td></td>
<td>244105 TELEVISION &amp; RADIOS &amp; OTHER SOUND RECORDERS &amp; REPRODUCERS &amp; PARTS</td>
<td>10,265</td>
<td>10</td>
<td>0%-25%</td>
<td>10.81%</td>
</tr>
<tr>
<td>TOTAL ALL ETMs</td>
<td></td>
<td>474,539</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Thailand**

| 242116 MEDICAMENTS (INCL. VETERINARY MEDICAMENTS) | 85,335 | 1 | 0%-20% | 9.80% |
| 242101 PIGMENTS, PAINTS, VARNISHES & RELATED MATERIALS | 43,674 | 2 | 5%-20% | 13.90% |
| 241421 ALUMINIUM & ALUMINIUM ALLOYS, WORKED | 34,340 | 3 | 1%-20% | 13.50% |
| 243119 MACHINERY FOR SPECIALISED INDUSTRIES & PARTS | 23,348 | 4 | 3%-30% | 7.50% |
| 243441 ELECTRICAL MACHINERY & APPARATUS (EXCL. HOUSEHOLD) & PARTS | 21,264 | 5 | 0%-20% | 11.30% |
| 244105 TELEVISION & RADIOS & OTHER SOUND RECORDERS & REPRODUCERS & PARTS | 15,215 | 6 | 3%-30% | 21.60% |
| 244441 BABY CARRIAGES, TOYS, GAMES, & SPORTING GOODS | 14,996 | 7 | 5%-30% | 19.60% |
| 244200 TEXTILE FABRICS & MADE-UP ARTICLES | 14,817 | 8 | 5%-30% | 19% |
| 243449 PROFESSIONAL, SCIENTIFIC & CONTROLLING INSTRUMENTS & APPARATUS | 11,669 | 9 | 0%-20% | 5.50% |
| 243321 ROAD MOTOR VEHICLES, PARTS & ACCESSORIES NES (INCL. PARTS FOR AGRICULTURAL TRACTORS) | 10,733 | 10 | 10%-60% | 44% |
| TOTAL ALL ETMs | 426,788 | | | |

*Tariff rates may encompass some tariffs on STMs, as ETMs are defined in terms of AHECC which only concords with the HS at the 6 digit level

**Specific tariff rates apply but have not been included in the calculations for this commodity category.

Source: ABS data on DFAT, STARS database.

### Attachment B: Question No. 1190 Part (2)

#### APEC Individual Action Plan, 2002: Import Weighted Average Applied Tariff Rate

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taiwan</strong></td>
<td>2.51%</td>
<td>8.43%</td>
<td>5.44%</td>
<td>2.86%</td>
<td>3.50%</td>
<td>6.54%</td>
<td>2.03%</td>
<td>0.96%</td>
<td>0.95%</td>
</tr>
<tr>
<td><strong>South Korea (2001 IAP)</strong></td>
<td>8.66%</td>
<td>7.36%</td>
<td>5.83%</td>
<td>6.58%</td>
<td>4.51%</td>
<td>5.32%</td>
<td>4.85%</td>
<td>5.30%</td>
<td>5.58%</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>12.73%</td>
<td>19.92%</td>
<td>17.48%</td>
<td>12.02%</td>
<td>10.12%</td>
<td>13.38%</td>
<td>7.56%</td>
<td>11.97%</td>
<td>9.79%</td>
</tr>
</tbody>
</table>
Monday, 10 February 2003

|--------------------------------|----------------------|-----------------------------------------|--------|-------------------------------|-----------------------|-------------------|-------------------------------|--------------------------|

* simple average applied tariff

**Attachment C: Question No 1190 Parts (4) and (7)**

**Australia’s exports of motor vehicles to Korea, Taiwan and Thailand**

<table>
<thead>
<tr>
<th>Partner Country</th>
<th>Ahecc8-Auto - Vehicles</th>
<th>Unit Of Quantity</th>
<th>FY2001 Quantity:</th>
<th>FY2002 Quantity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Korea</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>125</td>
<td>98</td>
</tr>
<tr>
<td>Taiwan</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>77</td>
<td>45</td>
</tr>
<tr>
<td>Thailand</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>22</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Partner Country</th>
<th>Ahecc8-Auto - Vehicles</th>
<th>Unit Of Quantity</th>
<th>FY2001 Quantity:</th>
<th>FY2002 Quantity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Korea</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>68</td>
<td>11</td>
</tr>
<tr>
<td>Taiwan</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>76</td>
<td>39</td>
</tr>
<tr>
<td>Thailand</td>
<td>- Auto Vehicles</td>
<td>NUMBER - number</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>

**Australia’s imports of motor vehicles from Korea, Taiwan and Thailand**

<table>
<thead>
<tr>
<th>Partner Country</th>
<th>Hitisc10-Auto-Vehicles-Total Imports</th>
<th>Unit Of Quantity</th>
<th>FY2001 Quantity:</th>
<th>FY2002 Quantity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Korea</td>
<td>- Vehicles</td>
<td>NUMBER - number</td>
<td>78,713</td>
<td>53,990</td>
</tr>
<tr>
<td>Taiwan</td>
<td>- Vehicles</td>
<td>NUMBER - number</td>
<td>5,085</td>
<td>3,742</td>
</tr>
<tr>
<td>Thailand</td>
<td>- Vehicles</td>
<td>NUMBER - number</td>
<td>39,645</td>
<td>36,785</td>
</tr>
</tbody>
</table>

Source: ABS data on DFAT, STARS database

**Trade: United States (Question No. 1220)**

**Dr Emerson** asked the Minister for Trade, upon notice, on 11 December 2002:

1. Has he assessed the impact of restrictions contained in the Trade Promotion Authority legislation passed by the US Congress in 2002 which limit the US Presidents authority to negotiate bilateral reductions in US trade barriers in import sensitive agricultural products.
2. What agricultural products are covered by these provisions.
3. Is he able to say how these provisions will influence the US Governments negotiations for a free trade agreement with Australia.
4. Is he able to say whether the US Administration cannot commence negotiating a free trade agreement with Australia before consulting Congress on these import-sensitive agricultural products.
5. What proportion of the estimated $4 billion annual benefit to Australia from a free trade agreement with the US comes from (a) the US removing its restrictions on agricultural trade and (b) Australia unilaterally abolishing its own tariffs.
6. Has the US Government identified several items for negotiation, including Australia’s quarantine service, local content rules for television, single marketing desks for agricultural exports and the Foreign Investment Review Board.
7. Will liberalisation in these areas be considered in developing a free trade agreement with the US.
8. What proposals are being discussed with the US to make Australia’s quarantine system more acceptable to the US.

**Mr Vaile**—The answer to the honourable member’s question is as follows:
The US Bipartisan Trade Promotion Authority Act of 2002 (TPA Act) does not specifically limit the US President’s authority to negotiate bilateral reductions in tariffs and non-tariff barriers for import sensitive agricultural products. The TPA Act does specify a number of requirements for notification and consultation in the course of any negotiations. These requirements under the TPA Act apply equally to bilateral, regional and WTO/multilateral negotiations undertaken by the US Administration.

Section 2103(b) of the TPA Act gives the US President the authority to negotiate trade agreements, including bilateral FTAs, that meet the trade negotiating objectives set out in Section 2102 of the TPA Act. In the process of negotiating such trade agreements, under the TPA Act the US President is required, inter alia, to notify and consult with the US Congress on certain issues associated with the negotiations. The prescribed notifications and consultations (set out in Section 2104 of the TPA Act) include the following:

- the requirement to notify Congress 90 days before initiating negotiations (the United States Trade Representative, Ambassador Robert Zoellick, made this notification by letter dated 13 November 2002)
- the requirement that the US Administration request the US International Trade Commission to prepare an assessment of the likely economic effects of tariff reductions on import sensitive agricultural products; and
- the requirement for special consultations with Congress on negotiations involving import sensitive agricultural products.

Section 2104(b)(2)(i) of the TPA Act defines the import sensitive agricultural products in relation to which the US Administration must request an analysis by the International Trade Commission and consult with the US Congress before initiating negotiations on agriculture. Import sensitive agricultural products are defined as (i) those agricultural products subject to tariff-rate quotas and (ii) those agricultural products which were subject to tariff reductions by the US as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on 1 January 1995 to a rate which was not less than 97.5% of the rate of duty that applied to such article on 31 December 1994.

The US Administration has indicated it is seeking a comprehensive free trade agreement with Australia, from which no sector would be excluded. The TPA Act says nothing that would preclude such an outcome.

As noted in response to Question (1) above, the US Administration may commence bilateral trade negotiations with Australia 90 days after notification to Congress of the intention to undertake such negotiations. This notification was sent to the US Congress by the United States Trade Representative, Ambassador Zoellick, on 13 November 2002.

The Centre for International Economics study commissioned by the Department of Foreign Affairs and Trade does not assess the specific contribution of the projected increase to Australia’s GDP resulting from the US removing its restrictions on agricultural trade. Its only specific prediction in relation to agricultural trade is that sectors such as sugar and dairy would experience the greatest relative gains in the total value of production were barriers to be removed completely, reflecting the very low levels of access they currently have.

The CIE study does provide evidence that the FTA would lead to expansion domestic output and exports in most sectors of the economy, and that market access for agriculture would not necessarily contribute the major proportion of those gains. That evidence is supported by the fact that there is a wide range of manufacturing sectors where Australian exports face significant barriers in the US market: these include processed foods and beverages, chemicals, leather, textiles and clothing, shipbuilding, metals, and commercial vehicles.

The broad US negotiating objectives set out by US Trade Representative Zoellick in his letter to Congress of 13 November 2002 encompass a wide range of issues, and touch upon quarantine/SPS issues, single marketing desks, and foreign investment policy. It does not refer to local content rules for television.

The Government is prepared to discuss such issues in the course of Free Trade Agreement negotiations without prejudice to its final position. The Government will make clear that it does not con-
sider current single desk export marketing arrangements to be trade distorting in a fashion that re-
nquires ‘liberalisation’ in a bilateral FTA.
Likewise, Australia’s quarantine regime is based on strict scientific principles that do not constitute
a barrier that can be liberalised in an FTA. As Ambassador Zoellick’s letter to Congress acknowl-
edges, Australian and US officials have held extensive discussions on quarantine/SPS issues over
the past year. I would expect that Australia could agree to strengthen such cooperation between our
respective quarantine services, as the US negotiating objectives propose.
The Government is committed to taking cultural objectives into account in developing Australia’s
negotiating position on international trade agreements.

(8) There are no proposals being discussed to make Australia’s quarantine regime more acceptable to
the US. We have, however, held a series of high-level technical discussions on quarantine issues
with the US over the past 12 months. These discussions are aimed at improving communication
between US and Australian quarantine and trade officials, and improving understanding of each
other’s quarantine risk assessment processes. The technical discussions will be ongoing.

Trade: United States
(Question No. 1223)

Dr Emerson asked the Minister for Trade, upon notice, on 11 December 2002:
(1) How much of the estimated $4 billion benefit from a free trade agreement with the United States
comes from Australia unilaterally removing its own trade barriers.
(2) Will tariffs for Australia’s automotive industry be discussed as part of the negotiations for a free
trade agreement.

Mr Vaile—The answer to the honourable member’s question is as follows:
(1) The econometric analysis commissioned from the Centre for International Economics (CIE) by the
Department of Foreign Affairs and Trade does not apportion the increase to GDP contributed re-
spectively, by the elimination of Australian tariffs and other barriers. The Department of Foreign
Affairs and Trade has been advised by CIE that the results in the study do not provide a basis for
determining that amount.
(2) It is expected that the agreement will be comprehensive in its coverage of trade in goods, which
would mean that reductions in automotive tariffs in both countries could be considered as part of
the negotiations. The broad US negotiating objectives set out by US Trade Representative Zoellick
in his letter to Congress of 13 November 2002 state that the US would seek to eliminate tariffs and
other duties and charges on trade between Australia and the United States on the broadest possible
basis, subject to reasonable adjustment periods for import-sensitive products.

Fuel: Prices
(Question No. 1241)

Mr Gibbons asked the Minister for Transport and Regional Services, upon notice, on 12
December 2002:
(1) Did the Government state in the 2000-2001 Budget that it intended to ensure that the introduction
of the GST would not cause country motorists to pay more for fuel relative to city motorists.
(2) Did the Government estimate at that time that the cost of its program to achieve this end would be
$500 million over four years; if so, what was the basis on which this estimate was made.
(3) Did he state on the ABC program, “Landline”, in February 2001 that the Government had contrib-
uted actually closer to $900 million to ease the country/city price differential.
(4) At the time he made that statement, what (a) was the estimated cost of the program over four years
and (b) is the present estimate of the cost over the same four years.
(5) What was the original estimate of the cost of the program for 2000-2001 and what was the actual
(6) If there was a difference between the original estimated cost and the final cost, what was the rea-
son.

Mr Anderson—The answer to the honourable member’s question is as follows:
(1) to (6) The 2000-2001 Budget outlined that the Government intended to introduce a tiered grants scheme paid to retailers of petrol and diesel from 1 July 2000. The grant would be paid for sales to consumers in non-metropolitan and remote areas where petrol and diesel prices are generally higher compared with metropolitan areas.

As a consequence, the Fuel Sales Grants Scheme was introduced on 1 July 2000 as part of the New Tax System. It provides to registered retailers and distributors a grant of one cent per litre for petrol and diesel sold in non-metropolitan zones and two cents per litre in remote zones. There is an additional remote zone premium of one cent per litre where fuel prices are consistently over $1.21 per litre.

The Australian Taxation Office administers the scheme. The Australian Competition and Consumer Commission monitors how the fuel grants are passed on to consumers.

As outlined in the 2000-01 Budget papers, the scheme was initially estimated to cost $490m over the four years to 2003-04. The scheme was subsequently estimated to cost an additional $90m per year reflecting higher than anticipated claims by non-metropolitan and remote fuel retailers and distributors. Further details are provided in the Government’s 2001 Mid-Year Economic and Fiscal Outlook.

Aviation: Sydney (Kingsford Smith) Airport
(Question No. 1248)

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 12 December 2002:

(1) Further to the answer to part (8) of question No. 668 (Hansard, 22 October 2002, page 8390), does the absence of financial, environmental and safety impacts on forecast aircraft traffic increases on Bankstown Airport flowing from the sale of Sydney Airport mean that the sale of Sydney Airport was made without any knowledge of those anticipated impacts; if not, why not.

(2) How is it possible to regulate those impacts from Sydney Airport on Bankstown Airport in the foreshadowed specific proposal to upgrade facilities and operational aspects of Bankstown Airport, when the incidence of that impact flows from Sydney Airport, not Bankstown Airport.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) It was considered that the sale of Sydney Airport would not of itself cause a change in air traffic at Bankstown Airport.

(2) Any proposal for upgrading the facilities and operational status of Bankstown Airport to accommodate changes in air traffic, whatever the cause of such changes, will be subject to the requirements of the Airports Act 1996 and the Environment Protection and Biodiversity Conservation Act 1999.