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SITTING DAYS—2003

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>4, 5, 6, 10, 11, 12, 13</td>
</tr>
<tr>
<td>March</td>
<td>3, 4, 5, 6, 18, 19, 20, 24, 25, 26</td>
</tr>
<tr>
<td>May</td>
<td>13, 14, 15, 26, 27, 28, 29</td>
</tr>
<tr>
<td>June</td>
<td>2, 3, 4, 5, 16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>August</td>
<td>11, 12, 13, 14, 18, 19, 20, 21</td>
</tr>
<tr>
<td>September</td>
<td>8, 9, 10, 11, 15, 16, 17, 18</td>
</tr>
<tr>
<td>October</td>
<td>7, 8, 9, 13, 14, 15, 16</td>
</tr>
<tr>
<td>November</td>
<td>3, 4, 5, 6, 24, 25, 26, 27</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>City</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA</td>
<td>1440 AM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630 AM</td>
</tr>
<tr>
<td>NEWCASTLE</td>
<td>1458 AM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936 AM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026 AM</td>
</tr>
<tr>
<td>ADELAIDE</td>
<td>972 AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585 AM</td>
</tr>
<tr>
<td>HOBART</td>
<td>729 AM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5 FM</td>
</tr>
</tbody>
</table>
HANSARD CONTENTS

WEDNESDAY, 12 FEBRUARY

HOUSE HANSARD

Family Law Amendment Bill 2003—
  First Reading ................................................................. 11571
  Second Reading ............................................................ 11571

Dairy Industry Service Reform Bill 2003—
  First Reading ................................................................. 11573
  Second Reading ............................................................ 11573

Primary Industries (Excise) Levies Amendment (Dairy) Bill 2003—
  First Reading ................................................................. 11576
  Second Reading ............................................................ 11576

Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2]—
  Second Reading ............................................................ 11577
  Consideration in Detail .................................................. 11597
  Third Reading ............................................................... 11600

Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002, and
  Migration (Visa Application) Charge Amendment Bill 2002—
  Second Reading ............................................................ 11600

Questions Without Notice—
  Iraq ............................................................................. 11627
  Iraq ............................................................................. 11627
  Iraq ............................................................................. 11628
  North Korea ............................................................... 11628
  Defence: Anthrax Vaccination ....................................... 11629
  Foreign Affairs: White Paper ........................................ 11630
  Defence: Anthrax Vaccination ....................................... 11631
  Trade: White Paper ..................................................... 11633
  Defence: Anthrax Vaccination ....................................... 11634
  National Security ......................................................... 11634
  Aviation: Airport Security ............................................ 11635
  HIH Insurance ........................................................... 11635
  Aviation: Airport Security ............................................ 11636
  Immigration: Asylum Seekers ....................................... 11637
  Fuel: Ethanol ............................................................. 11639
  Drought ....................................................................... 11640
  Ministerial Conduct: Prime Minister ........................... 11641
  Workplace Relations: Building Industry ....................... 11642
  Ministerial Conduct: Prime Minister ........................... 11642
  Education and Training: Apprenticeships ..................... 11642

Personal Explanations ........................................................ 11643

Questions to the Speaker—
  Questions on Notice ..................................................... 11645

Matters of Public Importance—
  Howard Government: Family Services .......................... 11645

New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002—
  Report from Main Committee ....................................... 11657
  Third Reading ............................................................ 11657

New Business Tax System (Venture Capital Deficit Tax) Bill 2002—
  Report from Main Committee ....................................... 11657
HANSARD CONTENTS—continued

Third Reading.............................................................................................. 11657
Customs Legislation Amendment Bill (No. 2) 2002—
   Report from Main Committee .................................................................. 11657
   Third Reading.............................................................................................. 11657
Committees—
   Public Accounts and Audit Committee—Report ...................................... 11658
Business—
   Rearrangement............................................................................................ 11660
Inspector-General of Taxation Bill 2002—
   Consideration of Senate Message............................................................... 11660
Migration Legislation Amendment (Contributory Parents Migration Scheme)
   Bill 2002, and
   Migration (Visa Application) Charge Amendment Bill 2002—
      Second Reading......................................................................................... 11671
Adjournment—
   Throsby Electorate: Child Care ................................................................. 11692
   McPherson Electorate: Gold Coast Youth Commitment ............................... 11693
   Hasluck Electorate: Bulk-billing ................................................................. 11695
   Makin Electorate: Pedestrian Crossing ........................................................ 11696
   Lalor Electorate: Medical Services.............................................................. 11696
   Sherwin, Mr Alistair .................................................................................... 11698
   Dunkley Electorate: Accolades ................................................................... 11698
   Parliament: Services..................................................................................... 11699
Notices............................................................................................................ 11699
MAIN COMMITTEE
Statements By Members—
   Bowman Electorate: O’Dor Out Systems.................................................... 11700
   Wentworth Electorate: White City............................................................... 11701
   Japanese Delegation ................................................................................... 11701
   Queensland: Cape York Peninsula.............................................................. 11702
   Member for Paterson: Local Concerns........................................................ 11703
   Commonwealth Bank: Fee Exemptions ...................................................... 11703
   Gilmore Electorate: Sportswomen Award .................................................. 11703
New Business Tax System (Consolidation and Other Measures)
   Bill (No. 2) 2002, and
   New Business Tax System (Venture Capital Deficit Tax) Bill 2002—
      Second Reading......................................................................................... 11705
New Business Tax System (Venture Capital Deficit Tax) Bill 2002—
   Second Reading............................................................................................ 11722
Customs Legislation Amendment Bill (No. 2) 2002—
   Second Reading............................................................................................ 11722
Ministerial Statements—
   Iraq .............................................................................................................. 11739
Wednesday, 12 February 2003

The SPEAKER (Mr Neil Andrew) took the chair at 9.00 a.m., and read prayers.

FAMILY LAW AMENDMENT BILL 2003

First Reading

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

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (9.01 a.m.)—I move:

That this bill be now read a second time.

The Family Law Amendment Bill 2003 is part of the Howard government’s ongoing reform of the family law system.

The reforms are consistent with the recommendations of the recent report of the Family Law Pathways Advisory Group, Out of the maze: pathways to the future for families experiencing separation (the pathways report). They aim to simplify and better integrate the family law system and keep people out of court wherever possible in order to minimise the emotional and financial costs associated with separation and divorce.

The government recognises the extraordinary stress that is placed on people experiencing relationship difficulties and is committed to improving the assistance given to those persons whose relationships are experiencing difficulties to resolve those difficulties.

The bill will help separating couples achieve greater financial equity and certainty. Many of the amendments relating to property and financial agreements are complementary to the recent changes to superannuation and family law.

Of major significance are provisions in schedule 6 of the bill that will allow the court to make orders binding third parties to give effect to property settlement proceedings under the act. These provisions will apply to all creditors of the parties to the marriage, whether they are family, friends or financial institutions. In limited circumstances, where it is considered necessary, the court will be able to alter the terms of a contract between the parties to a marriage and a creditor. For example, the court could adjust the proportion of debt that each party of a marriage owes a creditor or order that liability for a debt belongs to just one of the parties. The changes do not affect the underlying substantive rights of creditors and provide creditors with procedural rights.

A number of the amendments in this bill clarify or refine changes to the Family Law Act that were made by the Family Law Amendment Bill 1996 and the Family Law Amendment Act 2000. This process of continuous improvement ensures that the experience of those using the provisions is taken into account and that operational issues are addressed in a timely manner.

Schedule 5 of the bill contains a number of amendments to the operation of financial agreements. Financial agreements were introduced by the Family Law Amendment Act 2000 as an important method of allowing parties to resolve property matters after separation without resorting to litigation. Agreements allow people to have greater control and choice over their own affairs in the event of marital breakdown. This is consistent with the recommendations of the pathways report. The changes to the provisions in schedule 5 will improve their workability.

In particular, the legal profession has raised concerns with the difficulties in the current certification provisions that require both parties to seek independent legal advice about the implications of the agreement, including the financial aspects of the agreement. The amendments will remove the reference to the provision of financial advice by a legal practitioner for the purposes of this certification.

Schedule 4 of the bill will address an area of significant public concern: the enforcement of parenting orders. The three-stage parenting compliance regime for enforcement of parenting orders introduced in the Family Law Amendment Act 2000, as recommended by the Family Law Council in its 1998 report on child contact orders, will be amended to improve flexibility for clients, the court and program providers.

A greater range of orders will be available to the court at stage 2 of the enforcement
regime to allow the court flexibility in how to best address noncompliance with orders. These changes are consistent with the recommendations of the pathways report to ensure that the family law system works in a more coordinated way so that separating families are directed to services which best meet their needs.

Referrals to a post separation parenting program will now be to a program provider rather than to a particular program. These changes will address concerns both about the difficulty judicial officers have in satisfying the current requirement to specify a specific program and the problems that program providers experience in providing an exhaustive and current list of all of their programs for the purpose of the publication under section 70NIB.

Schedule 1 of this bill repeals the requirement to register a parenting plan. Parenting plans were introduced by the Family Law Amendment Bill 1996 in order to encourage parents who separate to consider carefully the needs of their children and to put in place workable parenting arrangements that promote the best interests of their children. I remain committed to this objective.

However, the government recognises that registration of parenting plans made them inflexible, as circumstances change, and, specifically, as needs of children change as they grow up. Only a very small number of plans have ever been registered. The preferred way to ensure plans are legally binding is to seek consent orders from the court.

In light of this, both the Family Law Council and the National Alternative Dispute Resolution Advisory Council recommended to the government that the requirement to register parenting plans be repealed. The government still encourages the use of parenting plans as a practical but informal arrangement to assist parents post separation.

The amendments will ensure that agreements can easily be made to vary the parenting plans where this is appropriate. These amendments are consistent with recommendation 1 of the pathways report that the family law system, in whole and in all of its parts, should be designed to maximise the potential for families to function cooperatively in the interests of children after separation.

There is a range of other minor amendments in this bill. The amendments in schedule 3 of the bill are being made at the request of the court to reflect changes that have been made to the management structure of the court. In particular, a distinction is made between the role of registrars and registry managers, with the latter taking on many of the more administrative functions of the court. The changes also reflect the decision of the court to refer to all of its primary dispute resolution matters as mediation. A new position of principal mediator is established. These changes will assist the efficient administration of the court.

Schedule 2 of the bill ensures that the power of the court to use electronic technology is put beyond doubt. The provisions mirror existing legislation, in particular division 5 of part 6 of the Federal Magistrates Act 1999. Provisions allowing split courts are also included so that judges will have the capacity to sit in separate places as part of the one court. The amendments recognise that many parties will reside in different places and that severe difficulties can be experienced by being required to attend court hearings in a particular place. These amendments will provide significant savings of time and money to all parties and to the court generally.

Amendments in schedule 7 will assist in the implementation of the work of the Family Law Rules Revision Committee. The amendments make provisions relating to the rule-making powers of the court less prescriptive and reduce the details required in the rules.

Schedule 7 also makes changes to the provisions relating to admissibility of evidence of admissions and disclosures made in counselling and mediation. This implements recommendations 16 and 17 of the Family Law Council’s September 2002 report on family law and child protection. The amendments provide a limited exception to admissions by adults and disclosures by children relating to child abuse. The amend-
ments address concerns that the current provisions are not serving our children well. They will ensure that judges will have access to evidence vital to the protection of children. These changes recognise that it is appropriate for there to be a limited exception to the overall confidentiality of counselling and mediation where the safety and wellbeing of children is at stake.

The changes made by this bill are intended to benefit persons involved in family law matters. This bill will improve the procedural efficiency with which matters can be dealt with by the courts and assist in minimising the distress and trauma that arises when families break down. Full details of the measures contained in this bill are contained in the explanatory memorandum to the bill. I table a copy of the explanatory memorandum and commend the bill to the House.

Debate (on motion by Mr Cox) adjourned.

DAIRY INDUSTRY SERVICE REFORM BILL 2003

First Reading

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

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.10 a.m.)—I move:

That this bill be now read a second time.

The Dairy Industry Services Reform Bill 2003 is the result of a dairy industry and government process aimed at providing the industry with greater ownership and control over dairy industry service arrangements. The bill provides for the conversion of the Australian Dairy Corporation, the ADC, into a company under the Corporations Act 2001, to be known as Dairy Australia Ltd, and for all the assets and liabilities of the Dairy Research and Development Corporation, the DRDC, to be transferred to this new company—in effect, merging the R&D and marketing arms of the dairy industry.

This bill will deliver three main benefits to dairy farmers:

- a direct say, through a vote in their company, Dairy Australia;
- bringing together R&D, information, marketing and trade development; and
- delivering better value for their levy investment.

Following amendments last year to the Dairy Produce Act 1986, which allowed the ADC to investigate and fund an appropriate reform process, a comprehensive investigation of the best option of reform was undertaken by the government’s legal and business advisers. The results of that investigation are this bill and the Primary Industries (Excise) Levies Amendment (Dairy) Bill 2003, which I will be presenting shortly. Additionally, this reform process broadly adheres to similar successful reforms in other agricultural industries including meat, wool, horticulture, pork and eggs.

This bill is the culmination of a cooperative effort between the dairy industry and the government and follows on from significant changes in recent years in the market situation and corporate structure of the Australian dairy industry. These changes have been particularly marked since the deregulation of farm gate milk pricing arrangements in July 2000. The dairy industry, as a forward looking and innovative industry, has sought rationalisation of industry statutory service arrangements to assist in the adjustment to the new environment, particularly in respect to the delivery of collectively funded R&D and market promotion services.

The bill provides that the ADC will be converted to a company to be known as Dairy Australia Ltd. The effect of this is not to create a new legal entity but to change the nature of the entity that was the ADC. The DRDC will have all its assets, including staff and liabilities, transferred to Dairy Australia, thereby completing the merger process. Dairy Australia is to be a Corporations Act company, limited by guarantee, with membership comprising voting members drawn from dairy levy payers—that is, group A members—and non-voting members made up of the peak dairy farmer and processor bodies, group B members. Details relating to membership will be contained in the constitution of Dairy Australia and therefore are not dealt with in the bill.
As Dairy Australia will be responsible for undertaking functions on the behalf of the dairy industry, similar to those currently undertaken by the ADC and DRDC, it will be necessary for the levy moneys collected by the government to flow to the new company. Also, matching Commonwealth R&D contributions in relation to eligible R&D expenditure by the company are also to be directed to Dairy Australia. The intention of this privatisation process is to hand responsibility for these services to the new company, which will be accountable to its members, and therefore reduce the influence and control of government in these processes. However, while these levy payments and matching contributions continue, it is appropriate for the government to monitor the expenditure of these moneys. Therefore, the bill provides for a number of mechanisms by which the government will maintain a relationship with the company.

In the first instance, the minister will declare an eligible body to be the industry services body for the purposes of receiving levy funds and matching contributions. This is to ensure that the company will only receive these funds so long as it remains accountable to them to both levy payers and the parliament. Additionally, the company will be required to enter into a contract with the Commonwealth, to be known as the statutory funding agreement, to ensure that planning and reporting requirements, over and above the requirements of the Corporations Act, are adhered to.

Finally, before Dairy Australia is registered with the Australian Securities and Investment Commission, the minister must first approve the constitution of the company. The minister must also approve the inaugural directors of the company.

The staff of the ADC will continue to be employed by Dairy Australia following the conversion of the ADC. Also, DRDC employees will transfer to Dairy Australia. The bill provides for the fair and equitable treatment of all staff and expressly provides that for all purposes employment with Dairy Australia is continuous with employment with the DRDC. Consistent with the government’s policy for guiding decision making on staffing and employee conditions in privatisation processes, a human resource management strategy is to be developed in conjunction with the ADC and DRDC in relation to these continuous employment provisions.

The bill provides for the current promotion levy, research levy and corporation levy currently directed to the ADC and DRDC to be rolled into one levy to be known as the dairy service levy. The separate Primary Industries (Excise) Levies Amendment (Dairy) Bill 2003 imposes this new dairy service levy. The advantage of combining the old levies into one is that the industry services body will have greater flexibility in determining its expenditure breakdown, but will remain accountable for this expenditure through the statutory funding agreement. Combining these levies will also facilitate the conduct of future periodic polls of levy payers to determine the rate of the dairy levy.

Dairy Australia will also administer the Dairy Structural Adjustment Fund (DSAF), currently administered by the ADC. For this reason, the dairy adjustment levy (DAL), which applies to all retail sales of milk, will also flow to the industry services body, but will be quarantined from other levy amounts. This is because the DAL is to continue to be used exclusively for making payments into the DSAF for the purposes of funding the dairy industry adjustment package and related matters. Importantly, the DSAF is to be administered by the industry services body in the form of a trust. The bill makes no substantial change to the operation of the DSAF from its current administration by the ADC other than that it is to be kept and treated as a trust. The minister will retain joint responsibility for the solvency of the DSAF, as is currently provided for under the Dairy Produce Act.

Export control is the only function of the ADC that is to be retained by the Commonwealth and will be administered by the Department of Agriculture, Fisheries and Forestry. In practical terms, the only export controls currently exercised by the ADC, under powers conferred by the Dairy Produce Act 1986, relate to the administration of quotas for cheddar to the EU (3,750 tonnes).
and varietal cheeses to the US (7,000 tonnes). The bill provides for regulations to be made to give effect to a system of administration that mirrors the current ADC arrangements, thereby ensuring no commercial disadvantage to current exporters. However, the Commonwealth will require the costs of administration of this function to be met by exporters. Previously, the ADC absorbed the costs of this function through levy funds.

A number of provisions in the bill provide for the flow of levy payer information to Dairy Australia. In the first instance, the bill allows for the one-off provision of information to the ADC in order to begin initial work on a register of levy payers. This information will be provided by the manufacturers directly to the ADC and will include the names, addresses, contact details and ABNs of the manufacturer’s suppliers. Details of amounts of levy paid by individual producers will not be provided at this stage. This information can then be used by the ADC for the purposes of:

- informing producers of the amendments being made to the Dairy Produce Act;
- making producers aware of their eligibility to become members of Dairy Australia;
- inviting producers to apply to become members of Dairy Australia; and
- developing a list of those producers eligible to become members.

This initial exercise will ensure a comprehensive list of dairy levy payers is developed and utilised for the purposes of conducting a mail-out to all levy payers. The mail-out will include an information kit on the proposed arrangements for Dairy Australia and a membership application form.

The ongoing flow of levy payer information to the industry services body will be conducted through AFFA’s Levies Revenue Service (LRS) and will relate to the maintenance of a register of members and levy payers for the purposes of voting at annual general meetings and voting in future periodic polls.

In addition to the details collected in the initial exercise mentioned above, LRS will also collect and provide to Dairy Australia amounts relating to the amount of levy paid by each producer. This will include certain information for verification purposes, such as details of milk fat and protein rates produced. This information will enable Dairy Australia to determine and allocate voting entitlements:

- to each member of the company for voting at AGMs, and
- to each levy payer for voting at future periodic levy polls.

Dairy Australia, as the industry services body, will be required to conduct periodic polls of levy payers on the rate of levy. Details on the conduct of these polls (including the timing of the polls) will be set out in regulations. This bill allows for regulations to be developed for this purpose. The provision of a periodic levy poll will ensure that all levy payers have a direct say in the rate of levy they pay. Therefore, farmers will be able to determine for themselves the amount of levy they believe should be expended on services to the industry and will, in broad terms, make judgments about the direction of that levy.

The bill also includes provisions which clarify the obligations of the staff of the Dairy Adjustment Authority to comply with a lawful direction from another Commonwealth body. This is to ensure that full protection of staff of the DAA is provided when complying with a lawful request for information.

Of course, with removal of direct government control of the industry services arrangements, it will be a matter for the company and its members to determine the direction of the company and the nature of services it provides. For this reason, the new company should have more direct relevance to the dairy industry and will be better able to respond to the wishes of dairy farmer members.

I am pleased to present this bill as the culmination of very detailed investigations and significant input from the dairy industry. The efforts of the industry leadership in this exercise are to be applauded as they have worked extremely hard on behalf of dairy farmers to ensure that the continued provi-
sion of services to the industry is up to date, relevant and beneficial to all farmers. I understand that the industry has continued to consult with individual farmers and that this consultation process will be maintained in the coming months as the start-up date for the new company nears.

Finally, I would encourage all dairy farmers to examine the benefits of the new arrangements for them and also consider becoming active members of Dairy Australia. It is an important opportunity to have a direct say in the company and its activities, and the more farmers are involved at this level, the more it will ensure that the company is able to develop programs and directions which truly reflect the business and farming needs of the entire dairy industry.

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

Debate (on motion by Mr Cox) adjourned.

PRIMARY INDUSTRIES (EXCISE) LEVIES AMENDMENT (DAIRY) BILL 2003

First Reading

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

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.24 a.m.)—I move:

That this bill be now read a second time.

The purpose of this bill is to provide for the imposition of a new levy, the dairy service levy, to replace the current dairy promotion, research and corporation levies.

The amalgamation of the three levies into one has arisen as part of the reform process to convert the Australian Dairy Corporation (ADC) and Dairy Research and Development Corporation (DRDC).

This bill should be considered in partnership with the Dairy Industry Service Reform Bill 2003, which provides for the conversion of the ADC into a company under the Corporations Act 2001 and the transfer of all assets and liabilities of the DRDC into that company, to be known as Dairy Australia Ltd.

It is intended that Dairy Australia Ltd will become the new industry services body under the new Dairy Industry Service Reform Bill 2003 and therefore receive dairy industry levies and Commonwealth matching R&D contributions. In December 2002 when the government agreed to these reforms, it was also agreed that the three existing levies be amalgamated.

The advantage of combining the three current levies into one is that Dairy Australia Ltd, as the industry services body, will have greater flexibility in determining its expenditure breakdown but will remain accountable for this expenditure through a statutory funding agreement to be entered into with the Commonwealth. Combining these levies will also facilitate the conduct by Dairy Australia of future periodic polls of levy payers which will determine the rate of the dairy levy.

It is important to note that the amalgamation of the three levies will not alter the overall amount of levy which dairy farmers pay. It will merely simplify the current administration of those levy amounts.

The current levy paid by dairy farmers directed to the Australian Animal Health Council and the dairy adjustment levy will not be affected by the provisions in this bill.

Also, this bill does not deal directly with matching government R&D contributions currently directed to the DRDC, as these are dealt with in the Dairy Industry Service Reform Bill 2003. However, it is intended that these matching government R&D contributions will be directed to Dairy Australia, as the industry services body.

This bill forms part of the package of measures aimed at providing the dairy industry with a greater say in the management and direction of dairy industry service arrangements. The amalgamation of these levies will allow the company greater flexibility in the future when responding to the R&D, marketing and trade development service requirements of the industry.

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

Debate (on motion by Mr Cox) adjourned.
WORKPLACE RELATIONS AMENDMENT (PROHIBITION OF COMPULSORY UNION FEES) BILL 2002 [No. 2]
Second Reading

Debate resumed from 11 February, on motion by Mr Abbott:
That this bill be now read a second time.

upon which Mr McClelland moved by way of amendment:
That all words after “That” be omitted, with a view to substituting the following words:

whilst not opposing a second reading, the House condemns the Government for its simplistic and divisive industrial relations agenda that is failing to address the needs of Australia’s working families”.

Mr LEO McLEAY (Watson) (9.28 a.m.)—The Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2], resurrected from last year, is yet another example of the government’s war on the trade union movement and the government’s fondness for misleading titles for any legislation it brings forward on the topic of workplace relations. The so-called workplace relations area—that is, what used to be known as industrial relations—seems to be a magnet for inappropriate and deliberately misleading titles as far as this government is concerned.

I can recall some other workplace relations bills being debated in the House in previous years. A couple that spring to mind are the More Jobs, Better Pay bill and the Fair Dismissals bill. Both of these workplace relations bills were designed to produce the complete opposite of the words in their titles. Now we have another example of the government’s predilection for Nineteen Eighty-Four style newspeak with the words ‘prohibition of compulsory union fees’ included in the title of the workplace relations bill currently before us.

This legislation is not about prohibiting compulsory union fees; it is about bargaining service fees. How much more emotive than ‘bargaining service fees’ are the words ‘compulsory union fees’? They conjure up the visions that the government wants them to: closed shops, enforced union membership, standover bullying tactics—all that nasty blue-collar stuff which the government would like the general public to focus on whenever the issue of unions is raised. The government wants people to forget that unions have moved on and modern unionists and modern unions are far removed from the emotive issues that the government wants people to consider.

I suggest that the words ‘prohibition of compulsory union fees’ have been deliberately used to give the impression that the legislation is going to help in the government’s battle to kill the unions. That is what the government would like to do, and it will use every opportunity it can to attack the unions, even resorting to the subterfuge of giving misleading titles to individual pieces of legislation in the workplace relations subject area. But the government need not pride itself too much on its smartness and cleverness, because some of us know what the government is up to and we will take whatever opportunities we can to draw attention to the government’s game. Individual employees are not going to be fooled by the misleading titles that the government gives to its bills. As I mentioned earlier, this bill is actually about bargaining service fees, not compulsory union fees. The Bills Digest states:

The purpose of the Bill is to prevent collective agreements certified under the Workplace Relations Act 1996 (the WR Act) containing provisions which require the payment of bargaining service fees to the trade union which is party to the agreement. The Bill also prohibits conduct designed to force the payment of such fees. On the other hand, the Bill does not prevent the voluntary contribution of such ‘fees’ by non-members to unions. Also, the Bill allows employer associations and unions to charge bargaining fees where such fees have been arranged under a contract for services.

This bill addresses a very particular issue, not the wider question of compulsory union membership, as anyone who read the title of the bill would expect. When the previous bill was debated last year, the Senate passed amendments, moved by the Democrats and supported by Labor, which would have allowed a bargaining fee to be included in a certified agreement if certain conditions were
met. These conditions were rather enlightening. They were that, before bargaining starts, employees are advised that a bargaining fee will be sought in the agreement; the fee is clearly explained in writing to employees in advance, including details of the amount payable, the method and timing of payment and the service fee to be provided in return; the amount of the fee is fair and reasonable, which is determined if a person takes a matter to the Australian Industrial Relations Commission after an employee who is affected has had the opportunity to make submissions to the commission; the clause of the agreement containing the bargaining fee—in addition to the other terms of the agreement—is genuinely agreed to by a valid majority of employees; and, for new employees who are employed after the agreement has been voted on, the fee applies on a pro rata basis.

That all seems to me to be pretty reasonable and fair when you consider how award negotiations occur in this country. Individual employees do not line up and present their case to the Australian Industrial Relations Commission or to their employer; the work is usually done by highly skilled people who are union advocates. Who pays the wages of those union advocates? The members of the union do. When an award is changed, a pay increase is agreed to or a condition of service is improved, it is not just the union members who get the benefit; all the people who work in the industry get the benefit.

When we had much wider union membership in this country than we have now, in many industries there were only a few people who were not in the unions, so everybody met the burden of the cost of getting changes to wages and conditions of service. But now there are a lot of people who think that they can ride on the backs of the people who pay for these things. It seems to me that, if we are going to be fair about these things, if a whole range of people in an industry get an increase in their benefits, they all should contribute to the cost of getting that benefit. You do not find many employers walking out in the street and saying, ‘I woke up this morning and I thought I should give everybody a wage rise.’ That does not usually happen. The way people get a wage rise is that the union and people employed by the union agitate with the employer or take an award change to the commission. It seems to me to be part of that Australian idea of fairness that everyone who benefits should pay. Now that there are fewer people in unions, those who get the benefit and are not unionists ought to pay.

The other side of the coin, of course, is that, if the government genuinely believes the point of view it is putting forward here, maybe the benefits that unions get should accrue only to union members, and the other people who do not want to be in a union but want a pay rise should be able to go out and battle for themselves. They ought to go out and hire a lawyer and turn up to the Industrial Relations Commission. They ought to do all the hard work that is usually necessary to get an increase in conditions or salary. It seems to me that that good old Australian word ‘bludger’ applies to people who want to ride on the backs of others and not pay for the ride. So there is another side to what the government is asking: if the government wants to prevent these service fees, then maybe the conditions that unions get should accrue only to union members. Even the unions are not saying that.

The amendments that were passed in the Senate put reasonableness into what the government is doing and left intact the prohibitions on coercion, false and misleading statements, and discrimination in connection with bargaining fees. The amendments would have brought Australia into line with other countries, such as the United States and Canada, which allow enterprise bargaining to be funded by bargaining fees. But would the Minister for Employment and Workplace Relations accept these sensible amendments? No, of course he would not. He is more interested in demolishing unions than achieving industrial harmony. He is like the guy who wants to burn the house down to solve the painting problem. He wants division in the workplace, not cooperation. He also seems to be more interested in having a double dissolution trigger than achieving a constructive outcome. Most of the bills that this minister brings into this House get rejected.
in the Senate. They get amended with sensible amendments and then the minister says, ‘That’s not good enough.’

**Mr Cox**—He’s a very incompetent minister, isn’t he?

**Mr LEO McLEA Y**—He is. As my colleague says, this minister has more than intellectual problems. Accepting the amendments should not be unthinkable for the government, but it is unthinkable for this particular government and this particular minister because of their obsession with the destruction of unions and the influence that unions might have in the workplace.

The government do not have any concern for employees. Instead, they have this ideologically based hatred of unions. Their attitude has resulted in legislation such as the bill we are debating today. It is not essential legislation, but it is legislation that could be passed if the government were willing to accept sensible amendments. Because the government have shown their unwillingness to accept the amendments previously, I have little faith that the government will accept the amendments this time round. So the minister will have the double dissolution trigger to put in the bottom drawer for future use, if that is what the government decide they want.

Because there is uncertainty surrounding bargaining fees, the situation is that there have been a number of recent legal contests concerning bargaining fees. Once again, I hold the government responsible for complicating the issue. By raising the issue and trying to prohibit such fees in successive pieces of legislation, the government has created a climate of uncertainty. No-one quite knows what to do, so the Australian Industrial Relations Commission and the full Federal Court have got involved in individual cases. Because the commission and the Federal Court are now apparently in conflict over the certification of some agreements that contain bargaining fee clauses, it is likely that the High Court may become involved. It is becoming more complicated and more uncertain. We can hold the government directly responsible for creating this situation.

What are these bargaining fees, these insidious fees that the government seems hell-bent on trying to prevent? I think the best way to understand what bargaining fees are, and the government’s obsession with union bashing implicit in this bill, is to quote extensively from an article that Sharan Burrow, the President of the ACTU, wrote in the *Australian* on 22 January this year. She said:

This month the Industrial Relations Commission refused to certify a number of enterprise agreements containing fees for union bargaining services.

In effect, the decision means that employers, their employees and unions in a workplace can democratically and unanimously agree on an enterprise agreement, but the commission will refuse to approve it.

Employer groups and the federal Government intervened to have the agreements rejected and both are guilty of badly misrepresenting the issue to Australian workers.

The introduction of fees for bargaining services is a decision that can only be made by a democratic majority of employees—including non-union members—at the workplace. Employees who do not want a service fee can vote against it.

It is only fair that non-unionists who are prepared to accept better pay, job security, health and safety and other benefits from bargaining agreements may be asked to contribute, like their other workmates, to the cost of negotiating the agreements.

Intervention by federal Workplace Relations Minister Tony Abbott to prevent agreements between employers and employees from being certified is hypocritical and politically motivated. It makes a mockery of the Government’s rhetoric stressing the importance of allowing agreements between employees and employers without unnecessary, third-party interference.

The minister’s meddling in the case follows the Senate’s rejection of key elements of his heavy-handed legislation to ban union service fees last year. Abbott—that is, the minister—should get out of the way and let employers, workers and their elected representatives decide for themselves what is best for their workplace.

The fair and democratic principles behind bargaining service fees are well established in many other advanced countries. The International Labor
Organisation does not see bargaining fees as inconsistent with rights to freedom of association.

Unions accept that their principal responsibility is to attract and recruit employees as members. The bargaining fee is not a substitute for union organisation—it is not unionism by the back door.

But it must be recognised that unions do deliver very substantial benefits for non-members covered by union-negotiated agreements. A range of data shows that such agreements consistently deliver higher wage outcomes than any other form of agreement.

Australian Bureau of Statistic data indicates that union members on average earn $99 a week, or 15 per cent, more than non-members. Union members are also far more likely than non-members to be entitled to annual leave (89 per cent of members vs 72 per cent of non-members), sick leave (90 per cent vs 72 per cent), and long service leave (85 per cent vs 62 per cent).

Other benefits such as paid maternity leave, for example, are provided for in 7.9 per cent of union agreements, compared to only 2.6 per cent for non-union agreements, according to a study by the Australian Centre for Industrial Relations Research and Training.

Under the Government’s own workplace laws, union-negotiated enterprise agreements benefit all employees in the workplace, not just union members. Unions support this approach because it prevents discrimination.

Where the benefits of union-negotiated agreements apply to all employees, and there is a significant cost to unions in the bargaining process, surely it is fair enough to ask the non-unionists for a fee for the service provided. After all, the union members pay for the service through their membership fees.

The commission’s ruling this month ignores a unanimous (but non-binding) statement by the Full Bench of the Federal Court in the Electrolux case last year. The legal debate will no doubt continue until the Federal Court or even the High Court resolves it with a definitive ruling.

In the interim, a fee for a demonstrable and substantial service provided by unions is a democratic way of sharing the costs between all those receiving the benefit.

That is what Sharan Burrow, the President of the ACTU, said earlier this year. It is a sane and sensible approach: if you get the service, you should pay for the work involved in getting the service. So I think there should be a way out of this dilemma, which I emphasise has been created by the government. The way out is to draw the differing jurisdictional positions together by expressly permitting agency fees under the federal Workplace Relations Act, provided that there are adequate safeguards—in particular, guarantees of fairness, transparency and accountability.

Amendments such as those passed by the Senate last year, when it was considering the earlier bill, would achieve this outcome. I have no doubt that the Senate will pass the same sorts of amendments this time. If the government is sincere about wanting workplace harmony—which, of course, it is not—then the government should accept the amendments. I do not think too many people would say that America is one of the centres of union hotheadedness in the world. It is more like the country of free enterprise and capitalism. If bargaining fees are okay in the US and in places like Canada, they ought to be okay here. If everyone in an industry gets the benefit then everyone ought to contribute to the cost of getting the benefit. Only bludgers ride on the backs of other people. That is what the government wants to create here—a culture where there are free rides—and I do not think that is right.

The idea of bargaining service fees is a good one, and it is a very Australian point of view. The government should accept whatever amendments the Senate makes to this bill to allow these fees so that we can move on with a bit of workplace harmony. The irony of all this is that many employers are quite happy with this as well. Unlike the minister, employers want their businesses to tick over and make a profit. The last thing smart employers are interested in is workplace disharmony. They want to be able to deal with an organisation when they are doing wage negotiations. No employer can deal with 50, 100 or 1,000 people who might turn up and have 50, 100 or 1,000 different points of view. A wage-fixing system which involves skilled negotiators is a system that provides some certainty and rules. Employers are happy with that. The only people who are not happy with that are the ideologues in the government who insist on continuing the work of former Minister Peter Reith in wanting to have this confrontation. Every time they have it, they seem to lose. We have
seen them funding—with many, many millions—a royal commission into the building industry. It has brought forth a mouse.

The minister ought to have a second thought. If he is really sincere, he ought to consider whatever amendments are put forward by the Senate. When this bill comes back to the House from the Senate, we can cross our fingers, hope for a bit of sanity and hope that the minister might come back in here and say that he has seen the light. I doubt very much that that will happen, but we can always live in hope. I commend the amendment put forward to the House by the opposition’s industrial relations spokesman, the member for Barton. I think the minister should think again about what he is doing.

Mr Pearce (Aston) (9.47 a.m.)—I rise to speak on the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2] bill, and I will start my remarks by countering what the member for Watson has said. The government does not want confrontation; the government wants progress. This bill takes Australian employees forward, and it gives positive progress. Australian workers have been given greater flexibility and encouragement to achieve their goals and aspirations under the Howard government. Recognising that workplaces are most effective when employers and employees are empowered to work cooperatively, the coalition has initiated significant reforms to provide the opportunity for mutually beneficial decision making at a local level.

It is important to ask what the mutual benefits are that have been delivered to Australian workers and, importantly, to Australian businesses. Workplace relations reforms initiated by this government—and fought tooth and nail by the opposition at every stage—have given workers greater flexibility to balance their work and family responsibilities. Our changes have also encouraged job growth, increased job security and, most importantly, delivered higher living standards for Australian workers and their families. With greater freedom from the unnecessary interference of unwanted third parties in the workplace, Australian employers have been able to get on with the job of growing their businesses in an environment of industrial cooperation rather than militancy.

That is not just the government’s view. In their minority report released in May last year on the predecessor bill, the Democrat senators noted that in Australia:

We have a workplace relations environment characterised by lower unemployment, higher productivity, higher real wage growth, greater export competitiveness and lower levels of industrial disputation.

This outcome has not come about by chance but through the diligent hard work and reforms undertaken by this government since coming to office in 1996. One of the greatest reforms instituted by this government has been the introduction of a true right to freedom of association. The right to choose whether or not to join a union, and the right to do so free of coercion and duress, is a tenet of the Workplace Relations Act and reflects the values and attitudes of the Australian community.

This bill is about defending that fundamental principle—defending it from union attempts to reintroduce compulsory unionism through the back door by imposing so-called bargaining fees on non-union workers. Unions across Australia have sought to impose bargaining service fees, fees which require non-union members to contribute to the union coffers. In fact, these fees have in some cases been set as high as $500 a year, which is well above the level of annual union dues.

In a ruling in the Australian Industrial Relations Commission, Vice President McIntyre found that in his opinion the bargaining fee was there to ‘coerce new employees into joining’ the union.

In most cases, the clauses requiring the paying of a bargaining services fee are backed by potential disciplinary action. So, when Australian workers hear Labor claim that there is choice under the bargaining services fee, they need to understand the choice they will have. The choice will be between paying a service fee to the union, paying a membership fee to the union or facing disciplinary action such as possible termination of employment. Unions have sought to justify these fees by claiming they are based on a user-pays principle. While
Labor will undoubtedly focus on the minutiae of the bill and their own political interests in this debate, the coalition's position is based on the simple principle that no Australian should be compelled to pay for a service that they do not request or do not require.

Try as Labor might, it is a hard ask for Australian workers to accept that compulsory fees for a non-requested service are an example of the user-pays principle. For example, let us consider the way a business operates, which is based very much on the user-pays principle. Under our current fair trading legislation, businesses are expressly prohibited from providing non-requested services and then demanding fees for those services. Why should unions be any different? This bill amends the certified agreement and freedom of association provisions in the Workplace Relations Act to ensure that Australian non-union workers are not required or compelled to pay a bargaining service fee for services they never requested.

In late 2001, the full bench of the Australian Industrial Relations Commission found that bargaining fee clauses in certified agreements did not contradict the strict letter of the freedom of association provisions of the act, despite their acknowledged coercive intent. This decision meant that legislative action would be required to prevent this injustice from occurring against Australian workers. A subsequent judgment in the Federal Court suggests that bargaining service fee clauses are not enforceable under the Workplace Relations Act because they do not relate to a matter pertaining to the relationship between employers and employees. However, their continued presence in certified agreements gives them unwarranted legitimacy. In response to these findings, the bill provides that bargaining fee clauses in certified agreements are void in terms of requiring payment and will give the commission the power to remove such clauses on application by the Employment Advocate or a party to the agreement. In addition, the bill will prevent the commission certifying an agreement containing a clause requiring payment of a fee for bargaining services.

The Federal Court decision in the Electrolux case reiterates the view that bargaining fee clauses in certified agreements do not provide a basis on which unions can legally compel nonmembers to pay such fees. In line with this view, this bill will prevent people from engaging directly in, or encouraging or inciting others to engage in, discriminatory conduct against people who refuse to pay a bargaining fee. The bill also prohibits industrial associations—both unions and employer organisations—from coercing people to pay, seeking to coerce people to pay or ordering people to pay a bargaining fee. The bill protects workers from any efforts, whether by employers or unions, to create an impression that employees are legally obliged to pay compulsory union fees by prohibiting the making of any false or misleading representations about a person’s liability to pay a compulsory union fee. The important thing to keep in mind is that we are not preventing workers from making voluntary contributions, but this government is committed to protecting employees against coercion or misrepresentation. Workers will be able to make a voluntary contribution, just as they are able to voluntarily join their union.

The coalition is committed to continuing to deliver a workplace relations system in Australia which encourages employers and employees to work together to create economic growth and, subsequently, new jobs. This bill, relating to the prohibition of compulsory union fees, is only part of a raft of labour market reforms currently before the parliament. In fact, there are almost a dozen bills seeking to make further improvements to the Workplace Relations Act. While the opposition continues to obstruct these important reforms at the expense of Australian workers, I can assure members opposite that the resolve of this government is strong and that we will continue to push for what is right for Australia and for Australia’s future.

This bill has troubled the opposition: the problem they face is the $27 million provided by their top 10 union donors—in fact, that is 27 million reasons to toe the line for political expediency.

The opposition’s spokesman, the member for Barton, has indicated in the past that, before he felt comfortable with the concept of levying fees on non-union workers, he would...
want to know why unions were unable to recruit members themselves. I think that is a reasonable question, and I wonder what the answer is. The reason the union movement continues to struggle to recruit new members is that it no longer reflects the views and aspirations of Australian workers or their families—just like their parliamentary wing, the Australian Labor Party. The issue of border protection is a prime example. A survey conducted by the Australian Workers Union revealed that 83 per cent of AWU members thought that the Prime Minister was right to take a strong stand on border protection. That stand was not supported by the union movement or—and now quite openly—by the opposition. The opposition continues to claim that it cares about Australian workers but inevitably succumbs to the demands of the union leadership. This bill provides an ideal opportunity for the Labor Party to support employees and their right to freedom of association rather than unfair revenue raising and political conscription by their union mates.

In opposing this bill, unions claim that non-union employees would gain a free ride in the absence of compulsory union fees. However, as my Senate colleagues noted in their majority report on the predecessor bill, given that unions are unlikely to consult nonmembers during the agreement-making process or to address their needs in negotiations this is hardly the case. Also, there is no guarantee that the outcomes under a union-negotiated agreement would be better than those the non-union employee may have secured through involvement in negotiations themselves. If the union was any good at representing the interests of the local workers it would not need to compel nonmembers to join because the benefits would be self-evident in terms of the outcomes of collective agreements.

The obstruction of this bill by Labor in conjunction with the union leadership is not about fee for service; it is about continuing the flow of funds into union coffers for their inevitable redirection to campaign funds for the Australian Labor Party. This bill delivers on the Howard government’s commitment to protect the right of Australian workers to true freedom of association, and it reflects our election policy of protecting non-union employees from the imposition of compulsory union fees. It is based on a point of sound principle that Australian workers support, and it deserves the support of this parliament. I commend the bill to the House.

Mr BEVIS (Brisbane) (10.00 a.m.)—Just 10 days ago, it was Groundhog Day in the United States. Most of us know about Groundhog Day through the movie of the same name, which Bill Murray starred in. There is a strong sense of Groundhog Day as we stand to discuss, once again, the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2]. I do not know how many times this bill has been before the parliament, either exactly in its current form or with minor amendments; but it is Groundhog Day again on Capital Hill in Canberra! I notice that the member for Corangamite is on the speakers list. That is the other thing we can be assured of when it comes to Groundhog Day and this bill: that I will be standing on this side with one view and the member for Corangamite will be on the other side with a completely different view. Groundhog Day in the capital city, here we go again.

This bill, as with so many of the bills that the government introduces in the area of industrial relations, is titled to mislead. When people pick up legislation or bills from the parliament, they think the title somehow reflects what is in it. When it comes to the Howard government and industrial relations under the current Minister for Employment and Workplace Relations, Mr Abbott, and the former minister, Mr Reith, you can be assured that the opposite is the case. The most notable example, which I have referred to on a number of occasions, was the government’s second-wave industrial law reforms which they cutesily entitled ‘More Jobs, Better Pay’. There is not a worker in Australia who believes that the bill was about more jobs and better pay.

Similarly, there is this bill. This bill has a title which bears no relationship to the actual contents. It refers to compulsory union fees. As some members on the other side have in fact acknowledged, the bill does not deal
with compulsory union fees; it actually deals with a bargaining fee that may be inserted into agreements after a democratic process is followed in accordance with this government’s laws. The bill is not about union fees at all. The government was told this with earlier incantations, as we woke up with the alarm bell ringing and Groundhog Day occurring on this debate in the past. The government was formally told this by the Senate when the Senate previously rejected this bill. Members of the government tend to characterise this debate and Labor’s opposition to it by making, as did the previous speaker, the member for Aston, some reference to our connection with trade unions. There is no secret about the connection between the trade union movement and the Labor Party. We on this side of the House are proud of it, and the public understand that. It has always been of some amusement to me that government members have not caught on to that yet.

Rather than refer to concerns on this point raised by Labor members—or, in this case, senators during the consideration of the bill in a Senate committee—I want to quote from what the Australian Democrats had to say on the distinction between union fees and bargaining fees in their minority report on this bill in its 2001 guise:

We see a clear distinction between the notion of compulsory unionism (which we oppose) and a contribution to the costs of bargaining, where the person paying is a direct beneficiary of that bargaining. Such payees are not joining a union, but clearly the fee should not be a substitute for a normal union fee. They are paying for a service. They are not contributing to other activities of the union, or electing to play any role in the activities, policies or other conduct of the organisation, or getting any of the other benefits of a union. They are not union members.

The Democrats made that clear in their minority report on the 2001 bill. Many speakers on our side of the parliament have made that clear often in previous debates and again in this debate. I am never quite sure whether the Liberals’ intention to perpetuate those misleading comments is born out of a deliberate desire to mislead the public or whether it is born out of their ignorance; I have never been one for conspiracies—but I am not so sure, having had it repeated so often, whether people in this parliament can be so stupid. The previous speaker demonstrated that he falls into the category of those who are either stupid or just ignorant when he made comments about people being victimised as a result of the compulsory bargaining fee clauses. He actually referred to the Industrial Relations Commission full-bench decision on this matter subsequently. It is a pity that, when the minister’s office gave him the briefing notes, they did not give him all the information about that Industrial Relations Commission full-bench case. Had they done that, had he read it and had he understood it, he would have also known that in the full-bench case last October the bench cited a number of reasons why they rejected the views of the Employment Advocate, Jonathan Hamberger, on this matter. One of the reasons cited was that the clause does not require employers to discriminate between members and nonmembers when offering terms of employment. It would have helped the previous speaker on the government’s side if the minister’s briefing notes had included that little bit of information; it might have saved him the embarrassment of misleading the parliament.

The bargaining fees that we are now debating are not unique to Australia. Bargaining fees exist in the industrial relations systems in the United States, Canada, Switzerland, Israel and South Africa. Last time I looked, none of those were socialist republics. They are all committed, free, democratic, capitalist systems—as we are. It strikes me as odd that in these debates government members like to take a 1950s ‘reds under the bed’ approach to the debate. Clearly, that is a misplaced throwback to a bygone halcyon era of conservative politics.

I want to look at what those other jurisdictions say with respect to these matters. For example, the standard clause used by the federal Court of Appeals in the United States in dealing with this issue says:

No employee shall be required to become or remain a member of the union as a condition of employment.
Each employee shall have the right to freely join or decline to join the union.

Each union member shall have the right to freely retain or discontinue his membership.

Employees who decline to join the union may be required to pay a reduced service fee equivalent to his or her proportionate share of union expenditures that are necessary to support solely representational activities in dealing with the employer on labor-management issues.

There you have it: in the United States there is no argument about this. Compulsory bargaining fees exist within that framework, and that is acknowledged by the ILO. The ILO Freedom of Association committee stated:

When legislation admits trade union security clauses such as the withholding of trade union dues from the wages of non-members benefiting from the conclusion of a collective agreement, those clauses should only take effect through collective agreements.

And that is precisely what we have—a negotiated process of collective agreements. Where those collective agreements include a compulsory fee to be paid to the union for negotiating them, the ILO have said that that is fine. In fact, the ILO quite expressly includes a statement about this:

(Clauses in collective agreements) may also require all workers, whether or not they are members of trade unions, to pay union dues, or contributions, without making union membership a condition of employment ... or oblige the employer, in accordance with the principle of preferential treatment, to give preference to unionized workers in respect of recruitment and other matters.

With respect to this bill, we are not even debating preference of employment to workers—we do not go that far. What the government is seeking to do here is strip away a right which the Industrial Relations Commission actually said was a provision that could be included in agreements. The government is trying to strip away that right even though it is provided for in the ILO and even though it is a common practice in a number of like countries.

This government likes to talk, when it suits itself, about mutual obligation. Members on this side have made the point that non-union members who benefit from the work of the union in negotiating an agreement have an obligation to make some contribution to that. That is called mutual obligation if we are talking about it for the unemployed or for a whole host of others. When we look at people other than unions, government members think that is a very good principle. The present minister, Tony Abbott, in respect of another issue, had this to say:

The HECS system is a good system. It is a good system because it combines in a rather ingenious way elements of user pays with social equity.

The minister was saying that people who benefit from the system should make a contribution to the system. That is a fair basis upon which our society is structured—that is the key principle of our whole tax revenue base. In November 2000, Minister Abbott also made this comment in respect of his broader beliefs:

... policies and principles such as mutual obligation again accord with traditional Christian teaching ...

Minister, where are your Christian teaching beliefs when it comes to trade unions? Why is it okay for people in a workplace to get the benefit but contribute nothing—to bludge on those people around them—but, when it comes to HECS, unemployment benefits, pensioner payments and a whole host of other areas, we expect and demand that people make a contribution if they are receiving a benefit and have the capacity to make the contribution?

It is not just Minister Abbott who has made these comments. The Prime Minister himself has made it clear that he thinks this is an important obligation:

We’ve respected and introduced the principle of mutual obligation. A principle that says that a humane society has an obligation to look after the disadvantaged and those who can’t look after themselves but it also has a right to say to people who get the help of others that if you are able to do so you should put something back to your community in return.

I agree with that comment of the Prime Minister. There is not a lot he says that I agree with, but I actually think he is dead right about that. If you get the benefit and have the capacity to give something back to those who gave you the benefit, you should
do so. That is precisely the principle that underpins compulsory bargaining fees. Why is it that Liberal governments in all guises around the country have consistently opposed that principle in one area only, and that is when it comes to workers making a contribution to a union negotiated collective agreement? We have to ask ourselves how genuine this government is and how genuine the Liberal Party is in pursuing that.

Let me conclude on that point by quoting none other than Peter Reith. Peter Reith had, as we all know, a penchant for wanting to strip away from Australian workers their rights and entitlements. But when it came to the issue of mutual obligation, he said:

... if you are to continue to receive a benefit, then you should perhaps be doing something in return for that, so that’s the principle of mutual obligation ...

Even Peter Reith could bring himself to understand what the principle of mutual obligation was. But, like the rest of the people on the other side of the parliament, he could not quite see the relevance of it to the workplace. I can tell you that there are plenty of people out there in the workplace who do see the relevance of it.

Let us have a look at what happens with mutual obligation as it is meant to function in the collective agreement system. Workers negotiate with their unions a set of terms and conditions they want in their agreement. That agreement is drawn up and, in this scenario, would include a clause that says, ‘Those people who are not a member of a union will make a payment of X dollars to the union that has actually negotiated it.’ Every single worker subject to that agreement then votes on whether or not they support that agreement, including the clause that says they have to make a compulsory payment. If that is carried by a majority of the workers, it then has to go through the certification process that this government has set up, and that involves ensuring that it does not contravene the legislation.

If the workers themselves vote by majority to support an agreement that includes that clause, why is it that the government want to intervene and prevent the will of those workers being applied? This government used to say they wanted third parties out of industrial relations. They used to say, ‘Leave it to the workers and the employers.’ That was when they actually wanted to get the industrial commission and unions out of the process. They have tried to do that in various ways, and they have failed to remove the unions and the industrial commission from the process. Now they are actually changing that philosophy of ‘no third party’. But let me take them at their word when they say there should be no third party involved in industrial relations. If the workers and employers jointly agree by majority decision that they want to have an agreement that includes a clause on a compulsory fee payment, why should this government override their wishes and insert into the law a requirement that says the industrial commission has to strike down that agreement?

The government like talking about giving the industrial commission power. In fact, in his second reading speech, the minister referred to this new power that he was giving the commission—power, but no discretion; power, but no choice. What this bill does is say to the industrial commission: whether you like it or not, whether you think in all of the circumstances it is fair and appropriate, you must deny an agreement that workers and employers have jointly come to by majority decision that includes this clause. One of the things that intrigues me about this approach of the government is that they argue that, on the one hand, union bosses will force it through—I am not quite sure how you do that in a workplace, how you actually get people who are not in a union to vote for an agreement against their will, particularly if the agreement says they have got to make a payment of a couple of hundred dollars in bargaining fees to the union—but then they argue that, on the other hand, union membership is declining and therefore less relevant. You cannot have this both ways.
Union membership has declined. It is in the low 20s—22 or 23 per cent. If you have 23 per cent of the work force who are in a union, how is it that they convince the other 77 per cent to vote for this agreement? Remember, none of this applies if the workers themselves, union and non-union, do not vote for it. This is not a decision imposed by the commission or imposed by some union executive; this only applies where a majority of workers affected by the agreement vote in favour of it. If most of the workers are not in the union, then you have got to ask yourselves why they would vote for it. There are a couple of reasons. One is that, unlike this government, they actually do understand that mutual obligation involves making a contribution in a lot of cases. A number of workers will freely and happily make a contribution and say, 'I don't want to be in the union because I don't like this or that that you're doing but, yes, you have negotiated the agreement for me and I'm willing to make my contribution to that.' That is fair enough. Other people will say, 'I don't really like that clause, but I think the rest of the package is darn good. The union has negotiated a good package, so I'm going to vote for it even though I'm not real happy about making the payment.' But, for whatever reason they make that decision, it is theirs and theirs alone to make. It is not for me to tell them they have to do it or not do it, and it is certainly not for this government to say they are not allowed to do it.

This government is seeking through this bill to tell the workers of Australia they have no right to decide this element of their agreement—and only this element of their agreement. Why? Because this government has a pathological fixation on reducing the role in our society of trade unions. John Howard had it when he was the shadow minister for industrial relations. When he was shadow minister for industrial relations, he said he would stab the Industrial Relations Commission in the stomach. He said that in this parliament; it is in Hansard. As Prime Minister, he has presided over industrial laws from Peter Reith and Tony Abbott that have sought to do that. When he was shadow minister for industrial relations, he was a consultant on industrial relations for a large law firm where he gave that advice as well. This government should step back from its blinkered obsession with reducing workers' rights and trying to sideline trade unions from our society and understand that these freedoms that workers have that have been upheld by the full bench of the Industrial Relations Commission should not be taken away from them.

This bill will be defeated, as it should be, in this parliament as it has been in the past. The government can tuck it away in the drawer as a double dissolution trigger, and do with it as it will. This bill is bad law, it deserves to be defeated again, and I am sure it will be.

Mr McARTHUR (Corangamite) (10.20 a.m.)—It is always a pleasure to follow the member for Brisbane. He is well versed in matters of industrial relations, although he is somewhat misguided. In reference to his more recent argument that this is bad law, it really goes back to my fundamental argument and that of the member for Brisbane that, under the newer regime of industrial relations, we have enterprise bargaining. This is between the employer and the employee, so we do not need the third umpire, the arbitration commission, to be involved in the collective approach.

The member for Brisbane comes out of the 'collective' attitude. He has been in the teachers union. Good old Victorian though he is, he emigrated to Brisbane and probably was further misguided by the sunny climate of the north and his association with the teachers union. But he comes from a culture of collectivisation, where anyone who is outside the union who is a free rider should pay. I had some sympathy for that argument in the age-old Industrial Relations Commission, where advocates put forward a collective position on behalf of the trade union movement or a particular union to the commission in developing a set of awards and conditions. What the member for Brisbane is not fully aware of is that there has been a sea change in the industrial relations scene in Australia. We have now got a situation where employers develop enterprise agreements related to the particular enterprise. He goes back to the Dark Ages—to those days of former Prime
Minister Bob Hawke advocating a position no matter what the impact was on the economy. He and I have a fundamental disagreement and contrary arguments on the industrial relations set of arrangements. This bill goes to the very heart of those arguments.

I draw the member for Brisbane’s attention to my experience in the wool industry. I spent many years in the wool industry with the AWU. The member for Blaxland has come into the chamber; I am pleased to see him here. I draw to his attention the no ticket, no start syndrome that was evident in the shearing industry. The organiser would come to the shearing shed and demand a show of tickets. If any one member of the team did not have an AWU ticket, the team did not start. That is a classic situation and that is the thrust of what we are on about in this piece of legislation.

The government’s approach is to ensure that there is a free and unfettered approach by individual employees to negotiate a position with their employers without undue influence from the union. The other side of the argument, as the member for Brisbane and other members opposite have said, is that if the union provides the service it should be entitled to a possible payment of $500. We on this side are saying that that is contrary to the spirit of our 1996 industrial relations legislation, which made progress towards a more focused industrial enterprise bargaining approach where workers and management could come to an agreement on a set of wages, terms and conditions which were more appropriate to their particular enterprise.

The Labor Party and those opposite have managed to persuade some senators to block this piece of legislation when it has previously come before the parliament. That represents an attempt by the Labor Party to enforce a closed shop position; that is, if you do not pay the money, then you will not get the service and you have got to be forced to join the union. What we are suggesting is that, if there is a genuine contract, there be a fee for service, but it has not been part of industrial relations legislation, so we are going to tidy that up in this legislation.

What is emerging is that the unions have been advocating a fee for service, often $500, which in some cases is more than the cost of joining a union, so it is a de facto union fee. The unions and members opposite, including the member for Brisbane, are advocating that, if they cannot get an employee to join a union, they will charge a quite considerable fee for service for the so-called services they render in negotiating an enterprise agreement and that it will be payable whether or not an employee is a member of the union. It is a collective arrangement. The Electrolux case ensured that that set of arrangements moved into place.

The Electrolux case formed the detailed background of the legislation that is before the parliament. In that case, the judges considered that the fee clauses should not be included in agreements. The bill clarifies that position: that fee for service should not be included in agreements and that protected action was going to be part of this final decision. In particular, the full court did not overrule comments made by the trial judge in the AIRC on the collective and discriminatory operation of these clauses. As the member for Blaxland would understand, the court understood that the union heavies would be forcing nonunion members to participate in the $500 fee for services that they rendered, which many of the nonunion members did not require. The bill seeks to ensure a straightforward approach to certified agreements. It makes it clear that bargaining fee-for-service clauses in certified agreements are void and provides for direct removal of such clauses. There we have it. The Electrolux case was fought in the courts on two occasions. There remain some grey areas in the outcome. This bill clarifies the position of these fees for service and their inclusion in the discussion in developing certified agreements.

The argument that some members on this side have already made is that, in some agreements, these fees are already included. We are saying that that should not be the case; it was not a contractual arrangement and it should be excluded. Members opposite use the age-old argument that it discriminates against union members. The freeloader ar-
argument, which I do have some sympathy for, is being used: that, if the union provides back-up services in negotiating the fee and uses a professional approach in the development of those skills and that expertise in presenting a case on behalf of paid-up union members, they are entitled to support from non-union members of the work force. That is the fundamental argument that we face, and the courts have been somewhat ambivalent in making a final decision. Some commentators have challenged the fine print of these arrangements. On 22 January, the editorial in the *Australian Financial Review* stated:

Compulsory bargaining fees are really a backdoor way of bringing back the closed shop to bolster flagging union coffers ... (they) offend against the law of contract, which requires offer and acceptance as well as consideration and certainty to be binding.

That comment by an independent commentator supports the argument—as the member for Blaxland would understand—that it is a contractual arrangement between the employer and the employee which, in the court’s interpretation, is allowing a backdoor method of increasing union membership. The independent commentator says that this is compulsory unionism. The member for Blaxland, the member for Brisbane and other members opposite have been very strident in trying to improve the flagging membership of their unions. According to the member for Brisbane, union membership is down to 22 per cent or thereabouts; if you take public sector union membership out, it would be lower than that. Members on the other side of the House are using every possible strategy to ensure that people in the workplace, particularly in the bigger enterprises, are forced to join a union or pay a fee. We have a position where even their own people are not too sure about this approach. In October 1999, Bob Carr said:

You can’t put a tax on other members of the work force and the state can’t require the collection of union fees from non-unionists.

There you have Bob Carr, the Premier of New South Wales, generally agreeing with my philosophical position—that is, that you cannot coerce people into paying a fee for a service they did not request, a service they do not want and a service that somebody is superimposing upon them to gain monetary advantage for themselves. Even the Western Australian workplace relations minister, John Kobelke, said:

We think unions need to get out and provide services to their members and attract members on the basis of what they can offer.

There you have it again, in Western Australia: the fundamental argument that if unions want to improve their membership and get their fees they have to make an offer of good service, of providing an advocacy and a position in the modern industrial situation, which is different to what it was 20 years ago. Even those people who understand the arguments, who represent some important points of view in the Labor Party, are somewhat restrained in supporting this legislation. Of course, the ALP policy is to allow union service fees. In their policy document of 2000, they say:

The legitimate role of trade unions and their right to organise, to take action on behalf of their members and on behalf of workers generally, and to bargain collectively, should be enhanced, recognised and defended.

Interpreting that, it means: if you can get some members by any means possible you are entitled to do it. So we have conflict between the various members on the other side with regard to this legislation.

My position is quite clear: this legislation tidies up the position of the Electrolux case. It makes it quite clear that this backdoor method of compulsory unionism should be outlawed, that people should be free to join a union or not to join a union—something that I have been advocating on this side of the parliament for many years. I am all for people joining a union or an employee association of their own free will. I am not for people in the workplace being forced to do so under the Martin Kingham aegis of ‘no ticket, no start’, as we have on the Victorian building sites, where the situation is, ‘You’re all in the union and, if you’re not, we’ll coerce you.’ Likewise in the transport industry, where no ticket, no start is rife. If you do not have a ticket you will not be able to get the forwarding contract—and so it goes through various industries. I am pleased to say that in
the wool industry, in the shearing industry, that is no longer the case, because people have come to understand that the AWU does not provide good services to the shearmen. The shearers can put forward their own arguments. The membership of the AWU has declined quite remarkably in the shearing industry in recent years.

I commend the thrust of the legislation, supported by the very strong philosophical arguments that we have had from both sides of this parliament. I think it is a tidying up of the court rulings and that it will ensure that the Workplace Relations Act 1996 works effectively on behalf of workers, on behalf of unionists and on behalf of employers and owners throughout Australia. I commend the legislation.

Mr HATTON (Blaxland) (10.33 a.m.)—I rise to speak on the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2]. How many angels can you stand on the head of a pin? This is a question that actually preoccupied people for a couple of hundred years. Medieval philosophy was concentrated on this as a critical foundation for understanding the nature of the world which they inhabited. I can only imagine that a similar kind of deep, full and concerted investigation has taken place in the mind of the member for Corangamite and those of his ilk who seek to tussle with this issue, both here in the House and of course in the courts. If you put a group of medieval philosophers in a room and throw a question at them that they cannot come to any final and clear determination on, or if you throw a gaggle of lawyers together in a series of courtrooms and, again, throw at them a question which does not admit of any final and certain answer, you have got a pretty similar situation to that between the number of angels on the head of a pin and the question of compulsory bargaining fees, despite the certainties.

The medieval philosophers had great certainty arguing their points of view, from one side to the other, as to how many angels could, in fact, stand on the end of that pin. Despite the certainties advanced by the member of Corangamite and despite the Federal Court dealing with the appeal matters arising from previous cases, the status of bargaining fees or compulsory union fees and whether or not they are allowed to be charged is still not utterly clear. A High Court case is proposed with regard to this—whether or not that comes off and what the outcome of that might be is yet to be determined.

I also note that a brief provided by the library with regard to the _Australian_ argues that the idea that a journalist operating on behalf of the _Australian_ or anyone else would be entirely disinterested is a novel sort of thing in the industrial relations area, given that people have taken different stances and are, in fact, employed in order to take different stances and to advance different arguments. The brief actually noted that there had been a change in approach to this. In fact, there has been a change to the quality of argument and the nature of it between the last brief, when we previously dealt with this issue, and this brief. The thrust of the argument in the brief is that if we take into account what is actually said in the appeal court then the weight of support would fall to the minister and the member for Corangamite. According to the person writing the brief, it may just be that this legislation is not necessary at all if the result of the appeal process was to absolutely state that bargaining fees could not be part of the business.

The allusion to medieval philosophers and the number of angels standing on the head of a pin is entirely apt when it comes to this matter, because the manner in which it is being dealt with in the courts has been entirely legalistic. It is a question of the relationship between the employer and the employee, certified agreements and whether or not a compulsory union fee—or a bargaining fee, as it is known in the United States and Europe, where it is allowed in their relationships between employers and employees—is taken into account. Unionism is not compulsory in the United States, but there is a large body of unionists there. It is taken into account and accepted in law in the United States that, because they undertake work not only on behalf of those they represent but also on behalf of those who are not contributing to the union, unions have a right to
charge a bargaining fee—which this government seeks to present as a compulsory union membership fee—in order to claim back some of the costs of advocacy on behalf of those who are not members. Those costs are primarily administrative and fundamental costs, not the broader costs of the union movement’s operation. They include the costs of agreement making and deal making with employers and whatever attendant costs are incurred through the court process to get better conditions and better pay not only for those who pay their full union fees but also for those who pay not one cent into that process.

As I have argued before, in the Australian context I can fully understand that, having been employed as a teacher at the Christian Brothers High School in Lewisham and De La Salle College in Bankstown. As a member of the Independent Teachers Association, the ITA, I paid my money. During my time in that organisation, the ITA had never been on strike. Since I have left, there have been one or two strikes; but it was not an organisation that was bent on striking. It was an organisation that put an enormous amount of effort, at great cost, into improving the conditions and the pay of those people who were signed up. I taught side by side with people who chose not to join the ITA but who benefited every day from the increased wages and improved conditions, which, in that context, were better wages and a far more robust, better developed and more professional approach that had not existed in teaching before.

The experience in the teaching profession has been almost the reverse of the experience in most industries. For instance, the enormous hierarchies that existed within manufacturing and so on have over time—the last 20 years in particular—been flattened. Those hierarchies have been compressed: middle management has been pressed out and you have the CEO and the directors at the top and then just about everybody else on the same level. What we have had to build into teaching through the ITA is some sense of movement so that teachers can move to an increased professional level over time and have that acknowledged by better payment and some consideration of time off. It must be taken into account that teachers’ increased professional capacity, either through extra study or through in-service work, allows them to do better than they otherwise would. So they have built some extra levels in.

That does not come without cost, which goes to the core of this. In the United States and in jurisdictions within Europe—particularly in Germany, where this notion is central to the way people operate—those legitimate costs of the union in pursuing the very work that they are there for can and should be met. The argument we have had here in the courts has been about certified agreements and whether the employee-employer relationship can encompass this at all. That is what this bill is about. The difference between this bill and previous ones is that there is an out for employers in this bill. We have a bit of an unbalanced approach here. Here is a change to the previous bill and a refinement to what has been argued before, because the employers have come up and said, ‘Hey, this is okay. You can keep running as you are to try to stop these compulsory union fees being imposed, but we might get caught up in that with what we do.’ The brief argues:

... the current Bill differs from the predecessor Bill (as initially introduced into the House of Representatives) due to the inclusion of items which reflect the provision of bargaining services, specifically by ensuring that fees for bargaining services charged, for example, to employers by employer organisations, are not rendered invalid by the provisions in this Bill.

So there is one law for the employers and the employers organisations, and there is another rule for the unions and union members. We should not be surprised by that; that has been this government’s entire approach since it came to office in March 1996. This bill is entirely consistent with the previous omnibus bill that has been broken down into this. We now have a dozen or so constituent elements that the minister or his predecessor, not able to get the omnibus bill through, have tried to funnel through the parliament in different forms. They have tried to ratchet it and change a few things here and there and argue that it should be done. Based on the considered work from the brief, the argument has been put that maybe the minister does not
need to do it, because there may be certainty with regard to certified agreements on the basis of what the Federal Court decided in January 2003. Certainly, the difference here would be the question of dealing with the employers in a different way.

I would like to look at it more broadly. If we are not dealing with those things that engaged medieval philosophers in a fruitless task for so long, maybe we should look a bit more broadly at this question. There are questions, as I have argued previously, about the rightness with which some unions have approached this issue. Part of the reaction has come from the fact that, if you look at the total amount of union fees that have been paid by members of unions, the quantum of the bargaining fee that was put up by a number of unions in 2000 and 2001 is higher than what people would pay in terms of full union cost. I think it is a pretty silly approach to take because it invalidates the core reason that you should look at a bargaining fee in the first place. You cannot encompass all the union's work in the notion of the bargaining fee. As it operates in the United States and Europe, it is properly taken into consideration that people can choose—and they have every right to—not to be in a union but, even though they do not pay a compulsory union fee, the union has the right to knock on their door and say: 'We've done work on your behalf. You don't want to be in the whole show; you don't want all the benefits that accrue to union membership. But we think it is right and valid for the legitimate costs of advocacy to be returned.' And the employers agree with this and the governments have actually agreed to it.

I would argue at this time, as I have before, that those unions that have not gone down that path, that have put their case in terms of a much higher level of fee, have helped to invalidate the core argument here. And the core argument is that, if you look at this broadly—not just in terms of certified agreements but in terms of agreements between employers and employees reached with the assistance of unions through the Australian Industrial Relations Commission and through proper bargaining processes—there is a valid place for a bargaining fee within the Australian jurisdiction, as there is in the other major jurisdictions in the Western world. That valid place would allow the normal costs of these processes to be absorbed, as the minister himself is effectively arguing in the changes that were made to the initial bill. In looking at the relationship between employers and their employer organisations and arguing that they should be separate from this, the government are saying that it is valid for a bargaining fee charge to be imposed by employer organisations on employers. Logically, unions should also be able to impose a bargaining fee amount not only on unionists but also on those who would otherwise benefit. There should be some correlation. I ask the minister to look at that from the point of view of the changes made and the inequality that rests at the bottom of this.

The inequality of that relationship, however, is of no real concern to the government, because they have pursued it since they came to power. They have sought, through this bill and through others, to pull back the capacity of unions to effectively represent people in the workplace. We know, historically, just what a changed environment unions find themselves in. We know that the relative number of people in unions is still pretty much the same as it was in the past but that the growth in the workforce has outstripped union membership in percentage terms. The workforce has changed, there is increased casualisation, and jobs have been stripped of their mass character because service industries have opened up and developed and small operations litter the country. This was unprecedented. If you go back to the forties and fifties, you will see that Australia was not structured in that way. A changed workforce means changes in terms of union membership, and that needs to be taken into account. We should not have people who choose to be in unions belted around from one end of the country to the other on the basis of ideological obsessions. We have had that not just in this parliament but also in the previous parliament and in the parliament before that.

This bill comes in as just one piece of a wider matrix, as far as the government are
concerned. They have tried to lay down a central running theme that, from their point of view, this parliament will be about anti-unionism. Their view is that this parliament will be about making the case against Australian unions and that the series of bills running through here, trying to limit and constrain union activity and trying to split up the relationship between the unions and the Australian Labor Party, should be made a fundamental political weapon for the next election. That is how we started out at the beginning of this parliament, and that is how it has continued.

It has lost some of its impetus, I think, simply because we are involved in larger matters. One of those matters is the question of what will happen with Iraq and the war there in three weeks or so, if you believe the member for Brand and others. The odds are certainly on that. The way in which the government has dealt with the issue is a matter that has dominated the parliament this year and towards the end of last year, so the focus has gone off this workplace relations legislation. But what has not changed is that, if this bill is knocked over in the Senate, in short order there will be another bill to rack up in terms of the government’s double dissolution strategy. We had the precursor for that last year; this would be another one.

What does this say about the obsessiveness of the government and its inability to track off an ideological approach? Maybe it is true—and I am fairly convinced—that the member for Corangamite, based on his experience with the AWU and his experience in the pastoral industry, has a strong view about people’s rights not to be locked up in a closed shop. There should be a free and open market in terms of how people choose to exercise their labour and whether or not they choose to join a union. But, equally, that fairly old-fashioned view, which is encompassed within here and in the history of the Liberal Party, is married to the old master-servant relationship and the inequalities of power. The inequalities of power are quite open and readily seen in terms of an employer’s power over an employee, but most people in Australia do not have the economic capacity to stand up to an employer and to demand improvements, changes or increases in wages. It is a relationship based on inequality. It is a relationship based on one entity being far more powerful than the other. It is the fundamental reason why unions developed in the first place.

Spence and the precursor to the AWU, the one big union, arose following periods of enormous development in the 1860s and the 1890s. There was a labour shortage at the end of the 1840s, prior to the gold rush, and there was a large increase in the population as a result of that. There was enormous development of Australia’s capacity—not only in agrarian terms but also in terms of gold-mining and other industries—throughout the 1860s to the end of the 1880s. The crunch came with the four years of depression from 1890 to 1894 and the four great strikes that occurred during that period. There was a change of attitude on the part of those people who were in aggregated unions. That change happened on the basis that the fundamental inequality in the relationship between the employer and the employee was based on the effective power of the employer to govern conditions and on the fact that there was no social welfare system to fall back on.

As a part of the Australian industrial relations system—certainly since the Harvester decision in 1907—and in this changed environment where there are no closed shops, we have a situation where unions could rightfully argue for a basic bargaining fee for carrying out their legal duties in representing their members and going through the processes prescribed by this government. These processes involve a cost to those unions and their members. In Australia there should be equality of treatment legislatively, if not in power terms. The equivalent systems in the United States and in continental Europe should be part of the process here, and those fees should be able to be recovered. (Time expired)

Ms HOARE (Charlton) (10.54 a.m.)—This is the second time that we have seen the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2] before this parliament. Time and time again, we see legislation on industrial relations defeated in this parliament and
brought back to the parliament again. It has been said that this provides triggers for a double dissolution election.

I spoke in the previous debate on this legislation last May, and at that time I called it the freeloaders bill. This legislation does not allow non-union members to pay for advocacy services and the benefits they win when the union takes cases to the Industrial Relations Commission or the courts. Last May I said that it costs about $3,000 a day to retain an advocate in the IRC. Once the case is won in the IRC—and cases can be long and drawn out—then all workers in that particular industry or enterprise end up gaining the benefits. Who pays at the moment? The answer is that union members pay. I think it is quite fair and appropriate that non-union members are charged a bargaining fee if they are willing to accept the benefits that the union is able to provide for them. It is not fair that they should not pay for those benefits but then work alongside workers who have paid for the benefits that the union provides. Those bargaining fees should be able to be charged.

When the Prime Minister was elected in 1996, he vowed to reform the industrial relations system in this country. He vowed to smash the unions and take away the rights of working people right across the country. The main rights are the right to collectively organise and the right to take industrial action. The Prime Minister started this with, firstly, former Minister Peter Reith, who was the former member for Flinders. The major campaign of his ministership was what happened on the waterfront when he called in his mate Chris Corrigan to sack waterfront workers who were union members. He brought the balaclava-clad thugs with their Rottweilers onto the waterfront to try to smash the Maritime Union. Peter Reith failed.

Then the minister at the table, Minister Abbott, was brought in. His main campaign at this time is to try to smash the construction union. We have seen the so-called Cole royal commission into the building industry in Victoria. Has there been much talk about safety in the industry? Has there been much talk about illegal workers in the industry? Has there been much discussion about the shonky practices of the employers in the industry during that royal commission? No there has not. The royal commission has focused solely on trade unionists and their activities. We are waiting to see the much anticipated report that will come from that royal commission in a couple of weeks time.

If this legislation is again rejected in the Senate—and we call on the Democrats to hold firm on their position in the Senate and reject this bill again—it has been said that this will provide another trigger for a double dissolution election. Under section 57 of the Constitution, there is a provision for a double dissolution process. A double dissolution election can occur once a piece of legislation has been rejected twice by the House of Representatives and the Senate or amended in a form which is unacceptable to the government.

Currently in this parliament, no bills have been rejected twice by the Senate or amended in a way unacceptable to the government. However, we do have a raft of legislation which has been reintroduced following rejection by the Senate or which has been amended in a way unacceptable to the government. Those pieces of legislation include: the Trade Practices Amendment (Small Business Protection) Bill 2002 [No. 2], the Workplace Relations Amendment (Fair Dismissal) Bill 2002 [No. 2], and the National Health Amendment (Pharmaceutical Benefits—Budget Measures) Bill 2002 [No. 2]. Then there is this piece of legislation, the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2], and the Workplace Relations Amendment (Secret Ballots for Protected Action) Bill 2002 [No. 2]. There is also a bill which has been rejected by the Senate but has not yet been reintroduced, the Migration Legislation Amendment (Further Border Protection Measures) Bill 2002. We are also going to see the Workplace Relations Amendment (Secret Ballots for Protected Action) Bill 2002 [No. 2] debated in this House again this week.

These pieces of legislation provide a trigger for a double dissolution. Why are we talking about a double dissolution election? I
believe it is because of the Prime Minister’s statement that he was going to reassess his future at the time of his 64th birthday, which happens sometime during the middle of this year. What possible scenarios could be going on in the Prime Minister’s mind at this time? The Prime Minister’s scenario for a possible double dissolution election would provide for a smoother transition from him to his nominated successor, the Treasurer—and I am sure that must grate on the minister at the table, the Minister for Employment and Workplace Relations.

What possible scenario could be played out? The Prime Minister is in the USA at the moment. The Prime Minister would be hoping that the US Ambassador, Tom Schieffer, was right when he said—as we saw reported in the papers this morning—that if war happens those standing beside President Bush, such as Prime Minister Blair and Prime Minister Howard, are ‘going to look heroic’. So the first part of this scenario is that there will be a war. It will be a short war; there will be no Australian casualties; and the Prime Minister will come out looking heroic. He will come back to Australia and he will say that all of the decisions made by him and his government were the right ones, and he will expect the Australian people to applaud him. His 64th birthday will roll around and he will reassess his future as Prime Minister.

He will see as a double dissolution trigger the raft of legislation that is sitting there, which includes all of the industrial relations legislation as well as the border protection legislation. He will see that as an opportunity to go to the Governor-General and to say that his legislative program is being thwarted by the parliament and he would like the Governor-General to dissolve both houses of the parliament to enable an election to be called. If he won, it would enable him to get his legislative program through with a joint sitting of both houses of parliament following the election. Labor would fight that all the way. Labor would be reminding people that it is not only industrial relations legislation and migration legislation but also legislation that will increase the cost of prescription medicine for Australian families, legislation that will throw people off the disability support pension and legislation that will force single parents to go out looking for work while their children are still quite young. That is what Labor will be reminding the Australian public of during a double dissolution election campaign.

The Prime Minister would think that he could have this joint sitting of parliament after he won the election, push through the raft of legislation and then retire. When he was elected in 1996, he had a certain political agenda, which included the GST, the smashing of the trade unions and the industrial relations system in this country, and migration legislation changes. He would be thinking that he would be able to say, ‘I’ve gone out as the Prime Minister who was able to, one, retire at the time of my own choosing and, two, get my whole political agenda through.’

But we are missing one piece here, and that is the full sale of Telstra. I would not be surprised to see legislation introduced which would sell off the rest of Telstra in anticipation of that being part of a double dissolution election. The bill before us is another piece of that. It is a piece of industrial relations legislation which started off with the so-called More Jobs, Better Pay bill. We have seen the so-called fair dismissal bill, the fair termination bill, the secret ballots bill and now we are seeing the reintroduction of this bill, the compulsory union fees bill—or, as I called it in May last year, the freeloaders bill. It is still the freeloaders bill. People who provide a service to other people are entitled to be remunerated for that service. The trade unions who take before the Australian Industrial Relations Commission cases for better conditions for workers and increases in pay are entitled to ask all those who benefit, whether or not they be trade unionists, for a contribution to cover the cost of those actions. I support the amendment moved by the member for Barton, which is:

That all words after “That” be omitted, with a view to substituting the following words: “while not opposing a second reading, the House condemns the Government for its simplistic and divisive industrial relations agenda that is failing to address the needs of Australia’s working families.”
As most speakers on this side have said, and as the shadow minister concluded:

That point is made by this legislation, which is unnecessary and which is entirely for the purpose of seeking a double dissolution, again for divisive reasons rather than addressing those needs of the Australian working community.

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (11.07 a.m.)—I would like to thank all members who have participated in the debate on the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill 2002 [No. 2]. As members have pointed out, it is not the first time this matter has been debated in this House. I fear that the quality of the debate has not improved because of the repetition that we have had. Nevertheless, I do thank members for their participation. I particularly thank the shadow minister for workplace relations for his thoughtful contribution which, it seems in this case, was helped by having a private conversation with one of my own advisers.

From time to time, it has been alleged by members opposite that the government are anti-union. For the record, let me refute that terrible smear. The government are all in favour of unions, but we are definitely opposed to union arrogance, union bullying and union coercion, as indeed we are opposed to arrogance, bullying and coercion by any individual or organisation in our society.

I do note the statement of the member for Barton that the first priority of trade unions is to secure membership and not to request the payment of bargaining fees. This is one statement made by the shadow minister with which I am in complete and total agreement. It is a pity that all that the member for Barton has been allowed to say in this debate did not reflect that basic commonsense. Unfortunately, compulsory union levies—or bargaining agents’ fees, as the unions prefer to call them—amount to a form of industrial conscription. It is a Clayton’s closed shop; it is compulsory unionism by the back door. That is why this government is dead against the practice.

As I have said before in this House and elsewhere, the idea that a union ought to be able to enter into negotiations with an employer, come to the arrangement which the union thinks is best and then go along to a worker and say, ‘Please pay us $500,’ or go along to a worker and say, ‘You must pay us $500,’ which is what some unions are now doing, is just dead wrong. If a company did this, it would be a scam; it would be illegal under trade practices legislation. As I have said before, it is a little like someone walking past my house, deciding that my front door or front fence needs repainting, starting to do the job and, when I come home, saying, ‘That will be $500, thank you very much.’

I notice that the member for Barton in his contribution to this debate has taken issue with my analogy. He has proffered instead a body corporate analogy. Let me point out that no-one is forced to buy a strata title unit. People who do purchase strata title units accept that body corporate membership and body corporate obligations are simply part of the deal; no-one who enters employment would be expected to accept that compulsory union levies are part of the deal.

Let me enter further into the member for Barton’s analogy. There is a fundamental difference between the kinds of decisions that body corporates make and the kinds of negotiations which unions enter into. For instance, it is impossible to simultaneously have two separate renovations to the same part of a building; it is impossible to simultaneously fix a leaky pipe two ways. But there is no intrinsic reason why any agreement to cover the wages and conditions of some employees should apply to all. The member for Barton made much in his contribution of certain legislative requirements. If that is the problem, there is no reason why the member for Barton or others could not come to this parliament and seek to amend those particular aspects of the Workplace Relations Act. But they have not done so, because the fact is that the union movement has always insisted that one size fits all. The union movement has always insisted that, if there is to be a collective agreement, it must apply to everyone.

As the member for Barton admitted in his contribution, this legislation in fact reflects a decision of the full bench of the Australian
Industrial Relations Commission. The member for Barton maintained that this legislation is unnecessary because of the Industrial Relations Commission full bench decision. If the member for Barton backs the decision of the Industrial Relations Commission, the industrial relations umpire, if he thinks the decision is right, surely he should back the legislation. While I am sure that the member for Barton himself is entirely genuine when he speaks of the industrial relations umpire and the need to accept its decisions and respect its authority; that genuineness is not by any means universal amongst members opposite. In fact, there are too many officials of registered organisations who treat decisions of the Industrial Relations Commission with contempt. There are too many officials of registered organisations who accept the decisions they like and ignore the decisions they do not. I am quite confident that, despite all the rhetorical genuflections to the Industrial Relations Commission, when this government brings a bill before this parliament to provide that the officials of registered organisations must adhere to decisions of the Industrial Relations Commission, the member for Barton will find ingenious reasons to oppose that bill.

The member for Barton said in his speech that union members enjoy all sorts of benefits over and above those employees who are not union members. If those statistics are correct and accurately and genuinely reflect the real situation of people, then why is there a need for conscription? Why do the unions insist on the necessity of being able to charge bargaining agents fees or compulsory union levies if the union officialdom is as popular as supporters of unionism on the other side of this House would have us believe? If they are as good at getting the best possible deal as we are told, why do they need industrial conscription? In fact, the union leadership is extraordinarily insecure. That is why the agents of the union leadership in this parliament are so keen to oppose the government’s bill. This government believes that people should be free to join a union or not to join a union. This is a very important principle, and that is why this legislation is necessary.

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

Question agreed to.

Original question agreed to.

Bill read a second time.

**Consideration in Detail**

Bill—by leave—taken as a whole.

**Mr McCLELLAND (Barton)** (11.17 a.m.)—by leave—I move opposition amendments (1) to (6) together:

(1) Schedule 1, item 9, page 5 (lines 2 to 13), omit section 298SA, substitute:

298SA Permissible bargaining fees

(1) An organisation may charge a permissible bargaining fee:

(a) in connection with an agreement certified under section 170LJ or Division 3 where:

(i) the agreement’s beneficiaries include those who have not made a contribution to the costs of reaching the agreement by means of paying a union membership fee; and

(ii) this permissible bargaining fee is explained in clear language, and in writing, to all employees in advance of the vote on the agreement; and

(iii) details of the permissible bargaining fee, and the services for which it is payable, are set out in the agreement; and

(iv) all employees affected by the agreement are advised, prior to bargaining commencing, whether it is proposed to include a permissible bargaining services fee in the agreement, and that they may make submissions to the AIRC under subparagraph (vii) below in relation to this fee; and

(v) in addition to the requirement in subsection 170LT(5), a valid majority of persons employed at
the time, whose employment would be subject to the agreement, have genuinely agreed to the provision; and

(vi) the agreement provides for the method and timing of the fee to be paid; and

(vii) the AIRC is satisfied that the fee is fair and reasonable; and

(viii) the agreement provides that new employees pay the fee only for the pro rata period of the agreement from the time that their employment commences; or

(b) in connection with an agreement certified under section 170LK where:

(i) the employee has agreed to pay for the provision of bargaining services in respect of the certified agreement; and

(ii) the employee has agreed to the total amount to be paid and this total amount covers all the bargaining services that may be provided in relation to the employee in respect of the certified agreement; and

(iii) the agreement was entered into before the bargaining services were provided.

(2) An organisation of employers may charge a bargaining services fee in connection with an agreement certified under section 170LJ or 170LK or Division 3 where:

(i) the employer has agreed to pay for the provision of bargaining services in respect of the certified agreement; and

(ii) the employer has agreed to the total amount to be paid and this total amount covers all the bargaining services that may be provided in relation to the employer in respect of the certified agreement; and

(iii) the agreement was entered into before the bargaining services were provided.

(2) Schedule 1, item 10, page 6 (lines 1 to 6), omit Division 5A, substitute:

Division 5A—False or misleading representations about bargaining services fees etc.

298SC False or misleading representations about bargaining services fees etc.

A person must not make a false or misleading representation about:

(a) another person’s liability to pay a bargaining services fee; or

(b) another person’s obligation to enter into an agreement to pay a bargaining services fee; or

(c) another person’s obligation to join an industrial association.

(3) Schedule 1, item 11, page 6 (lines 7 to 11) — Opposition to oppose.

(4) Schedule 1, item 12, page 6 (line 12) to page 7 (line 4) — Opposition to oppose.

(5) Schedule 1, item 14, page 8 (lines 8 to 11) — Opposition to oppose.

(6) Schedule 1, item 15, page 8 (lines 12 to 19) — Opposition to oppose.

The crux of Labor’s amendments is to establish some parameters for the bargaining fees to operate in. These amendments were in fact moved by the Democrats in the Senate, with our support. The parameters set by those amendments are fair and reasonable. A number of them are clearly set out in these amendments, and they operate in the following manner.

Firstly, a bargaining fee obviously should not be charged if someone is already paying union membership dues to a particular union, even though it may not be the union seeking the fee. The intention to seek the bargaining fee must be explained in clear language and in writing. The agreement must set out details of the fee and, importantly, details of the services to be provided by the union to that person who pays the fee. The employees must be notified prior to bargaining commencing that it is the intention of the negotiators to seek the inclusion of a clause referring to the bargaining fee, and any employee would have the opportunity to seek access to the Australian Industrial Relations Commission if they thought the fee was in some way unreasonable.

Secondly, we confirm—and this is already in the legislation, but the amendment further confirms it—that the fee would only be in-
cluded in the agreement if it were passed by a clear majority of employees. The parameters also set the method and timing of payment of the fee. For instance, payments may be staggered over a period of time as opposed to a lump sum payment. We specifically state that the fee must be ‘fair and reasonable’, and that is something to be determined by the Australian Industrial Relations Commission, particularly where the service to be provided by the union for the payment of the fee must be included in the agreement.

Our other amendments go to technical issues, which are consequent upon the primary thrust of what we have moved. Our amendments, which are consistent with those moved in the Senate, would still leave significant provisions of the government’s bill in place—for instance, those about victimisation, coercion or misleading statements; albeit we would propose to amend that. We would still leave a significant amount of the substance of the government’s legislation while setting up fair, reasonable and appropriate parameters for the operation of bargaining service fees.

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (11.21 a.m.)—I appreciate that the shadow minister for workplace relations has adopted as his amendments the amendments moved in the Senate by Senator Murray, the Democrat spokesman. I certainly accept that, if you are going to have compulsory union levies or bargaining agents fees, these are sensible ways to have them. But these amendments seek to regulate bargaining agents fees and not to prohibit them, so there is a fundamental disagreement between the government and the opposition on this point. If we were going to have the fees, the opposition amendments would make some sense, but the government is determined that we will not have them. That is why we will be opposing these amendments.

Question put:

That the amendments (Mr McClelland’s) be agreed to.

The House divided. [11.26 a.m.]

(The Deputy Speaker—Mr Hawker)

Ayes............. 65
Noes............. 77
Majority........ 12

AYES

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

NOES

Abbott, A.J. Anderson, J.D.
Bailey, F.E. Baird, B.G.
Baldwin, R.C. Barresi, P.A.
Barlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Brough, M.T. Cadman, A.G.
Cameron, R.A. Causley, I.R.
Charles, R.E. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Downer, A.J.G. Draper, P.
Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (11.32 a.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

MIGRATION LEGISLATION AMENDMENT (CONTRIBUTORY PARENTS MIGRATION SCHEME) BILL 2002

Cognate bill:

MIGRATION (VISA APPLICATION) CHARGE AMENDMENT BILL 2002

Second Reading

Debate resumed from 5 December 2002, on motion by Mr Ruddock:

That this bill be now read a second time.

Ms GILLARD (Lalor) (11.33 a.m.)—In addressing the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002, I think it is important to start with an acknowledgment that the all-important truth of the Australian story is that we are a nation of migrants, apart from our Indigenous peoples. Migrants have built this nation. They have come from all around the world—some under the great postwar immigration program, which was aimed at strengthening and populating the nation; some under the skilled program; some as refugees. No matter how people have come, it is an understandable desire for migrants to seek to have their family join them, particularly their parents as the parents age. It is also important for children to have access to their grandparents and their culture and histories.

Necessarily, parents tend to be older migrants, and research on the economics of migration has consistently shown that age plays a critical role. Younger migrants prove to be a net economic positive, with skilled younger migrants making the greatest economic contribution. Older migrants tend to be a net economic negative, with the costs of support in terms of health and welfare payments outweighing their economic contribution to the nation. Research published in the United States in the mid-1990s put a dollar figure on the difference as follows. A highly educated migrant arriving at age 21 was calculated as having a net present value to the economy of $332,000 over their lifetime. For a poorly educated migrant aged 21, the net present value was $9,000. For a highly educated 70-year-old migrant, the net present value drops to minus $148,000. For a poorly educated 70-year-old migrant, the net present value drops to minus $166,000. Australian research by Dr Bob Birrell and Dr James Jupp shows that welfare dependence by immigrants increases with the age of arrival.

Understanding this but also understanding the importance to families of having their parents with them, particularly as parents age, the Labor government sought to strike an equitable balance between what costs of
the migration of parents should be borne by the taxpayer, by the Australian community, and what costs should be borne privately by the sponsoring individuals. Obviously, there have to be some limits on parent migration, and in 1988 the then Labor government sought to reduce parent migration by introducing the balance of family test, where at least half of the children of the sponsored resident had to be resident in Australia. This helped to ensure that the migration program was focused on those parents who needed to be united with their families in order to achieve adequate personal, social and economic support.

Further changes were made in 1991, when the then Labor government introduced the assurance of support bond at $3,500 for each principal applicant and $1,500 for each additional applicant. Under the scheme, the sponsor of the parent migrant paid the bond to the Commonwealth. The bond was used to fund any welfare payments claimed by the migrant. At the end of two years, unused funds were repayable with interest. Welfare payments that exceeded the value of the bond were recoverable from the assurer as a debt to the Commonwealth.

In addition, the then Labor government introduced a migrant health service charge. Under this scheme, a non-refundable levy of $822 had to be paid by the sponsor for each parent migrant. The aim of this suite of changes was to strike an equitable balance between the health and welfare costs of parent migration that the taxpayer, the Australian community, should bear and the health and welfare costs of parent migration that the sponsoring family should bear. But it is important to note that Labor structured those changes so that those seeking to sponsor did not face hardship and so that people who sought to have their parents migrate faced the same barriers, not different barriers.

Labor’s understanding of the need for parent migration meant that in the last intake year of 1995-96 under Labor the number of parent visas issued was 8,900. On coming to office, the Howard government immediately took an aggressive approach to limiting parent migration. In addition to announcing a review of the whole system, the Howard government did the following. Firstly, it introduced measures to tighten the balance of family test. This tightening would have required more than 50 per cent of a parent’s children to reside in Australia. In the case of parents with two children—a fairly standard case—this measure would have required both to be living in Australia. The Senate disallowed this change. Secondly, almost as soon as coming to office, the Howard government successfully introduced a two-year waiting period for social security benefits. Thirdly, the Howard government introduced a cap on parent visas of 7,600 in 1996-97, which was then slashed to 1,000 in 1997-98.

As a result of its review, the Howard government amended the relevant regulation in 1998 to introduce new parent visa classes, with an assurance of support of $4,000 for principal applicants and $2,000 for additional applicants, and a migrant health services charge of $5,000. Under this regulatory regime, 2,800 places would have been made available for parent visas under transitional arrangements for applicants under the old visa classes—that is, the queue with the usual assurance of support and migrant health service charge—and an uncapped number of visas would have been available for those seeking parent visas in the newly created and more expensive queue. By combining with the Democrats, Labor disallowed these regulations in the Senate on the basis that they would have imposed hardship on families seeking to have their parents migrate. In response, Minister Ruddock reduced the number of places available for parents in what I have termed the ordinary queue to 500; and that cap still remains in place. Of course the ordinary queue is the queue with the conditions in relation to assurance of support and the migrant health service charge as created by Labor.

In 2000, the Howard Government introduced the Migration Legislation Amendment (Parents and Other Measures) Bill 2000. Part of this bill provided for new parent visa classes with an assurance of support of $10,000 for principal applicants and $4,000 for additional applicants, and a migrant health services charge of $25,000 or proof of satisfactory private health insurance cover.
The government was proposing that 4,000 places be allocated to the new and more expensive visa classes. Labor and the Democrats defeated that part of the bill dealing with parent visas. Once again, Labor took the view that the proposal would have created hardship and inequity in creating two queues—one for those with financial resources and one for those without.

In 2002-03 the parent visa class remains capped at 500 places. The conditions applying to the visas are the need for an assurance of support of $3,500 for principal applicants and a migrant health services charge of $1,050. Save for the indexing of the migrant health services charge, these visas have the same conditions as imposed by Labor in 1991. Obviously, 500 places per year are nowhere near sufficient to meet demand. If we contrast 500 places with the 8,900 places available in the last year of the Labor government or even the 7,600 places available in the first year of the Howard government, the fact that 500 is a very draconian cap stands out very starkly. In implementing and maintaining this cap, the Howard government has deliberately created a crisis in parent migration.

There are currently 22,400 applications in the pipeline, with 14,800 fully processed and with queue dates. Given the age of many of the persons seeking entry, they will die before they ever reach the front of the queue. This means that families with parents in the queue are desperate. The situation is now so hopeless for them that they will pay any price and do anything that is necessary to get their parents here. This level of desperation is completely understandable, and I have met with many people in this position. To those with parents in this queue who are watching this debate closely, I say this: always remember that you are in the position you find yourself in today, isolated from your parents and desperately worried about them, because the Howard government implemented a savage cap of 500 parent visas. Why did the Howard government do this? It did it in order to make people so desperate that what had been politically unacceptable became acceptable. The Howard government introduced this cap to force a reluctant migrant community who want their parents here to accept new fees and charges, to accept a system with two queues—one for those with money and one for those without.

This strategy has been both a cruel and a cynical one, and it is as a result of this cruel and cynical strategy that these bills are before the House today. The genesis of these bills dates back to 7 May 2002, when Minister Ruddock announced the 2002-03 migration numbers. In doing so, he made the following statement:

... 4,000 places in a full year remain available for parent migration should there be support from opposition parties to allow legislation to ensure a fair share of health and welfare costs is covered by a parent and the Australian sponsor compared to taxpayers in general.

The minister in that statement was publicly heralding that he would be prepared to add 500 places to the available 500-place cap in the ordinary queue to make a total of 1,000 places in the ordinary queue, provided that legislation passed this parliament to allow new and more expensive visas which would have a queue of 3,500. On that basis, obviously, as I have said, I think we have seen the unfolding of a cruel and cynical strategy. Here we were with the minister holding out to people who were desperate to get their parents here a potential solution, provided that they, this parliament and everybody else accepted a thing that had been politically unacceptable—and that was the creation of new and more expensive visa classes.

A little bit later, the minister outlined four options for the new parent visa classes. It is not my intention to take the House to the details of those options today. They were the subject of a consultation paper issued by the minister. But I do make this one observation on these four options, which were a matrix of different levels of charges and different time payment arrangements: two of them were distinctly better in terms of minimising financial hardship than the provisions of this bill. That is, of the four options consulted on, two of them were distinctly different to the measures that are in the bills before the House today.

That brings me to a description of what is in the bills before the House today. The
scheme outlined in these bills is as follows. The current parent visa categories would be kept open to fresh applicants—that is, we have 22,000-odd people in what I have been terming the ordinary queue. People will be free to join that queue, and the number of places available in that queue will be increased from 500 people to 1,000 people. Then there will be a whole new queue created, with 3,500 places per annum. People seeking to have their parents migrate to Australia in that new and more expensive queue will have two options. Option No. 1: they can pay an up-front charge of $25,000 per person and an assurance of support bond of $10,000 for the principal applicant and $4,000 for the secondary applicant, refundable after 10 years less any take-up of welfare benefits. That is the first option: the immediate production of $25,000 and the production of $10,000 for the assurance of support bond for the principal applicant. Of course, the fees keep rolling on and escalating if you are migrating two parents. Then there is option No. 2, which at least gives people some respite in that it gives them some ability to pay over time. This option is structured on the basis that the up-front payment is $15,000 per person rather than $25,000. If you go with that option, you will receive a two-year temporary visa for the parent who migrates—obviously, they have got to meet all other relevant criteria in terms of character and the like—and, at the end of two years, they can make application for a permanent visa and pay a further $10,000 charge and an assurance of support bond of $10,000 for the principal applicant and $4,000 for the secondary applicant, refundable after 10 years less any take-up of welfare benefits.

Put simply, the difference between the two arrangements is that, in the first arrangement, you pay $25,000 and the assurance of support bond and immediately get permanent entry to Australia. If you take the second option, you effectively pay the charges over two years and get a two-year temporary visa which will become a permanent visa when you have finished paying off the money that is owed. For those who have followed this debate closely, we do need to make a couple of things clear. One is that, for those people who are in the current queue, arrangements are made under this legislation to enable people to pay the higher charges and move to the new and more expensive queue. Obviously, given the level of anxiety that many people feel with their parents queued in this extraordinarily long queue of more than 30,000 people, numbers of families will consider that option, irrespective of the hardship that it places on them.

I think when you roll off a whole lot of figures it is easy for people to get confused, and migration matters are never simple. For families who are trying to work out where they stand under this legislation, it will not be simple. But the best way of thinking your way through it is to take an example to get a handle on the real quantitative differences between the ordinary queue and the new queue. To take the example of a sole surviving parent who is somewhere other than Australia, if you sought to have that sole surviving parent migrate in the standard queue, the costs would be a total of $5,725, comprising a health charge of $1,050, an assurance of support bond of $3,500 and a visa application charge of $1,175. To migrate a parent under the new, expensive queue will cost a total of $36,175, comprising a fee of $25,000, an assurance of support of $10,000 and a visa application charge of $1,175.

You do not need to be particularly good with numbers to immediately recognise that there is an enormous difference between $5,725 and $36,175. In terms of the finances of ordinary families, with a bit of a stretch many families might be able to find $5,000 to $6,000—by savings, by small extensions to the mortgage or whatever—but we all know from personal experience it is a quantum difference to try to access more than $36,000. It is the difference between an expenditure that is realistic to save up for over time and an expenditure that most people would necessarily have to borrow for and, in borrowing, would need to have a substantial asset to secure it against. You are talking about people using the equity in their homes, for example, to access that amount of money. We all know many people who simply are not in that position.
In responding to these bills, Labor maintains the position that it has always maintained on the question of parent migration. The position that we have consistently maintained, from government to opposition—and which we will take back into government again—is that whilst it is appropriate for sponsoring families to make a contribution to the health and welfare costs associated with the migration of parents, the system needs to be equitable and not cause undue hardship. We believe the system detailed in these bills fails the tests of equity and of not causing undue hardship. It fails the test of equity by creating two queues, and people are very highly advantaged if they have the financial means to get themselves into the second and more expensive queue.

We need to recognise that the standard queue will have only 1,000 places per year, and that the more expensive queue will have 3,500 places per year. So if you have the financial resources—if you can access just over $36,000—you are 3½ times more likely to be able to get your parents into this country. On the test of equity, of putting people in comparable positions, of not allowing privileged access for those that have got financial resources, we think that this package fails. As I have indicated, we also think it fails the test of not causing undue hardship; by anybody’s standard, $36,175 is a lot of money. That is for the migration of one parent. You can effectively pretty close to double it for two parents. Obviously the assurance of support is slightly different, but just as a rough calculation you can pretty close to double it if you want to get your two parents out here. In anybody’s language that is a lot of money, and many people will find it well beyond their means, even if they are prepared to go down the path of borrowing. Many people will not have an asset—a home or whatever—whereby the equity that they have within it would sustain those sorts of borrowings. Labor believe that these bills as a package have failed the tests of equity and of not causing undue hardship.

While Labor has remained consistent, unfortunately the Democrats have not. As I gave the history of this bill, you would have noted, Mr Deputy Speaker Wilkie, that there were a number of occasions on which Labor and the Democrats had combined to block passage of comparable legislation or regulatory changes. But perhaps proving the old adage that you might not be able to buy the Democrats but you can rent them by the hour, they have done a deal with the government and agreed to support these bills. Consequently these bills will be passed by the parliament. However, while we know that these bills will be passed, Labor believes—as outlined in the second reading amendment standing in my name—that we should never have got to this position. We should never have got to a position where there are more than 20,000 desperate families in a queue for parent migration. We should never have seen the unfolding of a cruel and cynical political strategy that is designed to create the desperation and the political pressure for a new and more expensive visa class by so radically capping the current queue. This has, I think, been a bit of a three-card trick played on people who simply want to do no more than have their parents join them in Australia. So what do you do? You make it virtually impossible for them to migrate their parents in the ordinary queue; having virtually made it impossible for them to do that, you allow a huge queue to blow out. People are then so desperate that they will tick any box, pay any amount of money, jump any hurdle in order to get their parents through. When the desperation is at that point, you come in with legislation like this and ask people to support it.

We on this side of the parliament believe that we have been consistent about this matter. We believe that this political strategy has been one that really has hurt a lot of people in terms of the anxiety that they have had to live through and that, in terms of an ongoing system, this system fails both the test of equity and the test of not causing undue hardship. Given this, I urge the House to adopt the second reading amendment which I now move:

That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the bill a second reading, the House:

(1) notes that:
(a) the Howard Government slashed the number of visas available for parents seeking to migrate to Australia to join their families to 500 in 1998;

(b) through this savage cut in visa numbers, the Howard Government has deliberately created a queue of over 20,000 parents seeking to migrate;

(c) the deliberate creation of this queue has caused stress and suffering for the families involved;

(d) having created this crisis, the Howard Government’s only answer is a new visa class which requires the payment of a $25,000 fee which will be beyond the means of many; and

(e) while Labor has historically supported sponsoring families making a contribution to the health and welfare costs associated with the migration of parents, the system needs to be equitable and not cause undue hardship; and therefore

(2) calls on the Government immediately to introduce a fair system of parent visas, which will stop families in the current queue suffering additional stress and hardship and will meet Australia’s needs into the future.

I urge the House to support this amendment.

Dr Emerson—I second the motion and reserve my right to speak at a later time.

Mr Randall (Canning) (12.00 p.m.)—It is my privilege to speak on the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002. In doing so, I am pleased that we are focusing today on a long-held desire by the coalition to address parent migration to this country in an orderly and proper fashion. It was an election commitment before the 2001 election. Thankfully, the Australian Democrats have decided to support this legislation. We will see how it ends up in the Senate, because, in a rather scathing manner, the opposition spokesperson on migration has given the Democrats a bit of a lashing with reference to them being rented by the hour. Just look at the current relationship between the Australian Democrats and the Labor Party: they have been stacking up bills in the Senate ever since the 40th Parliament has been in session. It is nice to see the Democrats making themselves relevant again by being involved in negotiations and seeing good legislation go through rather than by adopting the attitude of the Labor Party, who just decide that they will block everything as some sort of strategy to hinder the government getting on with its business and the delivery of its commitments to the Australian electorate. This commitment was made to the Australian electorate before the last election, so the legislation is on the table. It is good that the Democrats are actually going to assist in some form or another to see that it is passed.

The background to this bill is very important. Recently, I spoke to a young gentleman called José who is of Portuguese background. He migrated from South Africa, because that is where his family eventually ended up. He is a young engineer and lives in Perth. His mother is divorced and she would like to come to Australia to be with her grandchildren. She has been here on several occasions on holiday visas but she would like to come to Australia to be with her grandchildren. She has been here on several occasions on holiday visas but she would like to be here on a more permanent basis. We know the social benefits of having parents here, particularly aged parents, when their children live in the country. Whether you are of migrant background or you are, like me, a fifth generation Australian, it is of some benefit to have grandparents in the background. It is not only their moral and social support which is of some benefit; it is also their practical support. I have been lucky enough to have my children’s grandparents available and they have been fantastic in the facilitation of my children’s activities in relation to babysitting, schools et cetera. It really does add something to the family network when parents can join the family.

This legislation also covers a commitment to extend the user-pays concept to parent migration. As the member for Lalor mentioned, this scheme under Labor peaked in 1987-88 to over 10,000 people—all parents. We need to examine that a little bit more carefully. One of the signals that was sent out at the time by the Labor Party and the rather dubious minister at the time, Senator Nick Bolkus, was that they were using the migration system for a good deal of social engineering in this country. Rather than having people migrate from our traditional bases,
largely Europe and near-Asia, we began to have migration in large masses from obscure countries like Eritrea. You can see the result of this today, borne out by Sunday programs and Four Corners programs, in the ethnic branch stacking that the Labor Party have taken upon themselves in recent years. They have done this by exploiting the so-called favours that Senator Bolkus was gradually delivering to hopeful ethnic minorities with the promise that if they supported the Labor Party they would be able to bring out family members, including parents, in droves.

The message Senator Bolkus was sending out from the Labor Party was that if you could get here you could bring your ambient and extended family to Australia under the votes for favours scheme. This had a knock-on effect: the situation that Australia found itself in recently, with overstays and migration by boat. You would have noticed that it was male members who were migrating here by boat; there were very few older parents and children. The idea was that if you could get here not only could you stay but also you could somehow, through this wink and nod system that existed under Senator Bolkus’s administration, bring the rest of the family. So began this attachment by the Labor Party to social engineering. It was no coincidence that enclaves of these people that the Labor Party had been giving favours to ended up in quite a few marginal seats in this country. The ethnic branch stacking that has gone on in various seats—and that is responsible for members of this House actually being members—has borne the fruit of this exercise. This legislation brings integrity back into the migration system: instead of being a family scheme it will be a skills based scheme. There is no doubt in the world that the ultimate benefit to Australia will be skilled migrants.

Australia is currently in almost a Dutch auction around the world for skilled migrants. Yes, there are millions of people who would migrate to Australia tomorrow if they could. But, firstly, they would not pass the points test and, secondly, it would not add anything to the Australian economy or way of life to have large slabs of particular regions or ethnic groups migrating to this country under a different scheme to the one we have now, which is a nondiscriminatory migration scheme. You only have to look around the rest of the world to see the problem of schemes which are not as controlled as our scheme or which do not have the integrity that the current minister has brought to our scheme today. For example, Britain are mirroring our legislation because they have seen the problem that unbridled migration to that country is bringing, where large ethnic groups are taking in illegal migrants and people are migrating under a very soft system and are then becoming a huge drain on the welfare system. This is being seen throughout Europe.

Italy also mirrored the legislation of Australia recently, because the integrity of the Australian migration system is recognised internationally. As a result, not only is Italy copying our approach to illegal immigrants but it is copying our approach to attracting skilled migrants. Australia is in a big competition for the types of migrants that we would like to attract. The opposition spokesman gave some distinct figures about the impact of bringing in, for example, a young family with educational qualifications who speak English and what they would contribute to the Australian economic outcome. However, she did not give all the figures. To use an example again, if you were to bring to Australia the remaining members of an Eritrean family, where the father and mother are aged 70, do not speak English or have any skills and become immediately welfare dependent, they would become an absolute drain on the Australian economic way of life. That is the comparison that we have today.

As an example, we used to get thousands of migrants from Italy in the postwar system but now Italy is in competition with Australia for these people. There is very little migration from Italy to Australia—in fact, there is possibly a negative migration from Australia of wealthy Italians who have decided to go back to Italy and retire. As a result, Italy is in competition with Australia for these skilled migrants that we are talking about. The reduction under the current parent
migration scheme to 500 was not mean spirited but a direct result of the Labor Party’s sorting of the parent visa system under the previous minister. To that end, it also addresses unscrupulous migration agents from promising families who are in Australia now easy access to the system and then not being able to deliver.

Mr Deputy Speaker, you will know the person I am about to mention—he is a person I intend to make a complaint to the Migration Agents Registration Authority about. Mr Sam Piantadosi is a former member of the upper house in the Western Australian parliament who had a falling out with the Labor Party and then ran as an Independent at the last election. Mr Piantadosi now passes himself off as, and is actually registered as, a migration agent operating as Eurasia Trade and Migration Services Pty Ltd in Northbridge. My office has had a number of complaints about Mr Piantadosi—for example, that he is taking money from potential migrants and never delivering on the services that he offers. In fact, he does not even lodge the paperwork. People, generally from an Italian background, come to my office for help and we are able to help them. Naturally, we do not charge them anything, because that is the job we do. This person has helped himself to the funds of these vulnerable people. At the end of the day, this bill will address the problems caused by people like Mr Piantadosi, and I hope that my complaint to MARA will see that his behaviour is addressed.

I want to address the body of the bill, which has been addressed before but I would like my point of view to be on the record. This legislation will create four new visa classes and subclasses. As has been explained before, people wishing to apply directly as permanent residents can lodge a $25,000 second visa application with a 10-year assurance of a support bond for the principal applicant and a $4,000 assurance bond for any secondary applicants. In what you may crudely call the ‘suck it and see’ method, applicants can lodge a $15,000 visa application charge for a two-year temporary visa and, if they wish to continue after two years and become a permanent resident, they can contribute the remaining $10,000 of their surety. This is good in some respects because, let us face it, not everybody wants to stay in Australia. For example, I met a Vietnamese lady who wanted to go back to Vietnam after joining her family here because she thought Australia was too quiet and boring. Australia may be the land of Utopia or Shangri-la for some, but not everybody sees it that way and some people actually want to return home. This measure will give people the chance to come and have a look and go back if they decide to.

We need to address the skill stream and the family stream. We know, for example, that the number of migrants admitted under the skill stream proposed for 2002-03 is to be 60,700 compared with 43,200 under the family stream. Australia has a migration intake of over 100,000 and, of that number, we know that some 14,000 are for humanitarian needs—for example, refugee status et cetera. It is a multifaceted system which, as I said, looks at opportunities such as this and at having an intake for skilled migrants and for those from traditional countries such as Britain. For example, under the existing programs something like 7,500 people migrate to Australia from Britain each year.

I believe that José, whom I mentioned at the beginning of this speech, would be very pleased to have an opportunity for his mother to join his family in Australia. The Labor Party makes much of the fact that this is discriminatory because people with low incomes would not be able to afford to pay the amount required to purchase or apply for places in this scheme. Let’s face it, if people have arrived in Australia and are not in a position to provide these sorts of funds for their parents, it goes towards addressing the bottom end of the level that the Labor Party addressed some years ago. They brought in people from very poorly skilled backgrounds. When people from such backgrounds arrive in Australia, they have a very limited opportunity to advance themselves. As I said earlier, I see this as a result of previous migration policies in this country. Those policies produced people who did not have the opportunity or the skills necessary to advance themselves, so they have stayed
in that cycle of being low income earners in this country. This bill allows for people who want to use the opportunity offered by a country like Australia—where if you put in, you can get out in large amounts—and provide for their parents to come here. There will be an annual intake of 4,000 people. It will address the concerns of an increasing number of people—over 22,000 people—who would like to have the opportunity to bring their parents to this country.

The policy decision before us is whether we require parent migrants to contribute as part of their social welfare costs to this country. I would like to think that the $25,000 lodged for the health component of this is very responsible. We are told that the cost to this country—given that these people are parents and many of them are of pensionable age—would be over $200,000 per person, on average, if it were carried through to the ultimate end. So the $25,000 that applicants are required to lodge is only 12 per cent of the real cost to the Australian public of having these people here. Obviously, this legislation has to address the compassionate side of reuniting families by not asking for the total component that should be paid. These figures have been done in several ways, but the proposal asks for a genuine upfront contribution not only for the health component but also for surety. The surety is important as well, because on a number of occasions—I am certainly aware of it, and it has been in the media—various families have endeavoured to bring their parents out here and then abandoned them. The $10,000 surety and the $4,000 for the secondary applicant addresses their responsibility. Having to lodge that sort of money sorts out those who are genuine and those who are not.

The fact that this is a practice that, in some respects, is mirrored in many countries overseas—for example, Canada—shows that it is a responsible piece of legislation. It will facilitate people who are in a position to take advantage of the scheme to do so, and it is the way forward. I commend the Democrats for being relevant in this debate, but I condemn the Australian Labor Party for being opportunistic again by endeavouring to block a scheme that is going to be beneficial to thousands of people.

Mr MURPHY (Lowe) (12.20 p.m.)—For the benefit of the member for Canning, I will be condemning the government in my speech. I know that the Minister for Immigration and Multicultural and Indigenous Affairs is here this afternoon and smiling, but my remarks are not directed at him personally but at his policies and those of the government.

Two bills are being debated cognately today and I will be focusing on the first bill, the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002. I oppose the bill for the following reasons. The Bills Digest No. 98 of 2002-03 notes that the purpose of this bill is to:

- Amend the Migration Act 1958 to accommodate the new ‘contributory parent visa’ under the visa application charge regime in the Migration (Visa Application) Charge Amendment Bill 2002, and
- Amend the Migration Regulations 1994 to create new classes of contributory parent visa, permanent and temporary, with increased financial obligations in relation to health charges and social security payments.

It is significant to note the observation in the Bills Digest where it says:

This is the third attempt by the Coalition Government to introduce a new class of ‘user pays’ visa for parent migration to Australia. Regulations to this effect were disallowed by the Senate in March 1999. Then in October 2000 the Senate removed provisions introducing such visas from the Migration Legislation Amendment (Parents and Other Measures) Act 2000.

I make these observations because until now the opposition has been united in its thoroughly justified opposition to this flagrantly utilitarian policy of the government. By ‘opposition’, I specifically refer to the Australian Democrats, the Australian Labor Party and certain Independent and other party senators who have until now prevented the passage of legislation through this parliament that would introduce the new visa class.

My opposition to this bill is simply that it discriminates economically against family reunion and hence family stream migration. The bill seeks to introduce options that will increase the cost to prospective parent visa
applicants who enter Australia. I do not want to go into the details of the specific options of additional charges being proposed. It is more important in my view that the morality of this bill is debated and made clear to the members of this House and anyone who might be listening to this debate. Having said that, I simply note that the additional costs proposed include increased financial instalments for health services as part of the new contributory parent visa applicant, and a substantial increase in the assurance of support bond. For example, the 2002 proposal essentially means a mandatory assurance of support bond of $10,000 with a contributory health service charge of $25,000.

The cost of such applications, even in terms of Australian dollars, is well outside the economic reach of the average family. The total of $35,000 is a lot of money, even for Australian families and residents, let alone residents of countries whose mean annual income hovers around $500 per annum. To many prospective applicants, this new visa will be hopelessly beyond their economic reach. Hence, these amendments will economically discriminate against them and they will again be forced to apply under the old regime of appalling capping and queuing provisions that has applicants waiting many years before they are allowed to be reunited with their families in Australia.

The opposition has been thoroughly consistent in this House and in the Senate on this bill now and during the last two prior attempts by the coalition government to introduce the user-pays visa. The coalition government has, for the third time, persisted with this legislation that implements its policy of economic discrimination against the family. This bill represents yet more proof that the Liberal-National Party coalition are anti-family and anti-life. They present themselves as the cleanskins of moral correctness but demonstrate through their actions, and in this bill before the House, their contempt for family unity and the sacredness of the family.

It is interesting to note from the Bills Digest, which I mentioned at the start of this speech, that there are currently approximately 22,200 parents waiting to migrate to Australia. At the present time they are waiting with great fortitude, often for five or more years, to be granted a parent visa, thanks to the punitive and infamous capping and queuing provisions of the government. My electorate of Lowe has one of the highest migration compositions in Australia, hence the Lowe electorate office receives a large number of inquiries and requests for assistance regarding the current visa regimes, for parents in particular, and receives many other requests for assistance. I want to take this opportunity to thank my senior electorate officer Mr Robert Balzola for all his efforts in this area. The minister has met Mr Balzola, who does a great job for me personally, and I also thank Mr Ruddock’s representative Mr Sam Harris. I pay tribute to Mr Sam Harris, who provides a great service to our office.

Mr Ruddock—He is a very competent departmental officer. He is not my representative.

Mr MURPHY—He is very competent. In the Lowe electorate office, we sometimes feel—and I am sure Mr Balzola, in particular, feels—that we are providing an outposted branch of your department, Minister.

The DEPUTY SPEAKER (Mr Wilkie)—Order! Mr MURPHY—When we debate the appropriation bills, I will say more about that. I believe the government should be pouring more resources into your department, Minister, rather than tying up Mr Balzola and my staff—

The DEPUTY SPEAKER—Order! I remind the member for Lowe that he should refer his remarks through the chair and not across the chamber.

Mr MURPHY—We will move on. Before the minister leaves, I want to make the point that families are torn apart through these punitive provisions that literally punish a person for being old and of no practical economic benefit to Australia. These people only want the best for their children but find themselves in a black hole which allows no light to come out. The parents are effectively separated from their children, in a permanent
sense, often for the remainder of their natural lives.

The Australian Democrats have apparently sided with the government on this bill. I note that their anticipated voting pattern is yet another example of their collapse as they change their minds for reasons that we can only speculate about. The Democrats 180-degree backflip on this bill must not go unnoticed. For whatever reason, if you can call it that, the Democrats have succumbed in order to permit the passage of this bill. I thought that the Democrats mantra was ‘Keep the bastards honest.’ We will see. Family unity is not a thing that can be bartered, bought or sold. The moral reasoning of the government demonstrates that they and now the Democrats know no law higher than money.

It must be noted that the reason for this bill is inextricably linked with the demographics of Australia’s population trends. It is significant to note that the Australian Labor Party’s relevant shadow ministry is the portfolio of Population and Immigration, currently held by the member for Lalor, Julia Gillard, who is sitting here at the table. She has done a terrific job with this bill because she has put a lot of effort into analysing it, and her recommendations have had a great influence on my observations today. I thank the member for Lalor for her hard work, because she is doing a great job as the shadow minister—soon to be minister, we hope.

As the government clearly do not understand true moral reasoning in their law making, I now wish to address in language they will understand—utility and money—the real reasons why this bill is before us this afternoon. I turn to the issue of population trends in Australia; for Australia’s fertility rate lies at the heart of this matter. Members of this House would realise that Australia’s fertility rate is amongst the lowest in the world, and this is undoubtedly due to a number of lifestyle and other factors. This means that Australia is economically unsustainable in terms of GDP growth. Birth rates per woman are now very low in Australia. With concomitant suicide rates, low marriage rates and other factors, Australians are simply not having enough children to fill the dwindling ranks of taxpayers that are so crucial for the Commonwealth taxation coffers to feed upon. As a consequence, Australia has become more and more dependent on immigration to fill the demographic shift of eligible taxpayers.

When we hear of Australia’s ‘ageing population’, what we really are hearing is that the ratio of non-taxpaying elderly Australians to eligible taxpayers is on the increase. That means fewer taxpayers paying for social security and other benefits for those who no longer pay taxes. This is not a phenomenon restricted to Australia; this trend is occurring in other so-called ‘affluent’ countries throughout Europe and elsewhere. In my view, ‘affluent’ is really a synonym for greed and stupidity, for the consequence is that the government has not the courage to face this reality. Instead, the government seeks to bolster its pool of skilled migration visa applicants.

At the Migration: Benefiting Australia Conference held at the Australian Technology Park on 7 and 8 May last year, the Minister for Immigration and Multicultural and Indigenous Affairs noted that government planning has increased skilled migration to approximately 60,000 per year as a direct consequence of Australia’s economically unsustainable fertility rate of approximately 1.9 births per mother. For those members of this House who are unfamiliar with the consequence of a rate of 1.9 births, an economy must achieve a fertility rate of 2.4 births per mother for what is called the ‘base replacement rate’. At 1.9 births per mother, Australia is going backwards. The consequence of this for Australia is devastating in economic and social terms. The consequence of this direction is that Australia’s consumer spending—indeed everything—is being bred to extinction.

The relevance of this population trend in Australia means that the government must find replacement taxpayers. It does this by encouraging what are called skilled migration visa applicants. The plan is simple enough in the fixated, utilitarian mindset of this government’s short-sighted policy: Australians are not having enough children; so let us invite pre-skilled persons from over-
seas. They come to Australia already skilled, healthy and ready for work and hence ready to pay taxes from day one. So far so good.

Herein lies the rub, however: there is a price to pay for taking a foreign national who is pre-skilled and seeking a better life. The current policy of taking in such a large number of skilled migrants may appear appealing, like taking out a home loan. Yes, you get your hundreds of thousands of dollars up front and you feel initially rich, but then there is the price of repaying that loan.

Skilled migrants come laden with technical skills and expertise and do indeed make a very valuable contribution to Australia's social and economic life. However, when we examine the profile of these skilled migrants, we note that the type of skilled migrant Australia wants are those who are literate, skilled and young. The points based system ensures that you get more points the younger you are. The policy behind this is simply that, the younger the skilled migrant, the more tax-paying years they will contribute to the Australia taxation system—the utilitarian ethic runs on. The only problem with this so-called solution is that young foreign nationals tend to have living parents. Eventually, these living parents grow old and are in need of care. At this point, the skilled migrant's parents seek to come to Australia to live with their children. They are at this point precluded from applying under the punitive capping and queuing provisions or are expected to pay an exorbitant rate of money to be reunited with their children. The reasoning is put by the government that these parent visa applicants are dead wood to the Australian economy, being an economic burden from day one. It is this reductionism that galls me in understanding the false and deceptive 'logic' of this bill.

What is lost in this debate is the fact that these skilled migrants carry with them intrinsic rights—in particular, the right to sponsor their parents to migrate to Australia as well. A skilled migrant is not simply a person who is a social island, with no community ties; they are living human beings with family they leave behind—significantly, their parents. It is reasonably foreseeable that, at some point in their lives, these skilled migrants will want to sponsor their families to live with them in Australia. It is for this reason that I say the skilled migration program, combined with the punitive and economically discriminating policies reflected in this bill, is a 'zero sum' game. By 'zero sum', I mean that the skilled migrant, laden with his or her skills and expertise, is obtained by the Australian economy for the benefit of the Australian economy essentially for free. It was not the Australian taxpayer who paid for their education and skills; they obtained these offshore and came to Australia pre-skilled and pre-trained. The cost of these fine young men and women is the parental love and family development that sees these skilled migrants born, reared by their parents, nurtured, educated, grow to be fine men and women citizens and have the honour of being accepted into Australia.

So what does this government say and do? It selfishly says, 'No! We do not recognise your intrinsic natural law rights to be united with your families.' That is the message the government is sending. It says, 'Yes, we want your skills and knowledge and, most importantly, your taxes, but we do not recognise your parents' contribution in making you the fine person that you are today. Further, we do not even effectively recognise your own rights to be with your parents and to look after them in their later years.' That is the message we are sending to prospective skilled visa applicants. Of course, one can equally address the issue of spouse visa applicants of Australian citizens and permanent residents, but it is relatively small compared with the substantive issue of the skilled and parent migration visa policy interface. To put it simply, the parent and skilled visa so-called solutions clash in policy terms. Skilled and other visa holders and the rights of Australian citizens and permanent residents are tramelled by laws whereby the government wants the cake and wants to eat it too. The problem with Australia's taxation pool is not going to be solved by immigration. The solution of crushing the natural rights of the individual to be united with their families through economic discrimination, as indicated in this bill, is bad law.
I say again that I oppose this bill. I urge both houses of the parliament to reconsider their position and oppose the bill. This bill represents the third attempt by this government in as many years to move towards a continuum of flawed utilitarian reasoning that has resulted in economic discrimination against the family. This bill separates parent from child. This bill does not advantage those who cannot afford the exorbitant costs being proposed in the new visa class. This bill denies economic and social justice to those who would seek to benefit from the new visa subclass. This visa will only ensure that an economic elite will be capable of availing themselves of the benefits of this bill.

In concluding, we all know that Australia has been called ‘the lucky country’. In my view, it is no longer the lucky country under this government. It is a cynical, utilitarian based meritocracy seeking to deny the economic fact of the family cycle—that is, for every child there is a cost and a person passes from a period of dependence to independence and ultimately dependency before their life ends. For this reason, in natural law alone, it is intrinsic that a parent be cared for by their children. This is done through family reunion. Why is the government opposing family reunion? In my view, the government and the Democrats’ position in supporting this bill is an anathema to family values, the family unit and families overall. It is the coalition government who parade themselves as the defenders of family values, but this bill demonstrates yet again their contempt for the family unit by their flagrant discrimination against families in the provisions of this bill. For this reason and the reasons I mentioned in this debate today, I totally oppose the bill and—dare I say it—the flawed morality behind it.

Mr BAIRD (Cook) (12.40 p.m.)—It is my pleasure to join the debate today on the Migration Legislation Amendment (Contribution Parents Migration Scheme) Bill 2002. It was interesting to follow the speech of the member for Lowe, who is a person I have high regard for, but I regard his logic in terms of this bill as somewhat flawed. I agree with him that the people in this House would agree that wherever possible we must ensure the importance of the family, the bringing together of family units and the strength that that provides. I join with him as one on that issue and the sanctity of the family unit.

But the question is: how do you reach that objective? At this point in time there are some 22,000 people on the waiting list. I do not always agree with some of the initiatives that come forward from DIMIA—and that is probably well known in this place—but this is a very fine piece of legislation to try to find a way of short-circuiting the problems of those who are on the list. The member for Lowe was saying that, if you were the minister for immigration, which is undoubtedly one of the most difficult positions in the whole of Australia in terms of public administration, could you simply say to the 22,000 people who are on the list, ‘It is your right to come into Australia because you are connected by a family relationship to someone who has been granted citizenship in Australia,’ and have the cost burden suddenly added to the overall cost bill of Australia’s social security packages? That is an attempt to say, ‘We can’t just simply open up the floodgates and let every parent in who has served out their own working life overseas and contributed to the welfare of that country. Now, in their later years, when the cost of medical attention escalates we can’t let them become a burden on the Australian community.’

We all know that the Australian population is ageing. In my own electorate, 18 per cent of the electorate is over 65 years of age. Added to that is the significant increase in the number of people who have reached retirement age, parents et cetera, coming into the country who are dependent on the welfare system or on other social support systems, whether related to medical assistance or social security. The member for Lowe talks about the problems of relying just on skilled migration. I think it is important in order to achieve an overall balance in the challenge that exists at the moment that in terms of the demographics of Australia we do attempt to get a lot of younger people coming here who are well qualified.

I did not hear the member say that he objected to skilled migration. I am sure that we
all support that, and we would like to see a lot of young people come into this country, prove to be very fertile, have lots of children and support the whole economy in the future. It is a question of how we deal with this issue. Like the member for Lowe, I have a number of people in my electorate who say, ‘My parents want to come here. I really want them here. My mother is now widowed,’ or, ‘My father is by himself. We need to be together.’ We all recognise that and our sympathy goes out to them. But it is a question of the number of people on the list and how you manage that.

Here is an attempt by the minister and by the department to come up with an initiative to say, ‘This is the way we can increase the numbers for those who have the capacity to pay.’ This is simply relieving the pressure on the current list and saying, ‘Okay, we will accept you if you’re prepared to pay the cost that would normally apply or even part of it.’ I think the figures show that over the life of the individual it comes down to about six per cent of the total cost, even with this contribution. So there is an upfront payment that is made and a bond that is placed to ensure that, if there are any further social security or Medicare claims, there is an ability to charge those to the individual applicant. Through this means, there are 3,500 additional places straightaway. Those who have the ability to pay and who lodge deposits are accelerated through the process of having their application considered. This legislation also provides for the overall numbers of those on the existing list to be increased by 500, so we have a total of 4,000 more people coming into the country than would otherwise be the case.

We still have an awful lot of people on the list—some 18,000. But in my electorate of Cook—and the demographics change a bit from one electorate to another, but from what I know about Lowe it is not all that far behind—a lot of people are saying: ‘We are happy to pay for our parents’ expenses and their medical costs. They won’t be a burden on the community. They will live with us, and they have got enough money.’ They often have their own house or property in Italy or Greece to sell. Italy is a wonderful country; and it is good to see Madam Deputy Speaker Gambaro, who is from that fine lineage, in the chair. We want responsibility engendered so that if people do want to bring their parents out—if they do want to be earlier in the queue—they can do it so long as the responsibility is theirs. I hear from the children of the people they want to bring out that they are prepared to do it.

Obviously, there are those who simply cannot afford it, and I am glad to see the minister is increasing the overall numbers. On a narrow basis, you might say that this is unfair. But it is not unfair, because an extra 4,000 people will come into the country. It will also mean that those people who can afford to pay will do so and will not be a burden on the rest of us. You are always talking about the level of taxation in the country. One way of reducing the taxation burden is by measures such as this. When people who have made their contribution offshore come into this country in the years in which their claims and demands on Medicare and social security are high, we say, ‘These things are your responsibility or your children’s responsibility.’ I think we can do that without taking away from the importance of family reunions. I am sure that the member for Lowe has, as I have, sat with families who have been quite desperate to see their parents come to Australia. We would all want to see that and encourage it.

I believe that on this occasion the Democrats are doing something which is worth while. They recognise the realities. It is a way of increasing the numbers of people coming to Australia. The assurance of support bond is reimbursed if it is not used, which does not seem particularly punitive to me. Not only is it reimbursed but interest is provided as well. The one-off payment can be made in two parts: $15,000 for the grant of a new temporary parent visa and the remaining $10,000 for the grant of a new permanent parent visa. Parents on temporary visas will have access to Medicare and work rights. While this charge may not cover the total estimated costs associated with parent migration, it ensures a fairer contribution and makes it possible for families to live together. It has been my experience in Cook...
that people are prepared to take on the costs—especially with the current queue being some 22,500 people in length.

This measure is going to reduce the processing time, and I am sure the member for Lowe and others would welcome the idea of a faster resolution. Those who simply cannot afford to make these payments will certainly be put in a more advantageous place because of other people coming off the existing list and going on to a different list. It is part of the government’s election commitment, and the fact that queue dates are to be transferred is going to make sure that the whole system is fair. The package has been developed only after extensive consultation with the community. The options paper went out in September. It is interesting to note that, although the opposition have been so vehemently opposed to this proposal, not one of the 74 responses to the options paper placed on the DIMIA web site was from a member of the opposition.

This is a better deal for taxpayers and those parents seeking to come to Australia. The important factor is that this still represents only 12 per cent of the estimated total cost to the Australian community for an aged parent to come out to Australia. This compares to the current figure of 0.5 per cent. The fact is that parent migrants tend to be high users of the health and welfare services. Clearly, the government is going to give priority to skilled migration, which has benefited Australian society by targeting areas of need. We support that. The total migration program this year will be some 100,000 in size—60,000 under the skilled migration program and 43,200 under the family migration stream.

It is important to also point out how our system of migration could in many ways teach many of the European countries. When I visited five countries on my study tour in July, an interesting shift was occurring in relation to skilled migration. Australia has developed a skilled migration program over some time. The Germans, for example, were developing a points system which is very similar to the Australian points system for skilled migration. They are trying to encourage a lot of young people in through a system where students at the universities could apply for places for migration to Germany—that is, for citizenship. They are being fast-tracked in that process. For the parents of those who are being fast-tracked into Germany or other European countries, it is not so easy. It is pretty restricted.

The model established by the Australian migration program has proved useful as a model for other countries establishing skilled migration. Also, I think it will be a model for tackling the very large costs of bringing families to Australia or to other countries. It shows compassion and listens to the requests made by people who are prepared to pay the cost of their parents to come and join their families. It recognises the importance of bringing families together, yet also recognises the importance of responsibility in bearing the cost burden. I support the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002. I think this legislation will prove to be widely accepted in the community. It is not draconian or anti-family, as has been portrayed by the opposition, but recognises reality in terms of the cost of welfare for aged parents of citizens in this country and provides a way of speeding up their entry into Australia. Because of that, I am sure we could all support this legislation.

**Mr LAURIE FERGUSON** (Reid) (12.54 p.m.)—I rise to speak on the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002. The previous speaker, the member for Cook, referred to the Democrats’ position. I want to contrast the way the Democrats have surrendered their principles with regard to this matter with the strong words of Senator Bartlett of some time ago. In a previous debate on this matter, on 5 October 2000, he stated:

... the Democrats certainly believe that wealth or otherwise of parents should not be a determining factor in whether or not people can get into the country or, in the case of this original proposal, whether or not people would get fast-tracked.

He further commented:
... the amount of money that people will be required to provide is a very large amount, and that same principle of people being able to get fast-tracked into Australia if they can put forward large amounts of money is one that the Democrats have a lot of problems with.

Basically, the feedback I got was, surprisingly, overwhelmingly against the proposal that the government has put forward. While many people recognise the hardship that the very low cap the government has imposed is causing, they believe that the principle of what the government was putting forward was nonetheless so objectionable and inappropriate and that the precedent that would be set was so undesirable that they very much urged me and the Democrats to oppose this measure.

That is the record of the spokesman, now leader, of the party with regard to this supposedly heinous measure; and he made comments in a similar fashion in a debate on 31 March 1999. What we have seen is that the government has decided that the Democrats, as they were with the GST which led to electoral oblivion for the party, are once again a soft touch. Basically, you make a phone call, apply a little bit of pressure and they back down. That is not to say that there is not room for discussion about the quantum of these payments. Between what the government has proposed and what might seem reasonable, there is quite a large area. A few years ago it was the end of Western civilisation; Senator Bartlett said it was dreadful that the government would attempt to say to people, 'We will fast-track you, we will let you in quicker, if you give us some bread.' That was dreadful to Senator Bartlett some time ago, but now he has reached a deal with the government. Quite frankly, the difference between what he has basically agreed to now and the previous arrangement is so minimal that it is farcical. He has accomplished nothing in these negotiations but a total sell-out of the Democrats' previous position.

Before dealing with aspects of the legislation, I want to make some comments about the contribution of the member for Canning. Day after day and week after week, we have the Minister for Citizenship and Multicultural Affairs parading around the country—last weekend I saw him at the Vietnamese New Year celebrations in Sydney—with this homily that he constantly repeats about reflecting upon the things that bind us rather than the things that divide us; and his constant patting people on the back, talking about multiculturalism and saying we all love each other. Even last night in the Iraq debate we had it again: we should be very careful during this conflict that there not be any stereotyping of the Arabic population and make sure that we are all happy together.

What we saw today is the real light of a significant number of people on the benches opposite, with the member for Canning basically saying that the Labor Party had used family migration as a vehicle of social engineering, that essentially we had tried to change the ethnic balance in this country. He expressed concerns that Europeans were being replaced by Eritreans. I did not catch it, but I think he talked about his own—or somebody's—family experience and about how great it was to have parents here and how helpful it was in life. He was basically saying that it was good for the community that people could have the support of their parents et cetera.

Then he went on with this tirade about the changing nature of this country; that we are no longer getting desirable people here. He referred to the question of people thwarting or manipulating the refugee intake, which many of us would have concerns about—that happens; that is life. I, with him, would express some concerns about people who do that and we have to have measures to try and reduce that problem. But the thrust of it very clearly was that some people in this country of some nationalities are second-class citizens. The Minister for Immigration and Multicultural and Indigenous Affairs should very quickly repudiate this kind of performance. This is the kind of performance that led the current minister for immigration to cross the floor of this parliament when the current Prime Minister was Leader of the Opposition. He was concerned with the current Prime Minister's then position.

Today, under the guise of talking about a payment to supposedly recover costs for the Australian taxpayer, we had a very racist outburst by the member for Canning. I hope it is strongly repudiated by the government. There was no explanation of how Labor's
policies on family migration were intertwined with so-called ethnic bias. As I said, the member alleged here today that the previous Labor government went out there and deliberately encouraged non-Europeans into Australia; that, for political purposes, the Labor government had supposedly chosen to start giving preference to non-European migration and that it was, by some distorted rationale of his, somehow intermixed with the question of family migration. The member did not explain any rules of the current government that reversed this—apart from the now suggested changes in regard to payments. It was a very disturbing series of comments by the member.

It is not the first time that we have heard such a wacky, way-out contribution from him. He has a record of them. Quite frankly, it is just not good enough for it to stand on the public record unrepudiated by the ministers. As I said, the Minister for Citizenship and Multicultural Affairs is constantly out there to put a nice face on the government. We are whacking refugees over the head, we have hidden asylum seekers, but we have the Minister for Citizenship and Multicultural Affairs to reassure us that they are really nice guys. They like Harmony Day, they like all the different nationalities—all their dances, music et cetera—but in this debate today we have seen the real face of a significant part of the government.

The reality is that the current government has chosen over a period of time to seriously erode the family intake. Historically, in 1995-96 an intake of approximately 9,000 entered in this stream. As people would be aware, in March 1996 the coalition started a process to try to introduce a system of parent visa payments. That was rejected by the Senate in March 1999 and in October 2000 when we had those contributions from the then spokesman for the Democrats giving their position at the time—which they have very smartly reversed. A special visa category was later created to allow the Department of Immigration and Multicultural and Indigenous Affairs to continue to process applications that were submitted before the Senate’s rejection of the 1999 regulations.

The situation, as we know, is that the government has reached an understanding with the Democrats that there will be a doubling of the ‘normal’ intake and 3,500 places for those prepared to pay a significant amount of money. And it is a very significant amount of money. I know through my office that, even when people genuinely support visitors to this country, they often find very difficult the $10,000 or $11,000 bond which persuades embassies overseas to allow borderline visits. But today we have heard the government saying that, in future, a couple’s entry into Australia will be expedited if they pay $64,000—and that is indeed a very significant amount of money. As I think the shadow minister for immigration stated earlier, it would require a mortgage or something of that order for members of the general public to raise that kind of money. People just do not have this sort of amount at home.

Whilst we appreciate that the government has been pressured by some ethnic communities that do have a significant interest in facilitated entry because some of their members do have the money, my discussions over the last few weeks in Sydney with people from some of these communities suggest that the support for this is a little less than the government might think. When people actually do see the amount, there is going to be a very large degree of resentment that the majority of them are being pushed aside for other people.

I want to make a comment on the nature of the waiting list. As we know, possibly related to the fairly significant intake of Chinese students and an interrelationship with the one-child policy, the proportion of Chinese on the waiting list is extremely significant. I must recognise, as must the opposition, that there are significant elements in the Chinese community that support this change. There is significant pressure that says that this is a step in the right direction, but it is by no means universal. Others of major significance are 2,900 from the UK, 1,300 from India and 1,100 from Vietnam. Those four countries provide more than 55 per cent of all the people on the waiting list.

We have a crisis of the government’s own making, of its own creation, when 22,000
people are out there waiting to come to this country. Although a lot of them will die during the waiting time and that will reduce the 22,000, the intake of 500 a year means that some people will wait 40-odd years to gain entry into Australia. Given the preference for people over pension age, there would not be too many of those people around at the end of that waiting period. Because of the government’s decision to limit the intake to 500 a year, we do have a crisis. We have people who are under the enormous pressure of wishing to bring their families to this country, being worried about their situation overseas and about the lack of contact with their children, cousins, nephews et cetera. At the same time, we have a situation where the opportunity of many people who have the ability to contribute to the Australian economy, to be in the work force and to be part of building this country is seriously eroded because of the absence of parents and grandparents who would provide significant support and facilitate those people going to TAFE college or to university, increasing their skills and facilitating improved English, things which will make them more employable.

The argument that the taxpayer loses so much money because we do not have this bond at the moment is very questionable. The government has said that the proposal will generate additional revenue of about $270 million over the forward estimates period—that is, 2002-03 and the three subsequent financial years—less some implementation costs. At an earlier stage when we were trying to negotiate a reasonable outcome to this and when the government was asked about what kind of actuarial work it had done, the answer was that it had done basically nothing. The government was going to go to the Australian parliament and to the Australian people with a proposal about trying to recover some of the costs and it had not even done proper calculations on the effect of alternatives or on its own proposal. Anyway it did eventually, at our request.

The situation is that the advice—now belatedly obtained—states that parents under the new visas will contribute around 12 per cent of their lifetime health and welfare costs to the Australian taxpayer. This assumes that a health care charge of over $200,000 would be needed if their health costs were to be fully funded. So there is going to be a contribution here. As I said earlier, we are not opposed to contributions per se, but we say that this is a rather onerous impost, it is inequitable and it is unfair to those people who can in no measure raise this money.

In conclusion, as I said, we have a situation where this government has seriously moved away from the concept of family migration not only with this bill relating to migrating parents but in other sectors. The government has become too preoccupied with the financial cost, and there is no consideration of people’s welfare—of what actually contributes to a family in this country. The member for Canning, despite his rather inane and extreme remarks, used the experiences he has had to tell the House how good it was to have that support and how valuable it was for his family living in this country and for bringing up children et cetera. The government is no longer very interested in those aspects. It is totally preoccupied with a concept of getting the dollars.

When there was some discussion recently about whether our refugee humanitarian intake should return to former levels, the government’s response was not to talk about whether we have any international responsibilities, whether people should be saved from getting a bullet in the head, whether we can save some people from being raped overseas, whether we can protect women from being murdered because they marry outside the family’s request or whether people are going to be massacred because they are of a particular ethnic group—we had no consideration of that. The response from the minister simply was, ‘We’ve calculated that possibly taking this many more refugees will cost us so much more.’ Once again, in this particular measure, we have the same preoccupation.

The opposition have moved an amendment which goes to the question of a more sensible and equitable alternative to this current proposal. We are essentially over a barrel because, once again, the Democrats have simply become a lap-dog for the government—as they did with the GST. We saw
the electoral impact of that. We saw the difficulties they got themselves into. But it appears that the new leader has learnt very little from the travails the party have suffered over recent years. I commend the amendment.

Mrs DRAPER (Makin) (1.10 p.m.)—On coming to government, the coalition set about restoring confidence in Australia’s immigration program. Under Labor, the Australian people had lost faith in the nation’s migration policies because they rightfully felt that they were not focused enough on our national interest. It is vital that Australia’s immigration program has the full confidence and the support of the Australian people. During the last federal election campaign, the Howard government gave a commitment to increase parent migration. By introducing this legislation, the government is honouring that commitment, which I believe will be of advantage to Australia.

We all know that Australia is a much sought after destination for many people from all parts of the world. The demand for immigration visas is always great. In the parent visa category, the minister reported that there are currently around 22,000 parents waiting to migrate to Australia. The legislation before the House seeks to increase the number of places available annually by 4,000 from the current 500 places. I have no doubt that many people in Australia whose parents are wanting to migrate to this country will be very pleased with this government initiative which recognises the value of parents to their adult children and grandchildren.

The family unit is the most valuable social unit in our society today. This is consistently shown in all available research, but most of us know it from our own experience and observation. Parents and grandparents who migrate to Australia under these new arrangements will bring enormous benefits to their family members who are already residents of this country. Children often enjoy special relationships with their grandparents, who fascinate them with stories about the old days and provide them with a sense of their own cultural and familial history. At the same time, however, a responsible government needs to recognise that there are also costs involved to the taxpayer from any increase in this area of immigration. Many parent migrants are over the age of 55 and can be a substantial cost to the Australian taxpayer as they access our public health and welfare programs. I am pleased, therefore, that this legislation is seeking to provide a fair and balanced outcome both to those who wish to migrate to this country and for the Australian taxpayer. The assurance of support bond and the health charge already apply to visa applicants. They were introduced by the previous Labor government, as was the balance of family test, which restricts the eligibility for parent migration to those who have at least half of the total number of their children resident in Australia.

A new parent migration visa category is to be introduced which will allow applicants to pay a one-off health charge of $25,000 per adult for a permanent visa and will extend the period of the assurance of support given by resident family members from two to 10 years. The assurance of support bond will be $10,000 for the main applicant and $4,000 for other adult dependants. There will also be the option of applying for a temporary visa with a payment of $15,000 per adult. Two years later, the applicant can apply for a permanent visa and pay the remaining $10,000 per adult health charge and assurance of support bond. Existing parent visa categories will remain open for new applications and will double the number of places for existing visa categories from 500 to 1,000 places per year. This provides those who cannot afford the costs of the new visa arrangements with an increased opportunity.

The last measure is indeed very important because it meets the basic test of fairness. Not all families will be able to afford the option that the new visa category provides, and this measure recognises this fact. At the same time, it is fair to ask those who can afford it to pay these charges. An actuarial study was undertaken by the Australian Government Actuary, whose report stated that the proposed visa application charge of $25,000 would represent about 12 per cent of the combined health and welfare costs associated with parent migration—compared to the current $1,050, which represents 0.5 per cent of those costs. This same report high-
lighted the fact that over 60 per cent of the costs associated with parent migration are health care related. Under these circumstances, it is fair to ask those who can afford it to pay the health charge that is being proposed in this legislation. At the same time, those who cannot afford to pay will still have the option of applying for a visa under existing parent visa categories.

There are, of course, economic benefits to this country resulting from parent migration which must also be considered, quite apart from the social benefits that I have already mentioned. I understand that Access Economics has undertaken a longitudinal study of immigrants to Australia which estimates taxation generated by parent migrants to be about $1 billion over a 20-year period. That same survey shows that parent migrants transfer an average of $29,000 per person in funds on migrating to this country, and that about 25 per cent of parent migrants receive from overseas a regular income averaging $280 per week. This represents an additional inflow to Australia of about $900 million over 20 years. So we see that all possible effects from increasing the number of parent migrants arriving in Australia have been taken into consideration in presenting this legislation before the parliament, and I commend the minister and his department on the extensive work that has been carried out.

I said at the beginning of this speech that it was vital that Australia’s immigration program has the confidence and support of the Australian people. This confidence can be gained only by a program which is demonstrably in the nation’s best interests. The test of national interest must be applied as much with immigration policy as with any other matter with which we deal in this House. That is why I was pleased to read of a recent study undertaken by the National Institute of Labour Studies at Flinders University in my home state of South Australia. This study found that Australia’s most recent migrants are becoming less reliant on support services due to their higher levels of education, language skills and improved employment prospects. That demonstrates the benefits gained by the government’s decision, when first elected, to place greater emphasis on skilled migration. Since gaining office, the Howard government has rebalanced our migration program towards the entry of young, educated, English-speaking, skilled workers and their families. Skilled migration now accounts for 57 per cent of the entire program, up from 30 per cent in 1992-93.

Australia is a better place today because of the decisions taken by many thousands of people to come to this country. Their contribution has seen an expansion of our social and cultural horizons, and the many small businesses that have been created have expanded our economy and provided jobs for our young people. The dream that brought these people to Australia still exists. They come because the country offers them a chance—a chance for a better life for themselves and for their families.

Our values have made us a great nation. They have sustained us through two world wars and numerous other conflicts and tragedies, and they have made us prosperous and respected throughout the world. We continue to welcome new arrivals to our shores, provided they are willing to abide by our laws and respect our institutions, as most migrants are. The legislation before us will increase the number of parents being reunited with their families, which I believe will be to their benefit and to the benefit of the community as a whole. I commend the legislation to the House.

Mrs IRWIN (Fowler) (1.18 p.m.)—The issue of parent migration is a very difficult one for any government. It is also an issue which generates a great deal of emotion and one which causes grief to many Australian families. For third or fourth generation Australians the issue tends to be one to which we can be indifferent but, to people with parents overseas, Australia’s restrictive immigration laws can seem harsh and very uncaring. For many Asian and Middle Eastern families, accepting responsibility for the care of parents is an important cultural obligation. In many cultures close relationships between adults and their parents are an important part of family life. Australia’s geographic isolation and our restrictive visitor visa policies that are applied to many countries prevent
less formal links between Australians and their parents resident overseas.

As a country, we place great emphasis on the importance of the family as the building block of our society. But, as a country of migrants, many of us have grown accustomed to separation from parents and other family members. For those early European settlers who were sent to our shores in chains, having their parents join them in Australia was not a prospect that they would willingly have chosen. But, by the 20th century, migrants to Australia having other family members join them here had become one of our biggest sources of migrants. My own grandfather, after arriving in Australia in 1912, urged his parents to join him here, which they did a decade later. Having a close relative in Australia was an important factor in attracting migrants in the first place and it was the most important source of settlement assistance on their arrival in Australia.

Until 1988, in fact, parent migration accounted for 10 per cent of new arrivals in Australia. In that year 10,700 migrant visas were granted to parents. That number fell to 8,890 in the last year of the Labor government but it has since fallen further to a mere 500 last year. That has led to a queue of more than 22,000 parents waiting to migrate, and probably many more who have given up trying to migrate. At the present rate it would take more than 40 years to clear the queue, even if no more applications were received.

For aged parents, the wait would exceed their life expectancy. If it were just a matter of allowing entry, I would see no reason to limit the number of aged parents migrating to Australia. But residency in Australia has some costly privileges which would place a burden on our wealth and social welfare systems. This is at the heart of the restrictions that the government has placed on aged parent migration, and this is the basis of a cost recovery system of allocating places for aged parents.

The system brought in by the last Labor government applied an assurance of support bond by which the sponsor covered any claims for welfare payments for the first two years. In addition, there was a migrant health service charge of $822. So what is different about the proposed legislation? For a start, there is an increase from 500 to 1,000 places under the existing requirement. There are to be a further 3,500 places available under two optional packages. In either option, a single parent would require $35,000 and a couple would be required to put up $64,000. There would also be additional costs for visa applications, amounting to a minimum of $2,350 per couple. The figures we are looking at are quite significant for many families—particularly so in my electorate of Fowler. I might remind the House that Fowler has more recent migrants than any other electorate, and this is my key concern.

Families which arrived in Australia in the last decade or so have spent many of their resources settling in their new country. They have hardly had time to establish a home, to raise children and to provide even basic comforts. Even those with high skills—and there are a lot of them—are often disadvantaged by poor English-language skills, and incomes are among the lowest in Australia. The 2001 census results show the Fowler electorate having one of the lowest median family income levels in Australia. This is very much a consequence of high migrant population.

As our migrant intake is deliberately skewed to younger individuals and families, it is not surprising that they have living parents eager to migrate to Australia. But they simply do not have the means required to pay the sums demanded by this government. I have no doubt that many would borrow—and a lot do borrow—money and as far as possible share the burden among family members, but it is still a big ask to come up with $64,000 cash for one set of parents. We should not forget that a couple may in fact seek to have both sets of parents migrate to Australia, so that means they are up for $128,000.

Even at the time that Labor was charging around $5,600 per couple, there was no trouble finding 8,900 parent migrants to come to Australia. Even the earlier changes made by the Howard government did not deter many of the applicants. So the government introduced caps of 7,600 in 1996 and then slashed that number to 1,000 and, more recently, to...
The government clearly does not like to be seen restricting the number of places, so it has resorted to what it sees as the use of market forces to regulate the inflow of parent migrants. While the government has retained a quota of 3,500 places, clearly the minister for immigration would like to think that a number of applicants would be deterred by the high cost of bringing their parents to Australia.

What worries me about the high sums set for the new parent visa category is that the government may try to restrict the intake further by ramping up the charges. Instead of $64,000 for a couple, what is to stop the charges being increased to $100,000 or more? This is the part that I object to. It places a price on parents. You could even say it places a price on motherhood. What is a parent worth? Some people will pay whatever price is necessary. We should not forget that, in many cases, as well as the charges to gain entry to Australia, sponsors will be responsible for many of the income support and settlement costs associated with bringing their parents to Australia. This will be too great for families at the lower end of the income scale, and, no matter what their needs, they will be forced to take their chances in the long queue waiting for the 1,000 places under the existing scheme. Remember, there are 1,000 places worldwide.

There are some trying cases. Last year, I heard from a woman in my electorate who was expecting her second child. Her first child has a disability and requires constant care. This woman pleaded for her mother to be allowed to come to Australia on a visitor visa, just to help out in the weeks following the birth of her child. But the visa was refused. How that woman coped, even with some assistance from health agencies—and she did receive some—I will never know. I do know this: if I were in the same position as her, as the commercial used to say—and we all remember that commercial—I could not get by without my mum.

This is where this policy is so shortsighted. How many migrant women cannot re-enter the work force because they do not have the helping hand of mum? When I had my two children, I had the helping hand of my mum when I wanted to go back into the work force. These people do not. What is the cost of the despair, loneliness and heartbreak that flows from the lack of close parent support for young families? While we are counting the cost of providing for the health needs of aged parents, why don’t we also count the cost of not having parents on hand to help out when they are most needed? And that of course does not include the benefit received from unpaid child care and other assistance that comes from parents.

In the case I related to the House a few moments ago the request was for a visitor visa, and that adds to the unfairness of this whole issue. We all understand that unrestricted immigration would place an unbearable strain on our social welfare and health systems. We all know the strain on those systems already without adding to the demand for these services. If we look at some approaches taken in other countries, the ability of parents to support themselves is a common requirement. This varies from two years to 10 years. But what should be considered when comparing overseas schemes is that health and social welfare benefits differ. It is not easy to compare one country with another.

I would be the last to propose that we water down those systems in any way or that all permanent residents should not have the right to access them. But when I hear pleas on a regular basis for family member visits—and I hear them continually in my electorate office—I find them hard to resist. Is there a member of this House who could honestly say that they would not be troubled if they were cut off from family members—from their mother and father, their sisters and brothers, and their children? I cannot help thinking that what we have overlooked in this debate is the value of families. We put a cost on them but we do not assess their value. We pay lip-service to family values without stating what those values really are.

For many years Australia has considered immigration to be a one-way street. We have always had more applications to migrate here than we have offered places, but the world is changing. Our own population is stagnating. Without migration we would be going back-
wards, and we are seeking skilled migrants to give us the economic boost that we need and to make up for the shortfalls in caring professions such as nursing. But we will need to compete harder and harder to gain our share of the limited number of skilled migrants. Skilled migrants today, especially those from Asia, need more than sunshine and fresh air to attract them. We can expect that skilled migrants will demand special treatment for their parents. In short, if we want skilled migrants, we may be forced to take their parents as well. Some countries—including the United States—give preference to parents over other family members. This may give them some economic advantages over us. One thing is for sure: in a world where human resources are more and more footloose, we will need to be more flexible in applying migration policies in all areas, including parent migration.

When we speak of footloose human resources, we should also note that parents over retirement age make choices about where they live. We have seen many Australians migrate to the northern coastal areas of our own country. My parents migrated in 1988 to Tweed Heads. We see a number of citizens of the United Kingdom living in Australia for all or part of their retirement years. Reciprocal pension and health care arrangements make this possible. Some years ago we saw some controversial schemes which would bring ageing Japanese to retirement homes in Australia. However, the majority of those on the parent queue come from poor Asian countries.

While Labor can see the need for families to contribute part of the cost of supporting parent migration, we think it is basically unfair to expect lower income families to carry the extremely high burden that this bill will impose. But, having seen the desire of so many families to have parents join them in Australia, we would like to see the present cap of 500 per year lifted as soon as possible. As for the future, one of the problems that future governments will face is how to retain fairness should it be decided to reduce the charges or, as I mentioned earlier, to offer parent migration packages to attract skilled migrants. One thing is certain: the government’s handling of this issue has been nothing short of bloody minded. In choking off the number of parent migrants and creating a 40-year queue, this government has been using a blunt instrument to get approval for this legislation.

That is totally in keeping with other measures by this government, which cares nothing for the hopes and desires of individuals. It will stop at nothing to make a political point. It has held to ransom the parents of our citizens. It has denied tens of thousands of families the opportunity to live and prosper in the same way as families of native-born Australians. It has set apart one group in our society, predominantly the Asian community, and denied them the comfort and support of their parents and their grandparents. By placing an unreasonable burden on those families whose greatest wish is to fulfil their obligation to care for their parents it will create hardship and unfairness in our society.

Mrs HULL (Riverina) (1.37 p.m.)—I rise today to speak in the House in support of these two bills, the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002. I would particularly like to concentrate on the issue of parent migration. The regions within my electorate of Riverina, including the Murrumbidgee Irrigation Area, were built largely on migration, and they now boast a diverse and multicultural community with much to offer. Many people in the Riverina have parents living in an overseas country and continue to apply to have their parents reunited with them in Australia. This legislation will allow them to make a contribution to their parents’ migration and to speed up this process.

Many people in my electorate who are seeking to have their parents reunited with them have recognised that they need to be responsible for their own actions—for the choices they made when they decided to embark upon a journey and make Australia their home, leaving their families in other countries and recognising that they may not be able to be reunited as a family unit in years to come. These people in my electorate have
lived and built their lives in cities and towns like Griffith, Leeton and Wagga Wagga. They now wish to unite their own families with their parents and ensure their parents are cared for by loved ones as they grow older. I would like to provide a snapshot of three communities within my electorate that are brilliant examples of the many benefits associated with migration and family reunion.

Firstly, Griffith is renowned for its large Italian community, which has contributed enormously to its growth, development and richness. Griffith is located in the heart of the Murrumbidgee Irrigation Area, otherwise known as the food bowl of the nation. The Italian community has helped to create a unique and multicultural city. Griffith boasts a population of more than 1,600 residents with an Italian birthplace, who make up more than six per cent of its population. This is in addition to residents born in India, Fiji, Pakistan, the Philippines, New Zealand, Hong Kong, the Netherlands and Turkey, just to mention a few. Griffith is an amazing and unique city, due largely to its location and its great multicultural and agricultural success, brought about by migration in the early years of this nation. The legislation before us today will be of great benefit to the many residents of Griffith in the process of reuniting with their families.

Wagga Wagga enjoys a large multicultural population, due largely to the growth of Charles Sturt University and its attraction for foreign students. Introducing these students to a rural and regional lifestyle means that many stay to work and are keen to share their lifestyle with overseas family members. A large portion of Wagga Wagga’s population is made up of people born in Malaysia, the Netherlands, Germany, India, Italy, New Zealand and the Philippines.

Finally, Leeton, as part of the Murrumbidgee Irrigation Area, is also home to a number of people born overseas who now call Australia home. It, too, has received a great contribution from immigrants, who have helped develop Leeton culturally as well as economically. People of Italian and Indian heritage have settled in the town and have contributed greatly. These people have also spilled out to the small district communities that surround the MIA in particular.

My Griffith electorate office receives many inquiries and applications about parent migrant visas. Also, I run a Griffith office personally in order to deal primarily with immigration, so my association with immigration is at great personal cost, but it is also of great personal interest—thus my need to ensure that people have the very best information available to them. That is provided by the secretary in my Griffith office, Mrs Bertollo.

In my Griffith office we have a case that has been going on since 1998. It involves a widowed father in India who has three sons, all of whom live in Australia as permanent residents and are naturalised Australian citizens. The father has no family in India and, therefore, no-one to look after him. The family has been applying since 1998 to have him join them in Australia, where they are in a position to support him. They are very happy to fully support their father, particularly in relation to his ill health, which to date has prevented him from being granted a migration visa. They recognise that his on-costs and health costs would be of great concern to the Australian taxpayer. They are prepared to contribute; to look after him and to take responsibility for all of those on-costs. Those boys are quite keen to see this process re-established. They want to have the privilege of bringing out their father and caring for him. In their culture they are responsible for their father’s wellbeing, and they want to have this opportunity opened up so that they may contribute to his wellbeing.

A second case has also been going on since 1998—in fact, I think this case goes back well before 1998; I think it is about 10 or 11 years old. A divorced mother has two sons who are permanent residents of Australia. She has been trying to obtain a migration visa to Australia. She has sufficient funds to support herself in Australia, with the help of a business venture with her former husband. Her two sons are financially capable of supporting her, and she has extended family in Australia who would also support her. She is currently on a multiple travel visitor visa.
These are the people this legislation will benefit. These are the people who are willing. These are the people who want this subclause opened up. These are the people who want access to some other means of ensuring that their families are reunited. This will enable parents whose children can support them to migrate to Australia without relying on assistance from the Australian taxpayer.

Then there is the lovely old Italian grandmother who came out on a visitor visa to visit her daughter in Griffith. The growing grandchildren loved having her and understandably wanted to care for this frail, lovely old lady. They were willing to meet all of her costs and knew that her quality of life would be greatly enhanced if she were allowed to live in their care. They wanted to pay all the costs for their grandmother to come out and live in Australia, where they knew that she could get loving attention. They understood the policy of the Australian government and they understood that they had to take responsibility for actions that they had been a part of many years beforehand. They also understood that they were in the position of being able to assist their elderly grandmother to live here, and they were prepared to do this.

This legislation will increase the number of parents who can migrate with the assistance of their families by transferring to the new visa those who can afford to provide financial support. With regard to every category, every class, the opposition come into this House and say: ‘The rich must pay. They must be accountable for the amount of money they own.’ In everything else, ‘user pays’ reigns supreme in this House—but not in this case. In this case they are saying: ‘No, we are going to change our minds. Those who can afford it should not have to pay for this, but in every other case those who can afford it definitely should step up to the podium and be willing to pay.’ This new visa category will reduce the length of the queue for families who may have difficulty supporting their parents on arrival in Australia by ensuring that they will still have access to 1,000 places under the parent visa category. It frees this up for those who can ill afford it and puts the onus and obligation on those who can best afford it.

I cannot understand the opposition to this piece of legislation. There are currently 500 places under existing parent visa categories which do not require families to contribute significantly to the health and welfare costs that older migrants incur. Under the proposed new arrangements, these existing parent categories would remain open and would be increased by 500 places a year to a total of 1,000 places a year. This legislation would enable the number of migrant parents accepted by Australia each year to increase by 4,000. The people in my electorate of Riverina would be enormously thankful and full of praise for this effort. There will be 3,500 additional places in the contributing parent visa subclasses and 500 in existing parent visa subclasses. This is an increase from the quota of 500 under the present parent migration scheme, considerably easing the pressure on the current queue of 22,000 applicants.

I know that there are people out there who may never see their elderly parent again. Whether or not they have the financial resources to support them in order to see them again makes no difference; they have no choice. This legislation is about providing choice. Are the opposition opposing choice? I thought that was what this place was all about. As I said, many of my constituents will be more than happy to support their parents on arrival in Australia, and I believe that the opposition are certainly selling short a lot of our new Australians.

The legislation provides for families to elect to pay for permanent residency immediately or to receive a temporary residency visa and pay the remaining fee for permanent residency after two years. How much fairer could that be? Applicants for the new visa will pay a health charge of $25,000 per adult to apply directly for a permanent visa. There will also be an option enabling applicants to spread payments by initially applying for a temporary visa—fair again. Payment of the $15,000 first instalment will allow parents to apply for a two-year temporary visa with access to Medicare and full work rights.

Anyone who has done any costing of what it takes to look after someone with a disease and how ailments and illnesses multiply
must recognise that this is a generous piece of legislation. At any point during the two-year period, parents can apply for a permanent visa by paying the remaining $10,000 health charge and lodging a $10,000 bond—$14,000 for a couple—to cover any social security costs in the first 10 years of permanent residence. Applicants transferring from the existing queue to the new contributing arrangements will receive priority processing. That is fabulous. I am very happy with that. Applicants will still need to meet threshold criteria, including balance of family in Australia, health and character, and so they should.

By providing more places for parents wishing to migrate, this legislation will allow more family reunions throughout Australia. I know what it is like to live apart from my parents; I did it for more than 30 years. They lived a great distance from me and were unable to help raise my children, and I had no other family member to assist in helping me raise my children either. As the member for Fowler has indicated, not every Australian person born in Australia has family members available to help raise their children. Yes, I would have dearly loved my mother and father to be able to do that, but they were not in a position to do so. They were in Australia but they were a long distance away.

Many people in my electorate have migrated to Australia and raised families here. Now, after many years apart from their parents, they wish to settle their parents in Australia and ensure that they are cared for. I think that is admirable. For many individuals, life in Australia has meant much success due to their hard work and determination. This success, and in some cases financial security, is something that they wish to share with family members by providing for their parents in their later years of life, and they should be able to choose to do so.

As a grandmother and a mother, I understand just how wonderful it is to be part of child’s life. Many parents also choose to migrate to be close to their children and grandchildren after the loss of a spouse. The legislation before the House will enable these people to do this and to do so by a much quicker and fairer process, which was an election commitment made by this government.

The bill requires applicants for a parent visa to apply either for the existing parent visa class or for the new contributory parent visa class. Parents cannot apply for both. This is brilliant. It is great. It frees up this list for those less fortunate and the disadvantaged to be able to access a much accelerated waiting list. It also gives people the opportunity to be able to contribute as they would like to do.

Family is an integral part of Australian life and is valued by this government. We continue to work at assisting families, and this is another way in which we recognise the importance of families and reuniting families with overseas parents with the assistance of their children. The changes to the act would still allow parents to continue to apply for and be considered under the current parent visa subclasses. This is not something that is preventing the family reunion. This is something that is assisting the family reunion process.

During the 2001 election campaign, the coalition made a commitment to enable the migration to Australia of more parents whose sponsors are willing and able to meet a fairer share of health and welfare costs associated with parent migration. The legislation would offset the costs and pressures on social welfare, health and aged care of increased parent migration by requiring parent migrants and their families to contribute to such costs via a higher visa application charge and assurance of support.

This legislation is positive. It is positive for me because it is so positive for the people that I represent in the Riverina. It also answers the question and answers the cry for help that I face every day in my Griffith office. It is positive and good news for family reunions. It also offers benefits to the budget. We are all concerned about the budget, inflation costs, health, who is in private health
and who is not in private health. This ensures that the government can continue to deliver services to all Australian people.

The Migration (Visa Application) Charge Amendment Bill amends the Migration (Visa Application) Charge Act 1997 to provide for a combined first and second visa application charge of $26,745 for new contributory parent visa applications made during the financial year beginning on 1 July 2002. The amendments outline the cost for the contributory visa, which is a $25,000 contribution and a refundable $10,000 bond—it is refundable; let us not forget the refundable side of it—for the first applicant and $4,000 for the second applicant if applicable. The amendments do not change the visa application charge limit applicable to all other visa applications.

By passing this legislation, we will be benefiting the many families throughout each and every electorate in Australia waiting to reunite with their families. Many of these individuals have contributed much to Australian society and deserve the choice. If they can afford to have their parents brought out and their family members come to Australia to share their lives and their children’s lives, they deserve the choice. This is not taking away choice; this is not removing people. This is not putting obstacles in their way. Quite to the contrary: this is putting up some very valuable assistance for people who have made a life in Australia, who have worked very hard to become one of the Australian people who have actually excelled in the performance of business through hard work and dedication. Because they can so afford to do, it gives them the opportunity to show their pride, their family values and their Australian way of life by having their family members join them, at the same time freeing up many possible spaces for people who are disadvantaged and are unable to do this.

This is a great piece of legislation. These individuals who have contributed so much to Australian society will welcome this legislation, as I do. As the member for Riverina, I am appealing to you to support this legislation so that people in my electorate who are crying out for it can be reunited and not be hampered from being with their family members simply because the opposition oppose this bill.

Mr MOSSFIELD (Greenway) (1.57 p.m.)—The Migration (Visa Application) Charge Amendment Bill 2002 and the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 expose this government’s claim to be a government that supports the family unit. In particular, the latter bill, if it does one thing, exposes this. The legislation also shows that, when push comes to shove, the government will favour the rich over the poor. These attitudes permeate the entire legislative program of this government. These points will come out quite clearly as I speak on this legislation.

For starters, the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 is one of the most outrageous bills introduced into this place. It is a direct attack on the families of migrants. That is a lot, coming from this government.

People should be aware of the history of the charges and the changes that have been made or attempted in this area of migration legislation. In 1991, the Labor government made the first major change in parent visas. The then government introduced an assurance of support bond of $3,500 for the principal applicant and $1,500 for each additional applicant. The bond was to cover any welfare payments to the migrant during the first two years. If the migrants did claim social security, it would not cost the government a cent anyway because any payments were refunded with interest. Welfare payments that exceeded the value of the bond were then recoverable from the sponsor as a debt to the Commonwealth. In addition, the Labor government introduced a migration health service charge, which was an up-front non-refundable levy of $822 for each parent.

In other words, to get Mum and Dad out here it would cost $6,644. If they did not receive any social security payments during the first two years, they would get $5,000 of that back. If the migrants did claim social security, it would not cost the government a cent anyway because any payments were covered by the bond or recoverable as a debt if they were more than the bond. In the last
year under Labor, 1995-96, there were some 8,900 visas issued under these arrangements.

The first thing this government did was to place a cap on the number of visas issued under this classification. In 1996-97 it was 7,600. The following year, the cap was reduced to a paltry 1,000. The government also introduced a two-year waiting period for social security benefits.

The SPEAKER—This may be an appropriate point at which to interrupt the member for Greenway. It being 2 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour and the member for Greenway will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Iraq

Mr CREAN (2.00 p.m.)—My question is to the Acting Prime Minister. Can the Acting Prime Minister confirm that the National Security Committee of cabinet first determined as far back as 23 July last year that senior military officers would be involved with the United States in planning for a military action in Iraq?

Mr ANDERSON—I cannot confirm that. I will seek further information to ascertain whether there is anything I can usefully add. But, as you would well know in this place, we would not normally reveal the nature of cabinet discussions in the first place.

Iraq

Mr SOMLYAY (2.01 p.m.)—My question is to the Acting Prime Minister. Would the Acting Prime Minister provide an update on developments relating to Iraq?

Mr ANDERSON—I thank the honourable member for his question. The Prime Minister has had valuable meetings in New York with Secretary-General Annan and the United Nations chief weapons inspector, Dr Blix. He has taken this opportunity to again convey Australia’s support for the United Nations process, the need for the Security Council to live up to its responsibilities and this government’s strong support for a further resolution. As the Prime Minister has noted, Dr Blix’s report to the Security Coun-

cil on Friday is now the next critical step in this whole process.

It is very important to focus on the real issue of substance here, which is the destruction of Iraq’s weapons of mass destruction. Iraq, for 12 long years, has failed to demonstrate any real willingness to cooperate with the United Nations on its disarmament obligations. While Iraq has made some limited concessions to the inspectors, it would still appear that it fails to understand that it must disarm, and disarm now. We need to remember that the government’s objective is the disarmament of Iraq’s weapons of mass destruction. The obstacle to achieving that goal—what ought to be the focus of our debate in this place—is Iraq’s failure to change its attitude towards cooperation with the United Nations. After 12 long years and many United Nations resolutions, resolution 1441 provided Iraq with one last chance to comply with its international obligations. Iraq’s failure to cooperate cannot be remedied by more inspectors or more time; Iraq must change its attitude. That is the point that needs to be made here. It has been said—I think by the Prime Minister—that this issue is coming to a head. We are reaching the end of the game.

The international community has very good reason to be sceptical of any last-minute offers from this master chess player. Saddam Hussein has a long history of making small concessions at the eleventh hour in his dealings with the United Nations and the international community. Throwing a few morsels at one minute to midnight is not being real about this process. These concessions have never previously led to complete Iraqi cooperation. What little Iraq has yielded up has been the result only of concerted pressure, and the international community cannot allow itself to be fooled or tricked by Iraq into letting it retain its weapons of mass destruction.

The elimination of Iraq’s weapons of mass destruction program is critical to the security of the international community, including this nation. The latest disturbing tape attributed to Osama bin Laden underlines the urgency of ensuring that weapons of mass destruction developed by rogue states do not
fall into the hands of terrorists. The proliferation of rogue states that could blackmail the international community with weapons of mass destruction would be disastrous. The ultimate nightmare would be for those horrendous weapons to pass into the hands of terrorists, who would not hesitate to use them.

Let me come back to what ought to be the focus of our debate in this place, and I hope that perhaps this afternoon it might be: the UN Security Council must live up to its responsibility for maintaining international peace and security. The Security Council and the UN would be seriously damaged if they failed in the end to enforce the requirements of their own resolution 1441. It is important, too, that the Security Council show unity of purpose on Iraq, as Iraq will otherwise unquestionably exploit divisions in the views of the international community.

**Iraq**

Mr CREAN (2.05 p.m.)—My question is to the Acting Prime Minister, and it follows his earlier answer. I ask the Acting Prime Minister whether he can confirm to the House that he is a member of the National Security Committee of cabinet. Is he also aware that General Cosgrove today in Senate estimates confirmed that a decision was taken by that committee, on which the minister sits, as far back as 23 July last year to ensure that senior military officers would be involved with the United States in planning for a military action in Iraq?

Mr ANDERSON—The Leader of the Opposition knows full well that I am a member of the National Security Committee. He knows full well, too, that we do not reveal discussions around the cabinet table. I have indicated to him that, if there is further information that might be legitimately provided because it is in the national interest, I will do so. But, beyond that, the only comment I make is the obvious one, that from time to time and on a regular basis we consult with our allies around the world on military, strategic and security matters. No one ought to be surprised by that in any way, shape or form. We have been absolutely open with the Australian people in referring to the fact that we have been engaging in contingency planning in relation to our objective. Let me remind you again that our objective—which we hope you share but about which you have had almost nothing to say—is to rid this man of his weapons of mass destruction in the interests of the security of Australians and the global community now and in the future.

**North Korea**

Mr CHARLES (2.07 p.m.)—My question without notice is directed to the Minister for Foreign Affairs. Would the minister please inform the House of the steps Australia is taking to find a diplomatic solution to the North Korea nuclear issue?

Mr DOWNER—First, can I thank the honourable member for La Trobe for his question and, if I may say so, the interest that he has shown in the question of North Korea. I appreciate very much that there are some members of the House who have a very real and important interest in this. Let us be clear on two points. First, North Korea’s decision to pursue a nuclear weapons program is a matter of deep concern not just to Australia but, much more broadly, to the regional and international community. We do see it as a serious threat to regional security. Second, since October Australia has played an active role—we ought to and we have—in international efforts to find a diplomatic solution to the North Korean nuclear situation.

In January I sent a delegation of senior officials to Pyongyang. They had extensive discussions over a period, from recollection, of around 11 hours with North Korean senior officials, including 80 minutes with the North Korean foreign minister, Foreign Minister Paek. The delegation obviously registered the concerns of Australia and the broader international community about North Korea’s behaviour—in particular, the expulsion of the IAEA inspectors, the steps taken to reactivate its nuclear program and, above all, perhaps most serious of all, the announcement that it would withdraw from the nuclear non-proliferation treaty. When the delegation returned, it brought with it some messages. It was clear from what the delegation heard, particularly from Foreign Minister Paek, that there was to be a focus from North Korea’s side on bilateral discus-
sions with the United States. Our delegation explained to the North Koreans that, whilst North Korea may want some kind of security undertaking in writing from the United States, in an environment of a negotiation with the United States they would have to make a commitment to abandon their nuclear ambitions. At first, I think the North Koreans were somewhat resistant to that, but Foreign Minister Paek did send a message that he understood that there was a need for arrangements on both sides.

After that visit I spoke with Secretary Powell of the United States and the foreign ministers of South Korea and Japan. Subsequently, when I was in Europe, I was able to discuss this issue further with the EU foreign policy leadership as well as the foreign ministers of Germany and France. In Europe there is a very real interest in and concern about this issue, and I was pleased about that. As the House knows, this is an important issue for the Prime Minister’s current travel overseas.

Today the International Atomic Energy Agency’s Board of Governors, of which Australia is a member, meets. One of the issues that will be addressed is North Korea’s noncompliance with its MPT safeguards agreement and other arrangements. The Board of Governors will have to consider whether this matter should be sent to the Security Council. The Security Council will have to consider, in turn, how to deal with this problem of North Korea. Obviously that is a sensitive matter. Coming out of the delegation visit by the Australian team, and from other contacts that other countries had with North Korea, the international community put forward a proposal to North Korea that there should be a so-called five plus five dialogue—that is, the five permanent representatives of the Security Council plus South Korea, Japan, the European Union, Australia and the DPRK itself. I regret very much that the North Koreans rejected that proposal and have simply maintained the position that the only dialogue they will accept is bilateral dialogue.

Having said that, Australia has said to the United States that we think that in the end they will have to accept that there must be a bilateral dialogue between North Korea and the United States. It is a point I have made to Secretary Powell on occasions. I was pleased to see the other day that the Americans said publicly—not just privately, because privately they have been quite responsive to that point—that they would, at an appropriate time and in appropriate circumstances, be prepared to enter into a bilateral dialogue with North Korea. This is an enormously important issue. It is one that we are playing a significant role in and are trying to work through. It is appropriate that Australia should do that, as a significant country in the Asia-Pacific. We will continue to work at trying to find a constructive outcome to the problem of North Korea.

**Defence: Anthrax Vaccination**

**Mr CREAN** (2.13 p.m.)—My question is to the Minister for Veterans’ Affairs and the Minister Assisting the Minister for Defence. I ask the minister: given that the National Security Committee of cabinet authorised military planning for action in Iraq back on 23 July last year and, further, given that there is a four-week waiting period before the anthrax vaccine takes maximum effect, why did the government only vaccinate our sailors on the *Kanimbla* on 5 February this year? Doesn’t this mean that our sailors will be in a war zone and could be exposed to a potential anthrax attack before they are fully protected? Minister, why did the government delay in this very important decision?

**Mrs VALE**—I thank the Leader of the Opposition for his question. I say to him—and I cannot answer for what goes on in the Security Council—

**Mr Gavan O’Connor**—You cannot answer anything.

**Mrs VALE**—I am not a member of the Security Council. This matter, regarding the question of the anthrax injection, has been addressed at length this morning in the Senate estimates process. The timetable for immunising our deploying troops is for the commanding officers of the units to decide, based on threat assessments by the defence organisation and the requirement for each individual to receive information on the immunisation regime. I would like to ask ex-
actly what Labor’s point is here. Would they prefer us to not take measures to protect the health of our ADF personnel?

Mr Crean—Mr Speaker, I seek leave to answer the minister’s question.

The SPEAKER—The Leader of the Opposition does not have a point of order. He will resume his seat.

Mr Crean—But I am seeking leave, Mr Speaker.

The SPEAKER—I will deal with the Leader of the Opposition!

Opposition members interjecting—

The SPEAKER—I sought whether or not the Leader of the Opposition had a point of order. He did not have a point of order. He is seeking leave. Is leave granted?

Leave not granted.

Foreign Affairs: White Paper

Mr GEORGIOU (Kooyong) (2.16 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister outline to the House the key foreign policy themes in the new white paper launched earlier today?

Mr DOWNER—I thank the member for Kooyong for his question and the interest he has shown in the launch of the government’s white paper on foreign and trade policy. I know that the Minister for Trade is hoping that someone will ask him a question about the trade side of the white paper. We will have to wait and see whether anyone does, but I am pretty confident it will not be the Labor Party.

The white paper demonstrates a simple point, and that is: Australians have every reason to be confident about our country’s standing in the world. Our interests are global; they are not solely geographic. Our security and prosperity depend on the quality and strength of the political, economic and defence links that we maintain around the world. I think it is fair to say that those links are very strong. They have been very creative and they have been very productive, but it is true that, as we say in the white paper, Australia cannot afford to be complacent. It is a very uncertain world. I think what happened in Bali on 12 October, as well as the crisis over Iraq and the problems with North Korea, simply illustrates that point very clearly. The fact is that globalisation has been very successful for Australia because we have structured our economy well in order to deal with it, but it does bring major challenges. Let us face it, it is true to say that one of the things that has been globalised has been terrorism.

We give a lot of priority in the white paper to counter-terrorism and to dealing with the proliferation of weapons of mass destruction and, in doing that, we make no apology for working with key partners, with countries like the United States. It is the world’s most powerful country. No nation on earth would dispute that—some resent it, but none would dispute it. We work very closely with the United States of America and, of course, many other partners, including, importantly, our regional partners, in addressing issues both of terrorism and the proliferation of weapons of mass destruction.

The white paper makes the point, as any Australian government document on foreign and trade policy would, that our relationship with Asia is an abiding priority. I make this point to the House because there is sometimes debate about the importance of Asia or the emphasis that the government places on relations with Asia: if you take the seven years this government has been in office, our trade with Asia has grown somewhere between 30 and 40 per cent. We have never had more trade with Asia than we have had over the last year or so—never. We have more students from Asia studying in Australia now than ever before. We have enormous numbers of students from Asia studying here. It is a great credit to our universities. I notice that our minister for education, who has been such a champion of this, is nodding his head. It has been an enormous success for us over the last seven years, so this engagement with Asia continues to grow.

I think one of the great symbols of our successful engagement with Asia, by the way, was Australia winning its largest ever export contract with China, the LNG export contract. That was a tribute not just to our business people—and it was partly a tribute
to them—but to the Prime Minister and other ministers who worked so hard on the political relationship with China that made that possible. I am sure in time the history of that particular event will be written, possibly one day by the Minister for Trade himself.

**Mr Kelvin Thomson**—He’ll need a ghost writer.

**Mr Downer**—No, he could do it himself. We make no apology for our close ties with the United States of America. On this side of the House, we are not ashamed of that. We work very closely with the United States. We do have very close personal relationships with the leadership of the United States, and that was illustrated very clearly this week by the Prime Minister’s visit to Washington. We make no apology for that. Australia is a significant country, but it is not one of the most powerful countries on earth. The United States is by far the world’s most powerful nation. The fact that we have easy access to the United States and are able to work closely with them on great global economic and security issues is an enormous advantage for Australia. I know, as the foreign minister of this country, that many nations around the world envy the closeness of our relationship with the United States.

It does not mean we always agree with them. We do often; we do not always. We do not agree with them on some trade issues. We disagreed with them on their approach to the Comprehensive Test Ban Treaty, the biological weapons convention additional protocol and some of the multilateral arms control and disarmament instruments. Sure, there have been points of disagreement but, at least, because of the closeness of our relationship, we are able to sit down with them, we are able to put our case, we get heard and we have often been able to benefit very substantially in terms of our national interests from that close relationship. No-one on this side of the House walks away from the fact that the security relationship with the United States underwrites Australia’s security in a very unstable world. If you were to put the argument the other way around—as some on the other side of the House may wish to—that we should sever our ties with the United States, I think that would cause enormous insecurity and uncertainty in the Australian community. We make no apology for our strong relationship with the United States. It is in our interests that we maintain that relationship.

Let me conclude by making one other point. It would be a long time since I was asked a question by anyone in the opposition about the issue of the South Pacific. The South Pacific is a very important component of our foreign policy. We put a lot of aid into the South Pacific. We have played a very significant role in trying to address the problems of the South Pacific, not just of an economic kind but of a political kind.

**Opposition members interjecting**—

**Mr Downer**—Opposition members interject, but they never ask questions about these issues, which seems to suggest that they do not actually seriously regard them as remotely important—as they don’t most foreign policy issues.

It is with pleasure that I table for the House the white paper on foreign and trade policy. I table the full copy of the document that I know coalition members would like to read. Let me also table an abridged summary, which members of the opposition might find possible to read.

**Defence: Anthrax Vaccination**

**Mr Crean** (2.23 p.m.)—My question is again addressed to the Minister for Veterans’ Affairs and Minister representing the Minister for Defence. I preface this question by indicating that we on this side of the House are concerned for the welfare of our troops.

The Speaker—The Leader of the Opposition will come to his question.

**Mr Crean**—I ask the minister: given that the National Security Committee of cabinet authorised military planning for action in Iraq back on 23 July last year, why did the government wait until two days after the Kaniblina sailed from Darwin before telling our sailors that they must have an anthrax inoculation?

Opposition members interjecting—

**Mr Anderson**—You ask questions about the National Security Committee. With all due respect to the minister, as the Leader
of the Opposition well knows the minister in question is not privy to what happens in cabinet, around the cabinet table or at meetings with the National Security Committee, and I do not believe it is reasonable to put her in a position where she has to purport to be able to speak for them.

Mr Crean—I raise a point of order, Mr Speaker. The minister to whom I have directed the question is responsible for the welfare of the troops, for defence personnel.

The SPEAKER—As the Leader of the Opposition is well aware, the standing orders provide the facility for the Acting Prime Minister to answer questions as appropriate. The Acting Prime Minister has the call.

Mr ANDERSON—The first point that ought to be made is that there is no doubt about the Leader of the Opposition: by sins of omission and commission, he continues to misrepresent. He continues to misrepresent, just as he did in this place yesterday when he claimed—and he allowed this misrepresentation to stand—that the Prime Minister had not clearly indicated to the departing forces, at the very departure presentation that he was present at in Sydney, that there was the potential for them to be involved in further actions in the Middle East. I corrected that in this place and he has allowed the misrepresentation to stand.

Mrs Irwin—Mr Speaker, I rise on the point of order. This is about the health of our troops, and the Deputy Prime Minister is not answering the question. It should have been the Minister for Veterans’ Affairs.

The SPEAKER—The member for Fowler will excuse herself from the House under the provisions of standing order 304A. There is no point of order.

The member for Fowler then left the chamber.

Mr ANDERSON—The attempt to misrepresent the situation continues by implying that the National Security Committee somehow authorised military action which would have precipitated or made necessary a decision to inoculate troops and those other personnel who might be going to the Middle East at some stage last year. This is a further attempt—you can see where it is going—to imply that there has been a conspiracy and that, in reality, we have already made a commitment.

Honourable members interjecting—

Mr ANDERSON—Yes, thank you. Confirmed. The sins of omission and commission continue, because in Senate estimates this morning, General Cosgrove made it very plain indeed—and I will quote his words in a moment—that it was determined by the military to engage in discussions with the Americans so that they knew what the Americans were talking about, what contingencies they might be developing. I would have thought all Australians would have recognised that that was a legitimate thing for us to be doing on an ongoing basis. General Cosgrove made these comments—I am quoting: The military officers sent—

Opposition members interjecting—

Mr ANDERSON—Mr Speaker, they claim it is important. They claim it goes to the matter of their concern for the troops of Australia. Their real objective here is to build a case to support their conspiracy theory, which does not stand up. It is that case that I am seeking to demolish now, and they do not want to hear the demolition of it. That is the truth. What about the troops? Listen to what the commander of the troops had to say in Senate estimates this morning.

Ms Vamvakou interjecting—

The SPEAKER—I warn the member for Calwell!

Mr ANDERSON—In relation to any so-called commitment by the Australian government or the military to action in the Middle East, he said:

The military officers sent forward were clearly aware themselves not to commit or to suggest commitment by Australian troops, nor to encourage that perception amongst allies.

In the same way that you yesterday misrepresented the Prime Minister in relation to his being forthright with forces going to—

Mr Crean—Mr Speaker, I raise a point of order and it goes to relevance. My question was quite specific as to why the government waited until two days after the Kanimbla sailed from Darwin before it told our troops
they needed an inoculation. The Acting Prime Minister has not answered that at all. They were predeployed on 10 January and the government waited until two days after it sailed before it told them that they needed to be inoculated.

The SPEAKER—The Leader of the Opposition will resume his seat. Let me deal with the point of order. The Acting Prime Minister is being relevant to the question asked and has the call.

Mr ANDERSON—It is particularly relevant inasmuch as the Leader of the Opposition, just a moment ago, confirmed that the question was about trying to establish their conspiracy theory. He himself, out of his own words, established the relevance of the points that I was seeking to make.

The SPEAKER—I determine the relevance.

Mr ANDERSON—Mr Speaker, let me make this quite plain. The government will always do everything we can to ensure that our military are as well prepared and protected as possible for any potential action. But let me also make it quite plain that the very military personnel that we say we respect, and that you at least pay lip-service to, are themselves responsible for making decisions about how to ensure the maximisation of the safety of our fighting personnel.

Trade: White Paper

Mr BAIRD (2.30 p.m.)—My question is to the Minister for Trade. Would the minister inform the House how the government’s trade policy agenda, particularly in relation to the WTO, will advance the interests of Australia’s exporters?

Mr VAILE—I thank the honourable member for Cook for his question. I know that since entering the parliament he has been very interested through, and productive in, his contributions to the development of Australia’s trade policy as it stands today, and as was published today in the white paper tabled by the foreign minister a while ago.

The white paper, entitled Advancing the national interest, presents a comprehensive explanation of the most ambitious trade agenda of any government in Australia’s history in terms of the articulation of our pursuits in the multilateral arena, our pursuits in the regional arena and our pursuits bilaterally in covering all aspects of opportunities that are out there for Australia’s exporters. It articulates the policy approach the coalition government has adopted post Seattle: the policy approach of competitive liberalisation. We aim to pursue our objectives in the multilateral Doha round, which we see as our number one trade objective. We identify the Doha round of negotiations currently under way as being the best opportunity to secure the interests of Australia’s exporters as a trading nation for the future. At the same time, we are prepared to engage bilaterally in negotiations; negotiations such as the free trade agreements that we have concluded with Singapore and that I will be signing with the Singaporean government next week; negotiations that we are about to embark upon with the United States of America; and negotiations that are under way with one of our near neighbours—Thailand.

We have articulated that we need to be pragmatic in our approach to trade policy in an ever changing world, both in terms of the structure of global trade and the stature of the global economy. In recent years we have maintained a steady and stable approach, because of our economic policy settings in Australia, through the Asian economic recession and, more recently, in the global slowdown post September 11. We need to be pragmatic in our approach; we cannot get locked away in policy settings of the past. We need to provide every opportunity we can as far as Australian exporters are concerned—multilaterally, regionally and bilaterally. The white paper clearly outlines how we propose to achieve that and how we propose to pursue that.

Already, Australia’s exporters are reaping the benefits of these policy settings and there will be more to come. We are going to pursue the multilateral objectives through the Doha round at the end of this week. I will be participating in a mini ministerial meeting of WTO ministers in Tokyo.

The key objective of our government—and, presumably, of the Labor Party on the other side, seeing as they have the multilat-
eral round as their number one goal—will be the centrality of agriculture and the pursuit of an improvement in trading circumstances for agriculture. Agriculture, Mr Speaker, as I am sure you would agree, is the most important element, the most important ingredient, for a successful outcome in the Doha round. That is our key objective. We will be pursuing that, as well as our bilateral agenda.

Defence: Anthrax Vaccination

Mr CREAN (2.34 p.m.)—My question is to the Acting Prime Minister and it refers to his previous answer. Acting Prime Minister, given that the Prime Minister publicly announced on 10 January that our troops would be predeployed, why was there a delay until 5 February, two days after the Kanimbla sailed from Australia, before telling our sailors that they must have an anthrax inoculation?

Mr ANDERSON—I thank the Leader of the Opposition for his question. What I can tell the House—and I think this is significant—is that on 11 January, the day after the Prime Minister indicated that there may be predeployments, Senator Hill said:

...any forces that may be in an area of operations in which the threat scenario would suggest anthrax is a problem, will be fully inoculated.

Insofar as the question goes to the government’s concern for the wellbeing of our personnel in areas of high risk, the government has made it quite plain that we understand the need to look after them. As I said in answer to my earlier question, however, operational matters—

Ms Macklin—Why didn’t you make sure they were? Why didn’t you do it, then?

Mr ANDERSON—Mr Speaker, is there an interest in the answer or not?

Ms Macklin—Yes.

Mr ANDERSON—There is?

The SPEAKER—The Acting Prime Minister has the call.

Mr ANDERSON—The question as to actual arrangements for inoculation, the decisions as to what sorts of inoculations ought to be made and so forth are a matter for the defence forces and the CDF.

Mr Crean—Why did you lie?

The SPEAKER—The Acting Prime Minister will resume his seat. I have from time to time reminded the Leader of the Opposition that just as I expect him to be heard in silence, at least by those at the table and preferably by the House, so the same obligation belongs to him, as standing order 55 clearly states. The Acting Prime Minister has the call.

Mr ANDERSON—Plainly, in the Senate during Senate estimates, the ALP has had ample opportunity to quiz the CDF on this matter. I think, really, the point remains that, consistent with his need to look to issues of national security in terms of what is disclosed, those sorts of questions clearly belong to the military.

National Security

Mr CAUSLEY (2.37 p.m.)—My question is directed to the Minister for Foreign Affairs. Would the minister inform the House of reports overnight on another message by Osama bin Laden warning of further terrorist attacks?

Mr DOWNER—I thank the honourable member for Page for his question and for his interest. As the House will increasingly be aware, a taped statement purportedly from Osama bin Laden was broadcast on al-Jazeera earlier this morning our time. The statement has been carefully looked at and analysed by experts in the intelligence community, but the early indications from our intelligence community are that this is probably an authentic statement—that is, it is probably a statement made by Osama bin Laden. It sounds like him and, not surprisingly, it contains the usual poisonous anti-Western rantings and conspiracy theories that we have come to expect from Osama bin Laden.

This latest statement does contain some very disturbing words. It reinforces this government’s concern, if ever reinforcement were needed, that if weapons of mass destruction were to fall into the hands of terrorists this would have devastating consequences for global security. The statement also makes it clear that bin Laden considers, to use an old phrase, that the enemies of his
enemies are his friends. It is often said, and understandably so, that Saddam Hussein is a secularist or a socialist—the opposition will know that term—and that, more to the point, Osama bin Laden does not claim to believe in those ideologies. Osama bin Laden is obviously a religious fundamentalist and a religious fanatic, so it is argued from time to time that those two ideologies do not necessarily go together. I can understand that argument. But it is also true that if this tape is genuine—and I qualify my remarks; we think it is genuine but we are not sure—it simply reinforces the view that Osama bin Laden does apply the principle that ‘the enemy of my enemy is my friend’. This therefore enhances the danger of weapons of mass destruction falling into the hands of a terrorist organisation, not just the terrorist organisations that Saddam Hussein has well-known connections with but possibly an organisation like bin Laden’s al-Qaeda.

We know that the disarmament of Iraq would reduce the chance of weapons of mass destruction getting into terrorist hands and threatening Australia as well as other parts of the world. The international community knows that. At this time of heightened anxiety, statements like the statement of Osama bin Laden must be completely condemned. He must and he will be held to account for the threat he presents to the civilised world. The government will be assiduous in ensuring that Australians are made aware of any specific threats against us, in particular on the front line of our interests at home and in South-East Asia. As we all know, Australia remains on a heightened sense of alert. But we are resolute in our efforts to pursue the fight against terrorists and prevent those individuals from inflicting harm on Australians.

Osama bin Laden claims in this statement to be passing on some lessons that al-Qaeda learnt from Afghanistan. I believe the most important lesson to be learnt from Afghanistan is that al-Qaeda and the Taliban were defeated. This statement, like previous ones from al-Qaeda, only reinforces our determination to be successful in the campaign against terrorism and to eliminate weapons of mass destruction from rogue states.

Aviation: Airport Security

Mr MARTIN FERGUSON (2.41 p.m.)—My question is to the Minister for Transport and Regional Services and Acting Prime Minister, and relates to the heightened terrorism alert at the moment. Despite heightened security concerns, can the Acting Prime Minister confirm that ground staff are still not being screened before entering secure air-side sites and aircraft at airports?

Mr ANDERSON—I am aware of no security concerns in that area.

Mr Martin Ferguson interjecting—

Mr ANDERSON—I am aware of no specific examples of that. If the spokesman for the other side has something that he thinks in the interests of national security ought to be made known, I suggest to him that there are very responsible ways of bringing that to our attention.

HIH Insurance

Mr HAWKER (2.43 p.m.)—My question is to the Treasurer. Is the Treasurer aware of a report alleging that the Financial Sector Advisory Council warned him about troubles at HIH Insurance in early 2000? Is this correct?

Mr COSTELLO—I thank the honourable member for Wannon for his question. I was genuinely surprised to read in the newspaper yesterday that it was being alleged that in early 2000 the Financial Sector Advisory Council, FSAC, gave a warning to me about troubles in HIH. That caused me to investigate the source of this particular allegation to find out who had made it. The person who has apparently made such an allegation is none other than the member for Fraser, the shadow Treasurer. The shadow Treasurer has apparently written to the royal commission saying that he has heard from a person, whom he does not name and who has produced no documentary evidence to him, with an uncorroborated statement that 12 months ago the Financial Sector Advisory Council gave such a warning.

This is very curious, because the royal commission has now had 220 days of hearings. The member for Fraser did not see fit during any part of any one of those hearings
to name this secret source and give the
source the opportunity to give evidence in
the royal commission—not once in 220 days.
He wrote when it was finished. In addition to
that, the parliament has sat in question time
for about 75 days during last year and this
year, which has given the member for Fraser
about 700 questions of opportunity to ask me
about this allegation. I have been sitting
here—Wednesday of last week, Thursday of
last week et cetera—waiting for the member
for Fraser, who is studiously ignoring what is
going on at the moment, to rise on his
crutches and ask me whether or not this alle-
ration that he put to the royal commission
was true.

If he had asked me whether or not it was
true, it would have been a very simple mat-
ter, because I would have informed him, as
he knows, that FSAC gave no such warning
to me about HIH in early 2000 or indeed to
the Treasury. But if he really wanted to make
his allegation stick, he could have gone to
FSAC itself—which the Treasury in fact did
on 6 February, assuming that he was going to
raise this in the parliament. We asked FSAC
if we had missed something, if they had
given some elliptical warning which we had
not understood and whether they could
please confirm when it was made. I table a
letter from the Treasury to the Chairman of
the Financial Sector Advisory Council, dated
6 February, and I table the reply which came
from Mr Maurice Newman on 6 February
2003 in which he confirms:
... to the best of my knowledge and belief, and
after reviewing my own records, no advice or
information was provided by the Financial Sector
Advisory Council to Treasury or the Treasurer
during the relevant period ...

None was received; none was given. No al-
legations were put during the 220 sitting
days of the royal commission. Not one ques-
tion in 700 questions was actually put so that
this matter could be dealt with.

What we have is the member for Fraser
slinking around the press gallery asking,
‘When did you know and when did you hear
it?’ Does this bring to mind any recollections
of other members of the opposition slinking
around and asking, ‘When did you know and
when did you hear it?’ Rather than getting to
his feet and being interested enough in the
issue to ask one question in 700, he goes
slinking around the press gallery, not having
the guts to actually ask the question, and
trying to find journalists who will peddle this
misinformation. This government called the
royal commission into HIH. We have fully
cooperated with it, and we will provide it
with any of the information that is required.
If you had the courage of your convictions
you would have done exactly the same thing.
It is a cheap little stunt from somebody who
is not worthy to be a shadow Treasurer.

Mr Swan—Mr Speaker, I raise a point of
order. Yesterday in question time you ruled
out of order, based on standing order 144, a
statement which contained an imputation.
You later on ruled, in reference to a former
decision by Speaker Snedden, that those im-
putations could not only not be made against
individuals but also not be made against a
collective opposition. I ask you to get the
Treasurer to withdraw that imputation
against the member for Fraser and the oppo-
sition.

The SPEAKER—I was listening to the
Treasurer but I was not conscious of his
making an imputation that I found offensive.
I will check the record and, if that has hap-
pened, I will report back to the House today.

Aviation: Airport Security

Mr SIDEBOTTOM (2.49 p.m.)—My
question is directed to the Minister for
Transport and Regional Services and the
Acting Prime Minister, and it follows an ear-
lier question to him. Given that the govern-
ment is prepared to spend $20 million of
taxpayers’ money on fridge magnets, why
wasn’t that money spent on improving lug-
gage X-ray screening in our airports or, in-
deed, on providing security screening of any
sort in regional airports like mine at Burnie
and Devonport?

Mr ANDERSON—The reality is that the
information we are providing to the Austra-
lian community about terrorism has been
widely welcomed. It is recognised as quality
information and it is recognised as a worth-
while exercise—

Ms O’Byrne interjecting—
The SPEAKER—I warn the member for Bass!

Mr ANDERSON—for around a buck for every Australian. I can only say to you that I hope you never have to eat your words because an Australian somewhere picked something up or noticed something they might not otherwise have noticed, knew who to report it to and thus prevented a very awkward situation.

Mr Ripoll interjecting—

The SPEAKER—I warn the member for Oxley!

Mr Sidebottom—Mr Speaker, I raise a point of order on the matter of relevance. I asked about X-ray machines—

The SPEAKER—The member for Braddon will resume his seat. The Acting Prime Minister was asked a question which included a statement from the member for Braddon, to which the Acting Prime Minister was directly referring. Has the Acting Prime Minister concluded his answer?

Mr ANDERSON—No, I have not. I was coming to those very issues that he raised, because they are important and relevant. As was very widely publicised at the time, we have essentially knocked together a plan which will be coming forward in the form of legislation. I hope it will be supported in this place, for it is a very substantial increase in screening and security at the nation’s airports. All transport areas are under constant review, and we constantly respond to the latest risk assessments and advice on how to raise, and when it is necessary to raise, security levels. In relation to your two airports, they clearly fall into that category where the risk assessment provided to us indicates that only certain amounts of further security measures are needed. That is well known and has been well canvassed. The point is that we made it clear to those airports that if they wished to participate in upgrading security they could.

Mr Sidebottom interjecting—

The SPEAKER—The member for Braddon!

Mr ANDERSON—I was under the impression that these were serious issues and I was prepared to give it a serious answer.

The SPEAKER—I have granted the Acting Prime Minister the call and I require those who are interjecting to abide by the standing orders.

Mr ANDERSON—Both airports have been given the opportunity to participate, if they so choose, in the new upgraded security arrangements. The cost is relatively modest. As the tourism industry put it the other day, it amounts to about the cost of a cup of coffee for peace of mind, if you are worried about it. One of your airports, as I recall, has said that it will participate. The other has chosen, on the risk assessments, not to do so.

Mr Sidebottom interjecting—

The SPEAKER—I warn the member for Braddon!

Immigration: Asylum Seekers

Mrs DRAPER (2.53 p.m.)—My question is addressed to the Minister for Immigration and Multicultural and Indigenous Affairs. Would the minister inform the House how the government is assisting Afghan asylum seekers who wish to return to Afghanistan? Would the minister also inform the House of the government’s success in dealing with unauthorised arrivals and the abuse of the asylum system?

Mr RUDDOCK—I thank the honourable member for Makin for seeking information in relation to Afghans in particular, and in relation to the government’s success in dealing with unauthorised arrivals and abuse of the asylum system. It is important from time to time to get some accurate information in relation to these matters. I noticed, in some rather noisy interjections in relation to comment from the foreign minister, that people have assumed that little has been done to help Iraqi asylum seekers over a period of time and have failed to recognise that Australia has an ongoing program to assist people in Iraq who have been so adversely affected by the policies of Saddam Hussein.

I simply make the point that some 4,000 people from Iraq have had temporary protection visas from Australia in the last four years. Something in the order of 4,000 peo-
ple have been resettled under the orderly refugee and humanitarian program. In other words, in that period of time some 8,000 Iraqi people have been accommodated by Australia through the protection given to temporary protection visa holders and those who come through the normal program.

More importantly, in relation to Afghanistan, let me say that Australia is proud of the success that it has achieved in dealing with this issue. Something of the order of 2¼ million people have returned to Afghanistan through our participation in assisting to create a climate in which that can happen. Of course, the UNHCR called for governments to provide financial assistance to Afghans who wish to return. Australia is providing significant assistance to help such people. We pay for travel documentation, fares, reception and counselling, and there is a cash payment of $2,000 per individual and up to $10,000 per family. To date, some 350 people have returned under those arrangements not only from Australia but also from offshore centres where Australia has been aiding in processing and effecting returns. Another 200 have accepted the offer and will shortly be going home. The package has obviously been well received.

I noticed that there were some observations—I think they were from the member for Fremantle—that suggested there were thousands of people still being processed offshore and in offshore detention. Those comments were made in the House yesterday. The fact is that there were 1,515 people in offshore processing, and today there are only 490 people remaining in offshore processing. The bulk of these people have been able to be accommodated as refugees—some have gone to New Zealand, some to Australia and some elsewhere—and very large numbers are returning home. We will continue to process the remaining people.

The one point that I would make, and I make this point very strongly, is that people who are in offshore processing centres are protected. They may not be where they would like to be, but they have protection from the claimed persecution that they may have alleged they suffered.

Ms Gillard—They are held pending return.

Mr RUDDOCK—Some are, and some are refugees who have not yet been granted a place in another country. I am saying that they are protected while they are there and, even if they were making claims in relation to other situations, they continue to remain protected while they are there. The important point that I would make is that we have also protected the lives of many people, because we have gone now for some 14 months, which is a period unsurpassed in the last decade, without any boat arrivals of substance at all.

I noticed in some information put out by the UNHCR this week about what is happening around the world that Australia has the standout result in relation to the numbers of asylum claims lodged. While you have something like half a million people lodging asylum claims in Europe, of which somewhere between five and 10 per cent will get up, the fact is that, while that has continued unabated, Australia has seen a 50 per cent drop-off in asylum applications—and not just asylum applications from unauthorised boat arrivals. The figures have dropped from about 12,000 a year, which is what we used to see, to about 6,000 last year. That is a standout result of a sort that has not been seen anywhere around the world.

I notice that my counterpart has not come back to me with any questions in relation to the matter that she asked about the other day. But I was very interested to read Labor’s policy to try to assess whether they had any ideas about how they might remove people from Australia. What I found particularly interesting when I read page 24 of the document was that, if you were trying to understand how Labor would deal with these issues in office, you had to look at the way in which the comprehensive plan of action was put in place in 1989. What did Labor claim then? One of the main features of the agreement was:

The repatriation of ‘non-refugees’ voluntarily, with integration assistance funded—

I repeat: funded—via the UNHCR, or if necessary involuntarily...
When you go through the document to see whether Labor have a plan as to how they handle returns now, you do not find a plan. But what you do find—and it is a very clear indication—is that Labor in office had arrangements for using international organisations to get returns which they funded.

I have not seen details published about those arrangements, but if you would like me to I could go through and look at how you dealt with the Chinese returns or how you dealt with the Vietnamese when you were in office. I could get the briefs out—which I am not really, under government arrangements, allowed to do—and publicise how you were doing it. Tell me that you want me to have access to those documents and I will get the information for you. I suspect that that is exactly what you were doing when you were in office.

The SPEAKER—Minister, address your remarks through the chair.

Mr RUDDOCK—I suspect that that was what the Labor Party were doing in office, and they suggest that, if we were dealing with international organisations in relation to securing further returns today, it would be in some way inappropriate.

The SPEAKER—Minister, address your remarks through the chair.

Mr RUDDOCK—I suspect that that was what the Labor Party were doing in office, and they suggest that, if we were dealing with international organisations in relation to securing further returns today, it would be in some way inappropriate.

Fuel: Ethanol

Mr WINDSOR (3.01 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry. Given the uncertain future of oil supplies from the Middle East and given that there are a number of commercial proposals to establish ethanol plants in country New South Wales, what is the government doing to expedite their development? Does the government intend to mandate a minimum level of ethanol in Australian fuel? Will the government ensure certainty for potential investors by guaranteeing a 38c per litre excise exemption in the long term for domestic production?

Mr TRUSS—I thank the honourable member for his question. As he would be well aware, I am an enthusiastic supporter of the ethanol industry. During the election campaign—

Mr Zahra interjecting—

The SPEAKER—I warn the member for McMillan!

Mr TRUSS—the government made a commitment to set a target for ethanol usage within the Australian liquid fuel mix and to provide support to the industry to enable it to develop the capacity to produce ethanol for Australian motorists. This particular policy has been developed over recent times, and the government has in fact made a commitment for 12 months to ensure that the excise concession is available to the local industry to enable it to proceed with a degree of confidence and security. But it is necessary to have in place a longer term policy to ensure that the investment that is required to build this capacity can effectively be put in place.

Over recent weeks, attempts by fuel companies and others to vilify the ethanol industry have severely affected the capacity of this industry to achieve its potential. Only a few months ago, people rightly considered ethanol to be an environmentally friendly fuel that had the capacity to make Australia more self-sufficient in its liquid fuel needs and to provide a lot of jobs in rural and regional Australia. But the campaign, orchestrated in many respects by members opposite, has damaged the reputation of ethanol, vilified the fuel and given the impression that—

Mr Tanner interjecting—

Mr TRUSS—It has vilified it and given the impression that if you put any ethanol at all in your fuel tank your car will break down before it leaves the service station driveway. That is simply dishonest.

Mr Tanner interjecting—

The SPEAKER—I warn the member for Melbourne!

Mr TRUSS—They failed to produce any evidence about the damage it is allegedly going to cause to motor vehicles; they just sought to undermine this industry which has so much potential in rural and regional Australia. I share the honourable member’s enthusiasm about ethanol. The government is committed to ensuring that Australia has the capacity to produce the needs of the local industry and to do it locally. I agree with the honourable member that there are a number of proposals in New South Wales, Queensland and other places to build new ethanol plants. The government is looking at ways to
give the industry the sort of security it needs to be able to proceed with those investments as quickly as possible.

Drought

Ms LEY (3.04 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister update the House on the federal government drought assistance being provided directly to farmers across drought-ravaged Australia, including to farmers in my electorate of Farrer? Is the minister aware of any other assistance measures available?

Mr TRUSS—I thank the honourable member for her question. She will be pleased—as are other members on this side of the House—that exceptional circumstances assistance from the Commonwealth is now available for the irrigated dairy farmers in her region. These farmers have had particular difficulties. They have used their irrigation water—in many cases they borrowed forward their allocations for next year—and their capacity to maintain their farm businesses has been seriously put at risk.

The reality is that, if it were not for the changes that this government has made and the use of predictive modelling, that exceptional circumstances assistance could not have been provided. But, because we have been prepared to go the extra mile to find ways to deliver assistance to farmers promptly and efficiently, that assistance is now available to irrigated dairy farmers in New South Wales and, I might add, also across the border in the electorate of Murray to the irrigated dairy farmers in the Goulburn region. Those farmers are now eligible to receive extended income support for a period of two years and they can access interest rate subsidies of up to $100,000 a year on their new and existing loans. Small business in that area is also eligible, of course, to apply for some assistance from the federal government. This builds on the exceptional circumstances declarations which have now been made, covering a significant part of New South Wales, which are on top of the interim assistance that has been available to every farmer in the honourable member’s state since the early part of December last year. This represents a very substantial commitment by the federal government, totalling over $900 million nationally. Of that, $522 million is committed to New South Wales.

I think it is about time, as we look around at what other governments are doing, that the states make real efforts to match the Commonwealth’s commitment. New South Wales has been full of announcements, but very little money is flowing to farmers. Premier Carr has made something like 50 announcements or more but very few of those are to provide assistance to farmers and very little money is flowing to those who need it. In fact, only two of the announcements made the other day actually deliver anything to farmers. Even then, it takes such a long time in New South Wales for farmers to get any benefits. Up until now, farmers have had to wait six months after the drought declaration before they become eligible for anything. That is the kind of spirit that has been associated with drought relief in New South Wales.

Obviously, the irrigated dairy farmers have a particular need for assistance. As I mentioned earlier in the week, I have been appalled at the actions of the Victorian government in withdrawing drought assistance to the dairy farmers in Victoria at the time of their greatest need. At a time when it has been demonstrated that their circumstances have deteriorated to the stage where they are eligible for Commonwealth exceptional circumstances assistance, Victoria has stripped away the assistance that it has provided to those farmers over recent months. That is a disgraceful example of how state governments are responding to this drought. Even for Labor, this is a new low.

I feel sorry for the state minister, Mr Cameron, because I think this has been dumped on him by the Victorian Premier. I am sure he was not told when he was asked to be the agriculture minister that Victoria was going to withdraw its drought assistance to farmers in that state. But Premier Bracks has been saying that it was always intended that the state assistance would be withdrawn when the Commonwealth exceptional circumstances assistance was provided. If it
was always intended, I wonder why he did not bother to tell anybody. He did not bother to tell farmers when he announced the package on 1 October. There is nothing in the press release about it being an interim measure until Commonwealth exceptional circumstances assistance was provided.

He did not tell the farmers of Victoria when he was going around visiting drought-affected areas in northern Victoria. He did not tell the voters of Victoria before the Victorian state election. He did not tell the dairy farmers of Victoria. The UDV were not told. They made it abundantly clear in today’s newspaper by saying, ‘We were never told there would be a cut-off date.’ He did not bother to tell the Victorian farmers, yet he is asking us to believe it was always intended that the Victorian government would axe the drought relief. This demonstrates how cold and calculating Labor can actually be. Before the election, without telling any of the Victorian farmers, it had already decided it was going to axe this assistance to them. This is a disgraceful and low act on behalf of the Victorian government and it is dishonest. It has misled the voters of Victoria. The Premier himself effectively gave assurances that this aid would be ongoing. In his announcement on 1 October he said:

These grants can be spent on much-needed items such as feed for stock and seed for next year’s crop. You can spend it on seed for next year’s crop! We have not even reached the planting period yet and he has axed the benefit, so it is not available for seed for next year’s crop.

Ministerial Conduct: Prime Minister

Mr TANNER (3.12 p.m.)—My question is addressed to the Acting Prime Minister. I refer to the Prime Minister’s $10,000 plasma digital TV, provided free by Telstra. Isn’t it the case that the Prime Minister’s declaration of interests, lodged on 2 August last year, describes this as a loan for approximately three months and yet he has still got the TV in his lounge room more than six months later with no subsequent amendment to his declaration? Given that the cheapest rental deal on these sets from Harvey Norman is $476 per month, hasn’t the Prime Minister received an effective gift of nearly $3,000 in value, way in excess of the $500 limit set for all ministers on receiving gifts?

The SPEAKER—The member for Melbourne will come to his question.

Mr TANNER—Acting Prime Minister, can you now provide a detailed explanation to the House as to why the Prime Minister is not in clear breach of his own ministerial code of conduct?

Mr Martin Ferguson interjecting—

The SPEAKER—I warn the member for Batman!

Mr ANDERSON—The fact of the matter is that this was placed on the record. The Prime Minister acknowledged it. He has received, in my view, no financial gain out of this. I doubt that he has even had much opportunity to take advantage of it, quite frankly. The Prime Minister has not breached
the rules. He has been open about it. It was referred to in the *Courier-Mail* months ago, and there is nothing secret or hidden about it. He has been up-front about it, and I believe there is no case to answer.

**Workplace Relations: Building Industry**

Mr PEARCE (3.15 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of the activities of the interim building industry task force? How successful has the task force been in responding to complaints concerning the building and construction industry?

Mr ABBOTT—I thank the member for Aston for his question. As the House would recall, the building industry task force was set up in response to the first report of the building industry royal commission. The job of the task force is to tackle the entrenched culture of coercion, collusion and intimidation which has disfigured this industry for far too long. I can inform the House that in four months of operation the task force has received many hundreds of reports of law-breaking in the industry. The task force has conducted more than 100 site visits and has launched some 46 investigations. Importantly, I can advise the House that the task force is currently preparing 18 prosecutions and has already launched two prosecutions.

It is important to put all parties in the industry on notice that if they break the workplace law they face prosecution. I particularly want to direct that comment to any employers who might be tempted to offer strike pay or to obstruct task force inspectors in their work. The government’s objectives are to secure zero tolerance of law-breaking in this important industry and to give honest workers, unionists and businesspeople the clean industry that they deserve and that they have lacked for so long.

**Ministerial Conduct: Prime Minister**

Mr TANNER (3.17 p.m.)—My question is again to the Acting Prime Minister. I refer him to the Prime Minister’s statement yesterday that he would be returning his free $10,000 plasma digital TV to Telstra within a few weeks. I also refer him to the fact that the ICC Cricket World Cup final is on 23 March. Can the Acting Prime Minister confirm that the Prime Minister will return this television to Telstra before the world cup final, or is it the case that as the Prime Minister has decided to stay in office he is going to keep the TV indefinitely?

The SPEAKER—Order! The question is out of order.

**Education and Training: Apprenticeships**

Mr TOLLNER (3.19 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister advise the House what new initiatives will make it even more attractive for employers to take on a new apprentice? Is the minister aware of any other policies in the areas of training?

Dr NELSON—I thank the member for Solomon for his question. He would be described as a very strong Territorian. One-third of our teenage children who are working full time are working in apprenticeship programs. In fact, there are now 368,000 Australians, more than half of them under the age of 24, undertaking apprenticeships throughout Australia. Of these, 138,000 are in traditional trades. It is important that employers understand that on 1 January this year some very important initiatives became available for them. For example, this government announced last year that another 30,000 school students would be able to undertake apprenticeships. They will be supported by this government to the tune of $31 million over four years. In addition, another 25,000 apprenticeship places were created in innovation, microtechnology, manufacturing, information and communication technology, robotics and photonics. It is critically important that we understand that we need a highly skilled work force not only for employment opportunities for young Australians but also for our future.

I have been asked whether or not there are any other policies, and I am aware of them. In the course of more than a year of having had the privilege of being Australia’s Minister for Education, Science and Training, the Australian Labor Party is yet to ask me a single question in this House in relation to apprenticeships and training. You can imag-
I was taken by surprise when one of my staff came in last week and said, ‘Brendan, you are not going to believe it, but we have got a media release from the Australian Labor Party on training.’ I said, ‘Give me a look at it!’ I had a look at the headline, which read ‘30,000 trained teachers missing under Howard’. I thought, ‘Oh, here we go again,’ and I read further into the story, because the only questions and indeed the only concerns from the Australian Labor Party are in relation to universities. The member for Kingston struggled away as the spokesman on training for a year and, to get him off his back, the Leader of the Opposition gave him a promotion. Whee! the member for Grayndler, who has not got off his backside yet! I read further into the release by the member for Jagajaga, the Deputy Leader of the Opposition, and I thought, ‘What is this?’

Ms Roxon interjecting—

The SPEAKER—If the member for Gel- librand has a point of order, she will air it as the Standing Orders provide. If there is no point of order, the minister has the call.

Dr Nelson—Under the headline ‘30,000 trained teachers missing under Howard’, I then read:

This shocking waste of skill and talent is despite a critical teacher shortage that has left many schools across Australia without the teachers they need...

I thought, ‘30,000 people who had applied for teaching since 1997 had apparently not got a place in university. Had they got a place, irrespective of the fact that more than one-third of them were academically not even up to the job of being teachers, it would have cost $761 million to train 30,000 teachers—and for how many jobs in teaching?’ I said to my staff, ‘Let’s ring the state ministers and find out how many vacancies we have in teaching.’ What do you know? There are 22 jobs going in New South Wales, none in the state of Victoria, 23 jobs going for teachers in South Australia, and the West Australian minister last week said in the West Australian that West Australia has six unfilled teaching vacancies.

The member for Forrest, who spends a lot of time worrying about government accounting, would work this out: if we train 30,000 teachers for $761 million for 51 jobs, there would be 29,946 unemployed but highly educated teachers. This surely has to be one of the policies from what the former Prime Minister Paul Keating described as a ‘Creanite economist’. The member for Jagajaga will rise in a minute and say, ‘No, I didn’t actually want to pay the $761 million for those 30,000 people to get into university; I just wanted to attack the government and make a point, because I, the member for Jagajaga, am not responsible for anything.’ The day you ask me a question about apprentices is the day that the people in Cunningham might send a Labor member back.

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

PERSONAL EXPLANATIONS

Mr McMullan—Mr Speaker, I wish to make a personal explanation.

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

Mr McMullan—Yes, on five occasions today by the Treasurer.

The SPEAKER—Please proceed.

Mr McMullan—In the first instance, the Treasurer alleged that I initiated or invented the allegation that the Financial Sector Advisory Council had advised him or senior people in Canberra on matters concerning HIH. This matter was first reported on 17 January in the Financial Review—

Mr Hockey—What was the source?

Mr McMullan—Not me. The article reads:

... one source close to the committee—

which I think you will accept is not likely to be me—

told The Australian Financial Review yesterday that

“it was discussed by FSAC at that time and high-

lighted to a number of senior people in Canberra”

in 1999.

That is not a statement I made; it is not a statement with which I was in any way involved. The Treasurer then alleged—and this is a somewhat physically impossible suggestion—that I had been ‘slinking around the press gallery’, when the only time I dis-
cussed this matter with the media was at a public and reported press conference shortly after 17 January. I do not immediately have the date, but it was within a few days of 17 January. The Treasurer then alleged that I had sought without justification to initiate this matter with the royal commission only after it had closed. I was motivated to refer this matter to the royal commission by the fact that, after my press conference, the Minister for Small Business and Tourism challenged me to raise the matter with the royal commission. So on that basis, I assumed that the royal commission was not closed and I wrote to it accordingly on 23 January. I referred in that letter not only to the matters I had raised at the press conference but also to the allegations by Mr Main in the Financial Review.

The Treasurer also said that we had made no effort to raise this matter in the parliament. I said publicly at that time—at that press conference, and in my letter to the royal commission which has been made available to the government—that we pursued this matter in the estimates committee in the Senate on 21 February 2002. The Treasurer also alleged that I raised this matter with the royal commission only after it had concluded. That clearly cannot be the case, because the royal commission wrote to me on 28 January 2003:

Following recent newspaper reports, the Commission has also initiated, and is pursuing, further inquiries into aspects of ministerial oversight of HIH ...

I seek leave to table the letter to me from the royal commission, the letter by me to the royal commission, the article by Mr Main and the Senate Hansard to which I refer.

Leave granted.

The SPEAKER—Member for Batman—

Honourable members interjecting—

The SPEAKER—The member for Cowan, the member for Prospect and the Treasurer! The member for Batman has the call.

Mr Crean interjecting—

The SPEAKER—Leader of the Opposition, the member for Batman has the call!

Mr Crean interjecting—

The SPEAKER—I point out to the Leader of the Opposition that, if he cares to check the Hansard record, he will find that the chair had already drawn the attention of the Treasurer and the member for Cowan to the standing orders.

Mr MARTIN FERGUSON (Batman) (3.29 p.m.)—On indulgence, Mr Speaker, I seek to make a personal explanation.

The SPEAKER—The member for Batman does not require indulgence, but if he claims to have been misrepresented—

Mr MARTIN FERGUSON—Most grievously, Mr Speaker.

The SPEAKER—then I will allow him to proceed with a personal explanation.

Mr MARTIN FERGUSON—In the Main Committee today, the Parliamentary Secretary to the Minister for Finance and Administration accused me of misrepresenting the facts when I clearly stated that the government has been ripping off travellers by overcharging on the passenger movement charge. I seek leave to table a factual analysis which shows that, based on the records of the Howard government, it has over-collected $257.8 million up to June 2000.

Mr Abbott—Mr Speaker, I rise on a point of order. The member for Batman is perfectly entitled in other contexts to advance whatever argument he wants, but he is not entitled to do it now and he should be sat down.

The SPEAKER—I recognise the point made by the Leader of the House. I was allowing the member for Batman to seek leave to table a document which reinforced his misrepresentation. He is well aware that, under the standing orders, he cannot advance any argument in support of that document; he can simply claim to have been misrepresented. That is what the facility allows him to do. He is seeking leave to table a document. I will allow him to indicate what the document is headed but not its contents.

Mr MARTIN FERGUSON—The document is headed ‘Howard government rip off: passenger movement charge over collection’. I seek leave to table that document.

Leave granted.
QUESTIONS TO THE SPEAKER
Questions on Notice

Mr MURPHY (3.31 p.m.)—Mr Speaker, I would like to thank you for getting an answer to question on notice No. 43 for me under standing order 150. The Treasurer did reply; it was a shocking smoke and mirrors job.

The SPEAKER—Member for Lowe! Does the member for Lowe have a point of order or a question to me?

Mr MURPHY—I have further requests under standing order 150. There are some new questions where more than 60 days have elapsed since I jumped to my feet on Monday—

The SPEAKER—Under standing order 150, I will hear the member for Lowe, but he must understand that the chair has no opportunity to hear anybody unless they rise under a matter indicated by the standing orders.

Mr MURPHY—I understand.

The SPEAKER—I am very happy to grant indulgence to be praised at any time—

Mr MURPHY—Well, you got an answer to question on notice No. 43.

The SPEAKER—but in this case it is under standing order 150.

Mr MURPHY—On 12 December, I put on notice question No. 1246 to the Prime Minister, question No. 1250 to the Treasurer, question No. 1254 to the Minister representing the Minister for Defence and question No. 1255 to the Minister representing the Minister for Revenue and Assistant Treasurer. They first appeared on the Notice Paper in my name, and more than 60 days have elapsed. I would appreciate it if you would write to the ministers under standing order 150 and elicit an answer as to why they are taking so long to answer the questions, as you did with question on notice No. 43.

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

MATTERS OF PUBLIC IMPORTANCE
Howard Government: Family Services

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

The Government’s lack of leadership and failure to provide adequate services for Australian children

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

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

Ms ROXON (Gellibrand) (3.34 p.m.)—It does seem a long time coming, but this is a very important debate. With all the talk of war that has been happening in this parliament and in the community, we might be forgiven for thinking that there were not thousands and thousands of children starting school over the last few weeks who are very deserving of our attention. Labor has recently released a policy that is aimed at reducing the tears at the school gate, both for parents and for children. We know that it is a stressful time for families, and we do not think that this government has been doing enough to make sure that, when children have their first day at school, they are emotionally and socially developed enough and are ready to get the most out of schooling.

We have not heard anything at all from the Minister for Children and Youth Affairs about what he wants to do to help children and their families develop in those important early years.

Members on this side would not have seen the minister speaking at a conference this morning in Melbourne, where he said that the Howard government has made the early childhood agenda a priority for its third term. No-one on this side of the House has heard the Prime Minister or even the minister say a single thing about this agenda which they have been developing for years and which is secretly hiding somewhere, but it seems okay to go along to a conference and say that this is a third-term priority. Minister, we are
halfway through the third term and we have still seen nothing from you on this, and families are starting to get sick of your promises without anything being delivered.

National security has been a real focus of the debate over the last couple of months and certainly the last couple of weeks. But there are two sides to security concerns, and national security should not be used as a smokescreen for the domestic issues which this government has dropped the ball on. The two sides of the security coin are the international one and the domestic one. You cannot say that Australians are worried about international security and forget that the reason they are interested is that they are worried about the future of their children and what sort of a world their young children will grow up in. Security goes to much more than just our international agenda: it goes to income security, stable housing, health and access to the sorts of services that young children need. But they are not getting them and they are not getting the sort of support that this government should be providing.

The Minister for Children and Youth Affairs is trying hard, but what is needed in the ministry for children is an action man. I do not think that anyone on this side of the House would think that the minister, who is at the table, is an action man. The one we need in the ministry is Bob the Builder. Why? Because there are lots of problems. I am sure the minister and all the parents on this side of the House know what happens when Bob the Builder sees a problem—someone asks, ‘Can we fix it?’ And Bob the Builder stands up, rolls up his sleeves and says, ‘Yes, we can.’ We have not seen that from you, Minister, because you do not believe that there really is a problem. I do not know how it is that you are not hearing the voices of so many parents across the country. I have recently visited Kingston, Braddon, Western Sydney, Richmond—your own electorate, Minister—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Gellibrand will address the chair.

Ms ROXON—Yes, Mr Deputy Speaker. I have not yet been to your electorate to deal with child-care issues, but I know that there are some burning ones, and we are coming, so you will find out too.

The DEPUTY SPEAKER—The chair has no electorate; the chair is the chair.

Ms ROXON—Also the electorates of Chisholm, Ballarat, Bass, Hunter, Barton, Bowman, Lilley and the list goes on. We on this side of the House have parents constantly talking to us about your failings. They are worried because they need to pay their mortgage, buy clothes for their children and feed their family, but they cannot get a second job because they cannot get a child care place—they know that this is a serious problem.

Mr Anthony—They couldn’t afford a mortgage in your part of Australia.

The DEPUTY SPEAKER—Minister, you will have your opportunity.

Ms ROXON—The Prime Minister has been quoted as saying that child welfare reform was one of the hallmarks of the coalition’s third term in office. That is what he wanted to be remembered for. But I have to say that the Prime Minister, when any child protection matter comes before him or within his range, displays an uncanny knack of making matters worse for everybody. We saw this with the Governor-General incident, we saw this with Archbishop Pell and we saw it recently with the way the government handled the Betteridge matter, with a convicted child paedophile being allowed back in this country.

Mr Anthony—These are state issues.

The DEPUTY SPEAKER—Minister, you will have the opportunity to reply.

Ms ROXON—Your Prime Minister—and he is your Prime Minister as well, Mr Deputy Speaker—

The DEPUTY SPEAKER—The chair does not have a Prime Minister.

Ms ROXON—that might be right, I guess, when you are in the National Party.

The DEPUTY SPEAKER—I have to explain to you that the chair is independent.

Ms ROXON—The reason these issues are so important is that, although we can talk as much as we like about the importance of investing in our children, if we cannot pro-
tect them from the most traumatic experiences through neglect or abuse then it is not going to make any difference. Minister, you actually can make a difference in this area. We have put forward a proposal to establish a national commissioner for children. One of the key parts of this is that adults who are caring for our children will have to be thoroughly checked to make sure that they are appropriate to handle and look after our children. The Prime Minister and the minister have dismissed this out of hand. They are not prepared to show any national leadership on the issue, they are not worried that some convicted paedophiles can take advantage of the differences between states, and they are not taking steps to protect their children—it is really not good enough.

We also heard the Prime Minister telling all of his ministers—presumably this includes the minister at the table—that any spending initiatives that they might have should be put away, ‘put in cold storage’, because we obviously have to spend more money on defence and security. Minister, I do not know how you are going to tell this to the Prime Minister, but we cannot put our kids on ice. We cannot just put them in cold storage and say, ‘They are not going to grow up, they are not going to develop, they are not going to need to go to school until we have dealt with all of our international problems—and then we will come back and look at some domestic issues.’ Really, not enough is coming from this government, and it certainly is showing hypocrisy in the statement that this is going to be a priority area for their third term agenda. Ever since this government were elected, they have slashed money from child care. They slashed it from operational funding, the accreditation system and a whole range of other areas.

Mr Anthony—The states have failed.

Ms ROXON—You can keep saying that, but every member on this side of the House and plenty on your back bench know that—when families still cannot get the care that they need and when we are starting another school year with not enough after school places and not enough vacation places—your system is not working. You cannot keep hiding.

The DEPUTY SPEAKER—The member for Gellibrand will address members by their title.

Ms ROXON—I will. The minister’s system is failing. He was proud enough when he spoke in the parliament a couple of months ago to make a big fuss about being the first ever minister for children. Minister, if you cannot deliver on the things that children and young families need then you are not doing your job properly. That is what this matter of public importance is about. There are plenty of ways to fix this problem, but we have all the ideas and you have all of the committees. We have answers in this area and you have 10 different committees that are running around trying to talk about these issues time after time.

I do not think members would know—I am obliged to follow this carefully, obviously, as the shadow minister in this area—how much neglect of children there has been this year under this minister’s watch. This minister has left 30,000 very young children with absolutely no access to child care, which their families need to be able to work and, sometimes, for respite. He has left another 20,000 children without any places for vacation care and outside school hours care. We have seen that in the Illawarra there is a particular problem and in the Hunter there is a problem. He has refused to support our ‘working with children check’. He does not want to take any action at the national level and he has been yelling and interjecting across the table that that is an issue for the states.

The DEPUTY SPEAKER—The member for Gellibrand has a short memory. She will address members by their title.

Ms ROXON—The minister is keen to blame the states, but he fails to see that this is a national issue that he should take some leadership on. He has excluded over 600— we think the figure is probably now more around the 1,000 mark—disabled children needing to get into child care. The minister has frozen the funding because he does not care that families with very young disabled children might need respite and some assistance. It is very difficult—all of us have seen some of these heartbreaking stories. These
families often do not have a choice about whether or not to work, because they will be providing for their children for years to come, into adulthood. They need to keep their family income to be able to provide for their disabled children, and they cannot get a child-care place because of this mean-spirited government freezing the funding.

They have only very reluctantly agreed that we could include children's needs in the Senate poverty inquiry that is going to be conducted. You would think that, if the minister for children and the government were really committed to the needs of children and there were children living in poverty, that would be a top order priority—but we had to fight them tooth and nail to even get that in. Then, to add insult to injury, as the member for Lalor would know, this minister for children voted to keep children behind razor wire in our detention centres.

On top of that, we released a detailed discussion paper with lots of ideas on a very serious matter of early childhood and where we can go in the future, and he—the minister—calls it a bandwagon. What an insult to call it a bandwagon! What an insult to people like the Australian of the Year, Professor Fiona Stanley, who has devoted her entire life to children’s health and the impact that can have on their educational outcomes and their future. The minister says it is a bandwagon. It is a disgrace. Minister. There are plenty of ideas out there for you. You could pick up just one of them and it would make a difference, but you still refuse to do that. We have written it all for you, yet you still have not done anything other than call it a bandwagon—and I think people have got pretty sick of that idea.

This minister has also overseen thousands of submissions and thousands of hours of consultation that have gone into identifying the problems with the child-care system. The minister does not have to believe us, but he does not even believe his own Commonwealth Child Care Advisory Council. Do members know that they spent two years preparing a comprehensive report? It cost nearly $2 million. Imagine the number of child-care places we could have had in our electorates for that amount of money if it had not been wasted. It would not have been wasted if the minister had acted on the report, but it has been comprehensively ignored. We have just had more committees set up to make more recommendations that this government will continue to ignore.

Minister, you have got a limited amount of time now. The industry knows, and those who have been following your promises time after time about what you are going to do know, that you are not serious about what you are doing. We have got a whole lot of issues that we want the minister to answer today in this debate. I want to make sure that the minister knows that we expect more than the platitudes we normally get from that side of the House. He has promised committees, he thinks it is a good idea and he calls it a bandwagon. Sometimes he says the right things, but we want more than rhetoric today.

There is a number of questions that we expect to be answered and, if they are not, Minister, we will not believe you are taking these issues seriously.

Question No. 1 is: why won’t this government immediately allocate more child-care places in family day care and outside school hours care? Question No. 2 is: why won’t you, Minister, immediately allow community groups to be eligible for the funding that is provided to private providers so that they can help set up centres in high demand areas where the private market will not go? Question No. 3 is: what practical steps are you taking to keep child-care workers in child care and attract more of them to this important job? It appears from today that the minister for education does not believe and understand that child-care workers are early educators. I want to tell you this: there is a serious shortage of child-care workers out there. If even the minister for education does not know it, then we have really got a long way to go with your government.

Question No. 4 is: why won’t you extend the disadvantaged area subsidy to urban areas of high need, again to tackle the shortage of places? Even in big regional centres, those areas are not allowed to apply for a disadvantaged area subsidy—even if they have got a shortage, even if there is high demand, even if the private providers will not go
there. We want to know, Minister, why you will not consider that. The final question, No. 5, is: how do you justify refusing to even consider our working with children check so that we could have a national system in place that would help protect our children from abuse by adults who should be caring for them?

The minister at this table knows, as all the rest of us do, how persistent children can be with their questions. Minister, we are going to be more persistent than any child in asking these questions if you fail to answer them. Australian parents deserve much more. We need national leadership on these issues of vital importance to children and families with young children. We need answers to these questions now, Minister, and we will be listening to see if you give any of them.

Mr Anthony (Richmond—Minister for Children and Youth Affairs) (3.49 p.m.)—Isn’t it interesting that it has taken the member for Gellibrand three tries to make this speech to get the subjects of the priority for children’s services and an early childhood agenda—or anything to do with child care—up in an MPI, because the previous two times were just used as red herrings. They are, to a large extent, using children as political pawns in this House. If they had had their way today, they would have moved a censure motion, probably on the Minister for Veterans’ Affairs. That was the game plan. It is more important for them to ask questions about TV screens.

Mr Anthony—Of course, Mr Deputy Speaker. The member for Gellibrand does not.

Mr Griffin interjecting—

The DEPUTY SPEAKER—Member for Bruce! The chair can handle this without your help.

Mr Anthony—She talks about the quality of life and the difficulties for Australian families, particularly the cost of child care. The interesting thing with child care is that today it is more affordable than it has ever been before. The fact is that we are spending 70 per cent more on child care than the ALP did in their last six years in office.

Mr Hartsuyker—How much more?

Mr Anthony—Seventy per cent more.

Mr Hartsuyker—Seventy per cent!
Mr Anthony—The number of long day care places has gone up from around 168,000 to 194,000—a 14 per cent increase. So in the three major child-care sectors there has been a substantial increase in places. The member for Gellibrand raises the issue of child protection. She says that whenever the Prime Minister gets involved he flicks the ball on to the states. At least we are prepared to work with the states on the issue of child protection, which the Australian Labor Party never did before.

Mr Anthony—It is not rubbish. The member for Gellibrand well knows that the issue of child protection is the responsibility of the state governments.

Ms Roxon—They want leadership.

Mr Anthony—She says that they want leadership—’she’ as in the member for Gellibrand, not you, Mr Deputy Speaker.

Mr Anthony—I do not refer to you as ‘she’, I can assure you, Mr Deputy Speaker. The member for Gellibrand wants national leadership. I almost had to pull teeth out of them to get them to come to Canberra to help, particularly in the area of foster care. I do not intend to make political mileage out of it, but it is a critical situation because the child protection systems have continued to fail on a state basis. The member opposite stands in this parliament and tries to push the buck back on to this government. You well know that you are not only deceiving this parliament but that you are misrepresenting the truth. The facts are that we still have 20,000 children who are physically removed from their parents every year because of the failure of the child protection systems in the states. That is an area where I think we can work together. But there is no point politicising it—which you are choosing to do.

Mr Anthony—Interestingly, the member for Gellibrand is trying to marginalise certain issues, losing the main picture—

Mr Anthony—I am not going to go down that track; I think that has already been resolved. Let us look at family day care. The number of family day care places has increased from 60,000 to 71,000—a 17 per cent increase.

Mr Sidebottom interjecting—

The DEPUTY SPEAKER—The member for Braddon has already been warned. He seems to have a very short memory. He was warned in question time and that continues.

Mr Anthony—The number of long day care places has gone up from around 168,000 to 194,000—a 14 per cent increase. So in the three major child-care sectors there has been a substantial increase in places. The member for Gellibrand raises the issue of child protection. She says that whenever the Prime Minister gets involved he flicks the ball on to the states. At least we are prepared to work with the states on the issue of child protection, which the Australian Labor Party never did before.

Mr Martin Ferguson—Rubbish!

Mr Anthony—It is not rubbish. The member for Gellibrand well knows that the issue of child protection is the responsibility of the state governments.

Ms Roxon—They want leadership.

Mr Anthony—She says that they want leadership—‘she’ as in the member for Gellibrand, not you, Mr Deputy Speaker.

The DEPUTY SPEAKER—The minister will refer to the member by the name of her electorate.

Mr Anthony—I do not refer to you as ‘she’, I can assure you, Mr Deputy Speaker. The member for Gellibrand wants national leadership. I almost had to pull teeth out of them to get them to come to Canberra to help, particularly in the area of foster care. I do not intend to make political mileage out of it, but it is a critical situation because the child protection systems have continued to fail on a state basis. The member opposite stands in this parliament and tries to push the buck back on to this government. You well know that you are not only deceiving this parliament but that you are misrepresenting the truth. The facts are that we still have 20,000 children who are physically removed from their parents every year because of the failure of the child protection systems in the states. That is an area where I think we can work together. But there is no point politicising it—which you are choosing to do.

The DEPUTY SPEAKER—Minister!
talk about a bipartisan or cooperative approach to building an early childhood agenda. I welcome all debate, all input. Yes, I will give credit where credit is due: there is some merit in some of the points made by the member for Gellibrand and other members of the organisation that put together her book on early childhood years. However, the member for Gellibrand in that document makes the accusation that somehow the Commonwealth government is not doing enough for preschools because of the area of teaching. Look at the state regimes in the area of preschools or early childhood. The Productivity Commission brought out a report last week which clearly demonstrates that the states—particularly Victoria, with the worst offender being New South Wales—have given very small increases to preschools. Preschool is a critical element of early childhood years. As I have articulated before, this government has spent unprecedented amounts of money, through child-care benefit, on a range of sectors. I am aware of some of those issues and we are working with the sectors to try to reallocate places—whether it be in outside school hours care or in trying to work with those within family day care.

In the area of preschools, New South Wales has underspent; it was actually funding decreases until last year, with only a six per cent increase in 2000-01. Until very recently there was a reduction in funding to preschools in that state. We have also seen very moderate increases in spending in Victoria. Ironically, the Northern Territory is spending more than $4,000 per child in preschools, compared with the New South Wales figure of $881. It is absolutely outrageous. What we are trying to do is work with all the different practitioners and work with the Australian of the Year. Again, I think there was a misrepresentation by the member for Gellibrand; perhaps there is a bit too much sensitivity. I am glad that, as was quoted in the Australian not so long ago, they have joined the bandwagon. In some areas they have come on board very positively, but some other areas are wanting.

There is the issue of a commissioner for children. When we talk about that, even the Leader of the Opposition cannot quite articulate what particular roles that commissioner will have. Whilst it is nice in tone, we do not want a situation where we have another layer of bureaucracy which does not have the power to enforce. That has been one of the constant criticisms of the ALP’s proposal for a commissioner for children. They talk about a children’s check. Yes, in theory, it does have some merit; but, interestingly, a lot of those organisations that I speak to that particularly deal with youth and young people are extremely reluctant to go down that path. Why is that? It is because they are desperate to get more volunteers to help. No-one wants to see paedophiles involved in the area of early childhood or in dealing with children—unlike some previous members, including one particular former Queensland member of the Australian Labor Party who is spending time inside now.

Ms Roxon—Oh!

Mr Anthony—You introduced this topic, member for Gellibrand; I certainly did not. It is interesting that some people in Queensland are spending time in Her Majesty’s service because of the very issues that you raised. Child protection is a very delicate and serious issue. If a children’s check were introduced, it may well have the unintended consequence of discouraging many volunteers, perhaps many good people, perhaps young Australians, from being involved in assisting young children, whether through Scouts or other areas. This is an issue which should be taken seriously.

I am delighted that Professor Fiona Stanley has now become Australian of the Year. She won the award for the terrific work that she has done in the past, her keen advocacy, her passion for encouraging communities, families, business and, particularly, for encouraging governments to look at reprioritisation and placing more focus on those early years. Even when you look at all the different programs that the state governments have got—whether it is Families First or any of the different varieties of programs—they actually have not put a lot more money in; what they have done is retargeted their particular priorities.
When we go out and start to instigate new programs, if you do get it wrong in those early years you compound the problems significantly. It may actually have the exact opposite effect, through early intervention and prevention, and may well encourage and enhance more difficult behaviour later on.

So it is a very sensitive issue, and I do not think it is one that I should stand here and prescribe. There are certain quite significant areas of early intervention—we already have 42 pilot projects that we are operating now. We are spending an enormous amount on child care and, as I have articulated, there have been significant increases going through into the early childhood years.

Looking at the Productivity Commission, the other area that needs to be focused on is the fact that the state governments are spending significantly less. To put the argument that we are not serious, that we are not spending enough capital, or that we are not pursuing with enough vigour some of the issues that are of importance to the early years is inappropriate when you compare it to some of the states and territories. I would like to give as an example the funding of preschools. Again, New South Wales and Victoria have some of the lowest funding for preschools. In the ACT, funding has increased by 51 per cent; in Tasmania it has increased by 48 per cent; in South Australia it has increased by 35 per cent. Yet, New South Wales, going to an election now, has an abysmal record. In New South Wales, the Commonwealth contribution—what we have been able to achieve since 1996—has meant that, effective, another 50,000 kids are in some type of Commonwealth funded child care because of the policies that we put in place through an increase in expenditure.

No matter what type of spin or smoke-screen the opposition tries to use, this government has put more funding into child care. Indeed, it was this government that introduced funding, particularly to assist those young children who had disabilities through the introduction of the SNSS program. That was not introduced by Labor; it was introduced in 1997—$10 million went up to $20 million. Unlike the Labor Party, we are working within the broadband and with the sector for reform. It is incorrect to say that the Labor Party will be more compassionate with children and families. The member for Gellibrand mentioned the point about mortgages before. Most Australians were not in a position to have a mortgage when the Labor Party was last in government, on this side of the Treasury bench. They could not afford the mortgage rates of 17 per cent. They could not afford to send their children to child care, perhaps because there were not enough child-care facilities—there are now 2,000 extra child-care centres that have been built to date. Of course, there are also the increases in funding through the family tax benefit, the parenting allowance, the baby bonus and all these other areas where we have been there to assist Australian families and, most importantly, the children. With regard to outside school hours care—which the opposition try to make mileage out of—there were 72,000 places back in 1996 and that has risen to over 230,000 places today. That is a 221 per cent increase in child-care places.

So it is a ridiculous argument to suggest that this government are not living up to their responsibilities or are not, indeed, making a genuine effort—not only with the huge amounts of funding that we are putting into child care but also with the commitment of having a separate ministry for children and youth, and a strong commitment to the early childhood years. We stand behind that. (Time expired).

Ms KING (Ballarat) (4.04 p.m.)—I am more than pleased to support the member for Gellibrand’s matter of public importance on the failure of the government to provide adequate services for children. It seems from the ramble we have just heard from the Minister for Children and Youth Affairs that it is in fact a failure they are proud of. The research into the importance of the early years of childhood development is not new. Public health professionals can point to numerous studies that outline the long-term health benefits of investing in maternal, child health and child-care policies. It is an area that has always had limited funding but is one in which we can make an enormous difference. What has been lacking is not evidence of the
importance of this policy area; what has been lacking is a minister with the will and the clout within cabinet to actually do something about it.

I want to focus particularly on the failure of the minister to ensure that Australian families have adequate access to child care. It is not the first time I have raised in this House this issue of the government’s failure in child care, and I am certain, from the response we have just heard from the minister, that it is not going to be the last. On the issue of provision of child-care, time after time we have heard the minister in this House start every defence of his policy by first claiming that things have never been better. He ignores the actual reduction in funding that we have seen per child care place under his stewardship and he ignores the crisis that has been developing over the last two years in out of school hours care and long day care. The removal of operational subsidies in 1997 has seen the decline in community based child-care centres—particularly in areas of low socioeconomic status and regional areas such as my own in Ballarat. It has placed enormous pressure on local government to get out of the provision of child care and the government is now spending $800 less per child-care place than in 1996. Waiting lists for child care have been growing across the country. At the end of each school holiday period parents again discover that if they need out of school hours care they can forget it.

The minister, once he has finished patting himself on the back, generally throws off a few shots at the state governments. However his latest claim, I have to say, has taken the cake. The latest claim the minister has trotted out is that the shortage of child-care places is, again, not his fault and has nothing to do with him; it is the fault of local governments for failing to plan. The next thing you know the minister will be saying, ‘A big boy did it and ran away.’ In policy terms, the government has failed on a number of fronts. The first is in providing adequate information to local governments and private or community providers as to what the demand in local areas actually is. It is almost impossible to get accurate information on unmet demand in child care, as the government refuses to publicly release this data or advice from its state and territory planning and advisory committees. I managed to get hold of some of the data for Victoria last year. The data pointed to a shortage of over 4,500 child-care places in Victoria alone—60 full-time long day care places in my electorate alone.

I would argue that these figures are only the tip of the iceberg and not an accurate reflection of actual demand. The government cannot tell us how this data is derived or whether it has any official status. How are local councils expected to plan without it? In fact, in a response to a question on notice from me, the minister claimed that no information is collected by the government on local child-care demand. Which is it? Either there is data or there is no data. The minister has totally ignored the growing crisis in child care. The minister is pretending the problem is not even there. Let me remind the minister of what is happening in my electorate of Ballarat.

In my electorate, the issue of child-care places was first brought to the minister’s attention two years ago. A parents’ group presented a petition and case studies to the then federal member, who was a member of the government at the time, outlining the problems families in my electorate were experiencing accessing child care. What did the minister do about it? Nothing. Finally, we got a bit of a response from the minister late last year, with an increase in family day care places, for which we were very grateful. But the minister did this too late for the local council to use those places. In fact, he announced it in question time, and when I rang the local council they did not even know anything about it. It was too late to take up the increased demand in the school hours period.

What the minister also managed to ignore was the fact that it was almost impossible to recruit new people into family day care. The allocation of new places alone has done little to alleviate the problems of working families in my electorate. This appears to be typical of the ad hoc, bandaid approach that this minister has to his portfolio. He is not Bob the Builder; it is more a case of ‘Jerry Built’!
So bad has the problem become in my electorate that on a Monday morning, out the front of the occasional child-care centre, parents have to queue up prior to 7 a.m. and there is a telephone queue that operates from 7 a.m. Sometimes it takes these parents up to 45 minutes of waiting to reach the front of the queue, only to be told the times they are requesting are no longer available. The staff are doing the best they can, but the reality is there are not enough child care places to meet demand. Many of these parents are working full time, and occasional care makes up one of the pieces of a patchwork of care for children in my electorate.

I have heard the story of a family having to get their children up at 5 a.m. so they can drive with their father to Melton, where he works, to access child-care in that town. I have a case study of a small business woman having her three children under five in three different locations for care, taking her up to an hour and a half to drop them off and pick them up at the start and end of each day. I have stories of women and men unable to accept work or additional shifts as nurses or teachers or in our manufacturing plants. How can the minister claim to be concerned for children and families when he presides over a system of child care that is in fact exacerbating and creating some of these problems?

The government provides no assistance to regional areas such as mine to try to work through the problem. Provider incentives are not applicable to regional areas and in rural areas are only available to private providers, not to community providers or local councils, who may be more likely to establish in these areas.

I have to say that my community has been pretty resourceful. We have established a local task group and we have collected funds from local businesses to conduct a study into unmet child-care demands in my local area. We have met with local business representatives and have been working to develop a package of incentives to encourage a private provider of child care into the area. With no funding assistance to local government for planning, nor any eligibility for private provider incentives, we have had to go it alone. What an indictment it is of the minister that a group of parents has had to go begging to local companies to find money to do something that in fact the minister should be doing.

The government has abdicated its responsibilities for planning in child care, for collecting and developing data on unmet need or ensuring that the quality of child care continues to improve. The government has washed its hands of any direct role in shaping children’s care in Australia. Labor has not. Labor has set out an agenda and proposed directions for a future early childhood in care program. Labor is prepared to act. The minister must stop treating his portfolio as his retirement job.

I want to reiterate the member for Gellibrand’s questions to the minister, because they are incredibly important. Why won’t the minister immediately allocate more child-care places in family day care and out of school hours care? Why won’t the minister allow community groups to be eligible for private provider incentives so they can help centres set up in high demand areas where the private market will not go? What practical steps is the minister taking to keep child-care workers in child care and to attract more into this important job? Why won’t the minister extend the disadvantaged area subsidy to urban and regional areas of high need, again to help tackle the shortage of places? The minister had the opportunity to answer those questions in response to the member for Gellibrand, and he did not. He failed to answer those questions and he continues to fail to answer those questions. The families in my electorate are looking for leadership from the minister on this issue. Unfortunately, from the answer that we have heard from the minister today, I have to say to them, ‘I would not hold your breath.’

Miss Jackie Kelly (Lindsay—Parliamentary Secretary to the Prime Minister) (4.13 p.m.)—It appears to me that whenever those on the Labor side of politics talk about children it is in relation to child-care centres, centre payments, centre based care and so on. Whenever those on the Liberal-National coalition talk about children, it is in relation to families—the family situation with caring and payments to families instead of to the
It seems as though those on the Left side of politics believe that you can gather all our children to let the state raise them, and when they get to school you can put them in with the Teachers Federation and we will have them forever.

Those on this side of the parliament, the Liberal-National coalition, do not think there is anything wrong with home based care for children, with family based care or with mothers who want to stay at home but who, if they want a bit of relief, can use some centre care—a day here, two days there. If mothers want to work, family day care places have exploded exponentially under this government, which was not the case under the previous Labor government, which believed in centre based care with no other options. Under this government, for working mothers there has been an explosion in different styles of child care. Women who work shiftwork can get family day care around their shift hours.

It really amazes me that with the lack of intellectual rigour in the Labor Party they went out and tried to come up with a family policy. I received the member for Gellibrand’s media release. She slunk into my electorate to go to the Werrington County Children’s Centre to do some grandstanding in the local media about the lack of child-care places. She thought, ‘Wow, a headline—there are 46 on the waiting list for baby places in a centre where they have seven baby places.’ The director of the centre was a bit angry about that because she had been told that that media opportunity was actually to launch Labor’s policy, which I have trawled through. That policy is very light on intellectual rigour too.

Ms Roxon interjecting—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Gellibrand has had her opportunity.

Miss JACKIE KELLY—In fact, it goes back to the old ‘the state can raise your children better than you’ argument. The only really good things about it are that it basically reiterates everything the Howard government has done in this area to date and reaffirms a number of our policies. In fact, it uses some of our language, such as ‘family and work balance’. It is amazing how the Labor Party has picked that one up.

Anyway, the member for Gellibrand slunk into the Werrington County Children’s Centre ostensibly to launch a policy, and let fly about waiting lists and how badly things are done. Actually, according to the director of the centre, some of the babies on that waiting list have not yet been born, and not all of those are for full-time places, so one place may be used for more than one child. There is a lot of hyperbole but it does not actually go to the crux of the problem as to why private centres are not going into these areas.

In 1996 when I was elected, the Penrith City Council provided 70 per cent of the child-care places in the Penrith local government area compared with a national average of 70 per cent provided by the private sector. I think it is about time the Penrith City Council looked at getting out of centre based care, allowing DAs to go through for private providers in the over-twos bracket, then taking its centres and converting them for the under-twentys and children with disabilities, allowing those centres to be used for areas where there is a high need and where the private sector is not currently going. If the Penrith City Council did something like that, a ratepayer like me who pays rates and then uses a private centre would not mind if those rates were used to subsidise a child with a disability. But I cannot help but object when my rates are used to allow a council centre to compete against a private centre, which basically puts my centre of choice out of business. The Penrith City Council needs to readjust its child-care policies and have a look at seriously helping the under-two sector and the sector for children with disabilities. As a ratepayer I have no problem with that. At one point the Penrith City Council was subsidising up to $2 million of ratepayers’ money into its child centre program. There needs to be a readjustment.

But let us look at the rest of the policy that the Labor member for Gellibrand has put out, in which she is bleating on about this and that. Really, there is nothing much of substance in it.
The DEPUTY SPEAKER—The member for Fowler seems to have forgotten that she has already been banished once today.

Miss JACKIE KELLY—The member for Gellibrand wanders into this House concerned about the government’s leadership and failure to provide adequate services to children. If she is really concerned about that, she does not have to look any further than Bob Carr’s government in New South Wales. There were 33,000 reported cases of child abuse in 1994 when the coalition left office but, under the leadership of Bob Carr, it is now estimated there will be 163,000 cases of child abuse reported in this financial year. Despite that increase in the number of reports, the money that Bob Carr is putting towards each case of reported child abuse has fallen from $2,056 per case in 1995-96 to $847 in 2002-03.

In May 2002 former DOCS director-general Carmel Niland, who was sacked for her troubles, admitted that one in two cases get no follow up. The DOCS union claims that the figure is actually higher—that more like nine out of 10 cases get no response—and the New South Wales coalition has information from inside DOCS that as many as 39 out of 40 cases go uninvestigated. That cuts both ways. Surely the DOCS workers in New South Wales need the resources to support them, because they are in an invidious position.

I have a case in my electorate of a child being removed from her family on 13 December. It was with regard to an instance of domestic violence. Both the parents admitted that their situation was not ideal. They have since separated and established separate residences, but DOCS still has not assessed other care options. DOCS does not have the resources to get those children into a permanent plan, despite two letters of mine to the minister. There is no oversight. I have been trying since December because a distraught mother had no access to her children for Christmas and she has had no access since. We do not even separate kids from their parents when they are in detention. We do not separate kids from their parents in prison. Yet here is DOCS in New South Wales taking kids off their parents and there is no recourse. I cannot think of anything more inhumane.

This woman has had to go from one children’s court to another. I have some very good community workers in my local area who swear blind that she has very good parenting and motherhood skills, and yet DOCS do not call those witnesses. DOCS do not put that evidence before the decision makers in this tribunal because they do not have the resources. They say, ‘We cannot assess this; we cannot do that. We cannot do this report; give us more time.’ This is all time that the mother is away from her children. This is about the New South Wales government not delivering adequate services for our children—compared with a federal government which has increased child-care places exponentially by 70 per cent. This government have introduced family payments that have increased substantially. We are helping women to take the option to stay at home or to work—to really get a work-family balance into their life. We pay the parent instead of the centre. And here is Bob Carr not even resourcing an agency which takes children off their parents.

Ms Plibersek interjecting—

The DEPUTY SPEAKER—Order! The member for Sydney!

Miss JACKIE KELLY—The recent Kibble report, which was released last week, states that New South Wales DOCS needs to recruit 1,000 child protection staff over the next five years to cope with its workload. The inquiry found a massive increase of 232 per cent in cases closed without follow-up. We are talking about children in danger, and the New South Wales government does nothing.

Ms Plibersek interjecting—

The DEPUTY SPEAKER—The member for Sydney!

Miss JACKIE KELLY—We are talking about children taken from their parents, and the New South Wales government does nothing.

Ms Plibersek interjecting—

The DEPUTY SPEAKER—the member for Sydney!
Miss Jackie Kelly—One out-of-home care caseworker, who deals with children’s care once they have been removed from their family, handles 26 to 30 cases. The international benchmark is 10. Talk about overwork!

Ms Plibersek—The last time you were in government in New South Wales you sacked 700 DOCS workers.

The Deputy Speaker—The member for Sydney!

Miss Jackie Kelly—The existing staff are so overworked that you have this ridiculous situation where the parents in my electorate are still waiting for return of their children.

Ms Plibersek—Why don’t you spend an extra billion on child care?

The Deputy Speaker—The member for Sydney will remove herself from the chamber under the provisions of standing order 304A.

The member for Sydney then left the chamber.

Miss Jackie Kelly—Furthermore, of the 7,786 children in care in New South Wales, most do not have a care plan despite the New South Wales government’s commitment to one. In fact, in the shadow minister’s media release, she made reference to a commission for children and young people. Bob Carr introduced such a concept, called the Office of the Children’s Guardian, in 1998 but that office—despite a budget of $2.6 million—still has done nothing because the government has failed to gazette parts of the Children and Young Persons (Care and Protection) Act 1998.

(Time expired)

The Deputy Speaker—Order! The discussion is now concluded.

NEW BUSINESS TAX SYSTEM (CONSOLIDATION AND OTHER MEASURES) BILL (No. 2) 2002

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

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

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

NEW BUSINESS TAX SYSTEM (VENTURE CAPITAL DEFICIT TAX) BILL 2002

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

Mr Tuckey (O’Connor—Minister for Regional Services, Territories and Local Government) (4.25 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS LEGISLATION AMENDMENT BILL (No. 2) 2002

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered forthwith.

Bill agreed to.

Third Reading

Mr Tuckey (O’Connor—Minister for Regional Services, Territories and Local Government) (4.25 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Mr CHARLES (La Trobe) (4.26 p.m.)—On behalf of the Joint Committee of Public Accounts and Audit, I present the following report: Report 393, entitled Review of Auditor-General’s reports, 2001-2002: fourth quarter.

Ordered that the report be printed.

Mr CHARLES—by leave—On behalf of the Joint Committee of Public Accounts and Audit, I present the committee’s report No. 393 on Corporate governance in the Australian Broadcasting Corporation; Research project management CSIRO; Unlawful entry into Australian territory and Dasfleet: sale and tied contract. The report reviews four Auditor-General’s reports tabled during the fourth quarter of 2001-02. I will briefly discuss issues in each of the selected reports in turn.

In its examination of audit report No. 40, the committee considered ways in which the ABC aligns its strategic directions with its charter requirements for programs broadcast on radio, television and on-line, and the ways it assures itself, and parliament, about the achievement of its charter obligations. The ABC admits to deficiencies in its data collection. The committee considers that enhancement of data collection and analysis would assist the ABC in targeting the youth audience more effectively, particularly youth in regional and rural Australia, and that more focused data collection in rural and regional Australia would assist the ABC in planning to meet its charter. The committee also concluded that the performance reporting of the ABC needs to be improved to enhance the accountability of the ABC to parliament and ensure fulfilment of its charter obligations.

The second report, audit report No. 51, entitled Research project management CSIRO, focused on research activities that were either formally designated as projects or managed as projects, and on relevant supporting administrative and information systems. The committee was concerned about the apparent lack of project management expertise throughout the CSIRO. The committee notes that many of the differences in management practices between projects are cultural differences within the various divisions of the CSIRO. A key challenge for the organisation is to ensure that project management across the organisation improves in a systematic and structured way. The committee considers that the CSIRO needs to pay attention to establishing and implementing consistent practices across the organisation in order to facilitate consistent and coherent project management.

The third report reviewed was audit report No. 57 2001-02, Unlawful entry into Australian territory. The audit found shortcomings with DIMIA’s risk management, guidance documents, objectives, performance accountability and information management. The committee is aware that DIMIA was subjected to a great deal of pressure due to the then recent increase in the level of unauthorised arrivals and acknowledges its highly effective and successful response. Notwithstanding that praise, the committee’s impression is that DIMIA has been somewhat slower than other agencies to adopt some of the new approaches to management in terms of risk management, governance, planning and linking of operational plans to strategic plans.

To achieve organisational objectives and better outcomes, the committee considers that DIMIA needs to pay far greater attention to framework issues and not focus solely on the implementation of policy and response to business pressures. The committee has recommended that DIMIA make better use of its information sources, evaluate the effectiveness of its current operations and coordinate the sharing of information with other agencies.

I now turn to the fourth audit report the committee reviewed in this quarter, Audit report No. 63 2001-2002: Management of the DASFLEET tied contract. This report followed on from an earlier audit report tabled in 1999 concerning the sale of DASFLEET. The committee had commenced a review of this earlier audit report but had resolved to temporarily suspend its review until arbitration relating to the sale was complete. Audit report No. 63, Management of the
Representatives

DASFLEET tied contract, looked at the effectiveness of Finance’s management of the Commonwealth’s exposure under the DASFLEET tied contract and reviewed the action taken by the Department of Finance and Administration in response to the recommendation of the earlier audit report, No. 25 1998-99: DASFLEET sale, to assess the Commonwealth’s exposure under the tied contract.

Serious issues emerged almost immediately when the contract was entered into. A major problem was that OASITO did not evaluate the information it received from its adviser before passing it to the minister. In the end, the Commonwealth bore all the risk for the vehicles leased under the tied contract. Because of the nature of this contract, it was almost impossible for DOFA to adequately fulfil its monitoring role. The audit noted that the arbitration and the dispute settlement completed by DOFA with Macquarie Fleet resulted in a substantial reduction of the Commonwealth’s exposure to possible payments to Macquarie Fleet. The exposure fell from around $100 million originally claimed by Macquarie Fleet to around $50 million.

The committee considers that the government’s objective was to sell the DASFLEET business as well as the risk of the business. However, the Commonwealth bore the full risk for the vehicles leased under the tied contract. The Commonwealth’s perception early in the sale was that the majority of the risk was being borne by Macquarie Fleet. Evidence uncovered during the audit makes it clear that Macquarie Bank viewed the arrangement from the beginning as a risk-free investment.

In short, Macquarie Bank had a very good understanding of the contract, while the Office of Asset Sales and Information Technology Outsourcing, OASITO, did not. The committee considers that the evaluation of the competing bids by OASITO was flawed and that the advice from the business adviser was not reviewed. The Commonwealth ended up with a poorly constructed and complex contract and a total misunderstanding of the nature of the arrangement it was entering into. This resulted in substantial costs to the Commonwealth in connection with the DASFLEET transaction which were not envisaged at the start of the sale process. The committee acknowledges that DOFA’s efforts in the settlement process reduced the Commonwealth’s potential exposure by a very significant amount. However, the committee has recommended that DOFA improve its record management practices and that, in future, its requests for legal opinions are in writing.

The committee has some specific concerns about the following aspects of the DASFLEET transaction: that OASITO did not evaluate Barings’ advice before passing it to the minister; that OASITO did not accept that it stood in a reporting line between advisers and its minister; that OASITO did not adequately pursue negotiations with the second ranked bidder; that OASITO failed to realise that a capital adequacy requirement of 10 per cent indicated that the risk of the transaction would lie with the Commonwealth; that the Commonwealth did indeed effectively bear all the risk for the vehicles leased under the tied contract, when this was not the original intention of the sale; that the Commonwealth ended up with a finance lease when its expressed intention was to have an operating lease; that the Commonwealth did not understand the nature of the contract which it was entering into; and that the Commonwealth incurred substantial costs in connection with the DASFLEET sale that were not envisaged at the start of the sale process.

In conclusion, I express the committee’s appreciation to those people who contributed to the inquiry by preparing submissions and giving evidence at the public hearing. I also thank the members of the sectional committee for their time and dedication in conducting this inquiry. I also thank the secretariat staff: the then secretary to the committee, Dr Margot Kerley; research staff Ms Allyson Essex, Ms Jennifer Hughson and Ms Mary Kate Jurcevic; and administrative staff member Ms Maria Pappas. I commend the report to the House.

Ms King (Ballarat) (4.34 p.m.)—by leave—The member for Sydney was due to provide some comment on the report of the
Joint Committee of Public Accounts and Audit but, unfortunately, she was quite unfairly asked to leave the chamber just before speaking.

The DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member should be very careful.

Ms KING—I want to start by thanking the secretariat for their work on this report. One person who has recently retired, Dr Margot Kerley, did a fantastic job on this report. She will be sadly missed by the committee and we certainly wish her well in her endeavours on other committees.

The chair has outlined the results of audits of the corporate governance of the ABC, research project management in CSIRO and the prevention by DIMIA of unlawful entry. I want particularly to focus on the report on DASFLEET, which I have to say really was an eye-opener for me. It was really quite an indictment of the way in which contract management should not be done and it was certainly a lesson in the way in which contracting out of services should never be done. I think there are lessons for government, particularly in relation to further asset sales, that they need to follow when they are looking at this report.

The committee is particularly concerned that OASITO did not evaluate Barings’ advice before passing it on to the minister; that OASITO did not accept that it stood in a reporting line between the advisers and the minister; that OASITO did not adequately pursue negotiations with the second ranked bidder; that OASITO failed to realise that a capital adequacy requirement of 10 per cent indicated that the risk of the transaction would lie with the Commonwealth; that the Commonwealth did indeed effectively bear all the risk for the vehicles leased under the tied contract, when this was not the original intention of the sale; that the Commonwealth ended up with a finance lease when its expressed intention was to have an operating lease; that the Commonwealth did not understand the nature of the contract that it was entering into; and that the Commonwealth incurred substantial costs in connection with the DASFLEET sale that were not envisaged at the start of the sale process.

I think the report clearly indicates that in the case of the management of the DASFLEET tied contract there were several failures that we examined during the committee’s inquiry. It is certainly an indictment that we hope is not repeated with respect to any further asset sales. The end result of all of this has certainly been substantial costs borne by the Commonwealth. In the context of fairly tight fiscal constraints at the moment, I am sure that that money could have been spent much better on other services. Unfortunately, it is money that we have now lost. Again, I thank my fellow committee members and the secretariat for their excellent work on this report. As I said, with respect to the management of the DASFLEET tied contract, I think there are many lessons in the committee’s report that should certainly be well and truly adhered to. I would encourage anyone on the government side who is engaged in contract management and the privatisation of government services to have a good, clear look at some of the recommendations of the committee.

BUSINESS

Rearrangement

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.39 p.m.)—by leave—I move:

That government business order of the day No. 3, Migration (Visa Application) Charge Amendment Bill 2002, be postponed until a later hour this day.

Question agreed to.

INSPECTOR-GENERAL OF TAXATION BILL 2002

Consideration of Senate Message

Consideration resumed from 13 December 2002.

Senate’s amendments—

(1) Clause 2, page 2 (lines 1 and 2), omit the clause, substitute:

2 Commencement

This Act commences on the day after the day on which the Auditor-General provides a report to both Houses of the Parliament containing the results of an investigation into whether the objectives of the Act can be reasonably met
by the appropriation provided for that purpose, together with a certification by the Auditor-General that the objectives can be so met.

(2) Clause 3, page 2 (lines 3 to 5), omit the clause, substitute:

3 Objects of this Act

The objects of this Act are to:
(a) improve the administration of taxation law for the benefit of all taxpayers; and
(b) provide independent advice to government on taxation administration; and
(c) identify systemic issues in taxation administration.

(3) Clause 7, page 5 (lines 11 and 12), omit subparagraph (ii), substitute:

(ii) systems established by laws including tax laws, but only to the extent that the systems deal with tax administration; and

(4) Clause 8, page 5 (lines 30 to 32), omit subclause (2).

(5) Clause 9, page 6 (lines 12 and 13), omit "subsection 8(2) and".

(6) Clause 9, page 6 (after line 17), at the end of the clause, add:

(3) The Inspector-General must consult at least once a year with persons whom the Inspector-General considers necessary for the discharge of his or her duties, including but not limited to:
(a) taxation professionals;
(b) groups or associations representing taxpayer interests;
(c) the Board of Taxation;
(d) relevant parliamentary committees;

3 Public release of reports

The Minister must:
(a) cause a report under section 10 to be tabled in each House of the Parliament within 15 sitting days of that House after the day on which the Minister receives the report; and
(b) make the report publicly available.

(9) Page 32 (after line 18), at the end of Part 4, add:

45 Review of operation of Act

(1) The Minister must cause a review of the operation, effectiveness and implications of this Act to be conducted, together with an assessment of the sufficiency or otherwise of the budgetary allocation for the office and functions of the Inspector-General of Taxation.

(2) The review must be undertaken as soon as practicable after the fifth anniversary of the commencement of the Act.

(3) The Minister must cause a copy of the report of the review to be tabled in each House of the Parliament within six months of the commencement of the review.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.40 p.m.)—I move:

That the amendments be disagreed to.

Given the importance of the measures contained in the Inspector-General of Taxation Bill 2002, which seeks to implement an election promise to all taxpayers, it is particularly disappointing that the government did not receive the support of the Senate in enacting the bill without amendment. Prior to the election, we said that we wanted to introduce the office of the Inspector-General of Taxation. We were elected. We had a mandate from the Australian people. Yet, once again, the Australian Labor Party is seeking to prevent the government from keeping faith with the Australian people. Our tax system is integral to Australia’s economic and social infrastructure, providing the revenue needed to deliver essential public goods and services. It is also an area of public administration that has an immediate impact on nearly all Australians. The government are keen to ensure that tax administration re-
flects government policy and is responsive to legitimate community concerns.

As I said a moment ago, the Inspector-General of Taxation is an election commitment of this government and is an important part of wider government initiatives to improve the operation of the tax system. Unlike our predecessors, who were prepared to do anything and promise anything prior to an election to crawl into office, the government place a very high store on the implementation of what we promised to the Australian people. That is why it is a matter of enormous frustration that we have had difficulty in having the Inspector-General of Taxation Bill 2002 carried by the other place.

It should be of great concern to all taxpayers that the establishment of the office of the Inspector-General of Taxation is being stalled by the Senate—that is, by the opposition, by the Democrats and by the minor parties—which is insisting on amendments to the bill that the government does not agree with. There is consensus that the Inspector-General of Taxation has the potential to make a significant contribution to improving tax administration, particularly for small business and individuals. The community also wants the office of the Inspector-General of Taxation established now so that it can start to make a difference. I note the Institute of Chartered Accountants in Australia is on record as saying that its bottom line position on the Inspector-General of Taxation is the one it put forward during the Senate Economics Legislation Committee hearings into the bill. It stated:

We think that it has the potential to make a difference, and we are happy to give it the benefit of the doubt at this stage and, hopefully, make the position work.

It is also interesting that in a media release today the Institute of Chartered Accountants in Australia said:

The ICAA contacted all political parties urging them to support much needed improvements in tax administration and to ensure real commitment is made to improving the Australian Taxation Office’s system by supporting the Inspector-General of Taxation Bill.

In a media release also dated today, Australian Business Ltd said:

Business is disappointed that the passage of the Inspector-General of Taxation Bill has been delayed.

Australian Business Ltd went on to say:

It is important that an Inspector-General is appointed to strengthen the advice given to government with respect to tax administration.

So you have the professional bodies demanding the implementation of this bill, you have the community wanting the benefits of the Inspector-General of Taxation Bill implemented and yet you find the opposition is frustrating this government’s mandate to deliver on a very important election promise.

Let us look for a moment at the critical issues that are stopping the Senate from endorsing the establishment of the Inspector-General of Taxation as proposed in the Inspector-General of Taxation Bill 2002. Concerns have been raised about the independence of the office and the scope of its powers of review. However, none of the amendments proposed by the Senate will achieve any more than what the provisions in the bill already provide—namely, an independent statutory office with broad powers to review tax administration and report to the government recommendations for improving tax administration for all taxpayers. (Extension of time granted) As you would understand, the government agrees that for the Inspector-General of Taxation to succeed the office must indeed be independent.

Concerns about the independence of the office fail to recognise the guarantees of independence already provided for in the bill. All it requires is for someone to look at the particular provisions in the bill to see that any concerns which have been expressed about the independence of the inspector-general are concerns which have no validity at all. The guarantees of independence in the bill include strict criteria for appointment and dismissal, the ability of the Inspector-General of Taxation to initiate own motion reviews, autonomy concerning consultation, written reporting requirements, appropriation through the budget process and autonomy in allocating resources across all taxpayers. Some of the Senate amendments arise from misunderstandings about the operation of the office. For example, despite concerns ex-
pressed about the breadth of the Inspector-General of Taxation’s review powers, the office will in fact have very wide-ranging powers of review regarding tax administration. All areas of tax administration, including such matters as social security and family benefit payments administered through tax legislation, will be able to be reviewed.

One could ask oneself what sort of policy position Labor actually has on this issue. First Labor opposed the role of the Inspector-General of Taxation on the basis that its functions should be part of the Ombudsman’s office and that it forms another layer of bureaucracy. Then Labor opposed the office in the economics committee report on the grounds that it would neither fulfil its taxpayer advocacy role nor significantly improve tax administration. Now Labor says it supports the bill with amendments which do not in any way improve the taxpayer advocacy role of the inspector-general or the inspector-general’s ability to improve tax administration. You have to ask yourself what on earth the Australian Labor Party stands for, over the varying positions it has taken concerning this important bill.

Mr Cox interjecting—

Mr SLIPPER—This is a very good bill. This is a very good initiative, and it will succeed and be of great benefit to the Australian community. You will not even give the bill the benefit of the doubt.

The DEPUTY SPEAKER (Mr Jenkins)—Order! I remind the parliamentary secretary to address his remarks through the chair and to ignore the interjections, and I remind the honourable member to cease interjecting.

Mr SLIPPER—Through you, Mr Deputy Speaker, the shadow minister at the table, the member for Kingston, will not even give this positive bill the benefit of the doubt. We believe this bill is very important, but the opposition is not prepared to support it. Australians want an efficient and effective Inspector-General of Taxation, a responsive office that can cut through red tape and provide quick advice to the government on systemic tax administration problems. The Senate amendments will reduce the responsiveness of the Inspector-General of Taxation by strangling the office in red tape and reducing its autonomy through directing whom it consults with and how it prioritises its reviews.

(Extension of time granted)

The government has committed to reviewing the effectiveness of the office within five years. The Auditor-General also has the power to review its operations once established. There exist no substantive impediments to establishing the office of Inspector-General of Taxation as proposed by the gov-
ernment. Any further delay in the passage of this bill will jeopardise the establishment of an independent statutory office of the Inspector-General of Taxation to strengthen the advice given to the government on matters of tax administration. In doing so, it will also jeopardise the establishment of an advocate for all taxpayers, including Australian businesses. Any delay will not be of the government’s doing. I commend my motion to the House.

Mr COX (Kingston) (4.51 p.m.)—The opposition has only one position on the Inspector-General of Taxation Bill 2002 it opposes the creation of an office of Inspector-General of Taxation. It does that because it believes that this office will be ineffective. It does that because it believes that this proposal was only ever put up by the government before the last election as a response to anger within the community from the victims of mass marketed schemes. With the way that tax administration works in this country, with the tax commissioner adjudicating on people’s tax assessments, the government was not able to fix a very deep political problem for itself before the election so it proposed an Inspector-General of Taxation as code for saying to those people: ‘We really think the tax commissioner is a very bad person and we really think that the tax office is evil. If you re-elect us, we are going to fix this up by getting a watchdog called the Inspector-General of Taxation. We are going to chain him up outside the tax commissioner’s door and we are going to get him to bite the tax commissioner every morning when the tax commissioner comes to work and every night when the tax commissioner goes home.’

The tax commissioner—I suspect under some pressure from the Minister for Revenue and Assistant Treasurer—did come to an accommodation with most of those people who had become victims of mass marketed schemes. The minister denies that she rang him up after she had been to a meeting at the Perth yacht club with a number of the probably better-heeled victims of the mass marketed schemes. But, in any event, a set of settlement arrangements was come to and most people—at least those in schemes that were mass marketed—were given some latitude, because a lot of those people were genuine victims. They thought they were going into arrangements which were legitimate business ventures, and they were too naive about those arrangements and they did not realise that the dominant purpose of those arrangements was to reduce their tax and not to earn income. So the reason the government had for proposing the Inspector-General of Taxation has vanished.

It is now the government’s intention to put into law something that was in a press release that was validated with a $2 million promise in the course of the election campaign. That will be a terrible waste of $2 million. We are opposing it because it is a waste of $2 million. We are not in the business of spending $2 million to validate the government’s press releases. The government is about to waste $2 million on this. We all know that the Tax Ombudsman has exactly the same responsibilities in relation to reviewing tax and can look at systemic issues in tax administration already. He can do that independently and he can report to the parliament. The spending of $2 million is going to involve setting up another office and all the administrative infrastructure associated with that.

If the government was truly serious about having an independent assessment of systemic issues in tax administration, it would have given that extra $2 million to the Tax Ombudsman and allowed him to get on with the job of performing the functions of the inspector-general. Instead, the taxpayer—because of a press release the government put out in an awkward spot before the election—is now going to be expected to pay to set up a new office, to hire staff and to hire an inspector-general. That will consume a vast proportion of the $2 million. The $2 million is totally inadequate for the purposes described by the government. For that reason, the opposition is opposing it. (Extension of time granted)

The opposition are not the only party other than the government that have a say in this matter. In fact, the Democrats decided to move a number of amendments in the other place. The opposition did not support all of
those amendments, but some of them had great validity and would improve the bill if it were subsequently passed. The two I particularly want to draw attention to are amendments (4) and (5), which are related and which remove the minister’s discretion to direct the inspector-general about what investigations he conducts. If the inspector-general has a budget of only $2 million, the Treasurer would not have to send him down too many rabbit burrows before he would not be able to do any work for ordinary taxpayers. In that way, the Minister for Revenue and Assistant Treasurer or the Treasurer could determine precisely what the inspector-general is going to look into and precisely what the inspector-general, more particularly, is not going to look into—which we feel would have a fair bearing on the inspector-general’s independence. We agree with Senator Murray that those are very reasonable amendments and that we should support them in case this bill is passed in the other place and becomes law.

The second amendment I want to draw attention to is amendment (8):

This amendment provides that the Minister must cause a report under section 10 to be tabled in each House of the Parliament within 15 sitting days of that House after the day on which the Minister receives the report—from the inspector-general—and makes the report publicly available.

It seems perfectly reasonable that, if we are going to have an independent statutory officer—the Inspector-General of Taxation—looking into systemic problems of tax administration, the inspector-general’s reports ought to be made public. Under the existing legislation, that is entirely at the discretion of the minister and the Treasurer. We all know from past experience with this government that, when they get reports that they do not like, they hide them.

The parliamentary secretary has suggested that there is a unanimous view in the community about the efficacy of the arrangements that the government is proposing. In fact, there is not. I would like to draw to his attention some comments from a letter sent to various members of the opposition by the National Institute of Accountants, who have had something to say about this matter. They are generally supportive of the concept of an Inspector-General of Taxation, but they have had a few things to say that bear very directly on the amendments and would tend to lend the amendments, particularly the ones that I have referred to, some considerable support. They ask in this letter:

Has Australia’s tax administration system completely failed?

The answer is no, however the pressure of tax reform has highlighted many systemic failures that were already in the tax administration system and tax reform has created many new problems. Therefore there are many problems with tax administration that are failing to be addressed.

We certainly agree with that. The Institute of Chartered Accountants put out a press release today and said that there are all sorts of problems with tax administration which have not been solved by the federal government committing approximately $400 million in enhanced funding to the ATO to be used through to 2005-06. We are now expected to believe that another $2 million spent on an Inspector-General of Taxation is going to be like waving the magic wand and will be the end of the problem. The Institute of Chartered Accountants know where the real problem is—that is, there has been an absolutely huge increase in the imposition of compliance costs on Australian business. They say in their open letter to federal politicians dated this day:

Taxpayers are wearing the costs of the system and the ICAA estimates that there could be a $2 billion annual cost to the Australian business community for just the basic preparation on the BAS for GST registered taxpayers.

That is where a lot of the problems in the tax system are coming from at the moment. (Extension of time granted) I go back to the letter from the National Institute of Accountants, where they say:

Has the current system of addressing tax administration issues therefore failed?

The answer again is no, however the significant number of tax administration problems that remain unresolved indicates that the current system is failing to meet stakeholder expectation. The vast quantity of problems has meant that the formal external review points of tax administration, being the Commonwealth Ombudsman and the
Australian National Audit Office (ANAO) have been unable to properly review tax administration issues. The ATO have also often lacked the resources and the strategic focus to deal effectively with such issues. Therefore, to summarise the current situation, there are many problems with the tax administration system that need to be addressed—

and we agree with that—

and the current system for addressing such issues is not able to meet the demands being placed on it.

Of course, one of those big issues is a lack of resources. On the last page of the letter from the National Institute of Accountants, they say:

However $2m a year for the next four years is not anywhere near the resources needed to properly fix Australia’s tax administration system. The ATO employs over 17,000 people and collects over $150 billion in revenue each year. To properly review tax administration would therefore require more than the $2 million a year ...

The National Institute of Accountants suggest that it is a ‘step in the right direction’ but is totally inadequate. They suggest in their letter some options for dealing with this bill, and they say:

In the NIA’s opinion, the possible options for the Parliament to consider include:

Allocate the funding set aside in the Commonwealth Budget for the Inspector-General of Taxation (IGT), to the Commonwealth Ombudsman and/or the ANAO and ensure that such money is used solely to review systemic failings in tax administration and report their findings to Parliament. This would do away with the need for an IGT.

Allocate the funding set aside in the Commonwealth Budget for the IGT, to the Australian Taxation Office (ATO) to establish an area dedicated to reviewing systemic failings in tax administration and report their findings to Parliament. This would do away with the need for an IGT.

Pass an Act of Parliament along similar lines as proposed by the Government, however make the position of IGT an independent statutory officer of the Parliament similar to the Commonwealth Ombudsman or the Auditor-General, hence the IGT would report to Parliament.

There is indeed support in the professional accounting community for the IGT, and there is indeed support in the professional community for exactly the sorts of amendments that Senator Murray has moved. These amendments will, I am sure, be fought out in another place. It remains the position of the Labor Party that we believe this is $2 million that is going to be wasted. Unlike the government, we are actually concerned about the waste of $2 million of public funds. For that reason, we will be opposing the bill. We look forward to the debate in the other place. We will support Senator Murray in his endeavours to have amendments made to this bill which would improve it and improve its independence measures—in the event that he, against our better judgment, decides that the Democrats will give the government the numbers to pass the legislation.

Mr MURPHY (Lowe) (5:05 p.m.)—I rise to support the comments made by the shadow minister, my colleague the member for Kingston. As I said in my contribution in this House, albeit briefly, on 16 October 2002, the Inspector-General of Taxation Bill 2002 is a waste of money, and we are talking about $2 million of taxpayers’ money. I listened very carefully to the words of the Parliamentary Secretary to the Minister for Finance and Administration and the shadow minister, and I could not agree more with the shadow minister that the government is not serious about dealing with tax avoidance. This bill is classic Yes, Minister stuff, because I struggled until the day before yesterday to get this very simple question answered by the Treasurer of our country: what percentage of (a) barristers and (b) solicitors pay the top marginal rate of tax?

I want to go back to the laudable revelations of Paul Barry in his very erudite report in the Sydney Morning Herald of 26 February 2001 with regard to barristers—the high priests of our society—using serial bankruptcy to avoid paying their debts to their creditors, principally the taxation commissioner. Two years ago, Paul Barry named four serial bankrupt barristers and other members of the legal profession. I am holding in my hands the reports which appeared in the Sydney Morning Herald. If those people who are interested go back and read the Sydney Morning Herald of 26 February 2001 and also the Sydney Morning Herald of 27 February 2001, they will find the reports
very instructive. ARISING FROM THIS, I put a question on the Notice Paper. I do not believe the government are serious about collecting the revenue that is due to the long-suffering taxpayers, and I believe the government are using this particular legislation in the light of Mr Barry’s revelations, which I would describe as classic Yes, Minister stuff.

When Mr Barry made these startling revelations, the Attorney-General became a serial releaser of news releases. He put out his first news release on 28 February 2001 entitled ‘Attorney-General to consider compulsory reporting of bankruptcy for barristers’, on 9 March 2001 he put out a joint news release entitled ‘Bankruptcy and taxation obligations’, on 22 March 2001 he put out a further joint news release entitled ‘Bankrupt lawyers’—it is very instructive when people go back and read these—and on 25 July 2001 he put out another news release entitled ‘Getting tough on lawyers who avoid tax’. On 30 August 2002—

Mr Slipper—Mr Deputy Speaker Jenkins, I rise on a point of order. The point of order is on relevance. I do hesitate to interrupt my friend in full flight; however, this bill does deal with the establishment of the Inspector-General of Taxation. While I understand that he feels very passionately about the matters he is raising, maybe there is another forum under the forms of the House—maybe in the adjournment debate—for him to talk about these particular matters which are not connected with the Inspector-General of Taxation Bill 2002.

Mr Cox—On the point of order, Mr Deputy Speaker, I think these comments by the member for Lowe are entirely relevant and in order. He is talking about systemic issues in tax administration, and that is precisely the sort of thing that the inspector-general is supposed to attack.

Mr Murphy—On the point of order, Mr Deputy Speaker, what I am saying is very relevant to this particular bill. I am saying—and I have said it twice—that this is a waste of money.

The DEPUTY SPEAKER (Mr Jenkins)—To assist the honourable member for Lowe, I will remind him that the motion before the chair is that the amendments be disagreed to. Those amendments are the amendments of the Senate, and that is the matter under discussion. I hope, in concluding his remarks, he will take recognition of that and assist the chair by ensuring that his remarks are relevant to those amendments.

Mr Murphy—They are entirely relevant, because the case I am building in the House this afternoon is that the government have done nothing over the past two years. (Extension of time granted) I am arguing here today that the government have had two years to do something about the worst offenders, the worst serial rothers of our taxation system—that is, the legal profession. I now come to the reply that I ultimately got from the Treasurer in relation to my question No. 43, which was a very simple question but which took the Treasurer 12 months to answer. I am arguing that, if the Treasurer had been serious about rooting out tax avoidance, he would have done something in response to this question. I had to harangue the Speaker on numerous occasions and put further questions on the Notice Paper—I notice Mr Max Kiermaier of the Table Office is here today, and I thank him for his endurance—but I persisted with trying to get a response and, thanks to the Speaker, I did actually get a response. For the benefit of the parliamentary secretary, the response I got after question time today, when I asked the Speaker to follow up further questions under standing order 150, was a classic smoke and mirrors response. You would think that the Taxation Office would be able to tell us what percentage of the 3,900 barristers in Australia pay the top marginal rate of tax, but the answer I got from the Treasurer the day before yesterday is classic Yes, Minister stuff. He said:

In preparing the response to this question the Australian Taxation Office utilised the industry code used on tax returns to identify legal services (industry code 78410). The code covers advocates, barristers, conveyancing services, legal aid services, notaries and solicitors.

A number of those people do not even have to have a law degree to practise their profession. The Treasurer went on to say:
Based on the returns that have been lodged for the 2000-01 year the percentage of taxpayers using that industry code who declared a taxable income in excess of $60,000 (the threshold where the top marginal rate of tax of 47% applies) is 48.3%.

So there is an admission, even when you include these people in addition to barristers and solicitors, that half are not paying the top marginal rate of tax. But, worse, in relation to the barristers he has given a reply which is a monumental triumph for obfuscation. He said:

Information gathered from external sources estimates that of people registered as barristers, the number who declared a taxable income in excess of $60,000 is 69.2%, compared with 9.4% of the overall number of individuals who declared a taxable income in excess of $60,000.

I can tell this House and the parliamentary secretary that the Treasurer is not being honest with me, he is not being honest with the House and he is not being honest with the people of Australia.

Mr Slipper interjecting—

Mr MURPHY—That is not correct—and his source is external to the Taxation Office. It is curious that the Australian Taxation Office relies on these business industry codes and they cannot pin down barristers, as a group, in relation to the levels of taxation they are supposed to be paying. On 30 August last year, the Attorney-General and the Minister for Revenue and Assistant Treasurer put out a media release entitled ‘Strengthening laws to prevent tax abuse’. Inter alia, that release said:

Attorney-General Daryl Williams and the Minister for Revenue and Assistant Treasurer, Senator Helen Coonan, have initiated a number of changes to bankruptcy, tax and family law following consideration of a joint taskforce’s report on the issue.

They went on to say:

The Government set up the taskforce—involving the Attorney-General’s Department, the Australian Taxation Office ... the Insolvency and Trustee Service Australia ... and the Treasury—in light of reports last year that some barristers were misusing the law to avoid paying tax.

That task force has reported to the Treasurer, the Assistant Treasurer and the Attorney-General’s Department. I make the point: what was their occupation before they came into parliament?

Mr Cox—They were lawyers.

Mr MURPHY—The member for Kingston is correct. The Treasurer was a barrister. What occupation did the Assistant Treasurer have before she came into parliament? She was a barrister. What occupation did our Attorney-General have before he came into parliament? He was a barrister. Those three people are in possession of information that shows that the bulk of the 3,900 barristers in Australia are not paying the top marginal rate of tax. With great respect, the parliamentary secretary can shake his head, but what I am saying is the truth, the whole truth and nothing but the truth. {Extension of time granted}

The DEPUTY SPEAKER—Order! For the benefit of members in the chamber, visitors in the gallery and listeners on the parliamentary radio network, the question before the chair is that the Senate amendments to the Inspector-General of Taxation Bill 2002 be disagreed to.

Mr MURPHY—in the joint news release of 30 August 2002, which was put out by the Attorney-General and the Minister for Revenue and Assistant Treasurer, Senator the Hon. Helen Coonan, it was made quite plain that inter alia:

Measures are also being examined to improve the position of third party creditors in family law proceedings and to prevent high-income debtors from using family law as a shield to divest themselves of assets and avoid their tax obligations.

Mr Slipper—Mr Deputy Speaker, I raise a point of order relating to the advice you gave for the benefit of those listening. The legislation has nothing to do with the collection of tax debts or the incidence of taxation amongst certain taxpayers. The inspector-general will not reduce the absolute autonomy of the commissioner in relation to such matters, and the inspector-general will not be responsible for enforcing the tax laws, which should be obvious to anyone who has even read the bill and the explanatory memorandum on a cursory basis. What my friend opposite is saying is all very interesting but it does not relate to this particular bill.
The DEPUTY SPEAKER—Order! I remind the honourable member for Lowe that the motion before the chair is not by itself an opportunity for a general debate on taxation matters. I ask him to relate his remarks to the motion before the chair.

Mr MURPHY—I have to respond to that point of order by the parliamentary secretary because in his contribution he talked about the purpose of this bill being to strengthen the advice to government with regard to collecting revenue—

Mr Slipper—No, tax administration.

Mr MURPHY—Okay, it is tax administration; we can debate semantics. Before the parliamentary secretary raised his point of order, I was about to read an excerpt from that news release because it is critical to the debate. The Attorney-General and the Minister for Revenue and Assistant Treasurer went on to say:

In relation to taxation laws, the taskforce noted that secrecy provisions can restrict the ATO’s provision of—

Mr Slipper—Mr Deputy Speaker, I raise a further point of order. I do not want this debate to become bogged down through procedural niceties. We as a parliament have been very tolerant of the member for Lowe, but he is ranging so widely from the substance of the bill that it is critical to the debate. The Attorney-General and the Minister for Revenue and Assistant Treasurer went on to say:

Whilst I think this bill before the House today makes a very minor contribution, it does not deal with the issue seriously and exposes the government’s weakness over the last two years. I am raising this matter so passionately in the House today to let the people know that the people who should be paying their fair share of tax are not paying their fair share of tax. That is the point I am making.

Mr MURPHY—My remarks are very relevant because, whilst the bill before the House deals with the systemic problems within the Taxation Office with regard to the administration of taxation in this country, it equally deals with section 16 of the Income Tax Assessment Act—that is, the secrecy provisions, which are severely inhibiting the taxation commissioner. You only have to ask Mr Michael Carmody, the taxation commissioner, about that. For example, in relation to the worst offenders, the serial bankrupt barristers, because of section 16 of the Income Tax Assessment Act 1936 the taxation commissioner cannot report to the appropriate professional bodies—for example, the New South Wales Bar Association, the Law Society or the society of accountants—that a member of their organisation is using serial bankruptcy to avoid paying their creditors, and the principal creditor in an overwhelming number of cases is the taxation commissioner. (Extension of time granted) I will try to be brief, because I know that the parliamentary secretary has heard me speak about this matter previously. I am concerned that the government are protecting the legal profession—the high priests of our society—and they more than anyone should be helping the government to draft legislation to close these loopholes with regard to the opportunities that are available to people, particularly the legal profession, to rort the taxation system and not pay their fair share of tax. That is the point I am making.

Whilst I think this bill before the House today makes a very minor contribution, it does not deal with the issue seriously and exposes the government’s weakness over the last two years. I am raising this matter so passionately in the House today to let the people know that the people who should be paying their fair share of tax are not paying their fair share of tax. I will continue to pursue this matter in the House. This bill is a waste of time. With great respect, Parliamentary Secretary, you should crack down on the legal profession and make them pay their fair share of tax because, I repeat, of the 3,900 barristers in Australia, more than half are not paying the top marginal rate of tax, and that is disgusting.
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.23 p.m.)—I am not going to comment on the irrelevant matters raised by the previous speaker, the member for Lowe. We want this motion to be put to the House as quickly as possible. There were just a couple of matters, though, mentioned by my friend the member for Kingston which I really ought to respond to as briefly as I can. The member for Kingston claimed that the minister can monopolise the Inspector-General of Taxation resources. The minister can direct the inspector-general to review a certain issue but cannot dictate the resources to be allocated by the Inspector-General of Taxation. Any direction by the minister must be reported in the Inspector-General of Taxation’s annual report to parliament to ensure transparency.

The member for Kingston claimed that there was $2 billion lost in BAS preparation. The ATO monitors the label on the business activity statement where the taxpayer records the time taken to prepare and complete the BAS. Results over the last financial year demonstrate a continuing downward trend in the time taken. The ATO is working with the community to develop systems to make the tax experience easier, cheaper and more personalised. This is a true process of co-design with the community to ensure that systems of tax administration reflect the needs and workings of the business community. Additional options for BAS reporting were introduced to reduce compliance for qualifying businesses. As the honourable member would know, these include reduced quarterly reporting, with an annual report, and use of an ATO-provided instalment amount with annual reporting. Further, certain qualifying categories of industry taxpayers, including primary producers, were provided with an option to report only twice per year rather than every quarter. The ATO has also recently released web-based facilities which will provide easier access for tax agents to identify other initiatives to assist business and thus further reduce compliance costs.

The member for Kingston also claimed that $2 million was inadequate resourcing of the Inspector-General of Taxation. The government has committed $8 million over four years for the office of Inspector-General of Taxation. We believe that this is appropriate and, as I said in my initial remarks, five years after the Inspector-General of Taxation position has been established there will be a review. If indeed there need to be other finetuning arrangements then they are matters which would be looked at at the time. There are many other matters I could raise following the wide-ranging debate but, in concluding, I just want to note that the member for Kingston referred to the Institute of Chartered Accountants and the NIA and certain reservations that they may have had. I want to emphasise very clearly that both those organisations strongly support the establishment of the Inspector-General of Taxation, which will in fact come into being following the passage of this act through both houses of parliament and upon the bill receiving royal assent.

Question put: That the motion (Mr Slipper’s) be agreed to.

The House divided. [5.30 p.m.]

(The Deputy Speaker—Mr Jenkins)

Ayes………… 80
Noes………… 58
Majority…….. 22

AYES

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.37 p.m.)—I present the reasons for the House of Representatives disagreeing to the amendments of the Senate, and I move:

That the reasons be adopted.

Question agreed to.

MIGRATION LEGISLATION AMENDMENT (CONTRIBUTORY PARENTS MIGRATION SCHEME) BILL 2002

Cognate bill:

MIGRATION (VISA APPLICATION) CHARGE AMENDMENT BILL 2002

Second Reading

Debate resumed.

Mr MOSSFIELD (Greenway) (5.38 p.m.)—Before question time I was speaking about the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002, and supporting the amendment moved by the member for Lalor. The Howard government also introduced a two-year waiting period for social security benefits. This has raised an interesting question that no-one so far has been able to answer satisfactorily—that is, what happens to the money now? Under Labor, the assurance of support was exactly what it was called—an assurance of support. It was used to offset social security payments—in other words, to support the parent who had migrated. If this bill is passed then the assurance of support will be in place for 10 years, and for the last eight of these it will be used—as its title suggests—to support the parent by defraying the cost of social security. What will happen to the money in the first two years? What happens now? The money is obviously not used to support the parent, because the parent is ineligible for social security. Maybe the minister would like to explain to the House why the assurance of support is not used to support the parent for the full period that it was covered for.

The government then introduced regulations that would increase the cap to 2,800 places and raised the bond from $3,500 to $4,000 and from $1,500 to $2,000. In other words, instead of $5,000 to get mum and dad
out, it would be $6,000. The real kick in the regulations was increasing the health service charge to $5,000 for each parent. Labor and the Democrats disallowed these changes in the Senate. The minister for immigration, the member for Berowra, reacted badly to this rejection, and he immediately cut the cap in half, from 1,000 to 500. Remember, just a few short years before it was nearly 9,000; today it is just over 500, and there is a waiting list of over 22,000. Over 14,000 applicants have been approved and given a position in the queue. Do your maths: with 500 visas being issued each year, if you are number 14,000 in the queue, how long will you have to wait to get to Australia to be reunited with your family? A simple calculation would have you waiting 28 years to be reunited with your children.

Clearly, this is not the case in reality. The queue moves faster because parents arrive under other subclasses, such as humanitarian, last living relative and even the skilled stream. The queue is not 28 years because, I also suspect, a large number of people would die before getting to the front. You must remember that we are talking, by and large, about aged parents. If a parent is, say, 65 years old, in a country where the life expectancy is 67 to 68 then the chances of them surviving a six- or seven-year wait are pretty slim. Certainly the chances of them surviving any where near the 28-year period is next to nothing.

In 2000, the government introduced the Migration Legislation Amendment (Parents and Other Measures) Bill 2000. This bill had the effect of increasing the cap to 4,000 places per year and raising the assurance of support from $3,500 and $1,500 to $10,000 and $4,000 respectively—an increase of $9,000. The bond would be in place for 10 years instead of two. The other change saw the health service charge increase to a whopping $25,000 each or proof of satisfactory health insurance cover. That bill was defeated. Like with so many other pieces of legislation put forward by this government that have been defeated, the government is having another go. This time, however, the conditions are even harsher.

Under this bill the number of places available in the current visa classes will be increased from 500 to 1,000 per year. This government has managed to reduce people’s expectations to such a low level that members on the other side are saying that this increase is a generous one—that they are doubling the places available under the current classes. Do not forget that just six years ago it was nearly 9,000. The government is acting like a benevolent and big-hearted benefactor in allowing the number of places to be increased to 1,000. It is a measure of how low the expectations have sunk that this can be seen as a positive move.

But this is where the bill gets nasty: there will be an additional 3,500 contributory parent visas made available. If you want to slip, hypothetically speaking, $64,000 in a plain envelope to the minister, he will move you to the head of the queue. Again we see the 2000 bill provisions of $14,000 for a couple as an assurance of support bond refundable after 10 years, and again we see the $25,000 health service non-refundable charge for each parent. This time, however, there is no provision to waive this fee if you get suitable private health insurance. They have also added the option of paying $20,000 up-front, getting a temporary visa for two years and then coughing up the other $44,000 later to make it permanent. Either way you slice it, it still adds up to more money than most ordinary people could afford.

The situation, if you want to see your mum and dad again and you can only scrape up the $6,000 or $7,000, is that you have to wait many years. But, if you can manage the $64,000—which, in anybody’s mind, is a large sum—then the minister will leapfrog your parents to the head of the queue and you can see them that much quicker. What is it that you call somebody who offers to get you into the country quicker if you give them a large sum of money? People smugglers, snakeheads—and now the Australian government. It is consistent with this government’s philosophy of ‘if you’ve got the cash, then doors will open’—one rule for the rich, and one rule for everybody else. That is what is outrageous about this legislation. It is the same as the university policies. If you are an
ordinary young Australian with pretty good marks, you have to battle everyone else to get a place; if you are rich and do not have good marks at all, you can still buy your way into university. Of course, the government will tell you that there are often severe costs involved, particularly medical, for elderly migrants. Nobody denies this. That is why Labor introduced the bonds and the charges in the first place, but clearly $64,000 is excessive to be reunited with your parents.

In October 2002, at the request of the department, the Australian Government Actuary produced a detailed report of the cost of the proposals in the current bill. The Bills Digest points out that the report notes that it was restricted to measuring the tangible cost to the Commonwealth of the additional 4,000 places. To quote from the report:

As such, it ignores the benefits which such immigrants may provide to the Australian community, both tangible (such as provision of voluntary services or taxes which may be paid on income earned and goods consumed) and intangible in terms of their contribution to the richness and diversity of Australian society.

In other words, they placed a massive caveat on their report, saying essentially that the government is ignoring all the benefits, both tangible and intangible, while only looking at the cost. It is typical of this government to look only at the cost and not the benefits when it suits them to do so. Mr Paul Nicolau, who was the Chairman of the Ethnic Communities Council of New South Wales in 1999, when the government proposed the first massive increases in charges that were later disallowed by the Senate, said:

... they can talk about economics but the real benefits are child care and the physical and emotional support ... They are worth a lot more in dollars than the economic studies show.

He went on to say that the original proposal was:

... grossly unfair ... It means the rich can get ahead in the queue and obtain their visas ... There are lots of people who cannot afford to fork out $16,000.

Now, of course, there are even fewer who can afford to fork out the $64,000 which will be the case if this bill is passed. Dr Bob Birrell, the Director of the Centre for Population and Urban Research at Monash University, said:

If entry is available only to the rich, it makes a mockery of the social purposes of family reunion.

The government is failing to look at the long-term benefits of migration and is focused on the short-term economic costs. Dr Birrell, as quoted in the Bills Digest, refers to most parents in the queue as being:

... from poor Asian countries, including 40 percent from China alone. There is no pension agreement with any Asian country; and most of the parents in question arrive with little money.

Yet this argument may well ignore the long-term benefits to Australia of Asian immigration, even if from poor countries. To develop this point, an old work colleague of mine from many years ago, Mr Peter Redmond, has referred me to an article in the Sydney Morning Herald by Paul Sheehan, which refers to the proportionally outstanding results of Asian students, particularly ethnic Chinese, in the 2002 HSC results. The Sheehan article states:

Yet among the 685 top students listed as having scored at least 90 per cent in 10 or more units in the HSC this year, 28 per cent are Chinese-Australian or overseas Chinese. Even allowing for overseas students studying here, and the large number of Chinese-Australian students born in this country, there is still roughly a tenfold demographic over-representation.

If the definition of Asian students is broadened to include those born in, or whose parents were born in, India, Vietnam, the Philippines, South Korea and Sri Lanka, the significant over-representation of elite results continues. The total born in the nine Asian countries listed above—

which include Hong Kong, China, Singapore and Malaysia—

424,650—represented 6.7 per cent of the total NSW population in 2001, but students from these backgrounds comprised 42 per cent of the elite 685 listed this year, indicative of another massive over-representation.

The article refers to the fact that the majority of these Asian students did not attend private schools and most who excelled did so in the public system. This indicates that parents of many of these students were not in the high-income bracket, as many of these students made maximum use of government subsidies. These Asian students are Australia’s
doctors, engineers and scientists of the future, and it is clear that their skills will bring enormous economic benefit to Australia in the future. However, we might not see them arrive in Australia in the first place if this legislation is passed. If someone cannot bring their parents out, they may not come to Australia in the first place. Ray Brown, the President of the Migration Institute of Australia, made this point in relation to skilled migration. As the Bills Digest states:

Mr Brown’s view is that a narrow focus on skilled migrants could, paradoxically, have an economic cost, citing reports that skilled business people are choosing alternative destinations ‘because they know it will be almost impossible for their parents to migrate to Australia.’

The government’s blind obsession with economic outcomes and their ability to never let the facts get in the way of their spin have led us to this debate on this appalling legislation.

Yes, there are costs involved with elderly migrants, but there are also benefits. Grandparents serve as childminders, taking pressure off the already overburdened child-care system. In my electorate there are many groups, but one in particular is a Filipino group called the Golden Seniors. This organisation does marvellous work in their own community and the general community. These people really add to the value of life in our local area.

As Mr Nicolau said, migrant parents provide physical and emotional support; they add so much to our culture. They buy clothes, food and toys for the grandchildren and they put petrol in the car, and all the way along they are paying the GST. Migrants, whether or not they be parents, are contributing to this country in so many different ways. Of course you cannot measure that with pure economics, as this government seem to want to do. The slashing of the number of visas issued for parent reunion from 8,900 to 500 and the prohibitive costs involved with this legislation point to the real intention of this government. They do not want parents—certainly poor parents—to be reunited with their migrant children. ‘We will decide who comes to this country,’ the Prime Minister said. Clearly he was saying that he did not want mums and dads—unless they were rich, then he would let them jump the queue.

The Democrats opposed the 1999 regulations that would have seen the charges increased to around $16,000. The Democrats also opposed the first version of this bill in 2000. The $64,000 question is: what will the Democrats do this time? It appears that they have rolled over and will support this bill. I wonder what the pay-off is to be for selling out on this bill? This bill is nastier than its predecessor and worse, to the tune of $48,000, than the 1999 regulations that were disallowed. If the Democrats support this bill, it will be a further indication of the demise of that party. The former federal president of the Liberal Party described this government as mean and tricky. Nothing has changed, if you take this bill into consideration. The poor wait in line while the rich gain entry. There is no compassion in this government, only greed. This bill will be opposed by Labor, as was its predecessor.

In today’s MPI the needs of families were emphasised. Here is a case where the government is not making it easy for poor families to come to Australia. In this difficult consumer society, where many parents have to work excessive hours to pay the mortgages and the GST related costs, we know that in some cases lack of parental supervision results in young people going off the rails. In many ways good grandparents play a vital role in providing stability to the family unit. I am sure that many members in this place who have seen their own parents play this role will appreciate the point. True to form this government, through this legislation, is saying that poor migrant families are to be denied this vital cog in the family unit, but rich people who can raise the $64,000 can bring their parents out a lot quicker. There is one rule for the rich and one rule for the poor.

Ms GAMBARO (Petrie)  (5.55 p.m.)—I rise to speak to the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002, which are being debated cognately today. The objective of these bills is to amend the Migration Act 1958 and the Migration
Regulations 1994 and to introduce a new category—the contributory parent category—thereby creating four new visa classes and subclasses, and to change the application process for a parent visa. The Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002—hereafter, the parents bill—will create new visa classes and subclasses and provide an option for parents of Australian citizens, permanent residents or eligible New Zealand citizens.

The requirements for the contributory parent visa category will be very similar to those for the existing parent categories. Both the current parent visa and the subsequent new contributory parent visa will have the same first visa application charge, payable at the time of the application. At present, onshore Australian applicants pay $1,745 and offshore applicants pay $1,175. The difference between the charges for the current parent visa and the contributory parent visa will be in the second level of the visa application charge, which is payable before a visa is granted. Under the contributory parent visa category, applicants can elect to do two things. Firstly, they can pay a $25,000 second visa application charge and a 10-year $10,000 assurance of support bond for principal applicants and $4,000 for adult secondary applicants. This would entitle the applicant to permanent residence immediately. Secondly, applicants can elect to pay a $15,000 second visa application charge, which would entitle them to a two-year temporary resident visa. Coupled with this is the requirement to apply for the permanent parent visa before the expiry of the temporary visa and to pay the remaining $10,000 plus a 10-year $10,000 assurance of support bond for principal applicants and $4,000 for adult secondary applicants in order to gain permanent residence.

The $25,000 charge is a one-off charge per adult for a permanent visa and the assurance of support period is extended from the current two years to 10 years. Conditions for applying for the new contributory parent visa subclasses would mirror the criteria for the existing parent visa subclass. Parents residing outside Australia—offshore applicants—are eligible to apply, but of those residing in Australia—onshore applicants—only aged parents can apply. The definition of ‘aged’ is 65 years of age and over for men and 62 years of age and over for women. Applicants cannot apply for both visas. They must apply for the existing parent visa class or the new contributory parent visa classes. However, those with existing parent visa applications can change to the new category without again incurring the lodgment application charge.

The inclusion of the contributory parent category will significantly increase the number of places that are currently available for parents wishing to migrate to Australia. This recognises the fact that the contributory parent visa applicants are willing to pay a higher second visa charge in order to contribute to their ongoing health costs. These bills represent an election commitment that demonstrates the government’s desire to increase parent migration.

I agree with many who have spoken before me that the family unit is an essential unit and part of life—modern life in particular. In many traditional cultures it is not uncommon for grandparents to live with their children and also their grandchildren. During the latter part of the 20th century there was a hiatus, with many families living away from their grandparents and immediate family for a variety of reasons. But things have changed globally. The global labour force has become much more flexible and many more people are choosing to relocate in countries all around the world. Whatever the conditions, many families find that in their relocation it is much more necessary and desired for their parents and grandparents to be close by. These bills recognise that important and integral part of family life in ensuring that as many families as possible can be reunited.

A recent report from the United States has shown that on average one in four grandparents play a significant role in the upbringing of their grandchildren. We have seen a sway away and now a return to the significance of grandparents featuring in the lives of their families. In some cultures—particularly European and Asian cultures—that significance never really went away in the first place. For all Australians, the reliance on
grandparents, in particular, as part of that treasured family unit demonstrates the value we place on our older Australians.

Our population is ageing and changing, and so is the balance of people who are aged over 55 years. Like most Western societies, the society we live in is ageing. I recently read that in about 10 years time in one European country they will have so many aged people that most of their revenue will be going to supporting their aged members of society. This is not anything new for our country and certainly is not anything new for the rest of the world when you consider reducing fertility rates et cetera. We really need to look at the design and provision of public policy, particularly in the area of migration—that is something that we need to really address in migration policy. The Minister for Immigration and Multicultural and Indigenous Affairs, the Hon. Philip Ruddock, noted in his speech that an ageing population requires the government to:

...exercise responsibility in relation to our public health system and other programs paid for by the taxpayer.

Clearly, that is the result of the two bills that are before the House today. They do demonstrate the consideration that we have to give to and absolute importance that we have to place on our ageing population. It is true that at the moment there are 22,000 parents on the waiting list to migrate to Australia. The measures included in the parents migration bill of 2002 will add a total of 4,000 places per annum to the currently available 500 places per annum. This will be made up of an additional 3,500 places for parents who elect to apply for the new contributory parent visa classes, and an additional 500 places for those who choose to apply under the existing parent visa subclasses.

That is a significant increase, and one that has been considered in light of the ageing population and the effect that that will have on future health and welfare budgets. In the 2001-02 financial year, parents made up less than one per cent of the total number of settler arrivals in Australia. A report by the Australian Government Actuary found that parent migrants represented a substantial cost to the welfare and health budgets. I think some previous speakers from the other side have said that there have been no actuarial studies done of the particular costs of this scheme. I want to reiterate some of the charges that are applicable. The shadow minister for immigration has also asked for the costings of the scheme, I believe.

The Australian Government Actuary has estimated that over 20 years the cost of the proposed parent migration package in net present value will be $2 billion. The AGA has also estimated that the proposed amount of the second visa application charge of $25,000 would represent about 12 per cent of the costs associated with parent migration compared to the current figure of 0.5 per cent. The AGA confirms the basic premise of previous DIMIA costings that over time additional parent migration results in significant costs to the Commonwealth budget. However, overall, the costs identified by the AGA are considerably higher than those identified earlier in DIMIA models. That is because the proposed package will cost $2 billion over 20 years and the DIMIA estimates were at $0.8 billion.

There are a number of reasons why those costings differed. DIMIA results did not have access to the actuarial projections of population used by the AGA, particularly the effects on health costs. This has a major impact and is a major driver of total costs of a particular scheme. So it is important that we look at the long-term effects that this will have and the cost to the Australian community. The actual charge of $25,000 itself equates to some 25 per cent of lifetime health costs in net present value terms. The government is seeking a much fairer contribution to the costs. When you consider what it costs, for example, to take out private health insurance for a healthy parent applicant, you are looking at $7,000 to $8,000 per annum. The cost is quite minimal when you consider the overall costs to the Australian population of not taking out that particular $25,000 contribution.

I agree with some of the previous speakers who said that it is a good thing to have grandparents reunited with their families. Parent migration has always resulted in a number of very positive benefits to the Aus-
ustralian community. Those positive aspects of parent migration cover a number of areas, including economic, social and cultural. One of the most important things is the transfer of funds and assets, as well as the contribution to taxation revenues. Another important thing is the provision of child care to grandchildren, enabling the parents of those children to return to the work force. It is very important that we recognise these positive benefits that result from parent migration, and in this regard I add my support to that of previous members.

While migrant parents do bring these wonderful economic assets and contribute to the consumption of goods and services in this country, it is important to view that contribution in the light of future costs in areas of social policy. It is for this reason that there are higher costs involved for parent migrants over the age of 55. We are not the first government to acknowledge this fact. In the late 1980s, under the Labor government the balance of family test was introduced to restrict the eligibility of parent migrants, and that was a very important test. In the early 1990s, the government further introduced the assurance of support bond and the health charge.

In my electorate of Petrie, 20 per cent of the population is aged over 65. My electorate is probably one of many that forms a significant future snapshot for the ageing of our population. The National Strategy for an Ageing Australia, released last year, notes that in the next 50 years over one-quarter of our population will be aged 65 and over. Not only will this have an effect on our demographics but it will affect our growth potential as a nation and the design and provision of social policy. Many of the opposition speakers today have argued that it is not fair, but not once in this whole debate have they come up with an alternative solution. It has been an ongoing debate, with various members of the House opposite responding at various times. During the debate on the Migration Legislation Amendment (Parents and Other Measures) Bill 2000, the opposition said that they supported the bill in principle with an emphasis on mutual obligation and a fair contribution by parents and sponsors. But they have never said, then or today, what they think the meaning of the word ‘fair’ is, nor have they offered any solution as to what they think a fair charge is.

In the House, the opposition spokesman on immigration at that time, Mr Con Sciacca, proposed an amendment to the bill to ensure that the size of any contribution should not be such as to exclude access to visas by parents of Australian families with limited means. The member for Jagajaga, then the opposition spokesperson on health issues, also said that the $25,000 up-front payment was beyond the means of most people and suggested an alternative Medicare health levy contribution with a reasonable limit that would be afforded to all groups in the community. In relation to the current proposed package, the member for Lalor has advised that the Labor Party was considering alternative options, but so far the shadow minister for immigration has not come up with anything constructive, anything that she can offer by way of solution or anything that would be fair and equitable.

It is important that we do not ignore a number of elements in this migration equation, particularly as more and more Australian families are returning to traditional family values with grandparents living with their children and grandchildren. Indeed, it was a feature of my childhood and something that I valued and treasured enormously. It is good to see that grandparents are playing a larger role in the rearing of their grandchildren, although I suspect that some grandparents wish that was not the case. It is becoming much more a feature of Australian family life, and it is very good to see those social patterns changing again and reverting to what happened in earlier generations. Social changes such as changes in family patterns can have an impact on housing and lifestyle issues, on retirement incomes and particularly on the provision of formal and informal care services to older Australians.

The provision in the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 to increase the number of places for contributory parent visas and the subsequent higher second charges recognises that contributory visa applicants are willing to pay a higher contribution to their future
health costs in order to be with their families. A number of the families that I have spoken to are quite happy to contribute to those costs and believe that they should contribute. Community consultations have shown that many people see this as acceptable and see it as a much fairer way to contribute to the costs associated with their parents migrating to Australia.

An increase in parent migration places will assist many families to benefit from the addition of grandparents in their daily lives. More than 50 per cent of the population of my electorate of Petrie has either one or both parents born overseas. The value of this program for an electorate such as Petrie and other electorates in Australia demonstrates the very value we place on the benefits of parent migration. The bills before us today acknowledge the costs and benefits associated with parent migration and aim to strike a balance between what is fair for parents, their sponsors and their families and what is fair for the Australian taxpayer. I support these two bills.

Ms ROXON (Gellibrand) (6.13 p.m.)—I would like to speak briefly on the Migration (Visa Application) Charge Amendment Bill 2002 and the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 today, because others before me, including the member for Lalor, our shadow spokesperson, have spoken in great detail about Labor’s position on these bills. In addition, as a neighbour in an electorate sense, the member for Lalor has spoken about a number of issues that we both face from day to day in our electorates. That is the area that I would like to address briefly. I have an extremely diverse electorate. As a proportion of our constituent queries, immigration queries would be as high as Centrelink matters, and we certainly deal with a range of refugee applications and visitor visa applications all the time.

I must say that, when constituents come to my electorate office and when I attend many of the functions that various ethnic communities hold in my electorate, one of the constantly burning issues is the problems they have in being able to be reunited with their parents. We are in a situation where thousands of parents—20,000, I think the estimates are now—are in a queue, hoping to be able to be reunited with their families when their turn comes around. It is often very distressing for families. They are often very upset about the length of time they have been trying to be reunited with their parents. When the queue is so long, many quite legitimately fear that their parents will be long dead before their names come up in this process of being allowed to resettle in Australia.

I say this because I think that anybody in the House who is confronted day in and day out with constituents who are in this situation could not feel anything but sympathy for the families that want to have their parents settle here. The member for Petrie, who spoke before me, went to great lengths to explain why this scheme can be very beneficial for families. She gave reasons why it is good for the parents not only to have care from their own children as they get older but also to perhaps be able to participate in caring for their grandchildren—and other matters. Those issues are just as persuasive and just as understandable no matter what the circumstances are of the particular families that are seeking to get their parents here. There is heartbreak in the desire to have another family member there to care for them in ill health. We have lots of situations where people say, ‘Can we move our position in the queue because my husband has died and if my mother is able to come here it means that the last remaining family members will be together.’ They are situations in which you feel nothing but compassion. But obviously we need to have some sort of system which regulates how people are able to settle in our country. In dealing with parent migration matters, Labor have long had a position in which we have said that it is appropriate that the families bear some of the cost associated with their parents being able to settle in Australia. But we have also been consistent in wanting to make sure that we are not causing undue hardship and in not wanting to create a special scheme, a quicker scheme or a better scheme for those who have financial capacity.

This is an issue which is of particular concern to us. I live in an electorate which is not
largely an extremely wealthy electorate. The 
reason that so many hundreds of people from 
other parts of the world settle in my elector-
ate is that the refugee flats are there and the 
Maribyrnong Detention Centre is there. Lots 
of vibrant communities have set up there 
with fairly modest amounts of money so that 
people can make good their lives in Austra-
lia. These are not people who in most situa-
tions have very much money to spare, but 
their circumstances are just as worthy of our 
compassion, interest and understanding as 
those of other families who may have much 
more money and capacity to be able to assist 
with their parents' migration.

I just want to place on the record my view 
that the situation that has been created has 
become quite untenable. It is very dispiriting 
and emotionally confronting for families to 
be told that they are No. 19,475—or what-
ever the number might be—on a queue and 
that 500 people are allowed in each year. 
Even if that number were increased—as is 
proposed in this bill—to 1,000, it would take 
20 years, but a lot of parents are already in 
their 70s, 80s and 90s when they apply under 
this process.

It does not help us if we set up a system 
like this, because it means that anyone who 
understands how the process works will ap-
ply for their parents to resettle at a much 
earlier age—when perhaps the family de-
mands and needs are not the same. They 
simply have an awareness that it might take 10 or 20 years to go through the process, and 
by that time the family may be in a position 
in which they desperately need to be re-
united. In a perverse sort of way we are in-
creasing the numbers for people who under-
stand how the system is going to work and 
the length of time that it might take for them 
to get processed.

So I want to put that on the record and in-
dicate my understanding of, and concern for, 
the very many constituents who come to see 
me. I have noticed that they are from the 
Vietnamese community, particularly, and 
from the Lebanese and Turkish communities. 
They are also from many of the communities 
from former Yugoslavia, Macedonia, Serbia 
and Croatia, and also from the Timorese and 
Philippine communities. It is mostly because 
these communities are now of an age when 
their parents want and need some care and 
assistance. The older communities in my 
electorate, such as the Greek and Italian 
communities, very rarely have these situa-
tions now. New arrivals like the African 
communities are not yet in that part of the 
process, but they will be in the same situa-
tion and they are very fearful about what 
they see happening to their colleagues and 
neighbours.

I want to express my concern that the im-
portance of family ties—the need to assist in 
caring for parents and perhaps being able to 
provide some assistance when a family 
member is sick or has died, or caring for 
grandchildren—is a significant issue whether 
or not these families have significant finan-
cial capacity. We have moved some amend-
ments to this bill to make that very point so 
that we make it clear that we do not believe 
that the merits of a parent application should 
turn simply on whether or not you have 
$25,000 to be able to pay the fee. We trust 
that these words proposed by the member for 
Lalor will get due consideration from those 
in the House who deal with these matters day 
by day and that they understand that we are 
trying to have a role to play in making the 
system fairer for everyone.

Mrs MAY (McPherson) (6.21 p.m.)—It 
has been my practice over my time in this 
House that whenever I am presented with a 
new bill I try to discover the problem the bill 
is attempting to address. I have found that 
this is the most effective way to properly 
place a piece of proposed legislation into the 
vision our side of politics has for our nation.

The problems that the Migration Legisla-
tion Amendment (Contributory Parents Mi-
gration Scheme) Bill 2002 is attempting to 
address are significant. I have stood many 
times in this chamber and expressed concern 
at the rate at which Australia’s population is 
ageing. There has been a widely publicised 
trend that both Australia’s birth and mortality 
orates are falling. In other words, the old are 
living longer and the young are having fewer 
children. Shortly, like many in this chamber, 
including me, baby boomers will begin con-
sidering retirement. When this segment of 
the population retires, the largest single
population spike in our history will leave a much smaller proportion of our society to take care of the rest of us in old age.

When the children of baby boomers reach retirement age they will leave even fewer people to take care of them, and when their children retire, if trends continue, there will be very few Australians left. Migration has been embraced in part as an attempt to combat some of the problems we are facing as an ageing nation. Migrants are hardworking people. They bring our nation the skills, professions and productivity we will so desperately need when a larger proportion of our population is retired. This is not the only thing that migrants contribute to the nation. This government does not see a migration program as only a way to redress our declining population.

There is absolutely no question in my mind that young migrants are beneficial to Australia in ways more varied than there is time to discuss today. However, when young migrants come to Australia they almost always leave ageing members of their families in their country of origin. The Howard government, understanding that someone’s family is the very foundation on which their life is built, made a promise in the last election to increase the number of visas that would be granted to parents of recently arrived migrants. The Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 delivers on this promise. However, we must always remember that Australia’s population is growing much older, even without an increase in our elderly population, and our health and ageing systems are already stretched to the limit.

With this in mind, this bill asks elderly migrants and their families to pay the costs of their stay in our country. This is the only way that we may balance the idea that family is a very important institution and that people should be permitted daily contact with their loved ones with the concept that people cannot afford to contribute will still have an avenue by which to migrate.

If the opposition refuses to pass this legislation it will be seen by the Australian people as having a lack of interest in allowing parents to be reunited with their children in Australia. As this bill stands, it will also save taxpayers around $58 billion over 20 years in net present value terms. Australian taxpayers will see the reluctance of the Australian Labor Party to pass this legislation as a denial
of this saving. My friends and I on this side of the chamber cannot understand the opposition’s reluctance to not only reunite families but, at the same time, deliver a saving of $58 billion to the Australian taxpayer.

This bill will help a great number of people in my electorate of McPherson on the southern Gold Coast. I too have a very diverse electorate, with many communities of people from lands far away. These are people who want to be reunited with their parents, and I think these communities provide a great mix on the Gold Coast. They bring a lot of their own culture to the Gold Coast and they enhance the culture of the Gold Coast. There is hardly a week that goes by without a family contacting me about bringing their parents to Australia. These people have become Australian citizens. In most cases they are raising young children and want to be reunited with parents who can play an active role as grandparents and, of course, be part of a family group. As many of these people say, it would be far easier to bring parents to Australia than it is for them to travel regularly to their country of birth to stay in touch. Communication by telephone and email keeps families in touch but nothing can replace a family unit—including grandparents, parents and children—being in the same country and sharing the highs and lows of family life. It is particularly important that grandparents can be involved in the raising of grandchildren.

I would like to quote a couple of instances in my electorate where this bill would be of enormous significance. One example is a family from Fiji with four adult children. All the children have migrated to Australia. Two of the adult children are married to Australians and are awaiting their Australian citizenship. Another is married to an Australian and has Australian citizenship. The remaining sister has permanent residency. There are two grandchildren with another one on the way. This family is very anxious to be reunited with their parents and they have already applied under the parent category to join their children in Australia. They have been approved, but unfortunately the cap means that they will not receive their visas until 2007. When I spoke to the family about the new visa and the sponsorship arrangements, the family were delighted that the government and this parliament were considering a new visa which would allow for the parents to come to Australia in a shorter period of time. The family indicated that they would be happy to pay the sponsorship so that the family could be reunited.

Another example is a couple who migrated from the United Kingdom as temporary residents under the retirement visa. They met all the requirements for finance, character and health. But this visa does not ensure a permanent home here in Australia. This couple have a son who is an Australian citizen, married to an Australian, and there is one grandchild. This couple have only one son, and they of course want to live permanently in Australia to watch their grandchild grow up and be part of their only son’s family life. This new visa will allow this couple to remain here in Australia.

This bill stands to benefit real people. It stands to benefit migrants through allowing more of their parents to come to this nation than ever before. It gives more opportunities for families, once separated by oceans and continents, to be reunited. It allows grandchildren to spend significant time with their grandparents. In short, it brings families together. It also stands to benefit all Australians. By asking for some migrants who are yet to financially contribute to Australia to pay an amount of money reflective of their projected needs in terms of health and aged care, Australia’s coffers stand to be $58 million better off. That is around $3,000 for every man, woman and child in Australia.

I simply do not understand why a bill that reunites families, reunites loved ones and reunites grandchildren with their grandparents and does so without costing the taxpayer a cent would offend those sitting opposite. Surely they do not rely on the flawed logic that those who come to Australia without first contributing to its financial security should be given free and open access to all of our facilities. That is an argument that holds absolutely no water, particularly as our population, as it stands, is rapidly ageing and in need of these facilities. I for one will be proud to cast my vote for this bill, for fami-
lies and for the financial security of our nation.

Ms Burke (Chisholm) (6.31 p.m.)—I would love to talk about banking, but unfortunately the bill does not relate to it, so I will stray from my usual text of beating up on one of Australia’s greatest citizens. I am pleased to have the opportunity to speak on the immigration bills currently before the House: the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002.

I am proud to represent the community that I do—the electorate of Chisholm. It is a microcosm of Australia. It is made up of citizens from all over the world. I have the joy of going to many citizenship ceremonies and being amazed at the breadth and depth of the countries from which people are now migrating into my electorate. In the city of Whitehorse—one of the local government areas which is contained within Chisholm—almost one-third of the population were born overseas. In the city of Monash—the other local government area that I represent—37 per cent of residents come from more than 30 countries. Chisholm is ethnically diverse and contains a large number of people who were born overseas. For this reason, parent migration and the administration of the parent migration scheme by the government of the day are extremely important to my community. Fundamentally, one of my staff’s full-time job is dealing with immigration issues.

It is easy to understand the passion that people have to be permanently reunited with their parents here in Australia. Australia is a place many people have chosen to make their home, and the love that we feel as individuals for our parents is surely universal. Unfortunately, the propositions contained in these bills do not recognise that the value of all families is independent of the economic status of the members of the family. Under the proposals before the House, only those who are wealthy enough will have any chance of their parents migrating to Australia. Surely this is not fair.

The Labor Party has long recognised that it is important for people who wish their parents to migrate to Australia to make a contribution by way of a bond. The assurance of support bond was introduced by the then Labor government in 1991 at a rate of $3,500 for the principal applicant and $1,500 for additional applicants. The bond was to fund any social security benefits that were claimed by the migrant parent during the first two years of their being in Australia. After two years, the unused portion of the bond was returned. At the time, there was also a non-refundable levy of $822 per migrating parent. This migrant health charge was not refundable. Thus, in 1991, the cost of the bond and the levy for the migration to Australia of a parent was $4,322—not an insignificant sum of money at the time. The government proposal currently before the House is for the introduction of a huge charge and assurance of support of the order of $35,000. This is a huge sum of money.

As an indication of just how much the government is proposing to charge, it can be compared to the median yearly income of my electorate of Chisholm. The yearly median family income is just under $43,000 per year. Requiring assurances of support and charges of the order of 80 per cent of a family’s income is prohibitive. Chisholm is a reasonably well-off community. Not many communities would actually have a median income of $43,000. Not all communities with a high proportion of migrants have a median income as high as Chisholm’s. For example, the electorate of Fowler—the division with the highest proportion of people born overseas—does not fare as well as Chisholm. The median annual income in Fowler is less than the median income in Chisholm. The median annual income in Fowler is less than would be required to sponsor a parent under the government’s new arrangement. In excess of their entire income for the year would be required for this bond. Almost no-one, or maybe one in a thousand, in the electorate of Fowler or in the electorate of Gellibrand—the electorate of the shadow minister at the table—would have any hope of sponsoring a family member.

In an electorate like Fowler, where half of the people were born overseas and would therefore be most likely to sponsor a parent to migrate to Australia, the cost would be more than most families receive in a year.
That is not a system that any objective analysis can call fair; it is a system where the wealthy can sponsor their parents and the poor must rely on the phone and writing letters. This proposal is unfair and economically discriminatory. It gives the impression that there is a view that the only families of value to Australia are those that are well-off or able to afford such huge fees. The shadow minister, the member for Lalor, has put forward an amendment that recognises the impact on the system of this government's policies.

The government has created this dilemma. The government caused it by capping the number of parent reunion migration places to 500 per year. That was a cynical exercise to try to get the Labor and Democrat senators at the time, two years ago, to agree to a proposal that did not have the fees that we are seeing now. The government cynically said, ‘If you don’t do it, we’ll cut it down to 500,’ and that is exactly what it did. Because of the government’s decision we now have a huge backlog of successful applicants, the majority of whom will sit in a queue and probably die before they get here.

We have a huge waiting list. This list is growing so much that there are over 14,000 approved, fully processed applicants, and people are just waiting in line. One individual rings my office every week and they receive the same answer. But they are so desperate; their family has now been waiting in excess of eight months since approval. They will probably never get here. They are waiting solely because when the government came into office they put in place a cap of 500 parent migration places. They have limited it over a couple of years and have reduced it significantly. This is not the first time that the government have attempted to put in place a regime that requires economic prosperity in order to have an extended family living in Australia. The government have tried it before and have been knocked back through the opposition of the Labor Party and the minor parties. Sadly, that is not the case now. The Australian Democrats have decided, I think fairly unwisely, to support the government in the passage of this unfair and unjust legislation. It is a shame that they have made this decision.

To illustrate my point, I refer to a few articles that have appeared in the press over many years now. The first article appeared in 1999—the first time the government attempted to amend this legislation. It was written by Jon Marsh and it appeared in the Sydney Morning Herald. It states:

The list of parents waiting to join their children in Australia is so long that critics warn many of them could die waiting for a visa.

With more than 20,000 in the queue—and this is back in 1999, so the queue has grown—and a present visa quota of 2,500—that was when we had a quota of 2,500; it is now 500—a year, critics are further angered by a new Federal Government ‘fast track’ scheme which they say allowed people who could afford to pay thousands of dollars in extra fees to jump the queue.

The Immigration Department said it did know how long people at the back of the queue had been waiting, but one immigration lawyer said some new applicants faced waits of up to 10 years.

The chairman of the Ethnic Communities’ Council of NSW… described the system as unjust.

“It is striking at the heart of Australian families by keeping people apart from their loved ones,” he said.

“The harsh reality is that some of those parents waiting in the queue could die before they reach Australia.”

The parent waiting list is dominated by applicants from China, Vietnam, Britain and India.

As an aside, the majority of migrants in my community are from China. The article goes on:

In November, the Government introduced a new Aged Parent visa, which gives priority to applicants who can pay fees totalling $16,000 for two parents—more than double the cost of the old system.

The government now wants to double that again. The article continues:

The new system enables “parent sponsors who are prepared to meet a fairer share of costs associated with the entry of their parents to be given priority,” the Immigration Department said in a statement.
Mr Nicolaou called the new scheme “grossly unfair.”

“It means the rich can get ahead in the queue and obtain their visas,” he said. “There are lots of people who cannot afford to fork out $16,000.”

Restrictions on the number of visas for parents reflect the Federal Government’s policy of placing greater emphasis on skilled migration than family reunion, which was the dominant element of the previous Labor migration program.

Ms Janice Vu, a Sydney immigration lawyer, said she had watched the waiting periods grow. “By 1997 I was telling clients it is a three- to five-year wait. By 1998 I was saying it’s infinity. Now I have no idea.”

“The system is ‘you’ve got the money, you jump the queue’. It’s as simple as that.”

Quotas were introduced in 1997-98 when 1,080 parents were admitted, down from 7,580 the previous year. The quota for 1999-2000 will be decided after the annual migrant intake is announced in April or May.

Last week the Immigration Minister, Mr Ruddock, threatened to slash next year’s quota for parents to 500 if the Democrats overturned the new visa scheme in the Senate.

Of course, we actually saw him do that. The article continues:

“They can talk about economics but the real benefits are child care and the physical and emotional support,” said Mr Nicolaou. “They are worth a lot more in dollars than the economic studies show.”

I think that that is the underlying point. It is not just about the economy; it is not just about dollars and cents. There is a hell of a lot more value in actually having parents come here and having families reunited than just talking about the cost to the community. What about the benefits to the community of having those parents here and having families reunited? Another article appeared in the *Age* in July 2000—so this debate has been going on for quite some time. It states:

A quiet revolution is under way in Australia’s immigration program. If you are a skilled computer worker, Australia will do everything it can to attract you. If you’re probably the mother of a Bosnian refugee (and you’re not in computers), these days it’s probably almost not worth applying.

Sadly, that is the case. But some people who have applied are still waiting. The article goes on to say:

Mr Ruddock argues that if economic benefits of immigration can be demonstrated and the Australians do not feel the cost of immigration is too high, they will not be tempted by Hansonite type backlash. He says that to show the economic benefits of immigration is essential to wind back the family reunion component.

That is fantastic—we are introducing this so we do not bend over to the Hansonite forces in our society! I think that is a fantastic reason to put imposts upon family reunion. The article goes on:

... opposition immigration spokesperson Con Sciacca, an Italian migrant who arrived from Sicily when he was four years old, is scathing about the new direction of the policy.

Sciacca accuses Ruddock of trying to back away from increasing migration by installing a compromise: long-term temporary visitors instead of permanent migrants. “The government’s dot-com rethink in the immigration program is based on corporate opportunism with no regard for developing a long-term immigration program and developing the skills needed to fill shortages,” he says.

He argues the government’s emphasis on temporary visas rather than permanent immigration is a response to those who oppose immigration, while seeking to please business lobbying for higher immigration levels.

Sciacca says the government does not want a serious immigration policy but rather concentrates on acting tough, for domestic political advantage, on illegal immigrants. The Department of Immigration’s list of high-risk categories—used to determine which group is likely to overstay visas—has been considerably expanded, Sciacca says.

For example, he says, Greek women aged between 20 and 30 are now listed as a high-risk category and have a harder time getting visas to visit Australia.

One of the greatest queues in and out of my office is for the granting of visitor visas into this country. Nowadays, you cannot get a visitor visa into this country even if you have applied and have come here successfully on numerous occasions. The shutters have gone up. I spend a lot of my life dealing with people who just want their parents to come out for a short holiday. It is a lot cheaper to fly your parents out to Australia than it is to fly you, your partner and your children back home. The article goes on:
But there is no doubt that traditional avenues of migration to Australia are shrinking.

The article quotes a Bosnian woman who came to Australia as an 18-year-old in 1993. In 1998:

... she tried to sponsor the migration of her mother and 19-year-old brother, but says they did not qualify as refugees because the war in Bosnia was officially over ... she has little hope of being reunited with her immediate family. Her brother lacks the necessary work experience or English and her parents are too old.

“I’ve been told by the immigration department that until the laws change, there is no way my brother could come, or my parents,” she says.

Ray Brown, president of the Migration Institute of Australia, says the Howard government’s emphasis on skilled migration has produced economic benefits, but at the expense of family reunion programs. “The migration program has to be more than just an economic program. The benefits of migration may be measured in a range of ways. One is straight economic impact. Another is the broad social fabric. Another is social harmony.”

Brown also thinks that a narrow focus on skilled migrants could, paradoxically, have an economic cost. He cites strong anecdotal evidence from migration agents that skilled business people are choosing alternative destinations because they know it will be almost impossible for their parents to migrate to Australia.

Dr Bob Birrell, director of the Centre for Population and Urban Research at Monash University, is also cited in this article. He sounds a note of caution:

Immigration programs aimed at replicating Silicon Valley with IT specialists on temporary visas will never substitute for increased funding for higher education, he says. “We need to skill our own people.”

On the one hand, it is probably nice to have skilled migration; but, on the other, we also need to talk about funding our universities. We also need to look at the greater social fabric of our community and at ensuring that families within Australia feel the benefit of having their extended family here.

An article in the *Age* in September 2001 said:

The Chinese Community Social Service Centre believes some of the proposals will disadvantage poorer migrants. The Springvale IndoChinese Mutual Assistance Association said that while the need for a financial contribution by the family had never been disputed, the current proposals were not viable or fair.

This is the great tragedy of this bill. There is no way you can tell me that putting this sort of financial impost on people is fair. It is economic discrimination. This government has created this mess by restricting the number of family reunion visas. I have been visited and lobbied by many people who, when seeking to be reunited with their parents, have been frustrated by the government’s callous views on migration. As I said, many of these parents have actually been approved, but they may never get here because of the queue. Many families in my electorate will never afford these outrageous sums of money. Many have simply given up in frustration, knowing that there is very little we can do for them or their parents. Many more are outraged that now they cannot even get a visitor visa for their parents, who have visited on numerous occasions without incident, without overstaying and without any reason for them to be refused. This government needs to get the balance right so that you do not just require a massive chequebook to get your parents in. It needs to ensure that all people have a just access to Australia.

**Mrs DE-ANNE KELLY (Dawson)** (6.48 p.m.)—I rise to speak on the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002. These bills introduce a new package of measures for parents who want to join their children who have emigrated to Australia. It was an election commitment from the coalition to reduce the number of parents waiting to migrate to Australia. As other speakers have pointed out, there are currently some 22,000 people in the pipeline. The measures in these bills will add to the 500 places per annum that are already available for parents to migrate to Australia. They will enable the intake to be increased to 4,000 individuals a year.

Quite plainly, as many speakers on both sides of the House have indicated, it is the desire of parents to be near their families and
of families to have their parents here in Australia. That is all well and good; I am sure that that is a case that we would all sympathise with. However, we need to be aware of the potential burden that unfettered access by these generally older immigrants would place on the health and welfare systems in Australia. Our ageing population demands that the government must exercise great responsibility in relation to our health system and other taxpayer funded programs. In fact, Australia is an extremely generous country. Our aged pension and health systems are very comprehensive. Thanks to the coalition government’s efforts, the aged pension is 25 per cent of average male weekly earnings. There is a very generous health scheme in place.

However, the Australian Government Actuary has shown that with parent migration, where many of the parents are over the age of 55, there is a very substantial cost in terms of health and welfare. That is not to say, as other speakers have pointed out, that there are not benefits that accrue to the nation. Certainly, there are social benefits. Obviously, families with young children can benefit from having their grandparents within the family unit. There is better social cohesion, as other speakers have indicated. Also, migrating parents bring assets with them, are consumers of goods and services, and contribute through various taxes. For these reasons, the government is seeking not to recover the full cost of parent migrants but to have them make a fair contribution.

These bills aim to introduce a new visa category which will enable parent migrants and their sponsors to achieve this outcome. Applicants have the choice of paying a one-off $25,000 health charge per adult for a permanent visa, which will include an extended support period of 10 years rather than the current two years. There is also the option to pay $15,000 per adult for a temporary visa, with the opportunity to apply for a permanent visa two years later by paying the remaining $10,000. Those on temporary visas will have both access to Medicare and the right to work. By any stretch of the imagination, these bills are fair and balanced. They provide more places for parent migration. They also set a fair contribution level for parents and their sponsors, which will see their combined health and welfare costs increase from 0.5 per cent to 12 per cent. They increase opportunities for those unable to pay higher charges. For those in this category, the government will set aside 1,000 places, the applicants for which will pay $1,050 towards medical costs and a $3,500 social security bond. They will also have to pay a fee of up to $1,745 to have their application processed.

It is pleasing to see that the Australian Democrats have agreed to support these measures in the Senate. They are to be commended for taking a constructive and commonsense approach to this matter. But what of the Labor Party? Do they have a progressive view on these matters? It will not surprise the House to know that they do not. The shadow spokeswoman on immigration, the member for Lalor, is reported in the Australian of 13 November 2002 as saying:

... parent migration should not be “the preserve of the rich”.

That is a theme we have heard from the other side of the House. Let me quote some of the statements from those on the other side of the House. The member for Greenway, who was a thoughtful contributor to the debate, pointed out to the House that Asian students achieve academically and that they are the very sorts of migrants we need; they may be the future doctors and so on. There is no doubt about that. I do not think anybody would argue that Asian students generally achieve academically. And we certainly do need skilled migrants here; we need very capable young graduates from our schools and universities. What the member for Greenway failed to realise was that, if these Asian students do achieve academically—as we hope they will—and forge sound careers that are well paying, they can afford to pay for their parents under these arrangements. The member for Greenway is opposing a bill that would enable the Asian students, with skills and capacity he earnestly desires here, to bring their parents out. He goes on to point out quite rightly that grandparents can be very helpful in caring for the next generation. They can assist parents with child care.
However, we need to look again at the cost for all families, not just for the family that hopes to have their parents migrate to Australia. The figures established under the Labor Party’s regime were for 20,000 aged migrants to come into this country. On average, those immigrants cost the Australian taxpayer $280,000. We all appreciate a grandparent being able to care for their grandchildren, but we need to consider the burden on the taxpayer. I have to say that, for struggling families in Australia, to support a grandparent migrating here at $280,000 for the balance of their life is an enormous burden on an already ageing population in Australia.

Other speakers from the opposition went on. The member for Gellibrand pointed out the undue hardship that many in her electorate experience waiting for their parents to migrate to Australia. There is no doubt—and nobody on this side argues with this—that people wish to be reunited with their families. But what about the undue hardship on the Australian taxpayer? With 20,000 aged parents by $280,000, there is an enormous burden on the Australian taxpayer. This is a sensible measure to relieve the burden on the queue, to enable those who can afford to make a 25 per cent contribution—25 per cent of costs is not a lot for the Australian taxpayer to ask of those coming here. And, of course, it releases the burden on the queue for those who genuinely cannot afford to meet the costs of the immigration of their elderly parents.

The reality with the Labor Party is that, if it is not principle, you can be sure it is populism; and that is what this is about. Why would all of these speakers talk, quite rightly, about the concern families have to bring aged parents here? It is something we can all understand and sympathise with, but we need to sympathise with the Australian taxpayer as well. Looking at the list of seats ranked by their proportion of persons born overseas, it becomes very evident why the Labor Party is so interested in opposing this sensible measure from the government. The seat of Fowler, for instance, ranks No. 1 for its percentage of persons born overseas—52.7 per cent of those in Fowler were born overseas. Next is Watson with 47.5 per cent. But let us look at those who have spoken in this debate: third-ranking is the seat of Reid, with 42.9 per cent; 40.1 per cent of the residents of Gellibrand were born overseas; and 38.6 per cent of the people of Lowe were born overseas. So there is an attempt to address the concerns, quite rightly—

Dr Emerson—Representing the needs of the electorate—what a terrible thing!

Mrs DE-ANNE KELLY—If you wanted to address the concerns of families, you
would agree to this bill. But it is populism; it sounds good in your electorates, which have the highest percentage of persons born overseas. More populism, less principle; and the Australian people will see through you again.

Fortunately this legislation will go through both houses, and a very sensible measure will be put in place. Those families who can afford to make a modest, 25 per cent contribution to the cost of having aged parents come to Australia will be able to do so. It will reduce the numbers in the queue, and it will increase the cap every year for those others who desire to come here but cannot afford to do so. But because of populism, not principle, the Labor Party once again is lining up to deny families this opportunity, to try to drive an unbearable burden onto battling Australian families and to garner a few votes. You will go back to your electorates and say, 'Yes, we let all the aged parents in,' knowing full well that when you were in government you had some sensible measures to ensure that there were fees and charges to do that.

I am very pleased and proud to support this legislation because it will address the concerns of those with aged parents who want them to come here. It will ensure that the most important families in this country—Australian families; families battling, as they are in my electorate, trainees on low wages raising children—will not have, through the government, an unfair burden in terms of increased taxes and increased interest rates. We well remember what the Labor Party did when they were in government: the 17 per cent interest rates, the burden on families handing in the keys to their houses, and the lowest real wages in their period of government. Yes, they knew how to deliver for battling Australian families!

Here we have a sensible measure that addresses the concerns of battling Australian families to keep taxes and interest rates low. It addresses, quite properly, the concerns of families that want to see their ageing parents come to Australia, particularly those who can afford to make a contribution—and why shouldn’t they? Why shouldn’t those who can afford to make a contribution do so? It enables those who are unable to make a contribution to have the queue reduced and the cap increased. This is very sensible legislation, brought in by a government that has the true welfare of all of the people in Australia at heart, and brought in by a minister who has a difficult portfolio and who deals with the Labor Party in an extraordinary fashion. I do not know where he finds the patience, but he deals well with the opposition and still manages to win the respect of people right across Australia for his sensible, calm and reasoned management of the immigration portfolio.

Mrs DE-ANNE KELLY—Let me tell Labor this: if you keep handling it the way you are doing, the Australian people will not be supporting you. They can see through the populist tactics on the other side and can see the principled, sensible, practical measures that the government puts in place. This legislation will go through. I am very pleased to support it, and I commend it to the House.
eration Australians, migrants and the children of migrants.

I do not discriminate on the basis of how recently Australians have arrived in this country but the government certainly does, and that was accentuated for all here with the address that we have just heard from the member for Dawson. It is pretty clear that she is representing the views of this government, because she also said that the most important families in Australia are Australian families. Yet again the government is seeking to divide, to set one part of the community against the other—as if in this great nation of ours there are Australian families and non-Australian families. As far as I am concerned, when a person who arrives from overseas takes out Australian citizenship they are Australian. Yet the member for Dawson and the government seek to divide this community.

For many years after the Second World War, there was a great sense of bipartisanship in relation to the migration program. The great post-war migration program resulted in the arrival in this country of six million migrants. I would point out that 600,000 of those migrants, or 10 per cent, were refugees. So when we get into debates about the merits and size of the refugee program in Australia we would do well to remember that those 600,000 refugees fleeing terror and oppression in their homelands have made an enormous contribution to this community. So, too, have the 5.4 million migrants who have become Australian citizens, alongside third, fourth and fifth generation Australians, who have all worked hard to make this country one of the greatest nations on earth. I consider it despicable that a member of the government would come into this House and seek to discriminate and differentiate between migrants who have just arrived, the sons and daughters of migrants and what she calls Australian families. As far as I am concerned, when you make that commitment to Australia you are an Australian.

Bipartisanship on the migration program was shattered in 1988 when the current Prime Minister declared that there were too many Asians coming into this country. That set in train a series of statements by leaders and would-be leaders in this country who were representative of political parties such as Australians Against Further Immigration and One Nation that considered it legitimate to play the race card in the national political debate for what I regard as rank political opportunism. So the Prime Minister of Australia unleashed those forces and in his own way created a legitimacy about seeking to harvest votes on the basis of discriminating on race. To his credit, the current immigration minister in 1988 crossed the floor and voted with Labor in support of a reaffirmation of a non-discriminatory immigration policy for this country. Things went downhill shortly after he was appointed immigration minister in the present government and he, along with the Prime Minister, has been part of what I consider to be rank political opportunism in playing the race card, dividing this country and setting Australians against Australians.

This legislation, sadly, is a further instalment. It seeks to implement an unfair regime with regard to parents of migrant children who have arrived in this country. It seeks to favour the children in this country who have a financial capacity to pay for their parents to come here and, in effect, to penalise those who do not have that sort of income. Labor philosophy has always been the philosophy of a fair go. We consider that this legislation does not give migrant children a fair go in getting their parents into Australia.

As my colleague the member for Lalor has reported, recent estimates published in the United States put a dollar figure on the difference in the contribution that different categories of migrants can make to the United States economy. Those estimates are: a highly educated migrant arriving at the age of 21 would contribute a net present value of $332,000 over their lifetime; a poorly educated migrant arriving at the same age would contribute a net present value of $9,000; a highly educated migrant arriving at the age of 70 would make a negative contribution of $148,000; and a poorly educated migrant arriving at the same age would make a negative contribution of $166,000. So there is a very stark difference there.
Labor have understood the difference, but we have always sought a fair solution. Labor in fact sought to strike a fair balance in the costs of the migration of parents—between that proportion of costs which should be borne by the taxpayer and the proportion that should be borne privately by sponsoring children. There have to be some limits on parent migration—we accepted that—and in 1988 the Labor government sought to reduce parent migration by introducing the balance of family test. Under this test, at least half of the children of the sponsored resident had to be resident in Australia. This helped to ensure that the migration program was focused on the parents who most needed to be united with their families. Labor made further changes in 1991 when it introduced the assurance of support bond at $3,500 for each principal applicant and $1,500 for each additional applicant. That bond was used to fund any welfare payments claimed by the migrant. In addition, the Labor government introduced a migrant health service charge. Under that scheme, a non-refundable levy of $822 was payable by the sponsor for each parent migrant.

The aim of those changes was to strike a fair balance—to provide a fair go—between the health and welfare costs of parent migration that the taxpayer should bear and the health and welfare costs that the sponsoring family should bear. But, in doing so, we always stuck by the principle of not imposing hardship on those children who sought to bring out their parents when their parents did not have the means to pay. The upshot of all of this was that in the last year of the previous Labor government the number of parent visas issued was 8,900. I could go through the sorry saga of this government bringing in changes to drastically cut that number and the fate of those legislative changes in the parliament, but instead I would like to go to the outcome of those changes, and that is that the minister reduced the number of places available for parents in the ordinary queue to just 500. That 500 cap remains in place today.

In the last year of the previous Labor government, 8,900 parent visas were issued; now, there is a cap of 500. That means that there has now developed a massive queue. That queue is currently 22,400, and yet only 500 can get in. You do not need to be Einstein to work out that most of those parents seeking to come to Australia will die in the queue before they have any chance of getting here. What this means is that families with parents in the queue are desperate. In their desperation, there has been some support for this legislation because, on an income basis, the government is now proposing to increase the cap—but the great benefit of that would accrue to high-income earners. The legislation will pass, we are advised, with the support of the Democrats, but it is legislation that is unfair to lower income families.

In my own electorate, there is such a diversity of migrants that I feel quite confident in claiming that it is in fact the most diverse multicultural electorate in Australia—not necessarily in terms of the number of people in the electorate who are first-generation migrants, but in terms of the vast number and great array of countries from which they have arrived. The mayor of Logan City and I are fond of the fact that migrants from 160 different homelands, which is most countries of the world, have chosen to call Logan City their home.

I also have a very substantial Taiwanese population in the seat of Rankin who make an enormous contribution to our community. They are very industrious, and they contribute a great deal of time and of their own incomes to supporting local hospitals and other charitable works. The Taiwanese are great adherents of Buddhism—and also of other religions, but of Buddhism in particular. The Chung Tian Temple in Underwood is a place of peace and a place where I am able to join many of my Taiwanese friends.

I will point out that there are 143 families from Taiwan seeking to get their parents into Australia. I hope that they will succeed, but the government to date has put in place a cap of just 500. I will also say in relation to the Taiwanese community that they are very anxious about another aspect of the migration program—the business migration program—where the burden of evidence and the paperwork requirements have now become so onerous that they are questioning how
welcome they are in this country. I assert with great confidence that the Taiwanese community in Australia make a huge contribution in terms of the prosperity and peace of this country. I for one will campaign on their behalf. Right here and now I urge the minister across the table to listen to the Taiwanese community, because they are becoming exasperated with the government’s handling of the business migration program. I would urge you to have a look at that, Minister.

Mr Ruddock—At what detail and what sections?

Dr Emerson—I will obtain for you, from the leadership of the Taiwanese community in my electorate of Rankin, those aspects of the business migration program about which they have expressed genuine exasperation to me. I hope we can work together in seeking to remove unnecessary impediments. We know that, under the business migration program, there are certain requirements that are reasonable and legitimate, but in my experience there are not many Taiwanese who arrive in this country pretending to be business migrants and in fact are not and create any sort of burden on the welfare system. They are very industrious people making a great contribution to our community. I welcome the minister’s interest in this. I will certainly respond to his offer and take formal representations to him. We might be able to remove any unnecessary paperwork burdens and other evidentiary requirements.

This legislation will pass. We consider it to be unfair legislation, and I hope that the government, upon the passage of this legislation, will take a more compassionate view of the family reunion program. From previous communications that I have had with the minister, mainly across the chamber, I gather that he has some sympathy with the point of view that Australia has sometimes considered itself a marvellous destination for migrants—and we are. But that is not necessarily the perspective of highly skilled migrants from around the world, because we are in what has become a very tough globally competitive environment. I would urge the government to take that into account when considering the family reunion program. It is a lot more attractive to a prospective highly skilled migrant to come to Australia if that migrant has the knowledge that there is a fair chance of being able to bring his or her parents out in later years. I do not think many migrants say, ‘I am only coming if I can bring my parents out,’ but in this globally tough competition for skilled migrants, they would have the view that Australia would be more attractive if we had a bigger and more accommodating family reunion program. I would ask the minister to bear that in mind. I think he has, in the past, acknowledged that. I am explicitly linking the family reunion program now.

I know that the government has had the view that the family reunion program is a drain. It has cited the sorts of figures that have been cited in the United States about negative net present values to the Australian economy of older migrants. But if you take it as a whole, if we are to attract truly skilled migrants in this tough competitive world, I think we do need to be more accommodating in relation to family reunion. For those migrants who are here who do not have the required resources, we need to be more humane and more compassionate with respect to the family reunion program. That is my exhortation to the government: be fair, be more compassionate and take into account not only the value of elderly migrants to this country but also the attraction of providing prospective migrants to this country with the knowledge that they would have a reasonable chance of being able to get their parents out here in later years.

Mr Farmer (Macarthur) (7.24 p.m.)—I have sat in this House and listened to this debate on the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 and the Migration (Visa Application) Charge Amendment Bill 2002. I have also watched it from afar as it has gone to and fro between the opposition and the government. I think in all honesty that most of us agree on the fact that there is a need for more immigrants to this country. One of the things that has not been brought up is that there are some people who can afford to bring their parents out to this country and to
pay their way. The bottom line of this situation is that we only have a finite number of taxpayers in this country, but everybody screams out and says, ‘We want a nice new road out the front of our place; we want health benefits; we want to be able to go and see the doctor whenever we like; we want our parents to be able to get into a hospital without a queue; we want all these things that make this country the great country that it is.’ But at the end of the day somebody has to pay for those services. All the government is looking to do with the Migration Legislation Amendment (Contributory Parents Migration Scheme) Bill 2002 is to provide a means by which people who can afford to pay for their parents to come into this country can do so.

It has been mentioned by a lot of people that up until this moment the number of parent migrants into the country has been very small. The whole idea of this bill is to provide for 4,000 places each year for parent migrants. That is 4,000 mums and dads who can be reunited with their families each year. Today there is a backlog of more than 22,000 parents waiting to migrate to Australia. All of us would agree that that is a huge number and that something needs to be done about it—but something responsible needs to be done about it. It is very easy to open up the gates and say that everybody is allowed to bring their parents into the country, but who is going to pay for them when they get here? Everybody demands the services that make this country what it is, but somebody has to pay. There are only so many people in the work force who are paying their way and paying their taxes to enable these people to migrate to Australia.

One of the more interesting points in this debate is that in October 2002, at the request of the Department of Immigration and Multicultural and Indigenous Affairs, the Australian Government Actuary produced a detailed report on the cost of the proposals in this bill. The report concluded that the net impact of both the existing and proposed categories of parent immigrants is a substantial cost to the government—of which we are all aware. It went on to state that the health charge of $25,000 represents about 12 per cent of the gross costs of the single cohort of entrants, while the existing charge of about 0.5 per cent of the costs simply cannot be maintained. That charge cannot be maintained if we want to cut down that backlog of people trying to come into the country, if we want to reunite these families with their parents. The Australian taxpayer simply cannot afford to continue to do this.

As the report says, this new visa category will increase the contribution that parent migrants make to their lifetime health costs from 0.5 per cent to just 12 per cent. The proposed $25,000 health charge payable on new contributory parent visas will recover only 12 per cent of the actual health costs of these parent migrants, leaving the remaining 88 per cent to be met by the Australian government and, indeed, the Australian taxpayer. The report notes that the health charge to the Australian public is over $200,000 per parent migrant. This is the amount that would be required to cover the average total costs incurred by the Commonwealth. This is a huge shortfall, which at the moment is met by the Australian taxpayer. It shows very clearly how important it is for the government to balance the benefits of increased parent migration with the need to ensure a fair deal for Australian taxpayers, for all those people out there in the work force.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

Throsby Electorate: Child Care

Ms GEORGE (Throsby) (7.30 p.m.)—I take this opportunity to say a few words in support of the matter of public importance brought to this chamber by my colleague the member for Gellibrand. I want to restate the essence of the issue that she raised this afternoon—that was, the government’s lack of leadership and failure to provide adequate services for Australia’s children. I commend her efforts in bringing the matter to the attention of this chamber because it is a vital issue for each and every one of us and our electorates. However, I must say that I condemn the response of the minister. Again we
saw the rhetorical flourish and the evasion of answers to specific questions. Also very marked was the absence of people on the government side when we were debating this very significant matter of public importance.

I am surprised that the minister constantly evades the issues that are brought to his attention. It seems to me that that avoidance is based on the fact that the minister just does not have the clout in cabinet to persuade his cabinet colleagues and the Treasurer that we have a crisis in many areas of children’s services throughout this nation. It is just not sufficient for the Prime Minister and members of the government to go around talking about their empathy with families and their understanding of the balance of work and family life and its importance to the plight of many families when they are doing nothing constructive to address the problem. We know that thousands of families cannot find a place in any type of child care. We know that there is a shortage of about 25,000 places in the outside school hours care program. We know that there are waiting lists, especially for babies under two years. We know, too, that the freezing of the allocation of funds for children with special needs is having a dire impact on many families.

I have met with the workers in the sector in my electorate, and I do not need to convince anybody that the workers, predominantly women, have historically been under-valued and underpaid. They tell me of the crisis that is emerging in terms of staffing shortages in the sector, and I am very pleased to see that a number of unions are making the working conditions and wages of this sector of the workforce a priority in their considerations.

I want to relate the matter of public importance to my own electorate. Shortly after the Christmas break I met with the three program coordinators for the outside school hours care program in my electorate of Throsby. I want you to understand, Mr Speaker, that in my electorate there are 15,000 children aged between five years and 12 years. Guess how many places we have? A meagre 125 before school places and 340 after school places to service an electorate with 15,000 children of primary school age. What does that mean? It means that in many of the programs the books are closed. They are closed, for example, at Berkeley West, at Dapto and at Lakelands, and there are waiting lists at a number of other centres. In two of the growth areas in my electorate, Shellharbour and Flinders, they cannot even provide one place for before school care. Students from Port Kembla and Cringila primary schools—quite disadvantaged socio-economic locations in my electorate—have no Commonwealth funded after school hours or before school hours programs. Families are ringing my office to tell me that children with disabilities are being turned away. I want to repeat that I think it is totally inadequate for the people in my electorate to have only 125 before school places and 340 after school places to service the needs of 15,000 children.

I wrote to the minister on 28 January and I have told him that he is on notice with my constituency. I have outlined the nature of the problem and I will not be satisfied, on this occasion, with an evasion of the real issue. I want answers to the questions I have posed. I do not want the minister to hide behind the rhetoric that we heard in the debate that was brought in this House today by the member for Gellibrand. With that, I hope that the minister understands the seriousness of the issue and that he actually addresses the real problems and does not just hide behind the rhetoric we have heard before. (Time expired)

McPherson Electorate: Gold Coast Youth Commitment

Mrs MAY (McPherson) (7.35 p.m.)—Late last year I had the honour of being involved in the launch of the innovative and collaborative youth servicing pilots on the Gold Coast with my federal colleague the Hon. Larry Anthony, Minister for Children and Youth Affairs. This was an important launch that highlighted the Gold Coast community’s commitment to our youth and the important part that government and business can play in the future of youth in Australia. The Gold Coast Youth Commitment began in October 2000 when interested agencies, schools and businesses came together to discuss the possibility of forming
the Gold Coast Youth Commitment. As an outcome of this forum, a steering group was formed whose first task was to conduct an environmental scan. This was presented to all stakeholders in May 2001. An MOU was signed in May 2001 between the National Youth Commitment and the Gold Coast Youth Commitment.

The goals of the National Youth Commitment are delivered locally through umbrella regional community partnerships, drawing on existing resources and presenting a powerful case for additional Commonwealth and state government investment in the future of young people. The vision of the Gold Coast Youth Commitment is: all young people in Gold Coast City will have the opportunity to successfully complete year 12 or its vocational equivalent and achieve a seamless transition to further study or work through school, business and community agencies working together.

GCYC is not a client service provider and it is not the purpose of GCYC to duplicate the services and activities of its members. GCYC works with existing service providers, respecting their networks and the partnerships that they have developed. GCYC’s strategic operational activities are designed to work with stakeholder services to value add to their activities, including support for member funding applications which are consistent with the objectives of GCYC.

Over the past 12 months GCYC has identified some major projects in order to meet its objectives and vision. Funding was received from the Commonwealth Department of Family and Community Services to develop and implement four trials that will run for 12 months during 2002-03, with ongoing monitoring and evaluation being completed to establish their strengths, weaknesses, effectiveness, efficiency and outcomes.

The launch of the pilots late last year was a huge success. The launch was timely—many young people were spending their last weeks at school and the pilot programs are clearly aimed at these young people. The pilot programs are the Resource Pool trial, the Seamless Transition trial, the Youthlink trial and the Plan-it Youth trial. Ruth Knight, the pilot program coordinator, did a magnifi-
fold. It is a huge commitment by the federal government and the Minister for Children and Youth Affairs, but I look forward to reporting back to the House in 12 months time on the success of the trials and how they can be implemented throughout Australia.

**Hasluck Electorate: Bulk-billing**

Ms JACKSON (Hasluck) (7.40 p.m.)—I rise tonight to discuss the worsening crisis in bulk-billing within my electorate of Hasluck. Each week my office receives many calls from local residents seeking my assistance to find a doctor in the area who will bulk-bill. In an attempt to address this concern, I recently undertook a survey of GP practices in Hasluck and was shocked to discover that 35 per cent of practices no longer bulk-bill. Furthermore, most practices that still offer some form of bulk-billing are in such demand that they are not accepting any new patients.

I believe bulk-billing is not a luxury of the Medicare system that can just be stripped away but rather a vital component of our health system that ensures each person can access fundamental health care. Many people I speak to, such as John Davies, a constituent of mine from Forrestfield, tell me that the retention of bulk-billing is their top health priority. Mr Davies knows better than most the importance of having an accessible health care system. Whilst living in New Zealand in the early 1970s, Mr Davies witnessed first-hand the difficulties of a user-pays health care philosophy. Mr Davies took a six-month old son displaying flu-like symptoms to his local GP only to discover that unless he could pay up front his child would not be attended to. As a young parent with no spare cash, his only other option was to rush the child to the nearest hospital, where the child was immediately admitted to the intensive care unit with bronchial pneumonia. Fortunately, Mr Davies’ son arrived for treatment just in time, but the situation could have been much worse if not for his quick actions. Though this is an extreme case, I do not want to see a health care system develop in Australia that turns away or deters sick people from seeking treatment because of their financial difficulties and situations. I understand why Hasluck residents have cause for concern.

The decline in bulk-billing services is only part of the health crisis that faces the community in my outer metropolitan electorate of Hasluck. The shortage of GPs is at crisis point. I have already spoken about the Burslem Medical Centre in this House. As one of the remaining practices in Maddington that continues to bulk-bill, that practice has had to turn patients away as it struggles to recruit a second GP. In the suburb of High Wycombe another practice has recently ceased bulk-billing, and the Swan Medical Group in Midland has had to cut back its hours due to a continued shortage of doctors.

I was recently contacted by Dr Howard Watts, a general practitioner from the Stirk Medical Group, who expressed his deep concerns about the effect that the severe shortage of GPs is having on the provision of health care services in the outer metropolitan area. He informed me of how the overwork and stress caused by the shortage had caused one GP in his practice to resign, and further how the shortage had caused the practice to reduce the services in one of its surgeries to only five sessions a week, available only for elderly patients, young children, antenatal patients, those people on pensions or sickness benefits and people in emergency situations. Sadly, he was also aware of the considerable hardship that this would cause for many of his long-term patients.

Recent figures on GP numbers around Australia clearly demonstrate an oversupply of doctors in inner metropolitan areas when compared to outer metropolitan areas such as Hasluck and regional areas. I, like Dr Watts and many other Australians, feel that this is a major shortcoming in the health system and is indicative of the Commonwealth government’s failure to support the provision of primary health care through general practices in our outer metropolitan areas. Though these outer metropolitan suburbs in my electorate are in desperate need of doctors, the government refuses to classify them as areas of unmet need and will not help practices in my area to attract staff. Coupled with the inadequate support from the government with Medicare rebates, GPs can no longer
afford to bulk-bill and it is the patients who ultimately suffer. Again, I take the opportunity to urge the Minister for Health and Ageing to listen to the concerns that have been raised with her by GPs in my electorate and to take action to address this critical shortage.

**Makin Electorate: Pedestrian Crossing**

Mrs DRAPER (Makin) (7.44 p.m.)—For many years the residents of the Lutheran Homes Retirement Village in Hope Valley in my electorate of Makin have been working towards getting a pedestrian crossing on Grand Junction Road opposite the village, with the local shops across the road. This thoroughfare is one of the busiest in my electorate, and a number of accidents involving residents of the retirement village have occurred over the years. After learning of their repeated attempts and frustration, I raised this matter with the Minister for Transport in the previous state Liberal government, the Hon. Diana Laidlaw MLC. That was over five years ago now. The minister instructed her officers of Transport SA to undertake an investigation into pedestrian safety on Grand Junction Road. A number of recommendations were made, including the installation of a pedestrian crossing, the creation of a U-turn slot for westbound vehicles, modifications to the existing median strip and modifications to entrances of the shopping centre complex opposite the retirement village. Minister Laidlaw advised me that the project would be included in the budget for capital works, and this was subsequently confirmed.

With the change of government in South Australia in early 2002, the residents and I awaited confirmation by the new government of their intention to proceed with the already budgeted for pedestrian crossing. Months passed and no work was done. Tragically, a resident from the retirement village was involved in an accident whilst attempting to cross Grand Junction Road and suffered considerable personal injury.

Concerned at the lack of progress and knowing that the money was already available, I contacted the new state Minister for Transport and sent a letter expressing my concerns to all the residents in the Lutheran Homes Retirement Village. This marked a course of further lobbying by the residents committee, and I must say that they did their job very well. We now have our crossing on Grand Junction Road. All the members of the residents committee, both past and present, are to be congratulated on this fantastic result. In particular, I must pay tribute to the efforts of Norm Blakey, Fred Shilcock, Graham Pudney, and Gordon and Mary Chant, who along with Tim Gray, the General Manager of Lutheran Homes, persisted in their efforts to highlight the need for the pedestrian crossing and never gave up. I also want to thank Diana Laidlaw for listening to the residents’ concerns and for providing the funding for the project to go ahead. The residents were ably supported by the staff of Lutheran Homes, who do a wonderful job. I once had the privilege of working with many of them when I was a nurse with Lutheran Homes prior to entering parliament.

Proudly we all attended the official opening of the crossing by the Premier on Friday, 7 February. Children from the local school took part in the ceremony, which was well attended by the retirement village residents and local dignitaries. It has been a long, hard struggle but finally the residents of the Lutheran Homes Retirement Village can cross Grand Junction Road in safety.

This is further evidence of the value of working together as a community on an issue of such local importance. It may take some time, but with persistent effort and a dedication to achieving a good outcome, the desired results can be attained. The Lutheran Homes Retirement Village in Hope Valley are a dynamic local community in my electorate. It can never be said that they let the grass grow under their feet when it comes to taking action on any project they undertake. All of us can now cross Grand Junction Road in safety, thanks to their combined efforts on behalf of their community.

**Lalor Electorate: Medical Services**

Ms GILLARD (Lalor) (7.48 p.m.)—I rise tonight to raise an issue of importance to my electorate—and I note that it is of importance to the electorate of the member for Hasluck as well, because she raised the same issue—and that is the shortage of doctors. As I have
described to the House on many occasions, my electorate covers the middle to outer western suburbs of Melbourne and is a growth corridor. It is home, particularly within the city of Wyndham, to young families on new housing estates.

If you are raising a family, you obviously need to be able to see a doctor, but in my community that can be nearly impossible. The shortage of doctors is such that many doctors close their patient lists. If you are lucky enough to be on the list you might wait several days for an appointment—and I have to say that I have been through this process myself. If you are not lucky enough to get on the list, you just do not get to see a doctor. This shortage of doctors throws a ridiculous burden on the casualty department of the local hospital, the Werribee Mercy Hospital, as people who could have been treated by doctors present for treatment. Even more disturbingly, people present at the hospital in a worse condition because, in the absence of prompt treatment by doctors, the condition has deteriorated.

To some extent the problems caused by doctor shortages are well known and, as tonight has proved, are frequently raised in this place. Most outer suburban and regional members in this House would be well versed in the problems caused for local hospitals by doctor shortages. However, tonight I want to focus on a different manifestation of the problem.

Late last year I met with a number of aged care providers in my electorate who had requested a meeting with me because of their concerns about the doctor shortage. The meeting was held at Glendale Hostel in Hoppers Crossing and was attended by a number of important aged care providers, our local hospital and a local GP. I want to thank each of the attendees at the discussion. They care deeply about the elderly within our community, and it was a privilege to have a discussion with such caring experts. These aged care providers had decided to come together to see if they could find a way of addressing the fact that they were finding it impossible to get a doctor to attend in the aged care facilities to deal with the prescription of medicine, to undertake consultations, to decide whether or not someone needed hospitalisation or even to deal with death certificates.

During the discussion, the following major issues were identified as the ones that needed to be addressed. Firstly, the shortage of doctors across the Wyndham community was reflected in the aged care sector and needed to be addressed. Secondly, the lack of doctors led to a lack of bulk-billing because of the lack of competition, meaning that even if a doctor could be obtained the resident in the aged care facility ended up having to meet out-of-pocket expenses. Thirdly, with the Medicare rebate for home visits being $40 while the rebate for visiting an aged care institution is only $37, there is no incentive for a doctor to do the aged care appointments when he or she could be doing home visits and earning more. Indeed, the local doctor who was present at the discussions advised that the rebate for visiting aged care facilities should be more than for home visits, because the matters tended to be more complicated and more paperwork was involved.

I will reinforce that point which, as soon as it was made, seemed to me intuitively right. One of the problems in our area is enticing a doctor to leave their clinic to do home visits, because they can see more patients more quickly in their clinics. But if they are going to leave the clinics, if home visits are more remunerative, if you are tending to see an easier patient class—that is, people who are not so elderly and do not have such chronic illnesses—and if they do not have to do paperwork for the institutions in which people live, then they are obviously going to prefer the home visits. The fourth point is that local services were unreliable or unavailable. Finally, as a result of all of these problems, aged care residents were being sent to hospital in ambulances when they did not need to be.

This group is going to continue meeting to try to find some solutions. But tonight I want to call on the government to play its part. In last year’s budget, the Howard government announced that it would provide $80 million to increase the supply of doctors working in designated outer metropolitan areas of the six state capital cities, and the increase would be 150 doctors. Yet, despite this grand
commitment, nothing seems to have been done. I think the time really is up. My community is willing to play its part, as the meeting I attended showed. But the real question that remains hanging is: when will the government do what it has promised? (Time expired)

Sherwin, Mr Alistair

Dunkley Electorate: Accolades

Mr BILLSON (Dunkley) (7.53 p.m.)—I rise tonight with some thankyous and some congratulations. Firstly, there is one close to home—and one I am sure you will cover tomorrow, Mr Speaker. Alistair Sherwin, our Parliamentary Liaison Officer, with 2½ years of service to the House of Representatives, leaves us tomorrow. I would like to pass on my congratulations to Alistair for the professional way in which he has carried out a difficult role. Trying to keep the business of the parliament on track and liaising with the various parties and interests in this parliament must be a character-building exercise. I think 2½ years of it is probably as much as most people could cope with. Congratulations to Alistair on a fantastic job. I want to thank him for his friendship and for the supply of nourishment that he maintains for a few of us who are in a group scheme that he coordinates.

My other thankyous and congratulations go to the Citizens of the Year and Young Citizens of the Year, appropriately and very deservedly recognised as part of the Australia Day activities down in the Frankston City and Mornington Peninsula areas. Russell Ardley, a great Australian—a man with a heart as big as Phar Lap—was recognised for his work with young people at risk at the Mornington Peninsula Youth Enterprises. The Mornington Peninsula Shire Council quite rightly and very deservedly gave Russell Ardley that award this year. He is a very modest man and describes himself as an ordinary bloke. But he does have a great gift for working with young people who have perhaps lost their way and who are not able to benefit from many of the mainstream education, training and support programs that are around.

Russell and the team at the Mornington Peninsula Youth Enterprises take those people into their trust, work with them at the Pine Avenue venue—which, fortunately, the intervention of the federal government was able to save so that this great service could keep going—and give these young people some skills and some confidence in themselves. I am reminded of the advice that many young people need just one adult in their life who believes in them, who cares for them and who can give them guidance and advice, and they will turn out to be good citizens, good adults and good contributors to our community. Russell Ardley is doing that for many people in our community, and he deserves the recognition of being Mornington Peninsula Shire Council’s Citizen of the Year.

The Junior Citizen of the Year was Kelly Schroeter. If my memory serves me correctly, I think she was both the Mornington Peninsula Shire and the Frankston City Young Citizen of the Year. Kelly is in her mid-20s and very active. She is probably the public face of a group called TRAG—the Teenage Road Accident Group—that operates in our region. Kelly, sadly, has been touched by a loss in her family from a road accident on the Mornington Peninsula and, as a result, has been inspired to relentlessly pursue a crusade to reduce the road toll amongst young people generally but particularly in our region.

The Greater Frankston-Mornington Peninsula area is, because of its popularity, very much a community in transition. A lot of people are moving into our area and calling that great part of Melbourne home. What it is doing, though, is putting enormous pressure on the road infrastructure, and many parts of our region simply cannot cope with the traffic. These quiet roads may have carried a handful of cars in years gone by but are now acting as arterial roads and collector roads, and are carrying enormous volumes of traffic that they are simply not designed to accommodate. You see narrow pavement widths where cars have to leave the surface and put two wheels on the gravel as they pass one another, and you see areas where younger, inexperienced drivers are having to contend
with a whole range of different traffic conditions and road surfaces. That is proving to be a great traffic hazard for our community. Kelly is leading the way. She is informing young people about the impact of road trauma and what it can do to families. She is a speaker in the Fit to Drive campaign that operates out of our region, and she is doing a fabulous job.

The Frankston City Citizen of the Year was Margaret Graham. She is an outstanding citizen who has made a contribution across many spheres of our community. For more than 31 years she has been a Guide leader, putting her time and energy into many young people going through the Guides movement. For 16 years she has been on the Frankston State Emergency Service. Whenever there is anything going on that needs the support of the State Emergency Service, Margaret is there—she is jolly, she is happy, she is committed, and she is remarkably focused. Her work even extends into the Peninsula Road Safety Committee.

Other great citizens down our way who were recognised were Denise Smith for her work with injured and motherless Australian wildlife for more than two decades; Warwick Exton for his active work on local environment organisations, such as Action Sweetwater Creek; John McCready; and Michael Dennison. Congratulations to them all.

Parliament: Services

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Minister for Family and Community Services) (7.58 p.m.)—In the leftover 70 seconds, I want to record that I attended the gym yesterday and arrived without a pair of socks. As I was wondering what to do, a kind stranger produced a clean pair from his bag and offered them to me in a random act of kindness. The random actor was Bill Bak from the Bills Digest Group within the Parliamentary Library. I felt that it was appropriate to recognise the contribution made by the producers of the Bills Digest. Listeners to the House of Representatives may not be aware of the extraordinary contribution that is made to our speeches by the fastidious and scholarly research undertaken within that group. Each member is provided with a digest of a bill—an excellent body of work from which we may begin to write our speeches. I felt it was appropriate that we as a chamber record our appreciation for their professionalism and service to this parliament and to the nation.

The SPEAKER—Indeed, that applies to the staff of the parliament generally. It being 8 p.m., the debate is interrupted.

House adjourned at 8.00 p.m.

NOTICES

The following notices were given:

Mr Abbott to present a bill for an act to amend the Workplace Relations Act 1996, and for related purposes.

Mr Abbott to present a bill for an act to amend the Workplace Relations Act 1996, and for related purposes.

Mr Slipper to present a bill for an act to provide grants for the use of certain fuels, and for related purposes.

Mr Slipper to present a bill for an act to amend or repeal certain Acts as a consequence of the enactment of the Energy Grants (Credits) Scheme Act 2003, and for related purposes.

Mr Tuckey to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for works in the Parliamentary Zone which was presented to the House on 6 February 2003, namely: Public artwork to celebrate the centenary of women’s suffrage in Australia.
Wednesday, 12 February 2003

The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Bowman Electorate: O’Dor Out Systems

Mr SCIACCA (Bowman) (9.40 a.m.)—It gives me great pleasure to draw to the attention of the House an important safety innovation that has been developed by O’Dor Out Systems, based in Capalaba in my electorate of Bowman. I recently met with the managing director of the company, Jim Truss, together with his associate, Graeme Donaldson, who gave me a demonstration of their fireball collar. This device is installed in ventilation and airconditioning shafts to assist with the containment of heat, toxic fumes and smoke in the case of fire by sealing openings made for pipes and vents in buildings. The CSIRO has undertaken a raft of tests on the fireball collar and has found it to be superior in three important areas to products currently on the market. It is demonstrated to have faster response times, better capacity to develop a barrier to flames and fumes and, in extreme conditions, the ability to withstand destruction for longer.

It is not surprising that my constituents have already received expressions of interest in the fireball collar from both Australian industry and overseas interests. With a well-developed commercial plan and program for market entry, there is no doubt that the fireball collar, developed by O’Dor Out Systems, will become an invaluable safety mechanism in multistorey developments. I am very glad that, following representations I have made to a number of Commonwealth and state government agencies, my constituents are receiving considerable support to develop this innovation. They have met with the Department of State Development recently, and AusIndustry has come on board and is providing support to commercialise the venture and to develop an effective plan for entry into the marketplace and assistance with research and development. As this information has potential application not only in buildings but also between the various decks in ships, the Department of Defence has shown an interest in incorporating the product into its own vessels and is also providing my constituents with an introduction to various commercial shipping concerns. By supporting the development of this product, the state government and federal government agencies are making an important investment.

The fireball collar is an important advance in safety, particularly in an age when people are increasingly wary of the threat of bomb and biochemical attacks on the buildings where they live and work. This company is just one example of the many local enterprises that would benefit greatly by receiving research and development support from this federal government. Certainly, O’Dor Out Systems is an excellent example of how, if this federal government ran a more active R&D program, the benefits to the Australian public would be twofold. They would not only have the advantage of being able to access a variety of superior products in the marketplace but also enjoy the increased employment opportunities that flow from healthy business. I would like to close my comments by congratulating Jim Truss and all those in my electorate involved with O’Dor Out Systems for their fine work to date and on developing this very innovative safety device.
Wentworth Electorate: White City

Mr KING (Wentworth) (9.43 a.m.)—Not only because my electorate is the most densely populated in Australia but also because of the regard by so many for the nation’s cultural and natural heritage, residents in Wentworth place a high premium on the protection of open spaces and our heritage. In the coming month, Woollahra Council will consider the future of one of the few remaining areas of open space in Sydney’s eastern suburbs at White City in Paddington. Developers and Tennis New South Wales have been seeking council support, with the tacit agreement of the state Labor government, for a major redevelopment of this site.

I raise the issue in this place because White City is of national significance. It is included in the Register of the National Estate, a listing that I was proud to have overseen during my time as chair of the Australian Heritage Commission. The issue of the future of White City has seen a concerted campaign by local residents to protect vital open space and the heritage of one of Sydney’s oldest suburbs. I support that campaign, because we simply cannot afford further development of the scale proposed for this site. We need to protect open space where it remains. We need to recognise that further development of this site will not only compromise the heritage values to which I have referred but also place an intolerable burden on local infrastructure. It also has the potential to destroy the heritage vista that is protected by the existing open space.

I have mentioned the community campaign against the overdevelopment of White City. In my long involvement in the local community, I have never seen such a united campaign by residents to protect the very character of their neighbourhood. The voice of thousands of residents is clear, and it must be heard by both the council and the state government. I am particularly concerned about the role of the Carr government in this issue. Instead of saying, ‘We don’t want overdevelopment of this site, and we will talk to Tennis New South Wales about how we can alleviate its financial needs,’ the state government has been cleverly and covertly supporting the development of this site. In contrast, the New South Wales opposition—particularly through our candidate in the area, Councillor Shayne Mallard—has made it clear that it expects the community and council to decide this issue based solely on local concerns. White City must be saved for this and future generations. We have lost too much open space in the inner city in the past, and the line in the sand must now be drawn. To do otherwise would be nothing short of urban vandalism.

Japanese Delegation

Mr DANBY (Melbourne Ports) (9.45 a.m.)—This has been the 10th visit of members of a Japanese parliamentary delegation, under the auspices of the Japan Centre for International Exchange, to Parliament House over the last few days.

It was a pleasure to welcome the delegation leader, Mr Norisha Tamura, as well as Mr Miyazawa and various other members of the delegation. The role of Australia-Japan exchange remains very important. The relationships between the two countries continue to be of great interest to those members of the Australian parliament who are interested in our region and in the most important country in North Asia.

The Japanese parliamentary delegation visited question time yesterday. A number of us had an opportunity to have an important exchange with them, particularly over the important strategic problems of North Korea. The Japanese delegation expressed a great deal of interest in Australian views on the current problems in North Asia. They and we are very anxious that

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Japanese Delegation
there be a strong relationship between Australia, the United States and Japan in relation to those problems. The Japanese delegation was most interested in the role that Australia was playing in the current North Asian crisis and the fact that we now have diplomatic relations with North Korea and hoped that the problems with North Korea could be resolved without the situation getting any worse and by peaceful means.

Mr Tamura, Mr Miyazawa and the Japanese delegation will be in Australia for nearly a week. A number of Australian parliamentarians from both sides have been to Japan under the auspices of the Japan Centre for International Exchange. Its head, Mr Yamamoto, is one of those great individuals who has put his life work into cementing relations between our two countries. I cannot express enough my admiration for the professionalism with which that task has been carried out. It is my experience and the experience of recent delegations—which include people from the opposition as well as the government—that the Japan Centre for International Exchange ensures that it is not only people at the ministerial level but also people in the bureaucracy who meet Australian parliamentarians. Delegations get to meet people at the highest level, including Japanese ministers, heads of corporations and newspaper and media people as well. I welcome the 10th Japanese delegation to Australia and hope that the relationship will long continue. (Time expired)

Queensland: Cape York Peninsula

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.48 a.m.)—I would like to bring to the House’s attention yet another attempt by the Beattie Labor government in Queensland to drive a stake into the economic heart of the Cape York Peninsula, with the recent announcement that the state government has signed a contract to purchase some 14 mainly freehold blocks of land at Archer’s Point, near Cooktown, to convert into a national park. Interestingly enough—as would be the case with a state government that is obviously having economic problems—the contract was conditional upon the Commonwealth providing the money. There is always an ‘out’ clause! Nevertheless such a proposal has created a huge amount of outrage within the community. I congratulate Bob Sullivan, the Mayor of Cook Shire Council, for raising concerns. Interestingly enough, Phillip Deemal, the Chairman of the Hopevale Community Council has also written to me raising very serious concerns about this proposal.

The Labor state government in Queensland have interesting form in relation to national parks: to date they have shut off about 25 per cent of Cape York, choking many opportunities for economic development. They have no management plans whatsoever and, as a consequence, the areas the national parks have taken over are generally in an appalling state. Any development at Archer Point, though, will be particularly damaging—and there is a long-term proposal for a wind farm to be built there. It is the only deepwater access left on the eastern Cape York coast and, as such, it is vital to economic development of lower Cape York for the export of agricultural and horticultural products. There will also be an impact on the rate base. The state government do not pay any rates. They have no management plans whatsoever. Basically, they are just pandering to radical greenies.

I congratulate Bob Sullivan and Phillip Deemal for taking a stand. I urge the federal Minister for the Environment and Heritage to keep his hands in his pockets and not hand anything over to the state government. If they want to get on with their dirty deeds, I would suggest that they find their own money to pay for this, rather than us going in there and support-
ing them in locking up these very valuable tracts of freehold land and, in doing so, stifling any chance of any sort of economic future for our Cape York community.

Member for Paterson: Local Concerns

Commonwealth Bank: Fee Exemptions

Mr FITZGIBBON (Hunter) (9.51 a.m.)—Last year in this place, I raised an issue which was causing great concern for many people in the electorate of Paterson. The House will recall that the member for Paterson is attempting to build a new family home on Lillypilly Hill in the beautiful Port Stephens area. Last year, community concern went only to the member for Paterson’s failure to comply with the conditions of his development consent. Members will recall that the member for Paterson had illegally excavated not only his land but also neighbouring land and had caused extensive damage to Hunter Water’s sewerage mains. The member for Paterson then entered into an agreement with Port Stephens Shire Council to rectify the damage done and to restore vegetation levels. However, five minutes after making that commitment, the member for Paterson lodged an application to amend his original development consent. The new proposal put to council would have made it impossible for the member for Paterson to meet his commitment to repair the damage he had done.

It is interesting to note that the builder of the palatial home of the member for Paterson is his fellow councillor Craig Baumann and the contractor who excavated the site was fellow councillor Geoff Robinson. This leads me to my next point: not only is the member for Paterson guilty of undertaking illegal works and environmental vandalism; he has used his power as a councillor and a federal member to stand over and to threaten council staff to get what he wants with respect to his project. However, it gets worse: the member for Paterson has deliberately acted to improve the value of his property and to maximise his own amenity by championing changes to the local planning instrument and insisting that no other development approvals be granted in the precinct in which his land sits without reference to the full elected body. Of course, usually, as was the case with the member for Paterson’s consent, these matters are dealt with by council officers under delegated authority.

These facts raise serious issues of conflict of interest. They also highlight the hypocrisy of the member for Paterson, who presents himself as a champion of the environment when, in practice, he is an environmental vandal. The member for Paterson says he will welcome any inquiry or investigation into his activities, yet he has exercised his right to block attempts to secure council’s file under the Freedom of Information Act.

I want to quickly say something about the banking sector. The Commonwealth Bank plans to abandon support for community and not-for-profit organisations. The bank has written to a range of community based groups, including RSL sub-branches, advising that, following a review, the bank no longer considers them worthy of transaction fee exemptions. Abandoning support for RSL sub-branches in particular sets a new low for the banking sector. No wonder banks enjoy so little respect in the community. It poses the question: if our RSL sub-branches no longer meet the Commonwealth Bank’s exemption fee requirements, who does?

Gilmore Electorate: Sportswomen Award

Mrs GASH (Gilmore) (9.54 a.m.)—Early last year I was approached by one of Gilmore electorate’s local identities, Mrs Betty Berg AOM. Betty is a tireless worker in the community with a reputation for getting things done. That is why she was recognised with the Order of Australia. Naturally, when she speaks, I listen. When Betty Berg, who is the New South Wales...
State President and a life member of the Sportswomen’s Association as well as coordinator of the Australian Sportswomen’s Association for five years, said to me: ‘Jo, you do many things for people in the community but not for sport. Why not?’ She was right. It was something I had neglected.

I gave the matter more thought, and the more I thought about it the more I felt that local sporting people should have recognition from the federal government as well as from state and local authorities, as is the case, but more specifically women should be recognised. Together with Betty we came up with the means to recognise the achievements of our local sportswomen in categories not often recognised for women, such as shooting, darts, motorcycle racing, pigeon racing, canoeing—just to mention the more obscure categories that have nominated.

There are many participants in sport. Not all of them are competitors. People participate in sport in different roles and it is their involvement that makes or breaks a sport. I am talking about judges, referees, administration people, managers, sponsors, people who work in the canteens, fundraisers, volunteers and family and friends. The Gilmore sportswomen award was set up to recognise the participation and contribution of these people.

We organised the electorate into five regions. The awards were advertised and nominations were called for. We received some 165 nominations. Each paid $20, which allowed them to have the award dinner free of charge. The nominees were judged by a panel of national sporting identities independent of any local influence. The winners of the regional categories were then recognised at a special function in each of the regions: Moss Vale, Kiama, Nowra, Huskisson and Ulladulla.

Without the input of the judges and sponsors I doubt whether the task could have been carried off as successfully as it has been. These people included Glynis Nunn-Cearns, Debbie Watson, Steve Robilliard, Dr Grace Bryant, Jackie Byrnes, Anne Sargent, Cheryl Battaard, Glynis Szasraniec, Jane Saville, Petrina Price and Liz Ellis. There was some hesitation about the fact that we chose to have the women recognised and I have assured the electorate that next year we will be recognising all the male sportsmen in the same format. But the reason I did this is because of the obvious differences between men and women and the tendency of women to be eclipsed by men in physical activities. I hope that in taking this course of action I have helped balance the situation.

At this stage, I have one more regional presentation before we have the grand final. Those awards were only made possible by the many sponsors; the whole event was self-funded. It is only fair that I mention them and thank them for their contribution and support: Jans Pump Shop, Murray Family Investments, Culburra Coaches, Unicorn Cheese, Parkhaven Motor Lodge, Ranelagh House, North Nowra and Shoalhaven Pharmacies, Turfco Grass Co., Bohemia Crystal, Ganderton Civil and Jason L. Horton Computer Consultants. Thank you to these people for your commitment to women’s sport.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! In accordance with standing order 275A, the time for members’ statements has concluded.

NEW BUSINESS TAX SYSTEM (CONSOLIDATION AND OTHER MEASURES) BILL (No. 2) 2002

Cognate bill:
NEW BUSINESS TAX SYSTEM (VENTURE CAPITAL DEFICIT TAX) BILL 2002

Second Reading

Debate resumed from 12 December, on motion by Mr Slipper:

That this bill be now read a second time.

Mr McMULLAN (Fraser) (9.58 a.m.)—In addressing these two cognate bills, the New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002 and the New Business Tax System (Venture Capital Deficit Tax) Bill 2002, we are dealing with ongoing business tax reform measures arising from the Ralph review. The main bill sets out a fourth and final tranche of consolidations provisions supplementing what seems a never ending series but has in fact been three previous tranches introduced in May, June and September of last year. It also contains further amendments arising from the new simplified imputation system. The minor additional bill which we are debating sets out some consequential changes arising from the way we changed the treatment of venture capital franking under the new imputation system. The bills do not constitute new policy but they detail measures that the House, the Committee, and the Senate and its specialised committees have debated at great length. In particular, each tranche of the consolidations measure has been scrutinised in detail through a specific round of Senate committee hearings.

Since the measure was first announced I have consistently indicated, on behalf of the opposition, that we support the principles underlying these measures. And, notwithstanding the fact that we have had some concern about detail and some detailed concerns have been raised in the Senate committee, we have supported each of the previous tranches in both chambers. I can make it clear today that, in this case, we will be supporting these bills without asking for another referral to the Senate committee process. I think the Senate committee has exhausted the principles and concerns, and we are better off dealing with these bills through the normal procedures of the House and the Senate. I do indicate, however, that there will be some concerns about detail that we will wish to pursue, and forums such as the Senate estimates will give us the opportunity to do that.

As previously noted, the consolidations measure arises from a Ralph review recommendation that groups of wholly-owned entities be permitted to choose to be taxed as a single entity rather than on an entity-by-entity basis. There are have been three tranches of consolidation of legislation so far which set out the bulk of the measure. The explanatory memorandum explains that the fourth tranche covers what it calls some ‘discrete and specialist areas’ of the regime, including issues concerning life insurance, multiple entry consolidated groups, subsidiary members held through interposed nonresident entities and loss integrity and value-shifting interactions. It also contains some additional consequential and technical changes in the following areas: general cost-setting and losses rules, foreign dividend accounts, PAYG instalments, imputation rules, collection of unpaid group debts, time of notification, time at which beneficial ownership changes, and interaction with the research and development provisions.

The problem in dealing with these bills has been that the government has been consistently tardy in bringing the legislation for this measure before the parliament. In case you think I am being unreasonable in that criticism—in some way a little partisan—it is fairly clear to me that that point is valid if you take into account the fact that this measure actually came into operation on 1 July last year, yet we are still seeing substantial design features being set out in
this legislation. I want to say something about the implications for that a little later. We hope that this is indeed the final instalment in this measure, as we have been promised, so that business can move forward in a more certain framework. But we will wait and see if it really is the end—after all, the experience with this fourth bill hardly fills me with hope.

We were initially promised that the consolidations measure would be wrapped up in only three pieces of legislation. Then we were told that there would be a fourth bill but that it would only be minor. When it was finally presented to the parliament, it turned out to contain more than 300 pages of legislation in its own right and to require over 350 pages of explanatory memorandum. This takes the total to over 1,000 pages of legislation in this series of bills and over 1,200 pages of explanatory memoranda. So let us hope that this is indeed the final instalment to provide some much needed relief to the many keen students of consolidations in this House, who seem to be getting a bit of information overload.

That said, the opposition has consistently supported the principles of consolidation. It seems to us to present a significant opportunity to reduce compliance costs in the longer term and it should—although at some significant transitional cost which I will refer to in a moment—serve to strengthen the integrity of the tax system. That is why it was initially recommended and that is why we supported the principle, but we have continued to put these measures under scrutiny because they are very complex and go to very fundamental questions of protection of the revenue. The Senate committee process, which has been used for that scrutiny because they are very complex and go to very fundamental questions of protection of the revenue. The Senate committee process, which has been used for that scrutiny, has been very beneficial in bringing attention to difficulties hidden away in the detail of the measure and, as it always does, in giving external parties an opportunity to provide input. As I said in opening, the issues covered in this tranche have largely been foreshadowed in the previous tranches and interested parties have had numerous opportunities to ventilate their concerns, so we will not send this measure to a further Senate committee hearing. Our main, continuing concerns are with regard to the implementation details of the measure, and these can be explored further through other forums; we do not need a special committee hearing to do that.

The main bill also contains further amendments to update the existing income tax law to reflect the new simplified imputation system. The amendments in this bill concern venture capital franking, cum dividend sales and securities lending arrangements and some additional machinery provisions. I am advised that the amendments replicate the existing arrangements, so they will not have any revenue impact. In that case, they represent sensible and uncontroversial consequential reforms, and we will be supporting them.

The changes to the venture capital franking provisions under the new imputation system require further consequential legislative changes, which are set out in the minor additional bill we are debating cognately today. The policy intent is to recover any outstanding venture capital deficit at the end of the financial year or when the entity ceases to be eligible for the credits. This is done by imposing a tax of an equivalent amount. Again, my advice is that this replicates the existing arrangements, so it will not have any revenue impact. Accordingly, we will be supporting these changes because, on the face of it, they appear sensible and uncontroversial.

Having dealt with the specific details of the bill, I now turn to some wider issues regarding business tax reform and this measure in particular. I would like to start with the issue of compliance costs, which I referred to a little earlier. Under the consolidations measure there are
particular compliance cost problems for small to medium enterprises, and the government continue steadfastly to ignore them. I accept that this should be largely an issue for the transition period. I expect that to be the case. That is why we continue to support the measures: on the basis that they will, long term, reduce compliance costs. Nonetheless, it is an important issue in this period, and one that has been given totally inadequate consideration by the government. The government profess concern for small business; they came to office proposing to cut red tape for small business; and here they are imposing a new nightmare.

The issue of compliance costs was a key concern raised during the Senate committee hearings on the second tranche of the consolidations legislation. For example, CPA Australia noted, in oral evidence:

… feedback from our members is that it costs between $25,000 to $30,000 to work through the exercise on whether or not you should consolidate.

The Treasury then noted that approximately 35,000 groups in the SME sector would be eligible to consolidate, encompassing approximately 100,000 entities. As noted previously, start-up costs will likely be incurred by all eligible groups, just to check whether they need to consolidate.

Let us work our way through that. CPA Australia’s evidence suggests that the exercise of checking whether you should consolidate will cost, on average, $25,000 to $30,000. For some people that will be deadweight expenditure because they will then choose not to consolidate. Others will choose to do so, and they will get a long-term benefit from the expenditure of that money because they will be operating under the more efficient system. You can change a lot of things by legislation, but you cannot change the laws of arithmetic. If it is going to cost $25,000 to $30,000 per group and it is going to affect 35,000 groups, you are talking about somewhere between $800 million and $1 billion in costs to small business in the transition to this new measure. A measure has to be worth a lot to justify that level of transitional cost. It is no wonder that this continues to be a serious concern for those involved in the sector.

A good summary of this continuing concern is provided in a letter from the Institute of Chartered Accountants in Australia to the Senate Economics Committee, dated 14 November 2002. It is a public document available on the committee’s web site, so I will not go through it in detail, but let me just give an overview because it gives a very good summary of this concern. Their overall conclusion is:

… the ICAA predicts a potential crisis leading up to 30 June 2003—

that is, the end of the transition period—

particularly for the SME sector.

The ICAA predict a potential crisis leading up to June 2003; that is, they predict a crisis in the next four months for Australian small business. They are particularly concerned about:

The lack of preparedness for the Consolidation regime amongst tax practitioners, particularly more “generalist” practitioners who advise businesses in the SME sector.

The ICAA cite particularly the overwhelming existing burden imposed by BAS obligations— as if that was not enough to cause a nightmare for small business—the lack of knowledge about how many in the SME sector will be affected by this measure, and also the lack of understanding about how long it will take them to master the complexity of this 1,000-page measure.
I note that the ICAA in their letter and associated submission to the committee put forward some further recommendations on how to address the compliance issue in this transitional period. The opposition is not, and I am not personally, in a position to endorse the detail of these recommendations, because you need to be able to give full consideration to the revenue implications of the proposed changes and the only people who can do that are the government. However, I urge the government to heed what the ICAA, a very reputable body, has predicted is a potential crisis, particularly for the SME sector over the next four months. We do not want this issue to descend into another debacle like the business activity statement debacle at the introduction of the GST. There might be some short-term political benefit for the opposition out of that sort of debacle but it is a shocking imposition on small business.

I urge the government and the Treasurer to focus their attention on the transitional problems which may arise as a result of the consolidation measures. We support the principle. We will vote for the legislation. We think that in the long term we will get a better tax system as a result. But it is the government’s responsibility to proceed with the implementation of measures such as those recommended by the Ralph review here—and I wish the government were proceeding with some of the other things they promised to do with the Ralph review, which they ratted on. But in this case the government should take heed of this problem before it becomes a crisis for the SME sector.

I noted when speaking previously on consolidations generally back in November of last year that there seemed to be a serious storm brewing amongst tax professionals in the business tax area. Once again the government had ample warning of that storm approaching and still did not manage to do anything to deal with it in time. It is no wonder that the government does not do anything about it, because the Treasurer continues to see mundane matters of detail such as a transitional crisis in tax reform for the SME sector as completely beneath his lofty notice. After all, when $5 billion of swap losses are not important enough for his attention, it is not surprising that he thinks $1 billion of compliance costs imposed on the SME sector are small change and too insignificant to warrant his attention. It might not be small change to small business out there trying to keep up with the constantly changing and ever more complex world of business taxation.

Fundamentally, of course, the problem is the Treasurer is not interested in being Treasurer; he just wants the Prime Minister to hand over the keys to the Lodge. I am sure he has been a bit disconcerted by recent events when the Prime Minister indicated that maybe he is not going to go. No wonder the Treasurer is looking even more distracted recently and even less interested in the job of Treasurer. It looks like it might be a long wait for the Treasurer so I urge him to in the meantime pay some attention to the job the taxpayers pay him to do, to pay some attention to the detail for which Treasurers are responsible, including in this instance the serious transitional problem and costs to small business in particular of the implementation of these worthwhile long-term measures reflected not just in this bill but in the four bills that constitute this package of consolidation measures.

I want to turn to a second thematic issue to do with business tax measures in general and the level of scrutiny applied to expenditure on business tax measures. Overall this consolidation measure is expected to cost approximately $1 billion over the forward estimates period. This cost largely relates to the transitional concessions and the expectation that groups will be able to use their losses faster than is allowed under the current law. We did not have any problem in principle with the idea that a reform like this which has efficiency advantages
might have a cost to revenue in the transition. That is not an unreasonable proposition. It is a little surprising, however, that a reform that was originally proposed by John Ralph as an integrity measure—that is, tightening up the tax system, increasing the revenue—should turn out to cost over $1 billion over the forward estimates period.

Even more surprising is that, when Treasury were pressed to provide more than their original 50-word costing to explain the $1 billion, it seemed it was going to cost another $165 million over that original slack, superficial assessment that led to the $1 billion figure. The excuse given for this loose treatment of the costings was that it was hard to determine exactly how many unutilised losses were out there and how quickly they would be utilised. Similar excuses have been given for similarly loose treatment of costings across a range of business tax measures recently including, most notably, the demergers legislation, which was held to have cost nothing at all—enormous tax benefits to the beneficiaries but no cost to the revenue. I have to say that that is a very perplexing proposition.

But my concern is not that—we supported the demergers propositions because they were good for the efficient operation of the economy. My concern is the double standard. The government seems to have no inclination, no preparedness, to treat business tax changes with anything like the same degree of rigour as equivalent spending proposals in other areas. If a proposal came before the parliament to spend $1 billion on worthwhile measures in welfare, in education and in other areas of expenditure, it would be subject to the most rigorous detailed scrutiny. But the government can propose, initially with a 50-word explanation, to introduce long-term worthwhile reforms and say, ‘By the way, it is going to cost $1 billion over the forward estimates period.’

I have said to the business community and I say again to the parliament: we have to submit business tax changes to the same sort of cost-benefit scrutiny as we do to all other calls on the revenue, whether they are expenditure propositions or tax reforms. There are a lot of other very worthwhile social things that could have been done with $1 billion over the forward estimates period, and nobody seems to me to have done the work to say, ‘Why is this the best way to spend $1 billion of taxpayers’ money?’ I support the measure, it is about the long-term efficiency of the economy, and we will vote for the measure. I am simply saying that a double standard is operating here. We see it operating with regard to tax benefits for expatriate executives, and we see it operating with regard to the superannuation surcharge. In those instances, benefits flow to only a very small number of wealthy Australians and they make significant calls on the revenue in ways that are very hard to justify in cost-benefit terms when alternative demands on the revenue are being knocked back. We have a record high level of income tax in this country, a higher proportion of GDP flowing in income tax than ever before in our history, yet last year the government still ran a deficit.

We have the triple whammy: the highest level of income tax in our history, serious social concerns about declining services and the government running a deficit. That is three strikes. The problem is that we continue to hear from the ERC about the need to make sure there are no new expenditure propositions in the budget, because there is no money, but then we can find $1 billion for business tax reform. All I am saying is that we are going to have to apply the same degree of rigour to business tax measures as we do to equivalent spending proposals in other areas. I am simply saying that, in future, to say that the principle of this is sound is not sufficient. There are lots of sound principles behind many propositions for welfare reform, education reform and investment in infrastructure, and they all need rigorous cost-benefit as-
assessment before we apply taxpayers’ dollars to them. The same rigour needs to apply here, and it is clear to me that it has not been applied.

This carelessness has flow-on impacts both within the sector of business tax reform and across other sectors. The government’s overall fiscal indiscipline has meant that there is very little money left in the kitty for worthwhile reforms—even in other business tax areas such as international tax where, in the long term, we will need to make some changes. It is going to be very hard to find the revenue to meet those sometimes very worthwhile propositions, and they are going to have to be put under rigorous scrutiny and compete with alternative and equivalent calls on the budget of an expenditure or revenue nature when seeking the support of the opposition.

The circumstance in which the budget finds itself—that is, last year the budget was in deficit, despite the fact that the economy had been growing for more than a decade, and this year the budget has been described as so tight there is no room for new measures—basically leaves no room to manoeuvre on reducing the crippling burden of high effective marginal income tax rates for low- to middle-income earners. Nevertheless, the central point relating to this piece of legislation remains: Labor’s support for the Ralph reform package continues. We always made it clear that our support was on the condition of revenue neutrality in order to ensure an element of fiscal discipline in this process. That revenue neutrality proposal has been abandoned. The government has walked away from it. They had a unique, once in a generation opportunity to get opposition support for some controversial and difficult measures and they wimped on it; they walked away; they did not come forward with the hard decisions. This discipline has now, sadly, been well and truly lost, and this places serious constraints on the range of policy reforms which can be contemplated or which the opposition can support in the future.

Notwithstanding all those general concerns about the situation with regard to business tax reform and fiscal rigour, the principles underlying these bills are valid. We supported the three previous tranches. These measures are only minor and consequential additions to those measures. Therefore, we will vote for them in the House, we will support them in the Senate and we will not send them to a Senate committee. The transitional costs will need serious attention from the government—much more serious attention than they have received to date—and I hope they receive it promptly. But the measures themselves should be passed, and I hope that we do not need to see any more consolidations measures brought in to finish the process of implementing this reform.

Mr KING (Wentworth) (10.22 a.m.)—It is pleasing to hear at the outset—although one is a little bit surprised, having regard to some of the comments from the honourable members opposite—that the opposition supports the proposals contained in the new business tax legislation. The bills, by way of description and content, obviously reflect a continuation of the government’s initiatives to reform the business taxation arrangements by amending the income tax law and other laws to give effect to two principal measures: the consolidation regime contained in three earlier tranches and now in this final tranche, and the simplified imputation system.

I will not go into the details of the provisions that are provided for in the bills, although it should be noted that the consolidation regime generally is designed to promote efficiency of business restructuring, to improve the integrity of the Australian tax system and to reduce the
ongoing income tax compliance costs for those wholly owned groups that choose to consolidate. The measures contained in the consolidation regime include the taxation of life insurance companies, special restructuring for multiple entry consolidated groups and consolidated groups owned through interposed foreign entities and the interaction of the consolidation regime and the general value shifting regime. There are some consequential amendments as well. The simplified imputation system contains some core rules to complement the simplified system, some venture capital franking arrangements, some transfer of membership status and machinery provisions associated with franking returns assessments and some other amendments. The simplified imputation arrangements lead generally to more flexibility in franking dividends, thereby reducing compliance costs.

One could be forgiven, having heard what has fallen from the opposition, for thinking that these measures are not designed to assist small businesses but to make their life more difficult. Reference was made to increased compliance costs, and some figures were touted in this place as being authoritative and supported by the opposition. They suggested a $800 million to $1 billion compliance cost for small business across this country with this proposed legislation. Those sorts of figures are simply scaremongering and show a failure to assess the detailed benefits that follow from the legislation that is proposed and is currently before the House.

It was suggested, for example, that the CPA had identified $25,000 to $35,000 compliance and consideration costs—I think that was the way it was put—per business group. With 35,000 business groups, hence one got to the figure that I just mentioned. But with the greatest respect, that is not what the CPA said at all. The CPA said that for those business groups which do decide to consolidate one could expect compliance costs in that region. I am not going to argue the toss with the CPA here and now. That will be a matter for those who make the management decisions in due course whether or not to take advantage of this beneficial legislation. But I will not stand in this place and hear the legislation misdescribed and the public misled in relation to the costs of this beneficial legislation.

In respect of the costs of considering the introduction of these reforms into a small business system, it is not $25,000 to $35,000 at all; it is the usual costs that any tax practitioner who is working for a small business group would expect to incur in the introduction of any new arrangements. I would have thought that any reasonably well-informed tax practitioner would be able to advise the business to which it is contracted and has worked from time to time in a fairly short compass as to whether or not there are any benefits provided for in this legislation. It is obvious that that sort of advice, consideration as to whether or not the legislation as a whole should apply or would have benefits for the business, would cost nothing like the estimate given by the honourable members opposite.

Mr Ciobo—More Labor lies.

Mr KING—Yes, more Labor lies. Thank you.

The DEPUTY SPEAKER (Hon. I.R. Causley)—You would accept that the chair is fairly sensitive to the word ‘lies’: I ask that that be withdrawn.

Mr KING—I was just repeating some very useful comments by the honourable member for Moncrieff. Misdescription and misleading of the public ought not to be committed in debates such as this in relation to important commercial legislation. Any tax practitioner who is reasonably well acquainted with the system could quickly assess whether or not this legis-
tion and the benefits provided by it would apply to one of their clients in a group of companies to which they advise.

The honourable members opposite also compared the costs of bringing in the legislation to the BAS system. That is, with the greatest respect, just completely inapplicable. There is no similarity in relation to compliance with BAS arrangements. That was a one-off and significant cost across the business community, and that has to be recognised. But now that the new tax system has been introduced, the benefits right across the board, across the country, not only to the Commonwealth but also to the states—and perhaps particularly to the states—have been observed.

So the criticisms of the compliance costs brought by the opposition have no substance whatsoever—and not only do they have no substance; they show a lack of understanding of the operation of the fiscal system and of how small to medium sized businesses work. In addition, it was suggested by those opposite that some 35,000 business groups would be affected. My information is that only one to two per cent of small businesses would be affected, and in terms of groupings that is about 4,000 small business groups. So again we see that the opposition are prepared to say anything to criticise the government and to criticise sensible reforms in the commercial area of this country—and that is to be deplored.

The only other issue that I want to speak about is the suggestion that the integrity measures have given rise to some loose costings treatment by those advising the Treasurer and the government. Those vague allegations relating to unutilised losses, fiscal indiscipline and so on are unsupported by any figures or any research, which suggests that the opposition has failed to do its homework in relation to the criticisms that it makes of this legislation.

Let us come back to the core of the issue. The opposition supports the legislation, for which we are grateful. I say to the commercial community and to those tax practitioners advising the commercial community that this is important legislation. This is the last of the Ralph review tranches. It is an important reform that will benefit Australia. It will continue the progress of reform introduced by the government back in 1996, which has made Australia a better economy and one of the lead economies of the developed world.

Mr HUNT (Flinders) (10.31 a.m.)—It gives me great pleasure to rise in support of the New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002 and its cognate legislation, the New Business Tax System (Venture Capital Deficit Tax) Bill 2002. These bills are focused on the notion of helping to generate, to encourage and to advance the process of investment within the Australian economy. It is that process of investment that leads to the creation of jobs, employment and wealth and, in so doing, leads to social advancement and betterment. By providing the employment that comes from investment, we provide individuals with the opportunity to make a future for themselves where they control their own destiny and are not reliant on handouts or some sort of system that takes away their ultimate personal dignity.

That is the purpose of the legislation. When we reflect on something that appears technical or complex, it is important to understand why it has been brought into being. Ultimately, these taxation measures are aimed at the notion of creating a climate for investment, which creates the opportunity for employment and the generation of wealth. This in turn creates the capacity for individuals to control, protect and decide upon their own lives and their own futures.
In that context, it is very important to see where this bill fits into the broader picture. The new business tax system is part of a process that has addressed macro-economic and micro-economic reform. At the macro-economic level, there has been a focus on fiscal control which, at its simplest level, has seen the dramatic reduction of net Commonwealth debt from more than $96 billion to the vicinity of $30 billion. Changes to the taxation system have removed disincentives to earn personal income by focusing on taxation of consumption rather than taxation of income.

This element fits in with business taxation and is part of that overall macro-economic package. It also fits in with the set of micro-economic reforms. Micro-economic reforms are about productivity. The work of the Department of the Treasury has shown that, of the different elements that have contributed to real GDP growth over the last 30 years—and which are predicted to contribute to real GDP growth over the coming 30 years—productivity is the single most important factor. At the micro-economic level, productivity increases have allowed greater flexibility in the small business work environment and in the key arteries into and out of Australia—the waterfront. This bill is part of an overall package that addresses the macro-economic and micro-economic requirements for productivity.

The new business tax system arrangements proposed in the legislation before us today will, broadly speaking, achieve four principal outcomes. Firstly, the legislation improves the integrity of the Australian tax system by seeking to gather in anybody who would, through acts of subterfuge or intention, bypass their obligations and therefore not contribute their respective part. Secondly, and very importantly for the purposes of investment, it promotes the efficiency of business restructuring. It makes it efficient and effective for businesses to consolidate and restructure in a way which ultimately simplifies the process of investment, encourages investment from overseas, encourages investment within Australia and leads to the generation of employment. Thirdly—and importantly for a range of businesses—it reduces tax compliance costs. The empirical work carried out by the Department of the Treasury is clear, unequivocal and decisive on this: there will be a significant net reduction in tax compliance costs as a result of this package. Fourthly, this legislation encourages venture capital investment by superannuation funds.

If you look at the United States economy, you will see that one of the key drivers of growth and wealth generation in that economy over the last two decades has been the level of sophistication within the venture capital industry. That is one area in which Australia has made progress but on which there is a significant distance still to be travelled. It is important because venture capital, while it carries a risk, brings with it a capacity for dramatic increases in technology—which has an efficiency effect throughout the economy—and in the creation of new businesses which become highly successful. If we are able to encourage the expansion of the venture capital industry within Australia, particularly through the superannuation funds, which have an extraordinary pool of funds which can contribute to national development and national growth, that will be an outstanding development.

This is the fourth and last piece of legislation in the consolidation regime series. The majority of the provisions were introduced in the three earlier pieces of legislation during 2002: the New Business Tax System (Consolidation) Act (No. 1) 2002, the New Business Tax System (Consolidation, Value Shifting, Demergers and Other Measures) Act 2002 and the New Business Tax System (Consolidation and Other Measures) Act (No. 1) 2002. What this additional legislation does is twofold in a technical sense. Firstly, it advances the consolidation
regime and allows wholly-owned corporate groups to be treated as single entities for tax purposes, and it finetunes that detail. Secondly, it takes the simplified imputation system forward and inserts rules which complement the core rules established by the earlier acts. Essentially it is achieving greater efficiency in consolidation, greater integrity of the taxation system, and a decrease in compliance costs.

The origin of these changes is quite important. These changes are drawn from the Ralph report, the Review of business taxation—a tax system redesigned. The Ralph report was the blueprint for business taxation reform. The essence of that is that there needed to be a removal of high tax compliance costs. Those compliance costs provide a disincentive for investment, which, in turn, is a brake on the capacity for economic growth and has an impact on the capacity for provision of jobs and the things which flow from that.

In looking at the specific provisions, I want to focus on three in particular. Firstly, schedule 24 relates to consolidation. Schedule 24 ensures that consequential amendments will be made to the pay-as-you-go instalments legislation to ensure the efficient collection of income tax payable by entities that are members of consolidated groups. There are also new rules that are intended to minimise the costs incurred by members of groups in complying with the pay-as-you-go instalment regime. These apply when a mature head company or a lead company is taken over by a member of another group that is not yet mature.

The second area where a very important change is made is in schedule 27 in relation to venture capital franking. The venture capital franking provisions are designed to encourage venture capital investment in Australia. That is an extremely important development. They do this by allowing resident complying superannuation funds a special tax offset. This tax offset enables them to receive venture capital gains free of tax through pooled development funds which are vehicles for venture capital investment. That venture capital franking provision provides an incentive for the superannuation funds to contribute to, and participate in, the process of venture capital pool development. For fledgling Australian technology and entrepreneurial businesses, that is a clear source of potential funds in an environment where it is difficult to find those funds.

The third element which I wish to focus on is the notion of value shifting and providing an appropriate regime under schedule 25. The general value shifting regime was introduced as an integrity measure, effectively to prevent tax avoidance through inappropriate actions. Its essence is to prevent tax minimisation through the shifting of value from one asset to another. This schedule contains provisions which make consequential amendments to the Income Tax Assessment Act 1997 to ensure that the general value shifting regime interacts appropriately with consolidated groups.

This is difficult material, but it has a practical, beneficial outcome. The outcome for all of these is that it is critical to investment, which in turn is critical to jobs, which is critical to social betterment. A number of people played a very important role. I wish to thank all of the Treasury department officials, who have done tremendous work in putting this together in conjunction with the minister, Senator Helen Coonan, the Treasurer and Senator Ian Campbell. For a lot of advice and work on this, I also want to thank my own researcher, Rebecca Mann.

In conclusion, what does it mean for people in mainstream Australian life? It will not touch most of them directly, but the effects and the implications will. That is what is important. If,
through this process, we are able to contribute to the development of a more mature venture capital environment which means that, with appropriate prudential steps, venture capital will be more readily available to those businesses which offer genuine hope for technological development, we can keep those businesses onshore so we can keep the wealth generation on shore, which means that we can keep the benefits here. And not just that—because of the other attractions of the Australian economy, we can attract from overseas both funds and people to work within our environment. Ultimately, that notion of creating a magnet for international investment is one of the key steps which is going to make Australia a more productive economy and ultimately an economy which creates jobs. That leads to the final and absolute goal of social betterment for people in all parts of Australia.

Mr CIOBO (Moncrieff) (10.44 a.m.)—Like the member for Flinders, I am pleased to have the opportunity to speak today to the New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002 and the New Business Tax System (Venture Capital Deficit Tax) Bill 2002. As we lead into this discussion today, it is important that we take note of what exactly lay behind the rather mechanical and technical provisions contained within the cognate debate on both of these bills. In short, these bills go to the very heart of one key aspect, one fundamental platform, of what the Howard government has been working on since its election in 1996, and that is strengthening the Australian economy.

These two bills work in tandem as part of a broader move to ensure that there is an increased opportunity for all businesses within Australia to take advantage of simplified tax measures as implemented by these bills, and by other bills before them, as part of the new business tax system. In essence, these bills are designed to meet business simplification demands which were highlighted by the Ralph review and the various reforms that were proposed in the Ralph review.

In my introductory comments, I turn my mind to that term of art, ‘baby boomers’, which signifies a large change in the demographic and cultural nature of not only Australian society but all Western societies. A large part of the problem the baby boomers present to the Australian economy, and to other Western democracies, is the notion of an ageing population. The linkage between the notion of an ageing population and the bills today is that there has been much debate about the problems that are presented by an ageing population—problems of raising enough tax revenue to provide the kinds of social services that are required by, and will be utilised by, baby boomers as they age. But there is also a benefit that flows from baby boomers, and that benefit is superannuation funds. Superannuation funds have now become one of the key vehicles from which many new businesses and proposed businesses can solicit funds to invest in projects they would like to try to grow and develop.

So what I highlight today is that baby boomers and superannuation funds present a great opportunity for the Australian economy to continue to grow and to continue to shift from what is termed the old economy to a new economy. The fundamental difference between the old economy and the new economy is the notion of innovation. Innovation is a key component of those businesses that add maximum value to the Australian economy by using new production methods, investing in new technology and utilising a highly skilled, highly educated work force.

I will get back to the mechanics of this bill. As I said, this bill reflects Howard government initiatives to reform business taxation by amending the income tax law and other associated
laws. In essence there are two key limbs to these bills. These have been outlined by the member for Flinders and the member for Wentworth. The two key limbs are the consolidation regime and the simplified imputation system. The first limb, the consolidation regime—as has been outlined by the member for Wentworth—has previously been passed through this parliament in three tranches. The consolidation regime effectively is an innovative reform that allows wholly owned corporate groups to be treated as single entities for income tax purposes. In addition—and as a result of extensive ongoing and regular consultation with industry and with business sector representatives—this reform was put forward and is contained within this tranche, as well as the three previous tranches.

In essence, it is about promoting efficiency through business restructuring, improving the integrity of the Australian taxation system and reducing ongoing income tax compliance costs for those wholly owned groups that choose to consolidate. The measures in this bill deal with a number of discrete and specialised areas. It deals with the taxation of life insurance companies and it takes account of the special structure of multiple entry consolidated groups and consolidated groups owned through interposed foreign entities. It also deals with the interaction of the consolidation regime and the general value-shifting regime.

The second limb that I referred to was the simplified imputation system. With respect to this second limb, the simplified imputation system ensures that rules that relate to venture capital franking, the transfer of membership status and the machinery provisions contained within the SIS, including those that are associated with franking returns, assessments and amendments, are all simplified. Key Howard government business tax reform initiatives are contained in these bills. They ensure, as part of the SIS, that there is increased flexibility in franking dividends and with reducing the cost of compliance for those businesses.

When we turn to these bills, we see that the Taxation Laws Amendment (Venture Capital) Act 2002, as a precursor to the bills that we are discussing today, amended both the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 to extend the scope of the existing tax exemption for venture capital investment to now also include registered venture capital limited partnerships and Australian venture capital funds of funds. The measures also propose to tax the venture capital manager’s share of gains made by a venture capital limited partnership or an Australian venture capital fund of funds, insofar as it is with respect to the sale of eligible venture capital investments. This is because they are treated as a capital gain rather than as income. The New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002 changes schedule 27 to incorporate division 210 into the Income Tax Assessment Act 1997 to provide for venture capital franking.

As I said, they are quite technical and mechanical aspects but, fundamentally, we can ask the question: what is the purpose of all of this? I outlined at the outset that it was about taking advantage of opportunities that exist, specifically in terms of superannuation. Essentially it can be synthesised as being about encouraging venture capital investment in Australia by superannuation funds and other entities when they invest in pooled development funds, because these are the vehicles that are used for venture capital investment. The result is that these provisions allow resident complying superannuation funds and like entities a special tax offset for capital gains tax paid by pooled development funds, which enables them to receive venture capital gains free of tax through the PDFs.
When you trace the capital gains tax that is paid by the PDFs back to the shareholders, you are able to then apply the concept of franked dividends—that is, that the dividends received by eligible superannuation funds will be exempt income. In addition, the shareholder also receives a tax offset for the venture capital credits attached to the dividends, which has the effect of exempting the underlying venture capital gain from tax. This is music to my ears as the member for Moncrieff, representing the home of one of the premier tourism destinations in the country. I will use the tourism industry as an example with respect to the impact of these particular bills.

Mr Slipper—It is the second best destination.

Mr CIOBO—The member for Fisher would like to challenge me on which is the premier tourist destination. Nonetheless, I stand by my previous assertion.

Mr Danby—It is St Kilda in Victoria.

Mr CIOBO—I stand by my previous assertion. Over the past year the minister for tourism has undertaken a 10-year plan for tourism. A key component of this was wide consultation with the industry. I link it back to these bills by highlighting that one of the key findings discovered in undertaking this consultation was that there is very little investment in the tourism industry per se. When you consider that the tourism industry represents nearly seven per cent of Australia’s GDP, and you compare that contribution to GDP to the level of investment that goes into the industry, you notice that there is a vast gulf between the seven per cent that is contributed towards GDP and the funds, as a percentage of GDP, that are invested back into the industry. The gulf is some several hundred millions of dollars. These bills will go directly to the heart of encouraging investment into industries like tourism—and not just into tourism but also into ventures in broader industries involving information technology, for example. This finding is a fundamental and crucial component for destinations like the Gold Coast. I am proud these bills will go a significant way towards encouraging and continuing to foster entrepreneurial spirit and entrepreneurial people.

I heard a number of comments made earlier by the shadow Treasurer, the member for Fraser. I am most delighted that the Australian Labor Party is backing both of these bills and supporting the passage of both of these bills through the parliament. Nonetheless, I was disappointed to hear some of the comments on these bills that were made by the shadow Treasurer this morning. In particular, I was concerned at this falseness that was attached to his concern about there being additional compliance costs for business.

If you sat through the entirety of the shadow Treasurer’s speech, you would have heard all this feigned concern about what it means for business and increased compliance costs. Where was all of this concern when the Labor Party, together with the Democrats, blocked the introduction of the goods and services tax? Many businesspeople have spoken to me and have highlighted to me the massive compliance costs they face as a result of the numerous exemptions that the Labor Party and the Democrats insisted on incorporating into the new tax system—in particular, the component that relates to the GST. This notion of feigned concern about compliance costs really runs straight off one’s back in a metaphorical sense, because it does not tie in at all with the lack of concern about compliance costs when it came to the GST.

In addition, the member for Fraser spoke about the extent to which he was concerned about the tax grab that we make. He claims this Howard government is the highest taxing government since Federation. My question here again is this: where was this concern when the ALP
blocked every single initiative that this government has taken? Sorry, I exaggerate; it was not every single one. It has blocked a number of initiatives this government has taken to reduce income tax and to pass on to the Australian people, again as part of the new tax system, significant income tax cuts—in fact, the most significant income tax cuts this country has had. With those comments put to one side, though, it is still good to have Labor Party support on this.

In conclusion, I believe the passage of both of these bills through the parliament will, in a very tangible way, ensure there is ongoing investment through superannuation funds—superannuation funds that are continuing to grow on an international level; that can be invested to help strengthen the Australian economy; to help us turn the corner from being an old economy to being a new economy; and that can continue to assist directly industries such as the tourism industry. This will ensure not only that tourism and information technology industries continue to strengthen but also that, as a consequence of this consolidation bill and the venture capital deficit bill, there is an increased level of preparedness by those who are prepared to back those entrepreneurs who will start and attempt new businesses. We have the support of the Labor Party. I commend both these bills to this chamber.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.58 a.m.)—in reply—At the outset, the government would like to thank honourable members who have participated in this debate, particularly the opposition for its support of these two bills, which are very important measures: the New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002 and the New Business Tax System (Venture Capital Deficit Tax) Bill 2002. The matters contained in these two bills include the final tranche of the new consolidation regime and further measures to implement the simplified imputation system. Both these regimes are important business tax reform initiatives of this government. As the core provisions of these important initiatives have already received the royal assent, I expect that the government will receive the support of both houses of the parliament in relation to these bills.

I would, however, like to respond to a number of the issues raised during the debate, particularly by the opposition Treasury spokesman, the honourable member for Fraser. The member for Fraser has spoken on a number of these consolidation bills which have come before the chamber, which is probably not surprising, considering that they are within the area of his portfolio responsibilities. But time and time again, the member for Fraser, while purporting to support the legislation before the chamber, seeks to criticise the government. For instance, the member for Fraser asked whether we would see more consolidation legislation. This is a matter which has been discussed from time to time.

I am happy to reassure the honourable member that this bill essentially completes the overall consolidation package. However, it has always been acknowledged that some consequential amendments and further finetuning to the existing law may be required. The period in which this finetuning will be completed cannot be accurately measured, because it is important to let things settle and ascertain how the consolidation regime is working. Given the magnitude of the changes brought about by the various tranches of this legislation, it is not surprising that there would be finetuning just to make sure that the system is working as was envisaged. Emerging issues and outstanding linkages of consolidation to other tax provisions will be addressed and prioritised as and when they arise.
The member for Fraser also referred to the size of the consolidation bill currently before the chamber. The three previous tranches of consolidation legislation contained rules dealing with mainstream taxpayers, and most of the measures taxpayers needed to access and enter consolidation were contained in these earlier tranches of legislation. The member for Fraser is well aware of this. This current consolidation bill deals with a number of specialist areas, including life insurance and the general value-shifting rules. These specialist areas are in themselves very detailed. Consequently, the amendments found in this consolidation bill are also necessarily detailed. However, because this bill brings together outstanding rules for boutique classes of corporate taxpayers, it affects a relatively fewer number of consolidating groups. There might be a lot of words; however, the need was to dot the ‘i’s and cross the ‘t’s with respect to a number of categories of person.

The member for Fraser also sought to condemn the government for what he perceived to be tardiness in the delivery of the legislation. I think this criticism is precious: it is inaccurate, it is inappropriate and, quite frankly, it is unfair. The member for Fraser is well aware of the complexity of the consolidation regime, he is well aware of the tranches of legislation and he is well aware that the government has sought to expedite this and to bring in the legislation in a segmented way so that it could be implemented as soon as possible. The legislation has also been introduced in a number of tranches to permit full consultation. The government does not like to bring in legislation which has not been the subject of full consultation, because it is important to make sure that the legislation is accurate and correct. Thorough consultation has taken place on all elements of the consolidation regime, and any reasonable person would see that this is an appropriate way to go. Core rules necessary for groups to enter into consolidation were included in earlier bills and the government extended the existing grouping concessions for a further 12 months, and groups will not need to make a choice to consolidate until the end of 2004.

The member for Fraser also referred to concerns that he had in relation to compliance costs looming for small business. I am pleased to advise that, yet again, the member for Fraser is not correct when he suggests that this is going to be a problem. Far from a crisis looming for small business, the Australian Taxation Office estimates that only one to two per cent of companies operated by the small business population will be affected by consolidation; that is, approximately 4,000 small business groups.

The member for Wentworth, in a particularly thought-provoking contribution, explored this issue at depth. Initial calls from small business for more time to assess whether to enter consolidation were already addressed by a 12-month extension of the existing grouping provisions. In accepting this initial extension, the shadow Treasurer cautioned that the opposition would not support further extensions of the existing grouping provisions. There has been extensive consultation with the small and medium business sector through various professional bodies such as the Certified Practising Accountants Australia, the Institute of Chartered Accountants in Australia and the Taxation Institute of Australia.

As you would imagine, the Australian Taxation Office has also undertaken certain initiatives over the last 12 months and produced a number of information products, in consultation with the professional associations, aimed specifically at small and medium businesses and their advisers. These products assist in determining whether or not a small or medium business is affected by consolidation. In particular, advice has been provided to enable an assess-
The ATO is continuing to develop products to assist business and their advisers in the transition to consolidation.

The member for Fraser also queried why the revenue cost of consolidation was, in his view, so large—he mentioned more than $1 billion over the forward estimates. I am happy to advise the honourable member for Fraser that the cost to revenue associated with introducing the consolidation regime is largely transitional and reflects the fact that consolidation will allow company groups to access more of their existing losses and to do so at a faster rate. Consolidation may also allow access to franking credits that are currently trapped in individual group members.

However, consolidation has longer-term integrity benefits in removing the ability to generate artificial and duplicate losses through intragroup dealings. There is also expected to be a gain to revenue from specific integrity measures that complement the consolidation regime and apply to dealings between related entities that are not part of the same consolidated group—for example, the general value-shifting rules and loss integrity rules.

It is a pity, however, that when the member for Fraser does support the government he always puts a sting in his support. He accused this government of being the highest-taxing government in Australian history. The member for Moncrieff in his erudite contribution also referred to this claim by the member for Fraser. I would therefore like to clarify the situation for those who might be listening. It is important that all governments remain mindful of the tax burden on Australians and that they minimise taxation to a level consistent with the reasonable demand for services that the community expects. That said, there has been a lot of grossly misleading information and misunderstanding spread by the opposition, including the member for Fraser, about tax rates.

I do not think any reasonable person could have any doubt about this government’s commitment to tax reform and to tax cuts. Australia’s overall tax burden, measured by total tax revenues as a share of GDP, is relatively low compared to other OECD countries. Australia’s top marginal tax rate is also comparable to other OECD countries when you take into account all relevant items in the tax base such as social security taxes.

The government is delivering $12 billion worth of tax cuts each year as a result of the introduction of the new tax system. Everyone is aware that the government was not able to deliver all of the income tax reductions that it had planned to. The government had intended to increase the threshold for the top marginal tax rate from $50,000 to $75,000, but, as part of the negotiations with the Senate, the government had to reduce that new threshold to $60,000.

The government was elected. We sought to accept the mandate given to us by the Australian people but the Australian Labor Party declined to accept that we had a mandate to implement our new tax system, as we had pledged to do prior to the poll. So the reason that tax rates are as high as they are is not the fault of this government but the fault of the Australian Labor Party and the Australian Democrats. I would hope that in due course, in the fullness of time, it is possible to reduce tax rates further.

The Howard government has put in the hard yards on the economic front and I am pleased to note that the Australian economy continues to be the fastest growing economy in the developed world. The government has worked hard to deliver balanced budgets rather than being two to three per cent in deficit—as the Labor Party was in the early 1990s. By comparison, this government’s economic performance has been outstanding, particularly when one
looks at the disastrous 13 years of the Hawke and Keating Labor governments. All taxpayers must be breathing a sigh of relief when they compare the economy under this government to the economy under Labor.

The government does not apologise for its strong record of economic and employment growth and for acting to repair the abysmal budget position that we inherited from those who would deny to this day that they were economic vandals. Low tax to GDP ratios can be achieved by running large budget deficits, as Labor did in the early 1990s. However, this feat of Labor’s was achieved only by driving the economy into recession with 11 per cent unemployment and massive budget deficits. Labor’s answer to reducing bracket creep and lowering the total tax take is to drive the economy into recession, drive people out of work and make sure that wages do not grow. While the ALP uses statistical tricks to try to drive up concern about tax rates, it is important to place on the record clearly, once and for all, that it was Labor that opposed further tax cuts under the new tax system and it was Labor that deceived Australians about its l-a-w tax cuts.

Having said that, I would also like to refer to a comment made by the member for Flinders. He said that business tax reform and consolidation is conducive to business investment and therefore economic growth, and that macroeconomic and microeconomic goals are met by this legislation. It is important to recognise, as the member for Flinders has noted, that the merits of this bill be assessed against the macroeconomic and microeconomic objectives of this government. The integrity advantages and reduced ongoing compliance costs of this measure will help deliver a productive and strong economy.

The New Business Tax System (Consolidation and Other Measures) Bill (No. 2) 2002 introduces the fourth and final tranche of consolidation legislation and further amendments to the simplified imputation system. Both measures commenced from 1 July last year. The consolidation regime represents one of the most significant reforms to corporate taxation in decades and will result in enhanced commercial flexibility and reduced ongoing compliance costs for Australian businesses, as well as addressing concerns about the integrity of our tax system. Accordingly, the government has adopted a staged implementation of these measures to ensure that consultation with business can occur on each tranche, while ensuring that those elements critical to effect a decision to enter the consolidation regime are prioritised. As the tax consolidation approach is to allow wholly owned corporate groups to be treated as a single taxpayer, the transition to consolidation necessarily requires significant interactions with other aspects of income tax law and administration to ensure an appropriate application of those provisions in a consolidation environment.

The bill deals with remaining specialist and discrete areas of the new consolidation regime. As such, the bill affects a relatively smaller number of consolidatable corporate groups. The measures needed by most taxpayers to access and enter consolidation have already received royal assent. Specific rules are introduced to modify the general consolidation principles so that they can appropriately deal with the special taxation characteristics of certain companies within a consolidated group. These special types of companies include: life insurance companies; groups headed by non-residents—that is, MEC groups; groups with interposed non-resident entities and offshore banking units.

Other provisions deal with the interaction of consolidation rules with existing provisions of the Income Tax Assessment Act. This includes how the consolidation rules interact with: in-
International tax rules, including the operation of foreign dividend accounts; research and development concession provisions; important integrity measures, including the loss integrity provisions and the recently enacted general value shifting regime; the administration of pay-as-you-go tax instalments and tax debts of consolidated groups; and the dividend imputation rules.

A number of measures will also reduce the compliance costs associated with aspects of consolidation. These include provisions that provide rules for when errors are made during the cost resetting process undertaken on entry to consolidation and rules to clarify when beneficial ownership of shares changes for consolidation purposes. The simplified imputation amendments will generally apply to dividends paid on or after 1 July last year and will largely replicate certain existing dividend imputation measures from the previous imputation system and incorporate them into the new simplified imputation regime. These provisions include the venture capital franking measures, imputation effects cum dividend share rules and securities lending arrangements, and various machinery provisions such as those dealing with franking returns, assessments and amendments.

The other bill, the New Business Tax System (Venture Capital Deficit Tax) Bill 2002, ensures that venture capital deficit tax, which applies to certain pooled development funds investing in venture capital, continues to apply under the simplified imputation regime.

As I said at the outset, these are substantial bills; they are important bills. From a reading of them one can see that in some respects they are complicated. I thank the opposition for its support of this legislation and I commend both bills to the chamber.

Question agreed to.

Bill read a second time.

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

NEW BUSINESS TAX SYSTEM (VENTURE CAPITAL DEFICIT TAX) BILL 2002

Second Reading

Debate resumed, on motion by Mr Slipper:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

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

CUSTOMS LEGISLATION AMENDMENT BILL (No. 2) 2002

Second Reading

Debate resumed from 12 December, on motion by Mr Slipper:

That this bill be now read a second time.

Mr MELHAM (Banks) (11.18 a.m.)—The Customs Legislation Amendment Bill (No. 2) 2002 proposes changes to the Customs Act 1901 and the Passenger Movement Charge Collection Act 1978. The changes are largely concerned with preventing the dumping of goods on the Australian market, that is, the sale of goods in Australia for less than the normal price in the home country to gain a competitive advantage over other suppliers.
The key changes are: to define the test used to determine whether goods are being dumped in Australia from countries that are moving towards market based economies—these are the so-called economies in transition; to amend the anti-dumping provisions in the Customs Act 1901 to ensure that the legislation is consistent with international agreements under the GATT and to make various technical amendments to the anti-dumping provisions; to exempt air security officers from the passenger movement charge, and to make consequential amendments to the Customs Act flowing from the Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001, schedule 3.

The Customs Act 1901 contains provisions dealing with anti-dumping. Governments take measures that directly or indirectly subsidise exports. With some major exceptions, such as agricultural commodities, government subsidisation of exports is generally prohibited under the rules of the General Agreement on Tariffs and Trade, GATT, and now the World Trade Organisation, WTO. Producers who are injured by export subsidies can apply to have countervailing duty applied to subsidised imports.

The economies in transition—that is, countries moving from centrally planned to market based economies—pose particular difficulties in determining where the goods are dumped. Such economies have both planning and market features. Under central planning, prices were set artificially and usually had little relationship to market determined prices.

To have anti-dumping measures taken it has to be shown, first, that the goods are dumped and, second, that dumping is injuring domestic producers of competing goods. Charges of dumping are difficult to prove. In particular, domestic producers have to show that the dumped price is lower than the normal price. The Customs Act defines ‘normal value’ but in certain circumstances this definition may not be applicable. Subsection 269TAC(5E) provides that where a price control situation applies the minister is responsible for determining normal value. The situation is relatively straightforward where direct price controls are in force. The price control situation, however, may not encompass the indirect effects of government intervention. The bill, therefore, proposes changes that seek to encompass the indirect effects on prices of government intervention by using the concept of price influence, which has broader application than price control.

The bill also proposes a definition of economies in transition to cover countries where governments once had a complete or substantial monopoly of trade and determined or substantially influenced domestic prices of goods, such as China and Russia. While in transition, such economies are subject to provisions which enable the Australian Customs Service to inquire into the existence of price control in the market for those goods that are the effect of a dumping application.

The opposition raised concerns with Minister Ellison’s office over several drafting matters when we received a briefing on the legislation. We are also concerned to ensure that the bill does align with GATT and its implementation article.
on notice that the opposition will be taking further advice prior to the legislation being dealt with in the Senate to ensure that the legislation actually reflects what we all want it to.

It has not been our intention to ambush the government but rather to work with them as we have in the past to establish solid and workable legislation that produces a better outcome for both industry and the Australian Customs Service. It is appropriate to indicate some of the concerns that have been expressed in relation to this legislation. The opposition questioned the use of the word ‘significantly’ as a measure of the degree of effect on prices in an economy in transition. We were concerned that the word ‘significantly’ might be too vague in its potential application. Advice was provided that this term follows the approach of the European Union and carries with it a useful degree of flexibility. The opposition accepts that advice. The opposition was also concerned about the period of time in which the definition of ‘economy in transition’ will continue to be applied to a particular country. Customs officers provided the clarification that, in basic terms, the onus will be on that individual country to come to the Australian authorities with enough evidence to demonstrate that it is no longer an economy in transition.

We also raised with the government the issue of extensions of time for exporters who are required to answer a questionnaire seeking to have dumping duty applied to imports, although proposed subsection 269TC(8) complies with the implementation agreement under the GATT in that it grants 30 days for the exporter to answer the questionnaire. The opposition was concerned that there was no provision for an extension of that time if one was required. However, the Customs Service later advised that the provision of at least 30 days was in accordance with international agreements and that Customs practice has been to grant extensions for parties to either respond outside the 30-day period or to provide clarification of their responses outside this period.

In making a decision to grant an extension, Customs said that it considers such factors as unusual events that might affect the ability of a party to provide information, including a holiday period or end of year financial accounting; the need to use a translator; indications of bona fide cooperation by parties; the likelihood that information will be provided; and whether this is the first or second request for an extension.

Some amendments proposed in this legislation arose from the government’s response to the Federal Court decision of Amcor Packaging (Australia) Pty Ltd (ACN 004 275 165) trading as Amcor Food Cans Australasia v. Chief Executive Officer of Customs, which was handed down on 31 October 2002. I have read the Amcor decision and I have spent many hours considering its impact. I have taken advice and engaged with the government on their reasons for the new section 269YA in this legislation. I have had strong representations from people well-versed in this area whom I respect. It was argued that combining the additional information required on an application for review of interim duty with the entitlement of the CEO to reject or terminate an application for failure to provide the information without the need to make a recommendation to the minister created a significant new hurdle for parties seeking review.

Notwithstanding the strong submissions made on these matters to the opposition, we are of the view that the government amendments are an appropriate response to the Amcor decision. I accept the sound policy underpinning the government’s position. I remain available to the industry, its representatives and the government as we seek to ensure appropriate and effective legislation in this complex area. My door is always open for proper advice and input. I take
this legislation very seriously, and it is important that the best outcome is achieved for all concerned. As a result of these considerations the opposition will be supporting the legislation.

In addition to the antidumping provisions, the bill proposes to exempt air security officers from the passenger movement charge while they are on duty as part of the government’s Air Security Officer program. This seems to be a sensible measure that saves the public purse while it contributes to air safety for the travelling public. However, I agree with my colleague the member for Batman when he says that it is abhorrent that the government continues to use the travelling public as cash cows. I will leave it to the member for Batman to spell out our charges against the government.

In terms of the air marshals program, Labor do not oppose the deployment of marshals, provided the program is closely monitored to ensure it works. So long as we can be sure its cost is commensurate with the removal of risk to the travelling public, Labor do not oppose this initiative. But it is worth noting that no air marshals are yet travelling on international flights, because the government continue to drag the chain on negotiations with other countries. Either the government have decided that there is little return on the air marshals program or they are simply failing to deliver on their commitments.

The Minister for Justice and Customs, Senator Ellison, put out a news release on 17 December last year, 15 months after the New York attacks, announcing an air security agreement between Australia and Singapore. By the minister’s own admission the air route between Singapore and Australia is one of the busiest for this country, with more than 12,000 flights a year operated by Qantas and Singapore Airlines. Yet it took more than a year for the minister to meet with his Singaporean counterpart. When the minister did finally make a move the result was an agreement:

… to progress a reciprocal Air Security Officer program between the two countries ...

and to:

… discuss the technical and operational aspects of the program as soon as possible to progress its introduction.

In other words, there were talks about talks. There was no action; just talk. The outcome is nothing like the certainty of the Prime Minister’s commitment on 2 October 2001—in the weeks immediately after the September 11 attack—when he emerged from a cabinet meeting in Sydney to make this announcement:

We have agreed to a policy of randomly placing security officers on domestic flights and on international flights both into and out of Australia to better assure the safety of the travelling public. These security officers will be highly trained and will be armed. We’ve asked that our security experts in Commonwealth agencies and departments implement this as speedily as possible.

Compare that commitment with the reality of the minister’s press statement on 17 December. The gap between the two is so great you could fly a 747 between them.

I would like to conclude my speech on a positive note by acknowledging the hard work of the people who are at the front line of protecting Australia’s borders. In particular, I would like to acknowledge the work of the men and women who work in the Australian Customs Service. I had the honour of visiting the Customs Service in Sydney, Canberra and Melbourne in an official trip as the shadow minister for justice and customs in January. On that trip, I was accompanied by my colleague Senator Joe Ludwig and members of my staff. The senator, my staff and I were impressed by the work, the dedication and the very obvious commitment of
the many people we met in all three cities. In Sydney, I saw first-hand the operations at Sydney airport, at Botany Bay and the international mail centre at Clyde. In Canberra I visited the Coastwatch National Surveillance Centre and the Detector Dog Training Centre and I received a briefing from the passenger analysis unit. In Melbourne I visited the national monitoring centre and the facilities at Port Melbourne. I would like to thank all those Customs staff who had an input into that visit and to put on the record my appreciation for their hard work.

Ms JULIE BISHOP (Curtin) (11.47 a.m.)—It is perhaps appropriate that the Customs Legislation Amendment Bill (No. 2) 2002 has come before the chamber at the moment that Vaclav Havel has stepped down as President of the Czech Republic. A true humanist and enemy of tyranny, Havel served for 13 years as President of Czechoslovakia and, after 1992, the Czech Republic. The British academic Timothy Gash neatly summed up Havel’s contribution to the cause of freedom in Europe. He said:

I think he is the enduring symbol of the extraordinary, peaceful transformation of Europe over the last 20 years.

There is no-one else who 20 years ago really was a leading dissident and has been there at the top through all the stages of peaceful transition, through the Velvet Revolution, through the Velvet Divorce, presiding over his country’s transition from geopolitical East to West, from communism to capitalism, from Warsaw Pact to NATO. So I think in the history books, if you want one name that stands for this miraculously peaceful transition, it will be that of Vaclav Havel.

The Czech Republic, like its neighbours in central and eastern Europe, like some of the central Asian republics and like the People’s Republic of China, is an economy in transition. In other words, it is an economy that is in the process of transformation from a centrally planned, socialist economy, dominated by state-owned enterprises operating outside market relations, to a free, capitalist economy principally composed of individual firms.

Some economies in transition such as the Czech Republic are significantly advanced in their reforms and virtually indistinguishable from those of Western Europe. Others, such as China, are still taking but the first steps in a long journey—although, having visited China earlier this year, I cannot but be impressed by the remarkable success that China has enjoyed in the last two decades since the Chinese government initiated a process that is evolving into a full-blown transition from a poorly performing command economy to one that exhibits, increasingly, the efficiency gains associated with well-performing market economies.

Of course, aspects of China’s experience are unique. It has maintained its repressive one-party political structure throughout a period of intense economic transformation. This is in stark contrast with the experiences of other transition economies, particularly those emerging from the break-up of the former Soviet Union. This is of particular interest to us in the context of the Customs Legislation Amendment Bill (No. 2) 2002, for it is the effect that these economies in transition are having on international trade that we are dealing with.

Due to the lingering effects of state ownership and centralised planning, some goods exported by these countries bear the hallmarks of dumping: that is, the price charged for the exported good is less than the normal price of that good—the price charged at home. While dumping is sometimes undertaken as a strategic trade weapon or as a means of offloading heavily subsidised overproduction, this particular dumping can be the result of latent distortions in pricing. The example given in the Bills Digest is a pertinent one. Unprofitable state owned enterprises in China, heavily subsidised by written-off loans, can sell materials at
lower than normal prices. Even if that particular material is not directly exported, the incorporation of that material in another exported good can artificially deflate the export price.

Charges of dumping are difficult enough to prove in the first place, let alone as a result of such intangibles, often second- or third-hand. It is a point well made by the industry task force on antidumping following last year’s court cases involving cement and glyphosate from China. Nonetheless, dumping is still a real threat to producers in the country of destination and a broader threat to the international trading environment. This is why the GATT and now the WTO provide for antidumping measures and why the Australian government is attempting to clarify the evaluation of, and response to, apparently dumped goods from economies in transition.

According to records maintained by the WTO secretariat, between 1995 and 2000 approximately 1,500 antidumping investigations were initiated worldwide. In almost three-quarters of these cases, exporters in transition economies were the main targets. Therefore, this aspect of the bill has three purposes: to clarify the treatment of these economies and their exports, with treatment based on the evaluation of price control; to amend current provisions relating to the processing of final duty assessment applications and refund calculations; and to amend Australia’s laws to better reflect the WTO’s antidumping agreement, to which we are a partner.

In relation to the first issue, the bill will replace the term ‘price control’ with ‘price influence’ to better allow for the evaluation of exports from economies in transition, given the nuanced and often removed nature of price distortions in those economies. In sum, the measures will improve the effectiveness and efficiency of our antidumping defences—although I would strike a word of caution about those very defences. We should not allow dumping to become cover for the rebuilding of trade barriers, nor should we overestimate the economic cost of dumping in Australia. Economics writer Alan Mitchell makes a reasonable point when he argues that, if the taxpayers of China want to secretly subsidise Australian farming by discounting herbicide costs then good for us and good for our farmers.

On a different note, there are also technical amendments in this bill which relate to trade modernisation. These essentially take account of the transition from the provisions of the Customs Act to those provided in the trade modernisation act—for example, the move from administrative penalties to the infringement notice system. On a different note again, the Customs Legislation Amendment Bill (No. 2) 2002 will also make a positive contribution to Australia’s national security and the personal safety of Australian travellers by exempting air security officers from the passenger movement charge.

The air security officer program was an initiative devised by this government in response to the shocking events of 11 September 2001. The use of domestic airliners as weapons of terror that morning convinced authorities across the globe not only that the placation of terrorism was a disaster as a matter of public policy but that long established and routinely practised hijacking response procedures were a contributing factor to the carnage. Faced with nihilists prepared to end their own lives, the placation of and negotiation with hijackers that has been advocated for two generations—at least until an aircraft was grounded—proved tragically insufficient. It is, of course, telling that the courageous response of the passengers and crew on board United Airlines flight 93 spared another ground target from destruction and ultimately saved lives.
The deployment of air security officers is intended both to deter terrorists from targeting passenger aircraft for hijack and to act, in the event of a hijack, in a law enforcement role. As Australian Protective Service Director, Martin Studdert, has noted:

What we are doing is changing the odds so that a terrorist who wants to take a gamble that they are going to go on an aircraft that does not have an air marshal on it is significantly reducing the probability of a successful guess.

By the use of an ’escalated force model’, an air security officer, armed with a low velocity sidearm designed for use in pressurised cabins, yet indistinguishable from other passengers, can intercept an attempted hijacking and provide support to the air crew if required. It is expected that almost 110 air security officers are now on duty and the program celebrated its first anniversary on 31 December. The 2002 federal budget provided an additional $17.8 million to expedite the deployment of these officers, most of whom have been recruited from the Public Service itself, the various police forces and the ADF.

At the end of last year came the welcome news that the Minister for Justice and Customs, Senator Chris Ellison, had reached agreement with the Singaporean government on a reciprocal air security program that will hopefully establish the use of air security officers on the Australia-Singapore air route, which is followed by approximately 12,000 flights per year by Qantas and Singapore Airlines. We can all hope that similar arrangements will be put in place to cover other busy air connections with Australia, such as those that service Indonesia and the United States.

In recognition of the importance of this program and the need to bypass bureaucratic obstacles that might compromise security, the $38 passenger movement charge applying to all passengers departing Australia will not apply to on-duty air security officers. This exemption is in line with other PMC exemptions, such as those that are already applied to children and diplomats. Given the importance of the anti-dumping provisions, the modernisation of the way in which the Australian Customs Service manages the movement of cargo in and out of Australia and the contribution of the air security officer program, I commend this bill to the House.

Mr MARTIN FERGUSON (Batman) (11.57 a.m.)—The Customs Legislation Amendment Bill (No. 2) 2002 gives the opposition the opportunity to draw the parliament’s attention to what can only be considered as a greedy tax grab by the Howard government. Indeed, if you listen to the government’s rhetoric, I suggest it is a tax grab that the government is trying to hide as not being a tax at all but a simple charge. This is another tax grab from the highest-taxing government in Australia’s history.

This bill, amongst other things, seeks to remove the impost of the $38 passenger movement charge from air marshals. The opposition is not opposed to the deployment of air marshals provided there is close monitoring of this initiative to ensure that its cost is commensurate with the risk mitigation gained. It is fair to say that exempting air marshals from the $38 passenger movement charge while they are on duty as part of the Commonwealth air security officer program is a sensible move that will result in cost savings whilst not just jeopardising traveller safety. As we all appreciate, the security and safety of the travelling public must be paramount. The events of recent years, as well as those looming upon us, demand increased diligence on this front.
On that note I also indicate my view that, in terms of traveller safety, the Howard government should therefore also reject a proposal by Qantas at the moment to reduce the number of flight attendants on board planes in Australia. Flight attendants are not waitresses or waiters; they are actually intimately involved in the provision of security. This is also recognised in international instruments relating to the operation of the aviation industry around Australia.

I also place on the record that I do not regard the introduction and trialling of air marshals at the moment as justification for government giving approval to reduce the number of flight attendants required to operate on the basis of the flight attendant to client ratio on domestic airlines in Australia. And I believe that the ratio in operation in New Zealand does not really meet the requirements of air safety in terms of the ratio of flight attendants to clients on a plane at any given time.

Having made that point, let me say that the opposition finds it abhorrent that the government continues to use the travelling public as cash cows. That is the crux of the debate on the passenger movement charge. Through the passenger movement charge and the Ansett ticket levy, the government is treating the travelling public with contempt while propping up its budget bottom line. When the passenger movement charge was introduced—and this is an important historical examination of the real thrust of the passenger movement charge and why it is so important to the Howard government—it was a legitimate charge aimed at recouping the costs associated with customs, immigration and quarantine processing at our nation’s airports. At a rate of $27, when the charge was introduced it was a reasonable charge for the services it covered.

Since the Howard government’s election in March 1996, the government has been consumed with increasing the passenger movement charge on a regular basis—not with an eye to looking after our quarantine arrangements as a nation but with an eye to ripping off the Australian travelling public. Since March 1996, the passenger movement charge has increased by $11, and there is currently an active proposal within government circles to further increase the passenger movement charge. We await the forthcoming May budget with interest. Back in 1999, $3 was added to the passenger movement charge—the first of a range of contentious increases. Budget papers from that time state that the $3 increase was aimed at helping to meet the additional costs arising from the movement of people and games related equipment across Australia’s borders at the time of the Sydney 2000 Olympic Games.

Some two and a half years after those highly successful Sydney Games, the travelling public is still paying the extra $3. Instead of removing the tax when the games were over, the government kept filling its pockets courtesy of the travelling public. Not content with that additional $3, in the year 2001 there was another increase in the passenger movement charge, but this time it was an increase of 21 per cent—somewhat higher than the CPI. This increase, which was without any justification, was from $30 to $38. Guess what the reason given for increasing the charge was, as announced in the budget? It was said to be a quarantine measure by the government to secure Australia’s borders against the threat of foot and mouth and similar diseases. In any situation we would obviously accept that it is a very serious issue for Australia to take precautions against the threat of foot and mouth and similar diseases. In any situation we would obviously accept that it is a very serious issue for government. The truth is that the government was already collecting sufficient revenue from the existing passenger movement charge to make a contribution to improving the very necessary quarantine arrangements in Australia. That is a legitimate measure in anyone’s mind.
However, what the government has persistently and conveniently failed to mention to the Australian community and the travelling public is that the passenger movement charge turns a very significant, healthy profit to the Commonwealth coffers. Even before the $8 increase in 2001, the government was already creaming off around $80 million per year and putting this into consolidated revenue. Why wasn’t the travelling public told that when the increases of $3 and $11 were put in place by the Howard government? That takes me to the heart of the matter: that the charge was correctly intended as a cost recovery device for the purpose of covering customs, immigration and quarantine.

The issue now is that the government, in its seven years in office, has stepped far from the original intent of the passenger movement charge and uses it as a tax to pad consolidated revenue to the tune of some $80 million per year. This government has been happy to slug the travelling public time and time again through increases to this tax under the misleading guise of increased protection of Australian borders. This is from a government that promised the people of Australia that it would be an honest government and that it would not increase taxes. So much for honesty and integrity when the Howard government is actually confronting budgetary processes. Had it not been for the opposition’s persistent questioning on this matter, these facts would never have come to light. The government has clearly been content to mislead the travelling public on a regular basis about just what it has been spending their hard-earned money on—not customs services, not quarantine, not border protection but propping up its significantly dodgy budget bottom line.

Australian taxpayers are very decent people. They are hardworking people and all they want from government is honesty and integrity. They have always been prepared to pay their way. That is the Australian way of life—it is about putting the shoulder to the wheel and pulling your weight. They are prepared to put their hands in their pockets and front up to the requirements of their nation—a nation that they are exceptionally proud of—such as those requirements on the quarantine front. But if they are going to do the right thing they expect politicians to act in the same forthright, honest way. They will not stand for a government that tries to cover up its intentions, be it misleading the Australian public at the moment about our potential involvement in the Iraq situation or about the government’s intentions to use the passenger movement charge merely for revenue collection to cover up its budget difficulties.

I believe that the government should come clean in its response to this debate today. It should make a public statement—not leave it, as it always does, to department officials through the Senate estimates process—telling the travelling public how much is overcollected through the passenger movement charge and exactly what it has spent it on, down to the last cent. We do not just want one example of the government misleading the public; we want the government to come clean with the public.

When it comes to ripping off the travelling public, undermining the tourism industry and job growth and development in Australia, my criticism today is not confined to the passenger movement charge. There is yet another aviation tax that the Howard government is using to slug ordinary Australian taxpayers—people who go to work every day prepared to put in, merely to be used yet again by the Howard government to line its own pockets. I refer specifically to the Ansett ticket tax. The Howard government at this very time is sitting on a half-billion dollar slush fund, courtesy yet again of the travelling public, and it has no intention of stopping that rort.
The opposition has been able to reveal that, as at 31 December 2002, the Ansett ticket tax had raised $182.3 million, and that figure is growing to the tune of about $15 million per month. I want to remind the House today of the reason why we have the Ansett ticket tax. It was put in place to recoup the $330 million that the government had loaned Ansett administrators when it appeared as though asset sales might not recover that debt. The asset sales to date and the recent Federal Court superannuation decision clearly show that the government is set to get its original $330 million back from the administrator in full. These facts clearly show that the Ansett ticket tax is now redundant. But the Howard government, as usual, will not acknowledge that. Instead, the government is prepared to keep taking the travelling public for a ride to the tune of $15 million a month. The opposition has clearly shown this, the public accepts it, the aviation industry accepts it, airport operators accept it and the travelling public knows it. All this ticket tax collection has resulted in is a half-billion dollar political slush fund for the Howard government. The worst element of these two Howard government taxes—the overcollected passenger movement charge and the Ansett ticket tax slug—is the government’s failure to distribute any of the revenue gleaned from them to the industries most affected by these impost: the tourism industry and the aviation sector.

I believe that the tourism industry is vital to the economic wellbeing of Australia and does not deserve to be hit by unnecessary taxes. The tax burden that faces the industry due to the GST is well documented. But what is worse is that the government is failing to rule out an increase in the passenger movement charge to pay for the much needed funding boost for the tourist industry. The government cannot even get its message straight. On 14 November last year, the minister for transport was asked by me a very simple question in the House: could he confirm that the government was considering increasing the passenger movement charge as part of the upcoming tourism package? I point out to the House that we continue to wait and wait for this much anticipated tourism package while government ministers cannot seem to stop bickering about its funding commitment. After waffling on for a few minutes about something completely irrelevant to the question, as is the way of the Deputy Prime Minister, the minister for transport then claimed:

... there has been no talk of that in government circles ... that is a proposal that comes out of thin air.

We know that is complete nonsense. The government has been openly floating the possibility of an increase in the passenger movement charge for months. The tourism industry confirmed that to me and the shadow minister for tourism, the member for Corio. Clearly, the minister was attempting to mislead the parliament and the Australian public.

Let us move forward a month, to 10 December 2002, when a similar question was asked of the junior tourism minister and member for North Sydney: could he assure the House that the passenger movement charge will not be increased to cover the cost of his tourism package? We got bluster from the minister—out to lunch yet again—and then the statement:

... it is not for me to speculate on budgetary measures.

So on one hand, we have the minister for transport claiming an increase to the passenger movement charge was something of a fancy; on the other hand, we have the junior minister for tourism refusing to rule out an increase in the charge. Added to this, just last week we had another development. We had the senior tourism minister trying to hose down expectations of a funding package for the long-awaited 10-year plan for the tourism industry. The minister told the Australian Financial Review that the tourism industry should not expect any addi-
tional funding from the federal government for the implementation of the 10-year plan for the sector. Indeed, he told the Financial Review readers that the industry was not faring as badly as was thought. That would be interesting news for the many thousands of tourism operators who are doing it tough in the face of the drought and bushfires that have ravaged parts of Victoria, New South Wales and the ACT—not to mention the flooding rains hitting the north coast of Queensland. Reading between the lines, what the minister is really saying is that, if the tourism industry wants extra money, it will have to cop yet another tax increase.

I believe that it is time the government came clean on both the Ansett tax and the passenger movement charge. Based on the amount collected from the passenger movement charge in 2001-02—$283.64 million—the government would collect an additional $89.5 million each year from the $12 increase proposed at the moment. The rationale behind any increase in taxes on the industry is questionable. The industry needs assistance, so why do we need an increase in a tax that penalises that industry? Instead of standing behind these taxes, the government should back off and give the tourism industry a chance to get back on its feet following a few tough years. The government could start by dumping the no longer justified Ansett ticket tax and follow that up by coming clean on the passenger movement charge. Some transparency and honesty would then start to emerge from the Howard government.

In conclusion, as this is a customs bill, I also remind the House that some years ago a coalition government minister had to resign for illegally bringing a colour television set into Australia. But Howard government ministers are no longer trying to get colour televisions through customs to improve their television opportunities; two senior ministers of the Howard government have gone one step better. They are actually on the drip from Telstra. We have seen them out there rorting the sale of Telstra.

Honourable members interjecting—

Mr MARTIN FERGUSON—This is very serious. They are ripping off the Australian taxpayer.

Mr Nairn—Mr Deputy Speaker, I rise on a point of order: this, and most of what he has been saying for probably the last 10 minutes, has absolutely nothing to do with the legislation. I ask you to bring him back to the legislation in his last 30 seconds, and he might then make some sort of contribution to the debate.

The DEPUTY SPEAKER (Mr Mossfield)—Your point has been taken. I ask the member for Batman to stick to the legislation before the House.

Mr MARTIN FERGUSON—The record speaks for itself: customs and televisions; the Prime Minister and the Minister for Communications, Information Technology and the Arts. But Australian taxpayers get nothing. The Prime Minister and the minister for communications have been given free televisions, yet they seek to promote an image of integrity and honesty. I simply say that they have corrupted the political processes in Australia. They are dishonest politicians. (Time expired)

Mr GAVAN O’CONNOR (Corio) (12.17 p.m.)—I commend the contribution of the member for Batman. He has pointed out exactly what the Howard government has been up to with the myriad taxes and charges that it has imposed since it came to power. The opposition will be supporting the Customs Legislation Amendment Bill (No. 2) 2002, which seeks to remove the $38 passenger movement charge for air marshals, as well as introducing legislative measures relating to the dumping of goods on the Australian market. As the shadow minister for
transport has stated already in debate, Labor does not oppose the air marshal initiative and regards the removal of this impost on personnel engaged on duty as a part of the Commonwealth Air Security Officer program as a sensible course of action for the government to take.

I wish to speak to this proposal, as the whole issue of airport and air traveller security is important to all Australians but to the tourism industry in particular. There is no need for me to recount in this debate how important tourism is in the Australian economic context. It is a key driver of national employment and a key driver of national export earnings. I am sure that its importance is understood by all members in this place. However, all has not been rosy for the industry in recent times, in either a domestic tourism or international tourism sense.

Domestic tourist trade in regional areas particularly has been hard hit as a result of the bushfires that have ravaged New South Wales, the ACT, Victoria and to a lesser degree other parts of the country. International tourism has also been difficult due to several factors. If we go back over the last several years, the world economic downturn has certainly impacted on this industry, as have the 11 September 2001 attacks in the United States and, of course, the Bali bombings in 2002. All of these events have impacted to create a climate of uncertainty in Australia’s international tourism trade. So it is that combination of factors—the bushfires operating to deter tourism in a domestic sense and these events and the uncertainty surrounding the Iraq involvement—that are impacting on the international tourist trade.

Recent figures from the Australian Tourism Commission indicate that the total numbers of international tourists are expected to decline by some 2.6 per cent for the year ending 31 December. There have been major shifts in some key markets. We have seen the numbers of tourists from New Zealand, Japan, the Americas and South and Central America, and to a lesser degree Europe, show declines. Of course, in north-east and South-East Asia we have seen some modest increases. The growth in international arrivals between 2002 and 2012 is forecast to average around 7.3 per cent. But I think that masks some real problems in particular markets due to uncertainties that have been introduced to the tourism industry, to which I have already alluded in this debate.

While these numbers show a growth, the industry is prone to shocks of the sort that may occur as a result of any war in Iraq. The lessons from the Bali experience have been that there has been an immediate drop in tourist numbers, an immediate decline, and the aviation industry has responded with a rationalisation of air services, and we have seen after that initial shock a period of some recovery. But the industry is not only having to come to terms with the impact of these adverse external events on the tourist trade; it has had to contend also with the myriad of taxes and charges that have been imposed on the industry by the Howard government since it came to power.

I commend to the House the rather eloquent exposition which has just been given by the member for Batman of the Howard government’s rapacious financial grab via this myriad of levies and charges that they have implemented when coming to power. I remind members opposite of their commitment, the commitment of their Prime Minister when he came to power in 1996, not to introduce any new taxes. This was a bit of a flight of fancy on the part of the Prime Minister and it ranks alongside many of his other spectacular promises to the Australian people. We all recall that he promised to the Australian people that he would not sell any more of Telstra. Do members opposite remember that solemn commitment that was given to the Australian people? He broke it. And we have seen the most infamous of them all,
the promise never ever to introduce a GST—a rather significant promise, I would have thought, that was broken once again by the Prime Minister. Now we have the unseemly spectacle of the Prime Minister in the United States grovelling to the American President and then getting done in the eye by George Bush when he gave lie to that solemn commitment given to the Australian people not to commit troops in Iraq ahead of any UN resolution. George Bush has blown the mask off the Prime Minister on that.

Mr Nairn—Mr Deputy Speaker, I raise a point of order. The point of order is obvious. The honourable member is nowhere near the legislation. It is an abuse of the parliament.

The DEPUTY SPEAKER (Mr Mossfield)—Order! I ask the member to come back to the legislation.

Mr GAVAN O’CONNOR—I certainly will, Mr Deputy Speaker. I made the clear point that the honourable member for Batman had exposed the government’s levies and charges, and that some of those levies and charges relate to this legislation and to the tourism industry, for which I have shadow ministerial responsibility. If the sooks on the other side cannot take a bit of criticism about the spectacular broken promises of the Prime Minister, we may as well all pack up and go home—you precious little things! The government promised no sale of Telstra and no GST, broke its commitment on Iraq and has introduced a myriad of levies and charges. I remind members opposite that this is the government that, in the beginning, told us that—according to John Howard—there would be no new levies and charges. Yet the subject of this legislation is a new levy, a charge applied by the government which is raking in $182 million—and now we know the government does not need it as far as the Ansett collapse is concerned.

Are we going to examine the government’s performance in these areas, or are we not? That is the purpose of this parliament. I remind members opposite that the Ansett ticket levy and the passenger movement charge, which are the subject of this legislation, are not the only charges that have been introduced by this government since coming to power, breaking the Prime Minister’s commitment not to introduce any new levies and charges. We have had an aircraft noise levy that has raised in the region of $400 million. The firearms buyback scheme has cost the Australian taxpayer half a billion dollars—

Mr Slipper—Mr Deputy Speaker, I take a point of order. I am someone who likes to see a full and free flow of discussion across the chamber, but it is clear that my good friend the member for Corio has not done his homework on the bill before the chamber. He is not very close, as you pointed out a moment ago, to the substance of the bill. I can understand why he would want to talk about these other matters, but the bill is quite narrow. I ask you to bring my friend back to the substance of the bill, because to talk as he is doing basically rips up the standing orders.

Mr Price—On the point of order, Mr Deputy Speaker: this customs bill is about a charge on the Australian people, just as other charges are made on the Australian people, like the GST, company tax and personal income tax. I would submit that my colleague the esteemed shadow minister is within the ambit of the debate. If I looked up the speeches of the honourable member for Fisher, I would find that he occasionally strays as well.

The DEPUTY SPEAKER—Order! I think I have got the point, member for Chifley. I remind the House that this legislation is a bill for an act to amend the Customs Act 1901 and the
Passenger Movement Charge Collection Act 1978 and for related purposes. I ask the member for Corio to speak to that legislation.

Mr GAVAN O’CONNOR—Thank you, Mr Deputy Speaker. Once again, I am staggered at the preciousness of the members opposite on this issue. They are indeed sensitive today about the taxes, charges and levies that they have introduced, in defiance of their own commitment and promise to the Australian people that there would be no new taxes and charges.

This passenger movement charge and the Ansett ticket tax are raising $182 million. The charge was ostensibly raised to assist the government to meet the commitment it gave to Ansett workers in regard to the Ansett collapse. Now we know that that $330 million, as the honourable member for Batman has explained, has been covered by other measures. Here we have another Reggie rip-off. There is $182 million coming into general revenue from the passenger movement charge and the Ansett ticket tax.

I am drawing the attention of the House to the fact that this is not the only one. We had the dairy tax of 11c a litre, which is raising $1.74 billion over eight years. We have the Ansett levy. I have just explained that that is raising in the order of some $15 million a month. We have had the sugar levy that is going to raise $150 million. They are all part of the patchwork of taxes and charges and new levies that are—

Mr Slipper—Mr Deputy Speaker, I raise a point of order in relation to relevance. Prior to your moving in to occupy the chair, there were a couple of points of order taken on the member for Corio.

The DEPUTY SPEAKER (Hon. I.R. Causley)—That is not a point of order.

Mr Slipper—The point of order is that he continues to stray inordinately far from the substance of the bill. He has been pulled up on a couple of occasions. Now that a new Deputy Speaker is in the chair, he is obviously trying it again.

The DEPUTY SPEAKER—The parliamentary secretary would realise that he cannot debate the issue. Is the point of order relevance?

Mr Slipper—The point of order is relevance, yes.

The DEPUTY SPEAKER—The member for Corio would realise that the bill is a fairly tight bill. I would say that the Ansett levy and the dairy levy have nothing to do with the bill. If the member for Corio cannot speak on the bill, I will have to ask him to resume his seat.

Mr GAVAN O’CONNOR—I merely mentioned these other levies and charges in the context of the additional levies and charges—of which the Ansett levy is one—which have been introduced by this government since coming to power, in defiance of the Prime Minister’s own commitment.

This passenger movement charge is raising in the order of $182 million extra. The growth is $15 million a month. The government is being rather coy as to how it intends to spend this money. Is it going to prop up the bottom line or is it going to be used to assist the industry which has become the milch cow with regard to this particular levy.

This is an area of particular interest to me. I have shadow ministerial responsibility for tourism. This is an industry which at this point of time is suffering because of the bushfires. I have drawn the attention of the House to that point. The industry is also suffering as a result of the uncertainty surrounding the government’s involvement in Iraq. It is important for the
government to clarify what it intends to do with the money that is being raised by this levy. It is a substantial amount of money. The minister has raised expectations within the tourism industry that the government is going to deliver on a 10-year plan. The tourism industry is very price sensitive. The travelling public are very sensitive to prices. Any new taxes and charges impact quite heavily on the industry.

The substance of this bill is the removal of part of the levy that the government has introduced from Commonwealth employees who are discharging their duty in a security sense. I accept that, and I have acknowledged that in debate thus far. What we want is for the whole thing to be withdrawn. Withdraw this impost from the industry. You are now using it as a milch cow to prop up your budget bottom line.

The industry have expressed concern about the ticket levy. They are concerned about the rising costs because these costs impact not only on the airline and transport industries but also on tourism generally. The minister certainly raised expectations that we would have a tourism green paper delivered—sometime last October, I think. Now it looks as if the green paper will not even make the cut for this budget. Why won’t it make the cut? It would appear that raids are being made by other ministers on the money being raised by this levy.

We do agree with the measures in this bill as they relate to the passenger movement charge, but we would suggest to the government that, in the interests of the travelling public and those sectors of the tourism industry that are shouldering this impost, this charge ought to be removed.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.36 p.m.)—in reply—I would like to thank honourable members for their contributions to this debate on the Customs Legislation Amendment Bill (No. 2) 2002—although I suspect a number of them did not read even the title of the bill, let alone the provisions contained in the bill. What they had to say was so far removed from the contents of the bill that it is reasonable to make that suggestion.

Mr Price interjecting—

Mr SLIPPER—My friend opposite interjects. I have great respect for the honourable member for Chifley, and he has been here long enough to have listened to speeches on various bills where people have not done any preparation at all. I suspect that some members opposite are in that category with respect to this bill.

The honourable member for Banks made his usual thoughtful contribution. I note that he has raised concerns about questions of due process, where an investigation is to be pursued on the basis that price influence is deemed to exist and, in relation to duty assessments, where the CEO is to be empowered to formally reject applications. I am pleased to note that the concerns expressed by the member for Banks have now been clarified by Customs to his satisfaction, but I would welcome any further consultation that the honourable member feels is necessary to reassure him that the amendments are GATT consistent. These provisions are, quite understandably, complex and they deserve careful consideration. We remain quite happy to continue to talk to the honourable member for Banks if he feels that there needs to be further clarification or if he needs an in-depth explanation of what is proposed by the provisions of this bill.

Within our World Trade Organisation rights and obligations, Australia has an antidumping system that delivers transparent and efficient antidumping investigations. The time frame for
these investigations, set at 155 days in the Customs legislation, is one of the fastest in the world. Honourable members who represent regional areas, while understanding that 155 days is one of the fastest in the world, would still at times receive representations from rural constituents wishing that the period was even shorter.

The deeming of price influence will occur only in circumstances where an exporter fails to supply information in response to specific questions within an agreed time frame of not less than 30 days or where the information supplied does not provide a reasonable basis for determining that price influence does not exist. There is, of course, a balance to be struck between the rights of exporters and Australian industry, and the government has decided that the balance is tipped in favour of exporters. Australian industry does not have ready access, or perhaps any access, to price influence information that is obviously available to exporters and their governments. Hence, it is necessary to place a clear requirement on those exporters.

Customs’ administration of the anti-dumping system aims to ensure that efficiency is accompanied by thorough investigation of alleged cases of dumping, where those claims meet the prima facie standard set by the act. In all of its investigations Customs works to obtain the full cooperation of parties in the interests of being able to base its assessments on complete and reliable information. The tight time frames for investigations mean that the time allowed for a response cannot be open ended, but Customs applies modest flexibility in setting deadlines for responses to its exporter questionnaires. This is a fact evidenced in Customs’ track record in past cases.

With regard to the proposed power to formally reject dumping duty assessment applications, I do note that the new procedural steps to be inserted into the anti-dumping legislation reflect the process that applies at the beginning of a dumping application. The CEO will be required to decide promptly whether or not he will process the application and, if he rejects the application, that decision will be immediately open to review on its merit by the trade measures review officer. If the trade measures review officer disagrees with the CEO, he is able to overturn the CEO’s decision. Customs would then proceed to process the application.

The changes that would be made by this bill to ‘economies in transition’ arrangements are important if we are to clarify and clearly underwrite the intended operation of the scheme as it relates to the assessment of domestic prices in economies moving from centrally planned to free market. The government has noted concerns of Australian industry and has moved to ensure that we are able to fully exercise our rights to protect industry from unfair trade—within our WTO obligations. At the same time, I can assure honourable members that it is also our intention to monitor the progress of these changes and to continue to refine our approach as we learn more about the market conditions that prevail in these economies.

The member for Banks also made a couple of other remarks that I believe are worthy of comment on behalf of the government. He did acknowledge the contribution to protecting Australian borders by Australian Customs Service officers. I would like to thank the member for Banks for his support for the men and women of the Australian Customs Service. They are very much at the front line of protecting the Australian community in these uncertain times and the government, too, acknowledges the very important role they play in ensuring the security of our borders.

The member for Banks was generally supportive of the thrust of anti-dumping provisions. I thank the opposition for their consideration of the complex but important measures to protect
Australian manufacturing industry from unfair trade. It is recognised that some significant economies are still moving towards a full market economy status and their efforts are to be applauded.

I note that a major economy in this particular category is that of the People’s Republic of China. I welcome a representative of the Embassy of the People’s Republic of China, who I understand is listening to this debate in the gallery. A number of others also fit this category, including Russia and former Soviet states. The member for Banks referred to the need to consult further on the GATT issue, which was raised only shortly before the debate. I referred to that particular matter earlier, and I reiterate that we welcome the opportunity to discuss these matters further with the honourable member for Banks, should he wish to do so.

The member for Corio was so far away from the substance of the bill that it is hardly worth commenting on what he had to say. He was clearly scoring, or seeking to score, a few political points. A lot of what he said was really quite inaccurate. The government’s position on the further sale of Telstra is very clear. The government intends to make sure that, before this matter progresses, there are appropriate services throughout the country. The Minister for Communications, Information Technology and the Arts and other ministers have made it very clear that the government does have a commitment and intends to continue to see that commitment being implemented.

The member for Corio also referred to the goods and services tax. He claimed that the government said that it was not going to introduce a goods and services tax. It would have been quite wrong if the government had done what its predecessor had done: that is, promise one thing before an election and then get in and change its mind. That is what the ALP did with their I-a-w tax cuts that were never implemented. But this Prime Minister had the courage prior to an election to go before the Australian people and say that if his government were re-elected then we would have a goods and services tax. The people of Australia, on that basis, supported the government and gave the government a mandate.

Mr Price—Mr Deputy Speaker, I rise on a point of order on relevance. It is the very point of order that the member for Fisher took on my colleague the shadow minister when he was talking about the GST. He is not being relevant.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Unfortunately, the member for Corio raised this issue, which allows the parliamentary secretary to comment.

Mr SLIPPER—You are quite right with respect to that matter. I just wanted to point out that the government outlined a promise prior to the election, sought the support of the Australian people and received a mandate from the Australian people and we, therefore, sought to bring in a new tax system.

Mr Price interjecting—

Mr SLIPPER—My friend ought not continue to interject or to bleat because the government received their mandate. We said what our policy was, we got the support of the Australian people, we were re-elected to office and yet the ALP then sought to deny us the mandate with the result that we were not able to implement all of our policy.

The DEPUTY SPEAKER—I do not think the parliamentary secretary should debate the point.
Mr SLIPPER—The honourable member for Batman’s contribution was largely unrelated to the bill as well. I want to remind the member for Batman, who is not in the chamber, that this bill removes the passenger movement charge on air marshals. That move should be supported as part of Australia’s action to address the threat of global terrorism.

For the record, the passenger movement charge is set at a level sufficient to cover the cost of customs, immigration and quarantine services. Honourable members opposite queried the level of the charge and what the government was doing with the money. I want to point out to honourable members that the charge is set at a level sufficient to cover the costs of customs, immigration and quarantine services, so in effect the government provides a service in exchange for the money that is received.

The member for Corio also referred to the passenger movement charge and under the pretence of referring to this element of the bill then sought to divert to an area which was well removed from the substance of the bill. But the level of the present charge was fixed by this parliament in 2001 and has not been changed by this bill. But, as I said a moment ago, this bill exempts air security officers from the passenger movement charge.

This is an important piece of legislation before the chamber. We do appreciate the fact that the opposition is supporting the legislation. But it is regrettable that, as happens on so many other occasions, some members use debates of this nature as an opportunity to score cheap and incorrect political points.

Mr Price—And you respond to them.

Mr SLIPPER—I always respond to them, my friend, because that is my responsibility and it is important to set the record straight, and you would want me to do that. I commend this bill to the chamber.

Question agreed to.

Bill read a second time.

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

MINISTERIAL STATEMENTS

Iraq

Debate resumed from 11 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:

“(1) condemns the Government for forward-deploying Australian troops to a potential theatre of war with Iraq in the absence of any United Nations authorisation and without revealing to the Australian people the commitments on which that deployment was based;”
(2) declares its opposition to a unilateral military attack on Iraq by the United States;
(3) insists that the disarmament of Iraq proceed under the authority of the United Nations;
(4) expresses its full support and confidence in our servicemen and women, while expressing its opposition to the Government’s decision to forward-deploy them;
(5) expresses its total opposition to any use of nuclear arms and declares that Australian support should not be provided to any operation where such weaponry may be used; and
(6) declares that it has no confidence in the Prime Minister’s handling of this grave matter for the nation.”

Mrs ELSON (Forde) (12.49 p.m.)—Last night I stated some facts that the opposition conveniently overlooked, and today I would like to continue my contribution by highlighting another fact that seems to have been overlooked in this debate: these weapons of mass destruction are known to exist. Iraq had them 12 years ago, and since then the onus has been on Iraq to prove that they have disposed of such weapons. They have not done so, and the smoking gun was found a long time ago. The ball has been in Iraq’s court for many years. Instead of doing what is right for both his people and the world, Saddam has refused to cooperate. Chief weapons inspector Hans Blix in his report said:

Iraq appears not to have come to a genuine acceptance—not even today—of the disarmament, which was demanded of it and which it needs to carry out to win the confidence of the world and to live in peace.

The report by US Secretary of State Colin Powell to the UN last week showed the deception that Iraq has used in dealing with UN weapons inspectors. If they had nothing to hide, this would hardly be necessary. If they had nothing to hide, they would hardly need to threaten their scientists and their families with death if they cooperated with UN inspectors. If they had nothing to hide, we would not be having this debate at all. It is clear that Iraq has plenty to hide and that Saddam Hussein is quite prepared to sacrifice his own citizens to keep it hidden.

It is unfortunate that the UN has not acted sooner to enforce the resolution that Iraq disarm and that it prove that it has done so. However, as I said, the world has changed a lot since September 11, 2001, and we need to acknowledge that the changed situation poses a new and different threat to our way of life. That is surely part of the justification for acting now and not allowing this situation to just continue on. The simple truth is that we can no longer afford that risk. We cannot afford to wait for the day when this regime, either on its own or by supporting terrorists, unleashes even worse terror on the world than that which we have grappled with in the past few years. That is perhaps unthinkable, but so was the tragedy in New York. It was unthinkable and unbelievable right up until the moment it happened. That is why I wholeheartedly support the strong stand that this government has taken.

Our forward deployment of troops to the Persian Gulf, far from being an aggressive move, is a sensible and vital part of the process of reaching a diplomatic solution. It sends a clear message that we are serious about Iraq having to fulfil its obligations and comply with the United Nations resolution. We want those obligations fulfilled and we want to reach a peaceful and diplomatic conclusion to this situation. I believe that the UN has an obligation to back a clear resolution to this impasse. I do not believe that we can afford to keep waiting for Saddam Hussein to begin to cooperate—he has had 12 years to do so.

I am, as I said earlier, deeply saddened at the way this crucial and sensitive matter has been dealt with by those who oppose any action. The debate leaves a lot to be desired. Quite
frankly, it is sickening that some people believe that they have a greater claim to morality and compassion than others. Peace has become a sad slogan to be bandied about rather than representing the freedoms that we hold so dear and that are now clearly under threat—freedoms that other generations of Australians have fought for. Through our inaction today, we could cause our grandchildren to live in fear of terrorism and dictatorship. I am saddened that, for blatantly political reasons, Labor joined with the minority parties in the Senate to send a sorry message to Iraq and other nations that we are not serious about disarming Iraq.

It is a particularly low point in Australian politics when a weak opposition leader chooses to politicise an official send-off of our troops by telling them that he does not support what they are about to do. It is a further display of weakness that the opposition leader has refused to reprimand senior members of his frontbench who have used this debate to launch a ridiculous, insulting attack on America—a nation that is a crucial ally of Australia, one that we have relied on for support in the past and that we will call on again for support in the future. No-one in the Australian community wants war, and no-one—not one person that I have come across anyway—wants any bloodshed of our troops or Iraqi troops and civilians. I certainly hope that we can still reach a diplomatic solution. But, if that does not eventuate, there will only be one person at fault—not our Prime Minister but Saddam Hussein.

The world cannot afford to shirk its responsibilities. The price of peace at all costs right now may be an appallingly high one to pay in the future. I do not want to risk my children’s and my grandchildren’s future in that way. I support the government’s actions on this matter and take this opportunity to send my thanks and best wishes for a safe return to all of our troops either in or on their way to the Persian Gulf. The majority of Australians support you. The Australian government will continue to take action in the interests of this nation. We will not shirk our responsibilities. We will ensure that there will be peace for further generations of Australians.

Sitting suspended from 12.55 p.m. to 4.33 p.m.

Mr PRICE (Chifley) (4.34 p.m.)—I rise to speak on the ministerial statement by the Prime Minister concerning Iraq. Mr Howard has forward deployed some 2,000 members of the ADF to the Middle East. They have had no choice about their departure—no debate, no argument, no dissent. They are required to carry out the lawful directions of the government of the day, which they do without question. War seems inevitable. It takes an enormous degree of optimism to think otherwise. So we are again placing young serving men and women in harm’s way. In this debate we ought to think a little about these fine young Australians and the natural concern of their partners and families. I for one want to express my appreciation and gratitude to them.

A number of Labor speakers have said that they are against war. This is hardly surprising. We are not a party of warmongers. In fact, there is no place for them in our party. In war we do not look to the heightened economic activity, the improved bottom line, the extra profits or the beating of the drums of nationalism and patriotism. Labor members understand war in human terms—the loss of military and civilian lives. It is our supporters who provide the blood and guts of war, the ordinary men and women of Australia.

The Labor movement understands the enormous dislocation of war and its attendant terrible and horrific social cost. Labor is a party focused on the wellbeing of the great mass of the people, not the elites or the super elites. At the same time we are not an isolationist but an
internationalist party. This is best summed up in the words of Ben Chifley, whose name my electorate proudly bears.

I try to think of the Labour Movement, not as putting an extra sixpence into someone’s pocket, or making somebody Prime Minister or Premier, but as a movement bringing something better to the people, better standards of living, greater happiness to the masses of the people. We have a great objective—the light on the hill—which we aim to reach by working for the betterment of mankind not only here but anywhere we may give a helping hand.

The American Ambassador, Tom Schieffer, has been critical of the Labor Party for its stance on Iraq. Following the events of September 11, I had a condolence book and 3,000 of my constituents signed it. When I presented it to the ambassador I suggested that it not only reflected the feelings of my constituents about the horror of the terrorist attack on the World Trade Centre but also underlined the depth of the relationship between our two countries. I still believe that today.

I am still a strong advocate of the alliance relationship. But Australians do not like prime ministers who fawn before American presidents, nor will they stand for being told by anyone what they should think and do. Australians do not like a prime minister who is being led by the nose. The Labor Party has no history in this regard—quite to the contrary. The alliance relationship is utterly vital for Australia’s national security and has been so since Prime Minister Curtin reordered our relationships between the UK and America, much to the horror of the conservatives of the day.

I would like to correct some misconceptions about East Timor that are currently doing the rounds in some quarters. The Americans gave vital support, but perhaps not in the numbers that we might have traditionally expected: HQ 3rd Marine Expeditionary Force, located in Darwin; three C130s from the 613th Air Expeditionary Group; USS Belleau Wood with 900 sailors and 900 marines on board, and its sister ship USS Peleliu, with CH53 Chinook helicopters on board, which engaged in heavy-lift operations that Black Hawks were unable to carry out; 130 army communications specialists from the 11th Signals Brigade and others; and 12 civil affairs personnel. There were also delivery flights from the US—12 C-5 Galaxys and one C-17 Globemaster in early October. This was valuable assistance, but what was indispensable to success was the enormous diplomatic effort that the Americans provided.

In discussing Iraq, I would like to quote from a speech by the member for Kingsford-Smith, the then shadow minister for foreign affairs, made on 2 March 1998. He said:

Last week, with Australia’s active support, the United States and the United Kingdom were poised on the brink of conducting what was to be a very substantial military strike against Iraq. The declared objective of such an operation was to destroy or at least substantially reduce Iraq’s capacity to produce weapons of mass destruction if they did not immediately comply with the UN Security Council resolutions—those resolutions requiring disclosure and elimination, and unrestricted access.

And again:

The threat of military action was justified, given Iraq’s undeniable record as a rogue state. Saddam Hussein has never hesitated to use military force to pursue his objectives. He has twice gone to war in pursuit of his ambitions of regional dominance—first against Iran and then against Kuwait. In the history of the United Nations only one member state has ever attempted to completely overpower and annex another member—and that country is Saddam Hussein’s Iraq. His is a regime with an extraordinary record of aggression, of treachery, of duplicity and of gross abuse of human rights. It is a regime which
routinely resorts to appalling violence to achieve its ends and at the end of the day appears to respect only the threat of military force.

Those words ring true today and sit well with the current situation, judged against Australia’s national security interests. Geoffrey Barker, in an article in the *Financial Review*, recently stated:

The fundamental pillars of Australian security are:

- The willingness of the Australian people to arm and to fight to defend Australian territory and interests.
- The Australian alliance with the United States, the world’s military and economic superpower.
- The rules-based international system centred on the United Nations.
- The establishment of strong, cordial and mutually advantageous security, economic and political relations with the countries of the Asia-Pacific region, Australia’s region of primary strategic interest.

Prime Minister Howard has placed the alliance relationship ahead of all other interests. Most disastrously, he has failed to embark on a gladhanding tour of the region to explain his government’s policy and garner some understanding of it by our neighbours.

The Howard government’s policy contrasts starkly with that of Labor and Simon Crean who, as early as April last year, advocated the involvement of the Security Council in dealing with Iraq. In response to this, the government said that Labor were ‘appeasers on Iraq’. Nothing could be calculated to be more vicious than accusing us of being appeasers and spokespersons for Saddam Hussein. The idea that Labor were selling out Australian interests is deeply offensive and totally abhorrent.

But how things change. I congratulate Liberal and National Party members, for they too are now advocating strong UN action. John Howard is now advocating strong UN action. Alexander Downer is advocating strong UN action. This only came about when the Prime Minister was left stranded when America started to change as well. But I do thank them for their change of heart and for no longer calling us appeasers. I do not want to be churlish, so congratulations to the government; well done. In fact, the Howard government is almost desperate about this because it refuses to admit publicly that it is in the ‘coalition of the willing’—those countries that have agreed to allow a pre-emptive strike against Iraq ahead of any UN resolution.

The Howard government deny that Australia’s commitment to America has already been made. We all know it has; they just refuse to admit it. As the member for Griffith pointed out in the House yesterday, the Australian people know where Labor stands on Iraq. The other side has sought to hide, conceal and deceive. The Prime Minister will not tell the Australian public what commitments he has made to President Bush. The people believe he is dissembling. Whilst the Prime Minister and the Acting Prime Minister have steadfastly denied that they are in the coalition of the willing, the President has belled the cat with his statement on that. I urge the Prime Minister to do the right thing and tell the people of Australia the truth about the commitment he has made to President Bush. They are particularly forgiving and understanding when you do so.

I believe any poll of Australians would show that the people believe the Prime Minister and his government are deeply committed to a pre-emptive US led war on Iraq. The people of Western Sydney are saying, ‘No war with Iraq without a UN mandate—no pre-emptive strike.’ That is Labor’s policy and that is what the people are calling for. That is what Labor
are advocating. A few weeks ago I randomly sent out a survey to more than 5,000 constituents and overwhelmingly that was their response. Seventy-six per cent of respondents said, ‘No war on Iraq unless it is under the auspices of the UN,’ while 82 per cent of constituents were opposed to Australian involvement in a US-led pre-emptive strike. In other words, they are opposed to Australia’s membership of the coalition of the willing. Perhaps even more telling is their assertion that North Korea poses a far bigger threat to Australia and the region than Iraq. In light of recent developments in North Korea you would have to agree. But what is Mr Howard doing about North Korea?

The Labor Party has articulated the views of ordinary Australians. It has expressed their wish—namely, that Australia should be only involved in a war on Iraq if it is carried out under the auspices of the United Nations and not at the behest of President George W. Bush. In the next few days and weeks, the United Nations will be considering issues involving Iraq and, I believe, a new resolution about Iraq. That will be the real test.

I did want to make a few remarks about our defence forces. I am appalled at this time of national crisis that we have not had a response to a report on reforming the Army this parliament tabled more than two years ago — _From phantom to force_, written by a committee chaired by the honourable member for Wannon. There were only 12 recommendations but we have not had a response. How can you believe that the government is serious about Defence reform and reform of our Army? It has introduced new categories of reserves—a high readiness category and an active category—and there has not been one ministerial statement in this House about what the implications are for these new categorisations of reserves—not one ministerial statement about the changes to these reserves. It has certainly got the legislation through to make the change but there has been no serious reform.

I need to remind the House how many major projects are over budget. Of the 20 major projects I think there are 16. Twelve of the major Defence acquisition projects are behind time. In the Department of Defence we have some $800 million sloshing around in petty cash. This is at a time when the government has forward deployed 2,000 ADF serving men and women. That is the state of the Department of Defence. In fact, it is true to say that the coalition has treated the position of Minister for Defence as some resting place; a pre-retirement resting place for ageing conservative ministers. I think the defence forces—

Mr Bartlett—Come on!
Mr PRICE—Well, there was McLachlan.
Mr Bartlett—What about the run-down in Defence spending under your side?
Mr PRICE—We ramped the spending up. What are you talking about? All I will say is this: Defence needs leadership. I have no doubt about the leadership being provided at Russell Hill by the senior officers. What has been lacking to date and for the whole term of the coalition government has been leadership at the ministerial level, and it is about time the serving men and women in the ADF got the leadership that they so truly deserve.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.49 p.m.)—The last part of the member for Chifley’s speech took me aback a little. I do not believe that the member for Chifley has ever been an active member of the defence forces, but I can assure him that I did nine years in the ADF and am proud of it. I probably would have stayed a lot longer except that a wave came in and started to rip the guts right out of the Defence Force. It was, of course, Gough Whitlam.
I, like many of my very dear friends who served at the time, decided that we could not stay and see the Defence Force totally decimated by Mr Gough Whitlam and the Labor Party at the time. So we pulled the pin and went on and did other things. I know that when we came into government in 1996 the Defence Force was in a dreadful state. There has been a lot done and there is still a lot to be done. We have at least started to rebuild what was destroyed by 13 years of Labor.

I stand here very proud to support the Prime Minister’s statement on Iraq. It is timely to remind the House again and again about the person, the individual. When we talk about Iraq we are talking about an individual. The whole country is controlled by one person. It is not a democracy; it is controlled at the whim of one person and his family. I have an article here from *Time Magazine* of 4 April 1988. It is entitled ‘Sudden death from the clouds’. It says:

Even by the macabre standards of the Iran-Iraq war, the scene was shocking. The bloated bodies of Kurdish residents littered the silent streets of the northern Iraqi town of Halabja. A dead turbaned man who had tried to shield the porcelain-faced infant in his arms from the cloud of poison gas lay frozen in time on the road. Families died together in their homes or in cars. The dead were among hundreds, and possibly thousands, of victims of one of the worst chemical warfare attacks since World War I.

It goes on to say:

Baghdad’s war planes dropped bombs containing mustard gas, cyanide and nerve gas on Halabja and neighbouring towns. The offensive stemmed in part from the desire to punish the pro-independence Kurds, who feel no loyalty to Iraq. The survivors suffered agonising blisters on their faces and in their lungs.

Further on in the article, it says:

In 1986 the United Nations condemned Iraq for using chemical weapons against Iranian soldiers. That is a long time ago. That is 17 years ago. What has changed? We know that in February 1988 more than 400 prisoners in one prison were executed; a further 100 detainees from other prisons were buried alive. This was part of Saddam’s ‘prison cleansing’ process when he decided that his jails were overcrowded with political prisoners. That is a great way to get rid of them. We know that he poisoned them and there has been a continuous regime of executing political prisoners. Two dozen torture centres were uncovered in Kuwait City when it was liberated by the US-led coalition during the Gulf War in 1991. There is documented fact that Saddam Hussein’s regime is engaged in the systematic torture of Iraqi citizens—his own citizens. I am speaking of things like rape, electric shocks, acid baths, branding, mutilation and other actions that can only be described as grotesque.

Recently—in the year 2000—as Minister Downer related in this House last week, a new Iraqi decree was issued authorising the amputating of the tongues of citizens who dared to criticise Saddam Hussein or his government. Little wonder you do not hear any criticism from within Iraq. Little wonder indeed.

It is just amazing that we have those who will say, ‘Peace at any cost. We cannot go in there. We cannot challenge this person.’ He has had 16 years to do something about this. They say give peace a chance. Of course, we all believe in that. This suggestion that we are warmongers is an absolute nonsense. No country’s leadership has the sovereign right to brutalise its people and pose a deadly threat to others.

It is high time that Saddam was stopped from this slaughtering. If people think that it is going to be by giving peace a chance, if they allow Saddam to continue to mutilate and to
murder, and if they think that it will not impact on our region, they are absolutely kidding themselves. There are the comments made by Secretary of State Colin Powell on 6 February and the bin Laden tapes as recently as today. If you do not think there is a connection between terrorism and the likes of Iraq, you have to be kidding yourself. You absolutely have to be kidding yourself.

There is no question that the way to go is the United Nations. There is no argument. Again, this is nonsense that is being peddled by the Labor Party—that the Prime Minister has at some stage suggested that he does not want the United Nations involved, that he wants to get out there and do it with the United States. That is again an absolute nonsense.

I have listened to every comment that he has made. I have never heard anything to suggest that he does not want the United Nations to do the job—and do the job they should, because that is what they were formed for. They face the serious risk of sliding into irrelevance like their predecessor, the League of Nations. Those who want to take on this America bashing which we see quite frequently now have only to look to what the United Nations did when the Serbs decided to move into Bosnia. If it had not been for the United States moving in there and dragging NATO with them, it would have been a hell of a mess; it would have been a hell of a lot worse than it was.

The same thing goes for later on, when the Serbs decided to do a bit of ethnic cleansing with the Albanians. Again, the United Nations sat on their hands. Again, it was the United States that walked in there, dragging NATO screaming, making them do their job.

The same thing goes when we talk about Rwanda. Who can forget seeing United Nations troops standing there with arms, watching hundreds of thousands of innocent Rwandans being executed in front of them and not lifting a finger to help them? If it had not been for the United States, which went in there and said, ‘You will do your job,’ it would not have happened. If you want to talk about failures, have a look at Somalia. It goes on and on.

Mr Bartlett—Or East Timor in 1975.

Mr ENTSCH—Have a look at East Timor. The Labor Party say that they have a very different position from the Prime Minister and this government. Of course they do. What did they do for 13 years for East Timor? Nothing. If we had not gone in there as we did, East Timor would not be the separate country that it is today. There is no question about it. There were lots of opportunities for the government—for Labor—to do something about it, but of course they did nothing. To stand up and criticise now is absolute, sheer hypocrisy.

It is absolutely vital that the United Nations step in and do this job. That is what they are there for. It is absolutely vital that, if they are not prepared to do it, people stand up and remind the United Nations that they have an obligation to do this. There is no question about it. Kofi Annan himself has said that, if it had not been for the United States and Great Britain stepping up and challenging the United Nations, there is no way in the world that we would have had the weapons inspectors in there as we do today.

People should not suggest that the action is not being effective and that things are not happening in trying to deal with this in a peaceful manner. The best chance we have of peace is forcing Saddam to comply.

For 17 years the world has been waiting. Since 1988, what can’t we find? What has been concealed? They are looking for 6,500 chemical bombs that have not been accounted for, in-
cluding 550 shells filled with mustard gas; 360 tonnes of bulk chemical warfare agent, including 1.5 tonnes of the deadly nerve gas VX; 3,000 tonnes of precursor chemicals—300 tonnes of which could only be used for production of VX; and over 30,000 special munitions for the delivery of chemical and biological agents. All of these are not accounted for. When you have madmen like bin Laden and others loose in the world and madmen like Saddam Hussein who have created this stuff, have obviously concealed it and are not prepared to account for it, of course you have to be concerned.

The previous speaker, the member for Chifley, mentioned North Korea. What would the Labor Party do with North Korea? The member for Chifley made the comment about North Korea being a greater threat. ‘What are we going to do about North Korea?’ he says. Faced with the situation, I wonder what they will do. If we do not deal with the threat that we have in Iraq, then North Korea will be an even greater threat because it will see how ineffective the dealings with Iraq have been to date. Other rogue nations like North Korea will be able to stand up and challenge the United Nations and be able to go down exactly the same path, and that puts us at even greater risk as citizens. Sometimes we just have to stand up and make a statement. I hate war. Most reasonable, thinking people hate war. But sometimes you have to draw a line in the sand, and at the end of the day it is Saddam Hussein that could avert any conflict immediately by stopping playing games and getting out there and doing the job.

There has been criticism about predeployment of troops. We have had people over there since 1991. If you were a betting man or a guessing person and you were asked, ‘If there is a likelihood of any sort of conflict anywhere in the world, where is it likely to be?’ what would you say? My guess is that it possibly could be in the Middle East. In the event that the United Nations says, ‘We need to take those weapons off him; we need to force him to comply,’ and our people have to be over there to face those threats, we have an obligation to them and their families to ensure that they have the best possible chance of surviving. To survive, they need to be acclimatised and they need to be prepared for the task at hand. We all hope that they come back without ever having to fire a shot, but I would hate to think that, after the decision has been made by the United Nations that we should be doing this, we then have to drag troops from here that are totally unprepared for the type of environment which they are going to have to work in and put them in there, knowing they are going to be at a much greater risk.

It is absolutely vital that they be there and be totally prepared for what they could face. The troops involved, and their families, would appreciate the opportunity to become acclimatised. Let us hope they come back peacefully; let us hope they come back without having fired an angry shot. But at the end of the day, that decision is entirely up to Saddam Hussein. It is entirely up to him to comply. I hope to goodness that in the ensuing days or weeks common-sense prevails and Saddam Hussein complies. I want to add that it is great to see that Tony Blair and the United Kingdom government have also been able to see the sense of what is trying to be achieved here. At the end of the day I think they will be recognised for what they have been able to achieve here. (Time expired)

Ms JACKSON (Hasluck) (5.04 p.m.)—I agree with the Leader of the Opposition’s comment that the Prime Minister’s statement on Iraq was his argument for war and not a plan for peace. I welcome the opportunity to speak in this most important of debates; there could not be a more significant debate in the national parliament than one that concerns the possible commitment of our country to war.
In recent months and weeks I have been stopped in the streets of my electorate, and I have been inundated with phone calls, letters and emails from concerned constituents who demand two things of their elected representatives: firstly, that we do everything within our power to find a peaceful solution to the current crisis; and, secondly, that we do not support Australia being involved in a US-led war with Iraq. They are also very angry at our Prime Minister and his government, who appear to have already given a commitment to the United States to participate in a US-led unilateral attack on Iraq without sanction from the United Nations.

I have been proud to explain to all my constituents Labor’s consistent position on this issue. Labor supports the disarmament of Saddam Hussein and his regime. Labor also supports the rule of international law and the authority of the United Nations. Labor does not support a US-UK led attack against Iraq without UN authorisation. Finally, Labor does not support the deployment of Australian forces to join a US-UK led invasion of Iraq.

Many of my constituents have expressed their concern for those Australian men and women who have already been predeployed to the Gulf. I wish to record my personal support for the members of the Australian Defence Force who have been predeployed and their families as well as the best wishes of all electors of Hasluck. Our thoughts are with you. I, like many others, am shocked at the size of the predeployment force, which is larger in size and in weaponry than any combat force sent from Australia since Vietnam some 30 years ago. It seems passing strange to me, and somewhat ironic, that this forward deployment ignores Australia’s strategic priorities, set out by this government in its own defence white paper. I think many Australians would find it curious to know that a deployment of this nature was regarded in that white paper as a fifth order priority—that is, fifth in a list of five; in other words, the lowest strategic priority as identified in the defence white paper. That fifth order priority is the commitment of troops ‘in support of global security’.

I believe this government and our Prime Minister have failed to make out an argument for this predeployment based on Australia’s national interests. Contrary to the assertion of government members, I believe that the families of the members of the Australian Defence Force who have been predeployed appreciated the honesty of the Leader of the Opposition. When he farewelled the Kanimbla and other troops, he said that, whilst he did not support the decision to deploy them, he certainly supported the troops.

It was the deployment of these troops that brought home to me the true nature of this debate. The decision to commit to war puts the lives of those forces on the line as well as the lives of ordinary Iraqi families who may suffer the horrors of war. Frankly, I sometimes wish it were the leaders of countries that had to take to the battlefield. I suspect armed conflict would be much less likely, and I am certain that a much greater effort would be directed to alternatives to military action.

All thinking people are extremely concerned about Saddam Hussein and his regime. It is clear that Iraq and Saddam Hussein are in breach of United Nations resolutions and are in breach of international law. There is no doubt that Iraq should be brought to account by the world community through the United Nations. I think most Australians are aware of widespread human rights abuses in Iraq under the current regime. In a recent article, New South Wales barrister Jim Nolan said:

The international community is and should be obliged to act in the face of human tragedy and widespread human rights abuses.
However, the Howard government has relied upon claims that Iraq has weapons of mass destruction and/or a significant weapons of mass destruction program and, further, that there is a likelihood that Iraq will pass weapons of mass destruction to terrorist organisations. If these claims are true, then I agree that such weapons of mass destruction must be disarmed. I personally want the disarmament of weapons of mass destruction around the globe and am committed to that objective.

In the current crisis, the United Nations weapons inspectors must be given the opportunity to do their job and complete their inspection. The proper authority to enforce United Nations resolutions lies with the United Nations. Labor, I believe like most Australians, support the role of the United Nations and the rule of international law. As a member country, Australia should abide by the United Nations charter. It pays to take some time to consider the preamble to that United Nations charter, which states:

We the peoples of the United Nations determined

to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and

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, and

to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and

to promote social progress and better standards of life in larger freedom, and for these ends

to practise tolerance and live together in peace with one another as good neighbours, and

to unite our strength to maintain international peace and security, and

to ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, and

to employ international machinery for the promotion of the economic and social advancement of all peoples,

have resolved to combine our efforts to accomplish these aims.

It is critical in this day and age that Australia play a role which strengthens and promotes the role of the United Nations and the rule of international law.

It seems to me from all of the unfolding stories that we have heard in recent days, particularly through the Senate estimates hearings, that this government has failed to keep the Australian people properly informed of decisions that it has made, particularly with respect to support for unilateral action. I am concerned that it is evident that the Prime Minister has been in very close consultation with President Bush and that he seems more fully informed on the proposed role of Australia in any armed conflict than the Australian people are. We need and want to know what is happening. Above all, the Australian people have a right to know what is happening.

Imagine my great concern when the Minister for Defence divulged in the Senate estimates hearings today that, as early as 23 July last year, senior military personnel were dispatched to commence planning with the United States for military intervention in Iraq. I think the Prime Minister has to admit that this is a serious breach of trust. He is justifying it to the Australian
people merely by stating that the close ties between Australia and the US are what is important. Labor support those close ties—ties such as the ANZUS treaty. However Labor, unlike the government, understand the responsibilities that accompany them. It is quite clear that any unilateral action led by the US will not fulfill the first clause of the ANZUS treaty, which requires adherence to the United Nations charter—and I have already quoted from that.

Australia has always had a strong and robust relationship with the United States, and the Labor Party have never shied away from expressing our views openly and plainly, even when these views differ from those of the US administration. Our willingness to speak plainly about what we believe should not damage our relationships with the United States or any other country. I am particularly appalled by the recent media comments from US representatives in Australia, which I think do them a great disservice. After all, freedom of speech is one of the very freedoms that they purport to hold dear in their hearts.

As I have said, I am committed to seeing the disarmament of weapons of mass destruction and I too believe that Saddam Hussein and his regime must disarm. However, I also believe that we must always seek a peaceful solution to the resolution of conflict. If Australia is to become involved in some action to enforce UN resolutions against Iraq, it must only be as a last resort and with the full endorsement of the member countries of the United Nations. I believe the government should pull back from its current position and should form a position based on Australia’s national interests that also upholds the rule of law and strengthens support for the United Nations.

I think the real campaign ahead, for all those who seek to put a view about Iraq, will be to insist that the international community meet its obligations to the people of Iraq to help rebuild the country, to develop democratic institutions based on tolerance and to allow its people access to the benefits derived from its oil wealth. The price of any ultimate intervention must be that the international community keeps its word to the people of Iraq. This task—to redouble the campaign for human rights, the rule of law and a secular, tolerant democracy—is a far more preferable call upon the energies of Australia’s politicians and our international representatives.

In closing, I urge my constituents of Hasluck—whom I believe are looking for an avenue to express their opposition to the possibility of Australia’s involvement in a US-led attack on Iraq—to join many other Australians in the national rallies for peace scheduled in our capital cities and regional centres around Australia for Saturday, 15 February. Let us hope that millions of Australians will join the call for a peaceful solution and for a strengthening of international human rights through the United Nations.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (5.17 p.m.)—I am often asked—as I suspect most members of parliament are, particularly by students who come to Canberra from our respective electorates—a number of questions. But one theme of the questions is often: what is the hardest part of your job? I tell the students who come from Bradfield that the hardest part of the job is knowing the difference between what is right and what is wrong, and the difference between what is popular and what is the right thing to do—and, most importantly, knowing when that difference is before you. One of the things that could quite rightly be said of every member of the parliament is that all of us—the Prime Minister, the Leader of the Opposition and right throughout parliament—do not want war. I
abhor war. As a medical practitioner I was a member of a number of organisations, but one of them was the Medical Association for the Prevention of War. I strongly support its objectives.

I think the prospect of avoidable war would be rejected by any thinking Australian—and, you would like to think, forcefully so. Whilst there could rarely, if ever, be what might be described as a ‘just war’, it seems that a strong majority of Australians would—presumably with great reluctance—support conflict in the Middle East if it is sanctioned by the United Nations. At the moment, politicians who support anything other than that proposition would be described, at least in the *Yes, Minister* series, as being of the courageous variety.

Over the past few weeks, Australian military personnel and hardware have been dispatched to the Persian Gulf. They have gone in a climate of division, domestically—the federal opposition parties have been strongly critical of the predeployment. It is argued that if the United Nations Security Council report received from Dr Blix—and his forthcoming report—does not provide hard evidence that Saddam Hussein is in breach of the United Nations resolutions that he abandon weapons of mass destruction, there is no just basis for a military solution.

We should not lose sight of the fact, and this is recognised by Kofi Annan himself, that the United Nations inspectors would not even be in Iraq at the moment without the pressure—at least the military and diplomatic pressure—applied by Britain and the United States, supported by a number of countries, including Australia. By agitating for enforcement of United Nations resolution 1441 on Iraqi disarmament, the international coalition seeks to give teeth to the United Nations resolutions.

There are many decent and very thoughtful constituents that I am privileged to represent on the North Shore of Sydney in the electorate of Bradfield who have expressed to me their in some cases very strong opposition to Australia’s endorsement of the Bush-Blair position. Frequently one of the themes that comes through once they have expressed their dissatisfaction to me is that I am asked why Saddam Hussein was not finished off during the Gulf War. The reason is that the United States and the allies and the coalition then, including Australia, were fighting under United Nations authority. This dictator and his oppressive regime survived on the explicit undertaking that he disarm after his invasion of Kuwait was stopped.

Saddam Hussein subsequently has obfuscated, has lied and has frustrated international scrutiny in order to get off the United Nations’ hook. If Saddam Hussein out of all this is able to hold his own people, let alone the rest of the world, hostage to unacceptable behaviour by any human standard, we risk him and possibly other rogue leaders being more aggressive in their demands and reckless in their behaviour.

Australia could take the view that it has nothing to do with us. We could argue that Iraq does us no harm and poses little threat to Australia, and so our ships, our planes and, most importantly, our troops should remain here in Australia. But at what point do we stand up for what we believe to be right? We should not forget that many Iraqis have arrived here and in other countries throughout the world claiming asylum on the basis of a cruelly unjust regime where its leader persecutes and tortures his own people. Though our military strength is small by international standards, don’t we have a responsibility to lend our support to rooting out dictators who flout UN resolutions and who also provide patronage to the terrorists who commit unthinkable crimes on innocent people throughout the world?

In predeploying troops, Australia has supported an important principle. The Prime Minister and government have not committed Australia to war, but we are showing preparedness to
add to a military build-up intended to make it clear to Saddam Hussein and to the United Na-
tions that appeasement at any price is not acceptable. Many of my own constituents ask: why
Iraq, and why now? I am asked by many of my constituents who are educated and are decid-
edly uncomfortable: what is it that has made Saddam Hussein public enemy No. 1 now?

I am asked why diplomatic and military pressure was not brought to bear so strongly on
Saddam and the United Nations after the 1998 removal of the UN weapons inspectors from
Iraq. It was, in fact, and it was at that time supported by both sides of the parliament here in
Australia. Iraq squiggled yet again, and five years later Saddam continues to flout UN resolu-
tion 1441. The second UN resolution—which is so nobly supported by everybody in this par-
liament—as Donald Rumsfeld pointed out a couple of days ago, will in fact not be resolution
No. 2; it will be resolution No. 18 from the United Nations.

Why should we take action now? I suppose it is speculative but, from where I see it, 11
September 2001 changed everything. The world has changed irrevocably—we live in a differ-
ent world today from that which we lived in on 10 September 2001—as has the way that pre-
existing threats are seen and addressed. Nowhere has this been more the case than in the
United States. We should not forget that on that day, 11 September, two planes were hijacked
and crashed into the World Trade Centre twin towers. Thousands of innocent lives were lost,
families were emotionally scarred, orphans were created and entire industries—from airlines
to insurance companies—were in free fall. A third plane crashed into the Pentagon and a
fourth plane destined for the White House crashed, killing all on board, but not reaching its
target thanks to the heroism of everyday people.

All countries that value political, religious and economic freedom were also changed that
day. It seems to me that one of the great paradoxes of us as human beings is that we take for
granted the things that are the most important to us in our lives—whether it is our families or
citizenship, or indeed the freedoms that we enjoy, the freedom that we have in this country to
have this debate. At the risk of embarrassing them, I have the highest regard for the two Labor
members here, but they are totally opposed to me on this particular issue. We take our free-
dom for granted. We take it for granted that we live in a country where we can have this de-
bate and still at least maintain a good healthy respect for one another.

The people of Iraq and many other countries throughout the world have not even tasted the
freedoms which we so enjoy. I think all countries that value political, religious and economic
freedom were changed on that day—

A division having been called in the House of Representatives—

Sitting suspended from 5.27 p.m. to 5.40 p.m.

Dr NELSON—As I was saying, 11 September 2001 really has changed the world. I think
all of us appreciated at the time that that would be the case. Our lives—at least in my own
case—divided into two halves: the half lived before September 11 and the half lived after.
Indeed, all countries that value political, religious and economic freedom were changed that
day. Whether we like it or not, we are involved. By our way of life, notice was served on us
that all our fundamental values are and will become the target of fundamentalist extremists.
Had those hijackers or those who committed the Bali atrocity been able to access biological,
chemical or—God forbid—nuclear weapons, there can be little doubt that there would have
been far more devastating consequences.

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REPRESENTATIVES MAIN COMMITTEE

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MAIN COMMITTEE

Wednesday, 12 February 2003
Saddam Hussein denies having bumped into Osama bin Laden, and today there seems to be some suggestion that bin Laden is supportive of Hussein. Who knows? But if fanatics of any political or religious persuasion find sponsorship from any rogue regime hell-bent on the destruction of Western values, hell on earth is indeed what we will see. This parliamentary debate in part seems to provide, for some, a platform for venting guttural views of the worst anti-American kind. Oddly, none of those who are so ready to stick the proverbial boot into the United States President have even mentioned the British Prime Minister, Tony Blair. The latter, I suggest, has been particularly articulate in prosecuting—with both passion and intellectual integrity—the case for sorting out Saddam Hussein. Vigorous debate of issues such as this is a feature of our democracy, as I said, but it should not descend into rampant anti-Americanism. This nation’s trade, educational, cultural and strategic military interests should not be undermined by hot-headed emotionalism.

This is, in a sense, our fight. We have a stake in a world that is free of the fundamentalist intolerance that feeds the wanton terrorism—potentially financed and supplied by equally fanatical, but sovereign, despotic regimes. Every UN process must be fully exhausted in this; of course it should. Every fibre in every thinking human being rebels at the thought of war—with all that history’s legacy leaves us. Yet we must surely have learned that there is also a heavy price to be paid for peace at any price.

Mr SAWFORD (Port Adelaide) (5.43 p.m.)—In February last year, I took part in an internal Labor Party discussion on a range of issues, including the situation in Iraq. I stated then, as I do now, that I believed about 80 per cent of Australians would support action to disarm Iraq if it were sanctioned by the United Nations and that that figure would be reversed if the United States and others, including Australia, would embark on unilateral action. Twelve months later, that effectively remains the case.

I am a very reluctant speaker in this debate. From the beginning of this year I do not think I have ever cringed so much as I have at the commentary on Iraq made by so many through the media in this country. Whether it be journalists’ regular columns, letter writers, talkback radio or television news and current affairs, there has been an almost common approach of almost lowest common denominator dimensions. The approach largely taken has been one of synthesis of information rather than analysis and an emphasis on hyperbole, emotion, presentation, style and partisanship instead of substance. In such a serious debate as the situation in Iraq demands, the synthesised approach guarantees that at best only half the issues will ever be acknowledged. In fact, it is likely to be worse than that if the debating axiom ‘There are three sides to any story: yours, mine and the truth’ is ignored.

I came back to Canberra knowing as we all did that Iraq would be a major debate. However, my reluctance to participate in this debate continued and was hardened by the multitude of views from doves to hawks. Like a minority of members, I discovered late last week I did not fit very easily into either camp, although I hasten to add I respect the right to have dove or hawk views; I simply do not agree with either of them. My stance is similar to my criticism of the media. The debate lacks balance. There is almost a total absence of analysis and attention to substance. Partisanship and deliberate failure to identify all the issues and argue to and fro seem to be the order of the day.

An appalling example, in my view—and I point out that I have discussed this with the two members involved; one on my side and one on the government side—was the Lateline pro-
gram on the ABC last Friday night. The interviewer, Tony Jones, completely lost the plot, forgetting to ask questions. He rambled and raved, trying to get the member for Werriwa to drop a bomb—that is all he was interested in. That was his only purpose. The member for Sturt, the other participant, did not have the will or the ability to raise the debate above a schoolboy level. As a rational debate, it plummeted to the depths of a trifecta of synthesised claptrap. Admittedly, the member for Werriwa did try to raise some issues, but Tony Jones appeared uninterested and disinclined to balance the issues. He merely wanted Mr Latham to drop a bomb. No wonder the Australian public is confused. A portion of the 6c a day for the ABC was wasted on that particular Friday night.

I am not a dove but I am not a hawk either. As I gathered information and discussed and argued the issues with family, friends, colleagues and constituents, I was even more convinced that partisan, synthesised debating had unfortunately prevailed because substantive analysis had simply gone missing.

Where was the acknowledgment that the serious Arab world was active in attempting a diplomatic solution? We are now aware of a Franco-German diplomatic move but the details are not yet known. A bit late, I would have thought; but, if genuine, a welcome initiative to prevent war. However, my instincts tell me that the Franco-German initiatives have more in common with the protection of French, German and maybe Russian assets in Iraq than a serious peace initiative. I sincerely hope my cynicism is proved to be incorrect. Time will tell, but please can we acknowledge the attempt of the Arab world in pursuing a diplomatic solution.

Where was the acknowledgment that really only one division of American troops is currently ready for action? Where was the acknowledgment that most of the American fleet was still in Diego Garcia? Where was the acknowledgment that the American marines and air force were probably still a long way from potential action?

Iraq is a totalitarian, fascist state. Its ruler, Saddam Hussein, is a murderous tyrant who ought to be brought to account by the international community through the United Nations, as should Robert Mugabe, the racist leader of Zimbabwe, and the leaders of Burma. The international community through the United Nations set up a policy of sanctions to contain Iraq. That is now 12 years old and to any rational observer has failed. This raises the question of consistency with other nations non-compliant with United Nations resolutions. Israel’s refusal to move back its borders and cease to encourage new settlements is legitimately a part of the Arab world’s complaints against the West.

Iraq’s response to 17, 18 or 19 UN resolutions is unacceptable. It is thumbing its nose at the UN and it has been doing so for a long time. For the UN to have any credibility, how much time is a fair thing? Israel for too long has also thumbed its nose at the UN resolutions. If the UN is to act on Iraq, will it act on Israel? Granted, I do not believe Israel is a rogue state and it is a democracy, but in determining any action by the UN it weakens the consistency of any case against Iraq, particularly in the Arab world. All this does is give the rulers of Zimbabwe, Burma and other rogue states the view that the UN will not act against them. Add Somalia and Rwanda—the list goes on. Acting in the case of Iraq but ignoring and failing to act on Israel, Burma and all those other disputes—Rwanda, Somalia, the dispute between Turkey and Greece in Cyprus—simply sullies the reputation of the United Nations.

The doves in this debate do not want war in any circumstances, right or wrong. Most fail to mention the plight of the Kurds, the Shiite Muslims and the Marsh Arabs—the assault on 80
per cent of the population—or that of the educated Iraqi classes in exile or silenced who want Saddam Hussein overthrown and the resource rich country of Iraq to be governed for all Iraqis, not just a select few. The doves ignore the agreed position of the international community to act on disarming Iraq. Twelve years of containment is a long wait. Essentially, the arguments of the doves lack balance; only half of the issues are canvassed. Maybe that is the nub of the problem: both doves and hawks appear blind to any matter that fails to bolster their argument. No wonder confusion prevails. The media simply follow and further confuse.

The current arguments put forward by the doves are nothing new. During the 1930s, in the era of the ill-fated League of Nations, similar stances were taken by pacifists—and pacifists with high profiles in the world too—in response to actions by Hitler, Tojo, Massolini and Franco. Their efforts worked so well that they failed. The argument that any action in Iraq, even if agreed to by the United Nations, would invite terrorist activity to Australia is simply shameful. Avoidance, under any circumstances, of acting to right a wrong is nothing to be proud of or to advertise. The argument that a potential war on Iraq is due to nothing more than a determination to control oil simply fails rational analysis. If that were the case, there is a far simpler way to achieve that and avoid all the fuss. The sometimes virulent anti-Americanism of some but silence by the same on Iraq’s record is yet another example of the half-debate, the half-truth, the lack of balance and the lack of substance in the doves’ argument.

The so-called hawks do no better on their side of the debate. They too contribute to the half-debate, the half-truth, the lack of balance and the lack of substance. Their expositions and their politics have faltered badly, and on occasions very badly. President Bush, Prime Ministers Blair and Howard, Vice-President Cheney, Secretary of Defense Rumsfeld, foreign affairs minister Downer and others have all been guilty of using language and tone that are punctuated by threat, aggression, intimidation and heavying, without acknowledging the other side of the balanced diplomatic solution—particularly the role of the serious Arab world in negotiations.

The hawks fail to acknowledge the inconsistency of their own arguments: Iraq but not Israel; Iraq but not Burma; Iraq but not Zimbabwe. The list could go on and on. There are plenty of other examples—Turkey and Greece in Cyprus, to name but one. Unlike Iraq, Turkey and Greece are not rogue states, but you get my drift. Granted, successful negotiations with a dictator like Saddam Hussein are difficult, if not impossible, to achieve. But the hawks, like the doves, have failed to paint a picture with which citizens of the world can identify, so a majority in all democratic countries rest their support on a successful United Nations resolution. Australians are no exception. Twelve months ago the majority of the Australian electorate got it right and, despite the unsatisfactory nature of the current commentary and debate on Iraq, they have still got it right.

With the majority of Australians, I believe that action needs to be foreshadowed in appropriate resolutions by the United Nations. If full cognisance is taken of the entire situation, that is the only way war can be avoided. Twelve years of containment have failed. Iraq has ignored 17, 18 or 19—whatever the number is—resolutions by the United Nations, and that is not acceptable. The terrible game of bluff, bluster and brinkmanship by all sides needs to come to a conclusion. That conclusion can, and should, be without war; but, ironically, that conclusion probably cannot be reached without the very real threat of war. That is a failure and I admit that, but it is the human reality in dealing with a great trickster and brinkman like Saddam Hussein. There is one person who could change that: Saddam himself. If he wants
war and the destruction of much of Iraq and the Iraqi population, he will invite unilateral action by the United States, Great Britain and possibly Australia under Prime Minister John Howard, with technical and other support from several nations. That is pre-emptive action and that will change the dynamics of the world for ever and ever. That is frightening. I will not under any circumstances support that. The Labor Party will not support that. But, either way, both of those decisions on our side of politics will prove to be irrelevant.

That the media and the United States Ambassador to Australia focused on the views of the Labor Party members last week signals to what a ridiculous level the debate in Australia has fallen. The Labor Party is not in government. The Labor Party will not be making any decisions whatsoever. The focus ought to be on the Howard Liberal government and on analysis of what that government does, not synthesis; the focus ought to be on the substance of what that government is doing and not on style and tone and inferred behaviour; the focus ought to cover all the issues, not just the facts that serve a partisan point of view. That applies to all sides in this debate. Surely Australians deserve at least that from their politicians, bureaucrats and the media.

As I said at the beginning, I probably risk being misrepresented in this speech but, at least like the doves and the hawks with whom I disagree, it is what I believe and, like everybody else who participated in this debate, it is on the record for critical analysis one way or the other. All people are entitled to their view—that is the strength of this country—but more important than that is a consistent and balanced view. After listening to almost everyone, it is evident that has been very difficult to achieve in this debate.

The Labor Party provided bipartisanship to support UN action in the Gulf sanctions against Iraq and I supported that. That was right and proper: the UN supported that. The Labor Party still supports those sanctions, unless they are altered by another UN resolution. I, like an overwhelming majority of Australians, support the Australia-United States alliance, and it is extremely important that it should never be taken for granted. However, when American troops did not put their boots in East Timor to support Australian troops in a UN action, that was no threat to the alliance—and nor should it have been. Similarly, no Australian troops should necessarily be involved in a sanctioned UN action against Iraq. That should not be a threat to the US-Australia alliance either. Currently, without the UN’s sanction and a second resolution to 1441, predeployment of Australian troops is hardly defensible and leads this country down the frightening path of pre-emptive unilateral action.

War is not inevitable. An appropriate resolution by the United Nations, the will to do what is necessary and an equally appropriate response by Iraq will achieve that. Let us hope that happens. We will watch what unfolds with great interest. We will also watch with great interest how the Prime Minister represents Australia, particularly through our troops, in the world. He has a huge responsibility. He has fudged so far in not being clear about our commitment of troops. Now he is indicating in some comments that he has not committed them. We are not convinced yet. Hopefully, he has not made that commitment and he too will wait for the United Nations resolution.

Mr FARMER (Macarthur) (5.58 p.m.)—In recent weeks I have received many letters and calls from constituents regarding a possible war with Iraq. Many people back the Prime Minister’s strong stand against Saddam Hussein’s blatant abuse of the United Nations disarmament demands as opposed to those who just want to bury their heads in the sand, condemn the
government and hope that the whole issue of terrorism and the actions of rogue states will go away. Saddam Hussein’s actions have been well documented by the United Nations. For years the Iraqi regime has used many means to deceive its own people and the rest of the world. The Iraqi regime does not allow freedom of speech or freedom of the press. The Human Rights International Alliance reported in June 2001 that more than 500 journalists and intellectuals have been killed in the last decade.

It is reported that Saddam Hussein has in his possession biological agents sufficient to produce many thousands of litres of anthrax, which is enough to kill several million people. He has boasted of having sufficient materials to produce 38,000 litres of botulinum toxin, enough to kill millions of people from respiratory failure; 1.5 tonnes of VX nerve agent, which is one of the world’s most lethal chemicals; and upwards of 6,500 munitions capable of delivering chemical agents. He has developed biological weapon laboratories, and he is suspected of having a nuclear weapons development program in place. He has denied the United Nations weapons inspectors the right to view evidence that he has disposed of these weapons. This man is a danger to peace in the world. He is a known sponsor of terrorist actions. He has even given payments to families of suicide bombers. He is providing a shelter to terrorist groups, and he is operating a secret terrorist training facility in Iraq.

Saddam Hussein has an appalling human rights record. He has ordered torture, rape and public execution of anyone who dares to disagree with his ideals. From 1988 to 1989, the Iraqi military attacked more than 40 Kurdish villages with chemical weapons and over 100,000 Kurds were killed. In February 1998, 400 prisoners from Abu Ghraib prison were executed and, two months later, 100 detainees were buried alive. In the year 2000, whilst the rest of the world was celebrating this milestone in the world’s history, a new Iraqi decree was issued authorising the government to amputate the tongues of citizens who dared to criticise Saddam Hussein or his government. Iraq’s citizens endure beatings, rape, breaking of limbs, denial of food and water, gouging of eyes, electric shock and pulling out of fingernails. All these atrocities are commonplace for those who disagree with Saddam Hussein and his government.

These are not tales from the Dark Ages; these are true-life accounts of what is happening in Iraq at this very moment. In 1994, General Dallaire, the United Nations force commander, asked for assistance of the world to provide 2,500 soldiers to prevent the Rwandan genocide. The world ignored those pleas and, after three months, over one million people lay dead. We cannot make that mistake again. The world did not want to go to war against Hitler. They did everything in their power to have a peaceful resolution between Hitler and the European countries. However, their inaction allowed a tyrant to persecute and murder millions of people before the world realised that he had to be stopped. These lives could have been saved through acting earlier rather than later. Human Rights Watch estimates that 84 per cent of Marsh Arab people under the rule of Saddam Hussein are dead or have gone missing in the short space of 15 years. This means that Saddam Hussein has almost entirely wiped out a race of people in his country in just 15 years. Do we want this man to hold the world to ransom?

For the past 12 years, the United Nations has been requesting Saddam Hussein to stop accumulating weapons of mass destruction, but the only time that he has been seen to comply was when he was threatened by the coalition of nations strong enough to support the United Nations. Australians who think that we have nothing to do with this or that it does not affect us should reflect on the tragic events of Bali and the Australian lives that were lost there. We
Australians are not excluded from terrorism. We are part of a global community. We trade with nations all over the world and we always have done. Australia cannot afford to turn a blind eye to Iraq’s weapons of mass destruction. Iraq’s possession of these weapons is a threat to all humanity. Like me, the Prime Minister has agonised over Australia’s involvement.

By deploying troops, Australia has put added pressure on Saddam Hussein, and sent a clear message that we will do everything in our power to support the United Nations and to act against this tyrant if required. I wish to acknowledge the Australian veterans who have fought in wars overseas to protect the values we hold dear in this country: peace and freedom. I wish to acknowledge those in the Australian Defence Force who have headed overseas to protect those human rights of freedom and peace. They are people of the highest integrity. Their families and their country are very proud of them.

We are concerned that letting Iraq off the hook will signal to other countries of concern that evasion of international disarmament obligations can and will succeed. Like everyone else, including the Prime Minister, I pray that this situation can be resolved peacefully. The people of Macarthur elected me to be their voice, and I respect their opinions and concerns. I congratulate religious leaders for making every effort to prevent the taking of human life. I applaud the religious leaders who call for prayers and peace to solve this problem. I believe that no person in the seat of Macarthur wants war. The Prime Minister does not want war. But somebody has to take the tough decisions to prevent days such as those of the September 11 attacks and the Bali bombings from happening again.

We are kidding ourselves if we think we can bury our heads in the sand and hope that terrorism will ignore us. Saddam Hussein is a man who wants unconditional power at all costs. He knows no barriers and no limits. He must be stopped now, before he becomes so powerful that he cannot be stopped. This government was elected by the people of Australia because it is prepared to do what it believes is right to benefit all people. We are part of this world and we must play a responsible role in it. In Australia we applaud and decorate those people who selfishly put themselves in danger to protect others. If someone rushes into a burning house before emergency assistance arrives to save people inside, they are seen as a hero because they acted quickly to prevent harm to others.

As leaders of our community we cannot sit idly by and let dictators like Saddam Hussein commit these atrocities against humanity. Yet I do not believe in my heart that war is the answer either. I believe this is the time in history for the nations of the world to come together with the United Kingdom, the United States and Australia to strengthen the United Nations resolve for peace. The time is right for the United Nations to review its relevance and to stand by its charter. If force must be used, I believe it must be a targeted campaign against Saddam Hussein and his small group of supporters. The people of Iraq who believe in peace must be protected.

As Australians, we believe in a democratic society. Many do not agree with the Prime Minister or me, but one of the great things about living in Australia is that we have the freedom of speech to do so. It seems that the opposition oppose anything and everything just for the sake of being different from the government. I sympathise with those in opposition, but for the sake of world peace we cannot afford to let Saddam Hussein continue to ignore the United Nations. I call upon all members of this government to support the Prime Minister and the United Nations in their resolve for world peace.
There are so many people out there who do not want to support intervention in Iraq, because of the cost of human life. To those people I say: what about the cost of human life if there is no intervention? I have agonised over my moral beliefs and my thoughts on what should be done with Iraq. It is clear to everybody in the House that Saddam Hussein is a rogue who is playing a game of cat and mouse with the United Nations. I have thought long and hard about the consequences of war. I have thought long and hard about where we might go after action has been taken against Saddam Hussein. One of the things I hope for in this process at this point in time, before action is taken, is that we may be able to analyse the whole situation and strengthen the United Nations, and that somehow the United Nations may be able to find a way to move on in a peaceful manner.

As I mentioned earlier, nobody wants war but, by the same token, nobody wants to stand by and watch innocent people being killed or suffering atrocities. Nobody wants to see states laughing in the face of world order and the United Nations—a body that is bent on providing peace to the world. I hope that, through the words that are said on both sides of this parliament—by the government and the opposition—and by all the government leaders, the United Nations might somehow take on board our call for them to make a stand, to feel strong in their resolve and to do what must be done to bring about world peace.

Mr SCIACCA (Bowman) (6.12 p.m.)—At the risk of sounding repetitious, I state from the outset that I certainly do not want to see a war—and of course nobody wants a war with Iraq. In an ideal world we would not have to go to war with anybody, but we do not live in an ideal world. I know that there are very strong views on this matter, particularly on my side of the House, and I respect those views. I do not agree with all of them, but I respect them and I hope that others will respect mine.

It is reasonable to assume that this century will be very similar to the last century, the century before that and the century before that. It is likely that there will be at least one major conflict and countless skirmishes and insurgencies. However much we may want peace, it would be very naïve to believe that peace can be achieved for long periods of time and even more naïve to believe that Australia can live in some sort of splendid isolation, unaffected by world events and able to watch from the sidelines.

In this House it is our job to be realists—to analyse situations, gauge the consequences of our actions and make decisions which may affect the lives of millions of people. It is not our job to engage in student politics and make statements filled with overemotion and immaturity with no regard for the long-term consequences. I am afraid that this has happened on both sides of the House during this debate. We must keep our focus on the job at hand and we must keep our eye on the ball, not on the man.

It has been said that President George Bush is all sorts of things, and he may not be the most favoured US President there has even been in the eyes of many people throughout the world, but the fact remains that he is the US President. He is President of the largest democracy in the world, the leader of a nation which has for many years upheld the umbrella of freedom for the rest of the world. As far as I am concerned, Australia has been a beneficiary of that umbrella of freedom. As such, irrespective of whether or not we agree with the politics, the colour or the character of the President of the United States at the present time, we ought to at least remember that the United States has been our friend in the past and if—God forbid—we ever needed it again, hopefully it would be our friend in the future.
Rogue states and rogue dictators exist whether we like it or not, both near and far from us. As always, it is not the superpowers that we have to worry about; it is the rogue states such as Iraq that pose the greatest threat to our way of life. Iraq may be far away and we may think that their actions do not affect us directly. But they do because, whether we like it or not, we are part of the world community—and a more significant part than ever before—in terms of trade, business, politics and culture.

This brings me to the two issues that I want to discuss today: the ALP stance on the issue of Iraq and the anti-American sentiment that has been expressed in recent weeks. I did not propose to speak in this debate because I did not think I could add anything to it. I am not going into the facts and circumstances in detail. Other people have done that. But I must say that I have been most concerned at the rash of anti-US sentiment that has crept into this parliament and outside in the community. That does not mean I agree, for instance, with Ambassador Schieffer’s intervention into the domestic political debate—but I will say something about that later on.

First of all, I believe that the stance of our party and Simon Crean is correct in terms of seeking a clear UN mandate rather than endorsing a unilateral or other allied effort. It is vital that civilised nations continue to respect the legitimacy of the United Nations and continue to provide its office with the respect and the gravitas that it deserves. On the other hand, however, the UN has to ensure that its diplomatic efforts and its boundless patience are not being exploited.

It is my opinion that Iraq has been taking advantage of the UN and its members for the past 12 years. Resolution 1441 made it very clear that it had to disarm. There is, in a legalistic sense at the very least, a very good argument that there is more than sufficient allowance in that resolution for the United States or any member to take some action to disarm Iraq. I believe that there is little doubt that over this period Iraq’s regime has been secretly developing chemical and biological weapons and is in the process of developing a nuclear presence in the region. At the same time Iraq’s regime has been thumbing its nose at the international community and mocking the very processes that it undertook to abide by. I personally believe that the evidence presented by the US Secretary of State, Colin Powell, last week is very credible and very significant. While there can almost never be evidence that is beyond all doubt, the case put forward by the US—and indeed, might I say, by our friends in the United Kingdom—is compelling, given Iraq’s reluctance to fully cooperate with the United Nations demands.

Having established these facts, how long should the international community wait before it takes decisive action? While the UN Security Council should not be treated lightly, it is made up of many countries that are nowhere near as close to us as the US and the UK are—historically, culturally or politically. These nations, some of which have veto powers over the council’s decision, may have different agendas and strong or conflicting interests in internal as well as external pressures that may prevent them from deciding to disarm Iraq by force, regardless of how conclusive the evidence presented to them may be. Then what? Should Saddam Hussein be left alone to continue his program of rearmament? If there is one tragedy in all of this debate, it is that Saddam Hussein, without even lifting a finger, just sitting back and watching what is going on, has effectively caused enormous ructions and problems within the alliances of the Western world. We now have Belgium and France—that great receiver of democratic help, particularly from the US, Australia and all the allied countries over all of the
last century—obviously looking more at what their economic interests are in Iraq than at what really is the problem. We have Germany, which last century was the country that started two world wars, now saying, ‘No, we want to look at something else.’

The reality is that this man Saddam Hussein has single-handedly done what nobody has been able to do for the last 50 years, and that is cause enormous problems and ructions in NATO as well as in the United Nations. This is a man who does not care about anybody but himself. Should the international community continue to negotiate endlessly with a regime that has been deceitful for over a decade in the faint hope that, once its weapons program is complete, it will be used in a responsible manner? I do not think that Iraq’s past form allows us to be that indulgent.

Therefore, there comes a time when a subjective test has to be applied to all issues. As in all matters in life and politics, sides have to be taken. This subjective test is our alliance and, even more than that, our friendship with both the United States and the United Kingdom. Let us not forget that the United Kingdom is very much involved in this as well. Some people tend to forget that, but I do not. The US is Australia’s friend. To my mind, the word ‘friendship’ is worth more than the word ‘alliance’. True friendship is shown in times of trouble and crisis, not just when the world is rosy. I certainly do not want to sound like a throwback to the fifties, but Australia’s shared legacy with the US is a vital tie and one that we will be cherishing long after this latest crisis is forgotten.

As a past minister in the defence area—as Minister for Veterans’ Affairs—I can remember reading much military history. I have had the honour, if you like, of travelling all around the world to military sites. I know that, whether it was in France, in Europe generally or anywhere, men and women from the United States were there fighting side by side with Australians. Arguably, if it had not been for the United States in the Battle of the Coral Sea, we would not be the free country that we are today. How little time it takes for people to forget.

I do not want to kowtow to the United States, because we are a sovereign country. I do believe that, in many respects, there probably has been a bit too much of, ‘All the way with George W. Bush.’ But I do think that gets away from the major issue here: that is, the United States are asking for our assistance—albeit symbolically, because of the small size of the troop deployment that we may have; and I would agree to the deployment if the United Nations sanctions it—and I hope the deployment of our troops will at least show them that, when they need us, we are there as well. If history is to be repeated—and history always does repeat itself—some day we may need that help ourselves.

As I said, I certainly do not want to sound like a throwback to the fifties, but Australia’s shared legacy with the US is a vital tie and one that we will still be cherishing when this latest crisis is forgotten. It is with this thought in mind that I object to the rabid anti-American statements and sentiments displayed by some people in this House and elsewhere who, I believe, should know better. I think such sentiments are plainly wrong and I hope that such comments, remarks and language—while unnecessary and unhelpful—are at least born of passion and not of expediency or any other ulterior motive.

In my opinion, the ALP has been very consistent in its views. The ALP has, until now, pursued a very responsible, sound and prudent policy with regard to the crisis in Iraq and Australia’s involvement. In April last year, we said that we wanted a resolution of the United Nations before we would agree to a deployment. Even the Prime Minister agrees with that now;
he has followed our lead. I am 100 per cent behind the Labor Party and Simon Crean when he says that, if the UN sanctions it, Australia is there; if the UN does not sanction it, the Labor Party will not be supporting it. Our shadow foreign minister—through his intellect, understanding of the issues and enviable list of international contacts—has been able to maintain Labor’s true position, along with the leader, in the spotlight, in spite of the many diversions they have had to face. I fear, however, that the time for diplomacy has run out. Before long, Australia will be involved in a conflict that is not of our making or the making of our friends. I believe we must stand side by side with our friends—if the UN sanctions it—and not forget that Saddam Hussein is the true villain here and that, if left unchecked, his regime has the capacity to affect all of us directly and indirectly.

I want to end by making a few comments with respect to the intervention over the last couple of days by the American Ambassador to Australia. I have only met Mr Schieffer once. I think it is wrong, and I think he overstepped his mark by involving himself in domestic politics, but I understand his frustration and I understand the frustration of those who consider that perhaps we are thumbing our noses at the alliance. We are not, but the perception is there.

I challenge anybody to go to New York to the site of September 11, the World Trade Centre, as I did last year, to walk across the road where the fence is and to see the many thousands of letters and messages that are stuck on that fence. I did not particularly want to go. Those sorts of things just make me fairly emotional. But I did go because I thought, ‘I’m in New York. I should see what happened.’ When I walked past there, I got about 20 yards—there are at least 200 yards of this, if not more—and, frankly, I had tears in my eyes. I said, ‘I can’t cop this any longer.’ There were messages from relatives saying, ‘Where have you gone?’ et cetera to people whose remains were never found.

As much as I abhor war, as much as I am a Christian, a Catholic—and a practising Catholic at that—and always like to turn the other cheek, there comes a time when you do not turn the other cheek. If what happened in New York happened to us here in Australia, where 3,000 were killed in one massive suicide bomb attack, perhaps people would have a different view and might be able to at least understand to some degree what some of the American people are thinking at the moment.

I think George W. Bush is too much of a hawk. He could have gone about things differently. But the end result is that this man Saddam Hussein needs to be dealt with. That does not mean that we do not need to deal with the people in North Korea and other rogue states as well. The reality is that something has to be done.

If the United Nations sanctions action against Saddam Hussein, I am fully in support of it and I will argue it up hill and down dale. If it does not, that is a different question and I will abide by my party’s decision, although I must say that I do believe that in Kosovo, where just NATO went in, not the United Nations, we did a lot of good. We brought them here; we looked after a lot of them. There might be some argument for unilateral action. I am a bit open minded on that. I do not really believe unilateral action is the way to go. It is better to get people behind you as well. I support the party line on that. Today I wanted to place on record that I for one am not someone who will criticise the US on this issue.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (6.27 p.m.)—On 17 September last year, I made a speech in this place about Iraq and about our need to take seriously the failure of Iraq over 11 years to disarm and abide by
the United Nations' directive at the end of the Gulf War that they remove their weapons of mass destruction. Of course, this was a requirement that Iraq unconditionally accept under international supervision the destruction, removal or rendering harmless of its weapons of mass destruction, ballistic missiles with a range of over 150 kilometres, and related production facilities and equipment. Iraq was supposed to do that within 15 days of the original resolution being passed back in 1991.

I rise here today to again speak on this Iraq situation. I could, in a sense, read out my speech of last year, because nothing has changed. We continue to have a rogue state that bluff, threatens and counter threatens. We have the world continuing to be most concerned about terrorism and about the fact that there is much succour gained by terrorists who have an anti-Western bent when they look at the success of the Iraq regime in ignoring and defying that resolution over those 11 or 12 years.

Back in September when I last spoke, we were already well aware of the 11 September 2001 event when the planes were used to kill thousands of civilians in the United States in that extraordinary terrorist act of barbarism. It shocked the world. But my speech was before 12 October 2002, when the terrorist attack took place in our near neighbourhood, in Bali, and our own Australians were killed and maimed by a terrorist cell that I believe drew a great deal of inspiration and succour from the Iraq regime.

I do not think for a minute that we can stand up in this country and pretend to ourselves that we will ever have the same sense of national security that we once had when we thought that no-one would step into a place of recreation and visitation, a place where people were simply having a drink and a good time, and be targeted by terrorists who hated them because they were Westerners, Australians, and saw them as the enemy.

In the speech I made on 17 September 2002, I also decried the behaviour of the opposition, the Labor Party. Even then they were already in a frenzy about trying to make sure that they squeezed every bit of opposition in Australia to our taking a stand, being there with like-minded nations and insisting that the time had come for Iraq to be accountable for their actions and, indeed, to respond to the original resolution.

Sadly, in the first two weeks since we recommenced this parliamentary sitting, we have seen no change in the Labor Party. They are trying to wring the hearts and minds of Australians by constantly declaring that we have committed to war—that our troops have been deployed to an inevitable and brutal war that we have already committed ourselves to, simply on the basis that the United States is there before us. Day after day, anybody listening to our Prime Minister, to our Minister for Foreign Affairs or to any of our cabinet members as they speak in response to questions—anybody who has listened to our country’s leaders, our John Howard-led Australian government—will know that that is totally offensive and a lie.

Our Australian government has joined with other United Nations Security Council members in absolutely deploiring the continuation of Iraq’s refusal to cooperate. Like other like-minded countries, we have been concerned at the relationship between our own domestic security and the growing boldness of terrorists as they continue to operate across the world. Like other like-minded nations, we have said, ‘Enough is enough,’ and that Iraq must realise that they simply cannot continue as they have done—bluffing, feigning, pretending to cooperate, refusing the sort of real cooperation which would reveal exactly what has happened to their weapons of mass destruction and biological warfare.
If you boil down carefully what members of the opposition are saying in quieter moments or when the Leader of the Opposition places some of their thoughts on record, the government and the opposition share the same views right now about the Iraq situation. Both the government and the opposition are pursuing a diplomatic and peaceful solution. No-one wants war in this country. No-one has ever wanted war in this country. No-one in their right mind would ever wish upon their sons and daughters and future generations the maiming, killing and psychological anguish that are associated with warfare—especially the sorts of warfare that we know are possible with the methods of mass destruction that Iraq has collected unto itself.

Our government has chosen to strongly support the United Nations Security Council’s insistence that Iraq finally comply. We have tried to up the diplomatic pressure by also pre-deploying some of our Defence Force personnel for two reasons. Firstly, we want to show that, while we are a small country and the numbers of our pre-deployed defence personnel are few, we as a small nation are still serious about our intent when we say, ‘Enough is enough.’ Secondly, we want to make sure that if, tragically, Iraq finally refuses to cooperate and the United Nations Security Council determines that there has to be conflict, then we have given our troops—our Navy, Air Force and Army—the best possible chance to be prepared for the part they may play if our government further commits their activities. Any right-minded Australian citizen understands that situation.

What worries me, though, about the opposition trying to wring every sense of outrage out of the Australian public by repeating endlessly, and pretending, that what we have done is to commit to war right now—and only because of some sycophantic relationship with the United States—is where that sort of posturing and cheap political stunt pulling leaves a lot of our Defence Force personnel. In about two weeks time I will have the privilege of giving to some of our national servicemen the medal that we struck to commemorate and acknowledge 50 years of national service in this country. It will take place at Echua, a beautiful place on the Murray River that has committed, generation after generation, a significant proportion of its brightest and best to whatever conflict Australia was committed to. Among those national servicemen will be a significant number of Vietnam veterans.

On the one hand, there is absolutely no similarity between the Vietnam conflict and the conflict that potentially could occur if Iraq refuses ultimately to disarm. On the other hand, there is a shocking similarity between the rhetoric and the sorts of attitudes that the opposition is engendering in the minds of the Australian public and what happened to our Vietnam veterans. They marched back to an Australia that called them ‘baby killers.’ They were told to take their uniforms off on the planes, to get into civvies and to try to disappear into the crowds in Melbourne and Sydney to avoid the accusations that they had somehow betrayed their country by participating in what we understood was to be the liberation or the protection of the South Vietnamese from the communists from the north.

They are already saying to me, ‘Let’s make sure, in the emotional, heightened fervour that the opposition is trying to drum up for political point scoring—the ‘say no to war’ stuff that is going on—that it does not rebound on our magnificent Defence Force personnel.’ We need to make sure that if, at the end of all this, a United Nations resolution means we have to commit to war—if we do decide as a nation to do our part to try to bring about a better world—that our forces can march back proudly to this country, be received into the bosom of the citizenry and be treated as heroes should be and not as the Vietnam veterans were.
I put it on the shoulders of the opposition that they must behave responsibly at this time. They know that we are not warmongering. We are not committed to a war at this point; we are simply preparing in this country for what may be an eventuality. We are a free nation with a very strong sense of the need to do all we can for world peace. Our small contribution can help to make Iraq understand that we will stand by our moral code. I want to ask the opposition to think a little further than they do each day in question time. It might make good copy—it might make a good headline—but there are thousands of Australian Defence Force personnel who already are fearful of the outcomes from the sort of nonsense that is going on.

I think Australia can stand bravely with the like-minded free democracies and populations of this world. If any rogue state ignores the United Nations Security Council resolution in the way that Iraq has, what message are we giving to countries like North Korea, which similarly seems to think that if it blusters and bluffs it may get away with a regime that puts the world order under threat? I am proud to say that our government will make the hard decisions if they are necessary. It will make decisions about maintaining domestic and international peace and good order. It will welcome back our Defence Force personnel no matter what role they have played. I invite the opposition to be a little more ethical and to be morally stronger when it comes to trying to use the current debate simply to change the popularity polls in a short-term grab. They are being dishonest by repeating, day after day, a mantra that they know is political spin, not truth and reality.

Mr Hatton (Blaxland) (6.40 p.m.)—This has been a long debate. People have approached it from a number of different angles. But it has, in part, been about the core truth of the matters that face us—not only those before the United Nations and the Security Council but also what is happening on the ground in Iraq and what certain motivations are. This is not just about the motivations of the leader of Iraq, Saddam Hussein. In the words of the former Minister for Defence here, they are well known. They have been well known throughout his career. I do not mean to canvass those at length. The facts are that Saddam has run the regime he has run; that for eight years he was assisted by the United States logistically in making war against Iran; and that, when he used chemical and biological weapons in the field, it was with the logistical backing of the United States government. Even the United States government has to admit that that is part of the history.

That does not mean, of course, that you cannot deal with someone as Saddam Hussein and his regime were dealt with during the Gulf War. Times and circumstances change when you are dealing with geopolitical issues. The approaches taken by relevant governments can also change over time. We are here now in this debate. Debate has been dominated in Australia by questions as to whether troops have been forward deployed; whether a decision has been taken by the government to commit to war; and whether that decision has been taken on the basis that, if the UN Security Council does not give a go-ahead and a second resolution, Australia will join Britain—which seems to be signed up entirely to a coalition of the willing—to prosecute the war on a unilateral basis. They are some of the fundamental questions that have been dealt with.

I think there will be war. I think it was inevitable when George W. Bush was elected President of the United States and the incoming Republican regime set about putting their foreign policy into effect. It goes back prior to the events of September 2001, and prior to the attack on the twin towers and the Pentagon. It goes back to a series of obsessions that some of the world’s major leaders have. There are the obsessions George W. Bush has about Iraq and the
Gulf War, and certainly the obsessions of Colin Powell, who had the overall carriage of that war militarily as part of his responsibility.

Then there is the fact that George Bush Sr was the President who, after discussions with Colin Powell and his adviser—Condoleezza Rice at the time—made the determination that the Gulf War would cease short of Baghdad. Just today, in an article in the paper, Paul Kelly again—as have others—rewrites history. UN resolution 678 said that the member states, in conjunction with the government of Kuwait, should do all in their power, using all means necessary, not only to get the Iraqis out of Kuwait but also to disarm the Iraqi government and settle the area so that it was peaceful and secure.

In relation to the killing, the decision taken by the key people, by the American leaders of that UN force at the time, was based essentially on the fact that in the end—after all the surgical strikes with modern weaponry, most of which dominated the coverage of the war, and through precision bombing—it could actually achieve the military objectives without great loss of life. What stopped George Bush and the others in their tracks was that, in the course of 36 hours, 55,000 bodies of Iraqi soldiers lay in a very small area of Iraq. It was a total killing field. They could not take a decision. They felt that at that time the pressure of the world media would be too great to press on to Baghdad and seal the fate of Saddam Hussein and his regime.

We are back here 11 or 12 years later because the Republicans still have not come to terms with the decision they made. A lot of people argued at the time that they did not have the right to go any further and go through to Baghdad. Schwarzkopf, the commanding general in the field, saw—quite rightly, I think—that the UN had given the power to that international force not only to secure the freedom of Kuwait but also to disarm Saddam Hussein. That 678 resolution encompassed all the previous resolutions about disarming Iraq—just as 1441, the operative resolution that we are dealing with now, encompasses all of those previous decisions.

We know that four years ago, in 1998, when the inspectors were thrown out of Iraq, there was cause to take action by the United Nations. We know that there was a different administration then, a Democratic administration. They would not press that matter. We also know that there were a series of concessions. Saddam Hussein is entirely consistent in the way in which he operates. Nothing much has changed about him at all—whether it is his trickery, the fact that he has slaughtered hundreds of thousands of people without turning a hair, the fact that he has entirely dominated his society in the most despotic and cruel manner possible or the fact that he has played Western societies and countries off a break, not only prior to the Gulf War but during and after it. And in this current circumstance, we see still the split between members of NATO and the United States and other member states of the United Nations.

A resolution to this will not come easily. But after all this time, let us get real in regard to this. The fundamental determinations and decisions about whether or not war would be prosecuted against Iraq were made a long time ago. The Prime Minister of this country signed up to it a long time ago. He denies it, but we know it happened. The government has not made a final hairsplitting decision—the final mark on the bottom line after a phone call or after a missive from the government—but the forward deployments are all there. We are not back in 1990-91, when, after the invasion of Kuwait, it took months to get the forces together. This is all planned, all open.
In today’s Sydney Morning Herald, there is an article headed ‘RAAF jets to get frontline role in Iraq’. What is the story about? It is about the fact that these jets have been updated so that they can completely integrate with United States F18s and take their place fully as part of the attack force in this coming war. We know that the Kanimbla was updated to prepare it for a specific role within this. So it is time for all the lies, all the obfuscations, all the disinformation—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Blaxland will realise that this chair does not accept ‘lies’; it will have to be withdrawn.

Mr HATTON—Why?

The DEPUTY SPEAKER—I ask the member for Blaxland to withdraw.

Mr HATTON—Calling a person—

The DEPUTY SPEAKER—You cannot argue with the chair.

Mr HATTON—I cannot argue with the chair?

The DEPUTY SPEAKER—I ask you to withdraw the word ‘lies’.

Mr HATTON—It is my understanding, Mr Deputy Speaker, that it is not unparliamentary to use the word ‘lies’—

The DEPUTY SPEAKER—if the member for Blaxland wants to argue, I will sit him down.

Mr HATTON—Okay, I will withdraw the word ‘lies’, despite the fact that it is my understanding that throughout all past parliamentary practice that—

The DEPUTY SPEAKER—The chair will rule on those issues.

Mr HATTON—Despite all of the disinformation, all of the distortions and all of the malfeasance about what is actually happening here, the core situation is this: we have been put in a situation by this government where they are part of a small coterie that will act in the absence of the United Nations Security Council. That has been indicated very strongly for a long time. The Labor Party has indicated that we will not be part of a unilateral force. Part of the world’s current problem with this issue is that the UN leadership, when it had the capacity during the Gulf War, decided not to press through to finality and remove Hussein. This issue has come back, and it has come back harder than it presented itself previously. We also have the situation that this is a strange approach to take to try and deal effectively with the fundamental problems that face us. Since September 11, the key problem that we face is the war on terror. We need a key mechanism in order to prosecute that war on terror. This is a war that has come to the very doorstep of Australia and is intent on coming onto Australian soil and wreaking terror from one end of this land to the other. It is the intention of terrorists in the United States, Britain, Europe and elsewhere to tear our societies to pieces and impose a despotic regime, a single religious based regime, throughout Asia.

This is a major battle. It is here that the focus turns to what we do multilaterally, what we do within the United Nations—not only the General Assembly but also the Security Council, a beast that has changed mightily since the end of the Cold War. We know that prior to the end of the Cold War, because we had a world locked up between communist and anti-communist forces, the veto exercised in the Security Council was avoided only once, and that was the case of the Russians not being up to their game during the Korean War. There was a United
Nations force that prosecuted the war against North Korea, but that was the exception. The world opening up at the end of the Cold War means that the one great superpower that exists, the United States, is in a position to press its point hard and to give not just moral leadership but practical leadership to solving worldwide problems. The attack on the Twin Towers, the attack on the Pentagon and the attempted attack on the Congress are illustrations of the fundamental problem that we face.

My great fear is that this is a misguided attempt to deal with the problem that should have been finalised before. Look at the things that this regime has done: its refusal to accept or abide by any of the resolutions that the United Nations has put up and its refusal to do away with its weapons. Instead of just slipping them off into neighbouring states, as it did during the Gulf War when it slipped its fighter force off to Iran—that fighter force is still there—it has attempted to get out of that.

Hussein and his group need to be dealt with. But let us be up-front about the way that this is being done. What we have had is months of slip-sliding all over the place without confronting the key issue. If you are going to take action in regard to this person and regime who have absolutely thrown in the face of the United Nations its inability to make this regime operate as it should under UN resolutions, you need to be extremely tough and straightforward. However, you also need to put a coherent case before the world community. The key problem at this stage is that neither the Bush administration nor the Blair administration—and certainly not this coalition government—has put a cogent, coherent case that has not changed almost from week to week about why it is absolutely necessary to deal with this person.

We have one report from Mohammed ElBaradei about the fact that they have not found any nuclear weapons; if they are there longer they may be able to find some. We have a much stronger report from Dr Blix concerning the chemical and biological weapons, and so far the evidence is that Saddam Hussein has not really attempted either to disarm or to demonstrate that Iraq has tried to disarm. The weapons inspectors’ final report is coming on Friday and will no doubt condition what happens in the Security Council.

There is a key set of problems here. We now see questions emerging about what the United States intends to do in Iraq after Iraq is annexed. This is a significant problem. If the United States thinks that it can impose itself, and impose a friendly government, on the area of Iraq in the Middle East and seek to put in a Marshall Plan or, as they did with Japan after the Second World War, a point four plan, and turn Iraq into a country liberated by God—as the President effectively put it the other day—there are serious ramifications for the international community. The United States does not understand the Middle East region. If it wants to send a message to the terrorists that they will intervene and change that regimes and that the other regimes supporting terrorists will also be annexed in the future, that could provide greater problems for the Security Council and for the world community. (Time expired)

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (6.56 p.m.)—This is a difficult time for us all, because nobody wants war. Military conflict is and should always be a last resort and one that we hope can be avoided. As the Prime Minister said on radio recently:

Years ago the threat to international security was armies rolling across borders. Then we had the balance of nuclear terror … But the new threat is the spread of chemical, biological and potentially nuclear
weapons into the hands of rogue states, the possibility thereby being increased that those weapons will get into the hands of terrorists.

It is a problem that we simply cannot walk away from. In 1991 the United Nations Security Council set out what Iraq had to do to ensure that it no longer posed a threat to global security, and that included giving up its weapons of mass destruction. More than a decade later, Iraq has failed to come clean about its weapons and programs. In fact, it has effectively tried to hide its weapons. The UN option has been tried for 12 years without prospect of success. The UN chief weapons inspector, Hans Blix, said in his report to the United Nations Security Council:

Iraq appears not to have come to a genuine acceptance, not even today, of the disarmament which was demanded of it and which it needs to carry out to win the confidence of the world and to live in peace.

Our actions now will have far-reaching implications for global peace and the security of future generations.

Australia remains fully committed to the UN process, and it must ensure that Iraq complies with its resolutions. There have already been 17 resolutions which Iraq has ignored. In 1994, I was a member of an unofficial parliamentary delegation that visited Kuwait. This was more than 3½ years after Saddam Hussein’s forces were driven from that country by allied forces. What I saw was a country that, while well on the way to rebuilding, was still scarred physically and emotionally by the brutality of the Iraqi regime. As I indicated to the parliament back in 1994, members of the delegation were acutely aware of the suffering and emotional devastation which Iraq had inflicted upon the families of Kuwait. Back then, we asked how we would feel ourselves if Australia had been invaded and some 15,000 Australians had been taken hostage.

I remind honourable members opposite of the UN Security Council’s most recent resolution. Under resolution 1441, adopted on 8 November 2002, the Security Council decided:

… that Iraq has been and remains in material breach of its obligations … in particular through Iraq’s failure to cooperate with United Nations weapons inspectors.

The Security Council decided:

… to afford Iraq, by this resolution, a final opportunity to comply with its disarmament obligations.

The Security Council decided:

… that, in order to begin to comply with its disarmament obligations … the Government of Iraq should provide … not later than 30 days from the date of this resolution, a currently accurate, full and complete declaration of all aspects of its programmes to develop chemical, biological and nuclear weapons, ballistic missiles, and other delivery systems …

The resolution of the Security Council further recorded:

... the Council has repeatedly warned Iraq that it will face serious consequences as a result of its continued violations of its obligations.

The 30 days afforded the Iraqi government expired on 8 December—that is now 66 days ago. With the prospect of war looming, it is only now that we see a minimal amount of cooperation towards UN weapons inspectors in what could best be described as stalling for time. This 30-day deadline, of course, is nothing compared with the 12 years the world has been waiting for Saddam Hussein and his Iraqi regime to disarm.
Many of my colleagues who spoke last week would not have had the benefit of hearing the views of the United States National Security Adviser, Condoleezza Rice, in her interview with Channel 9 political reporter Laurie Oakes on the weekend. It provided a great insight into the strategies and decisions facing the United States in deciding how and when to act against Saddam Hussein. Dr Rice succinctly put it:

The Security Council needs to defend its own resolution here, we need the Security Council to be strong.

Remember, Security Council resolution 1441 is not a US resolution; it is a United Nations resolution. It made the resolution and so should have the conviction to carry out its own wishes. Dr Rice had a particularly strong response to those people who argue that, by supporting the US, Australia becomes a greater target for terrorism. Dr Rice said:

... the terrorists struck on September eleventh without the rationale of a war in Iraq, the terrorists struck in Bali without the rationale of a war in Iraq. They were making poisons in Britain without the rationale of a war in Iraq. The terrorists are striking because they want to bring down civilisation as we know it.

The message is quite clear: terrorists are against our culture, our democracy and our way of life. Of equal importance in the interview was Dr Rice’s assessment of the role that Australia, through the Prime Minister, has played in offering advice and support to the US in helping to resolve this issue. In complete contrast to the opposition’s portrayal of the Prime Minister as a lap-dog of the US President, Dr Rice said:

The Australian people have in their Prime Minister someone who is showing great leadership.

Laurie Oakes himself, not known for gilding the lily, certainly was left with the impression that the Prime Minister’s views were valued in the White House. He told the Today show on 10 February:

It’s not fair to say that Howard is just a lap dog of the Americans. George Bush and the White House do take him seriously.

I cannot let this opportunity pass without highlighting the disgraceful treatment by the opposition leader of our servicemen and women. To be not only playing up divisions but also openly doing so in front of the very people chosen to represent their country in the Middle East is an absolute disgrace and does nothing to serve the interests of Australia and Australians. Our troops have been sent to the Middle East to carry out a job, to be a display of strength, and they do not need to be told by the opposition leader that they do not have the support of the nation. It was political opportunism at its worst.

The Labor Party’s stance on this issue is as telling for what has not been said as for what has been said. As the Prime Minister pointed out on radio last week, there has been plenty of personal denigration of the US and President Bush, but there has been no criticism of British Prime Minister Tony Blair or, might I add, Foreign Secretary Jack Straw. Neither President Bush nor Prime Minister Blair should be criticised, but it illustrates the hypocrisy of the Labor Party. The reason they do not attack Mr Blair, of course, is because he is Labour.

The need to disarm Iraq is as much about protecting its own people as it is about protecting other countries. In Iraq, the human rights violations against Saddam Hussein’s own people are chilling. It is well documented that he systematically and aggressively gassed his own people by using chemical weapons on a number of Kurdish towns, killing 5,000 and injuring another 10,000. There have been untold numbers of arrests and detention of individuals suspected of political or religious activities. Torture has been extensively documented using methods such
as branding, electric shocks, mutilation, rape and breaking of limbs. It is estimated that, since 1997, more than 3,000 prisoners have been executed in what has been called ‘prison cleaning’ campaigns. Of course, the opposition never mention these things; they would rather criticise the Prime Minister than Saddam Hussein.

As I said earlier, no-one likes war, but there have been times when action has been necessary. More recently, while Afghanistan does not have our culture of democracy, the military action against the Taliban last year has had some good results, in particular for women. Under the Taliban, women in Afghanistan were not allowed to drive a car, study or be educated, and girls were not allowed to go to school. They can now. Our actions in East Timor were heroic, and the people of East Timor will be forever grateful. I do not underestimate the public feeling against war. The opposition are playing on that, and they would rather attack the government and belittle the United States than disarm Saddam Hussein. This is a time when the Australian people want unity of purpose and leadership. The opposition leader should be explaining to them that there will be no war, no aggression, no conflict if Saddam Hussein does what he promised the world he would do in 1991 and what 17 UN resolutions have demanded of him since. The Leader of the Opposition has instead played shabby politics.

We Australians have a different culture to the Americans. We feel more comfortable with the way Tony Blair or our own Prime Minister or Treasurer express themselves than we do with the way a Texan president expresses himself. That is understandable but it does not excuse the undignified outbursts of the member for Werriwa. America is our friend. We will not always agree, but the wave of anti-American feeling inflamed by the opposition is of concern. Condoleezza Rice, referring to comments by Colin Powell, said:

United States went to Europe to fight in World War Two and asked not for any more territory than it took to bury our dead.

My father served as a pilot in the Air Force in New Guinea during the Second World War. Like many old soldiers, he prays for peace—not war—but makes the point to me that Australians would have been in extreme danger if not for the Americans and that we should never forget it.

While we still hope that Saddam Hussein takes the necessary action to avoid war, I note comments yesterday by the Anglican Bishop to the Australian Defence Force, Tom Frame, in the Australian where he outlines several practical criteria relevant to us in determining whether a war might be deemed just. In short the criteria include:

War must be declared by a legitimate authority; the cause itself must be just; the intention must be just rather than expedient; force can only be used after all reasonable methods of resolution have failed; there must be reasonable hope of achieving a just outcome; the amount of force used must be proportional to the threat being faced; and the outcome should bear a close relationship to the cost.

In each case, Bishop Frame argues that there is a case for military action against Iraq.

Mr Griffin (Bruce) (7.08 p.m.)—No more serious decision can be taken by a nation than one which involves the commitment of troops and the conduct of war. As we all know, the result will potentially be horrific. Therefore, such a decision should be taken only after very deliberate consideration, proper debate and discussion—and, frankly, only as a last option. The American journalist Walter Lippman said:
We must remember that in time of war what is said on the enemy’s side of the front is always propaganda, and what is said on our side of the front is truth and righteousness, the cause of humanity and a crusade for peace.

I quote those words merely to put into some context the terms of the debate as it has been undergone. I will refer particularly to the previous speaker, although I know that my comments will apply to members on both sides. In this debate we have had terminology used that was probably inappropriate. Statements have been made that, if people were to think again, might be reconsidered. Attempts have also been made to propagandise aspects of this debate and to question the motives of individuals over the views that they hold true. I believe in some cases that has been unfair but in others it has been fair—and I will come to that a little later on.

Several points need to be remembered throughout this debate. The first is that I support our defence forces. The opposition leader supports our defence forces. Unlike what was said by the member for Adelaide, the previous speaker, the opposition leader made that very clear when he spoke to those troops. We support our forces, we trust them and we believe that they are not only capable and professional but will act in our country’s best interests.

Our forces are required—it has been the way of the military since the beginning of time—to follow orders and to do what they are required to do. Our question aligns with that: should they be required to do what it looks increasingly likely they will be asked to do? But our support for them is unquestionable, and those members who would question it do themselves no credit.

The second point I make is that I oppose Saddam Hussein. Saddam Hussein is a butcher. The actions of Saddam Hussein and his regime over many years are to be condemned by all right-minded people and all fair-minded people throughout the world. The actions of his regime—as have been spelt out in question time in recent days, and in the media and in commentary throughout the last few months—are such that one can only look at what he has done or been responsible for and express horror and revulsion.

This is not new. Complaints about the Iraqi regime go back well before the last Gulf War. Complaints about the Iraqi regime have been raised in all quarters for a long time. We are speaking not just about crimes that are occurring now but about crimes that have been occurring for a long time. That does not excuse them at all, but it says that there are issues—as to why action should be taken now when action was not taken earlier—which need to be considered. I raise that to make the point that, when we look at the actions of the Iraqi regime and why people would seek to escape such a regime, it is clear that people would wish to escape it. It is clear that many people have sought to escape and it is clear that a number of those are still in detention camps that this country is responsible for. One has to wonder why that is the case under the circumstances.

The next point I raise is about the role of the United Nations. I support the United Nations having a role in this, not because I believe it is a perfect medium for considering international issues but because it is one of the few mediums through which international issues can be considered in a situation where it is not just unilateral action. I support that because I believe that, as we try and deal with these sorts of issues as they develop throughout the world—because they have developed and they will develop—we need to have those international organisations that endeavour to play a role.
I remember, some time ago, spending time at the European parliament, and with representatives of the EEC, in Europe. I made some comments at the time about whether it was really worth it. The comments back from a number of people were that it was better than having a war, and it is an awful lot cheaper. I make that point to raise the following issue: you use these organisations to try to work through the problems that nations have in a way that ensures that, if action is taken, it is in a manner commensurate with the actual threat faced and considerate of the needs of the many rather than the needs of the few. I understand that the United Nations has many flaws. The alternative of unilateral action of a righteous nature may at times be the only alternative but can, in my view, be a very undesirable alternative, because I do not necessarily trust those who would wield such action and have such power.

I also want to state very clearly my support for the US alliance. I believe that alliance has been an important part of the defence system of this country for many years now and I share the gratitude that others have mentioned for the times when the US has come to our aid. But I stress, as others have, that we have also gone to their aid at times and that an alliance of that nature is not a one-way street. It is not a situation where there is supposed to be anything other than equality and consultation. In the end, the Australian government and the Australian people themselves must have the capacity to make sovereign decisions around the question of what action they take. With what has occurred on this occasion, there are grave doubts about how much the independence of the Australian nation has been compromised by the actions of our government.

I criticise Tony Blair and the British government. On this occasion, they have moved too quickly along a track to take action in Iraq—action which may be premature, given the circumstances we face. The costs for some will certainly outweigh the benefits, but we will have to wait and see on that front.

The questions I ask now are these. Why war at this time? Is it about terrorism? Is it about weapons of mass destruction? Is it about regime change? Is it about human and civil rights? Is it about oil? Is it about the unfinished business of the last Gulf War? Let me go through those various points. There has been much said about this being a war against terrorism, but there has been precious little information to link al-Qaeda to the circumstances we now face in Iraq. That is an important issue. As late as this morning, we were still receiving evidence that Osama bin Laden is alive and in operation. I worry whether this is the correct action to take to deal with that most immediate and real threat of terrorism in this region and throughout the world.

Let me turn to weapons of mass destruction. Iraq no doubt does have some of these weapons. The questions are these. What have the weapon inspectors found? What are they trying to find? How are they being treated? Where does it go? I note the comments of Hans Blix about the need for more time. The fact that you want more time does not mean you think that Saddam Hussein is a nice guy; the fact that you want more time—

Mr Andren—I move—regrettably for the other speakers—that the question be now put.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The question is that the question be now put. I think the noes have it.

Mr Andren—No, the ayes have it.

The DEPUTY SPEAKER—The question will be referred back to the main chamber.

Main Committee adjourned at 7.17 p.m.