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

DELEGATION REPORTS

Parliamentary Delegation to Canada and China, 17 to 30 November 2002

Mr FORREST (Mallee) (12.31 p.m.)—I have great pleasure in presenting the report of the Australian parliamentary delegation to Canada and China, 17 to 30 November 2002. This was a whirlwind delegation from one side of the world to the other. I was very proud to be a member of this delegation, along with the members for Melbourne, Cowan and Eden-Monaro. The delegation was ably led by Senator Alan Ferguson, with the accompaniment of Senator Lees. We are very grateful for the support we received from Michael McLean, the delegation secretary. We visited two countries of important interest to Australia but completely different in their cultural make-up and interests.

Firstly, in Canada the delegation were pleased to attend various committees at the seat of the federal government, the House of Commons in Ottawa. Discussions proceeded around important issues at that time. Some of them are still the same. There was a lot of discussion about the situation with Iraq, and there were interesting comments and discussion about the position of orderly marketing agencies here in Australia and also in Canada, genetically modified organisms, Indigenous issues and stem cell research. The delegation was visiting not long after the discussions and debate in this chamber and our parliament.

One of the things that I was left with an incredible impression of—and I am grateful for the opportunity to have visited it—was the seat of the national assembly, the seat of provincial government in Quebec City. Over the years I have read a lot about the strong French cultural distinction that the eastern side of Canada has. But I think you have to visit and talk with the people there to understand just how strong those sentiments are that lead to discussions about secession. That is an ongoing debate, although we did notice that it is on the backburner in Canada as they watch what is happening in Europe and other places that are trying to find political ways to strengthen and enlarge their economic base rather than create small divisions of it.

The conclusions in the report refer to the great parallels between Canadian and Australian history. It is not surprising that we found that members of parliament in Canada are grappling with identical issues that we face here in Australia, particularly with regard to the welfare of their very large indigenous populations. A lot of discussion was conducted on that, and the similarities and parallels are quite obvious. They are different types of people but have the same health and social issues.

China was a completely different story. There is no doubt that now I understand so much more the great motivation that exists in my own constituency to build cultural, social and economic ties with this huge population not far from us. There is no doubt that there are immense opportunities in Australia continuing to engage socially, culturally and economically with this huge market in China. A huge amount of reform is being undertaken in China, particularly in the last decade, in opening up their economies and in their accession to the World Trade Organisation. They too see enormous opportunities for them in mutual economic trade between our two countries.

We also had an opportunity to see Australian aid operations in China. We were grateful for the facilitation of a visit to a large provincial centre in inland China at Chongqing. The Prime Minister had to cut short his visit to China and missed out on an opportunity to see what is happening in Chongqing. We met Australian AusAID agents in Chongqing providing vocational education and training support, which is something that we do very well here in Australia, particularly in those rural, isolated locations. It was very good to see a positive Australian aid project being well received. (Time expired)

Mr EDWARDS (Cowan) (12.36 p.m.)—I want to join with the member for Forrest in having a few words to say about this report, both on my own behalf and on behalf of
Lindsay Tanner, the member for Melbourne, who is currently unavoidably tied up with some parliamentary business. First of all, I want to say that I too was very proud to be part of this delegation. There were senators and members from right across the political spectrum, but I was very proud of the way that we came together and, in a very strong bipartisan way, represented a number of views relating to issues that are of common interest to Canada and Australia, and Canada and China. I felt that the way we addressed this trip did us a world of good. I must say that I was very impressed with the leadership of Senator Alan Ferguson. He did an excellent job, and he served the delegation very well—as did Lindsay Tanner, the deputy leader of this delegation. I know that the member for Mallee and the member for Eden-Monaro share these views, as does Senator Lees. I should also note my appreciation of the very fine job done by Mr Michael McLean, the secretary of the delegation. He did an excellent job, and I do not think we had one problem in terms of the organisation at all.

It was very interesting to go to Canada and their various parliaments, to have the opportunity to sit down and talk with their foreign affairs committee and their Canada-Australia friendship group and to know that many of the issues that they are grappling with are issues that we too are dealing with. Of course, the then pending war in Iraq took up a lot of discussion. I think that Canada and the people of Canada had similar views to people in Australia about that conflict and it was interesting to have the opportunity to speak with them about that. Other issues raised related to stem cell research. Finally, they wanted to know the attitude of Australia to the Kyoto protocol. It is interesting that the Canadian Prime Minister signed Canada’s ratification of that protocol back in December 2002.

We had a long trip from Canada to Chongqing in China. I was very pleased that we got off the Beijing and Shanghai route and went to Chongqing. They were very pleased to see us there, and I felt that, once again, we flew the Australian flag very well. We had the opportunity to talk about a number of things in China, including the Olympics, which the Chinese are very excited about hosting. We took the opportunity to discuss both the Olympics and the Paralympics, because these are parallel issues. We were informed by Mr Zeng, the chairman of the NPC’s foreign affairs committee, that China intends to host the best Olympic and Paralympic competition ever. They were very excited about the Olympics. They were also very keen on hosting the 2008 World Expo, which has now been awarded to Shanghai. I think that we should take credit for that, because they did approach us to lobby on their behalf.

On my way to Canada and China, I went—at my own expense, I might add—via Menin Gate, where I was invited to speak at the 11 November ceremony. I want to thank very much Joanna Hewitt, the Australian ambassador, for her very great support in that. I also want to thank the Minister for Veterans’ Affairs, Danna Vale, and her staff officer, Peter Hulsing, for the arrangements which they helped me put in place to enable me to go there.

The SPEAKER—I have to interrupt the member for Cowan, because his time has expired. I would have thought it might suit the convenience of the House, given that I understand that he is the only opposition speaker, if he were allowed to continue. Could I have an indication from the member for Mallee?

Mr Forrest—I give leave for the member for Cowan to continue for another five minutes.

The SPEAKER—If there is no objection, the member for Cowan may continue.

Mr EDWARDS—I thank the House very much for that indulgence. I was just thanking Danna Vale, the Minister for Veterans’ Affairs, and Peter Hulsing, her officer, for the help that they provided to enable me to get to Ypres for the Menin Gate ceremony on 11 November and to be able to speak on behalf of the Commonwealth countries at the end of the service. It was a very moving service, and I was very moved to have that opportunity.
This is the first delegation that I have been on. It was a delegation where we worked hard. We put in long hours, we had very fruitful discussions and we also had the opportunity to get together in a social sense with some of our counterparts from both Canada and China and to talk directly, in that social way, about a whole range of issues. I know that, from time to time, trips like this raise the ire of some of our constituents and some of our taxpayers, but I want to say to them, in all sincerity—and to other members of this House who perhaps have not had the opportunity to go on such delegations—that they are absolutely worthwhile. I think the dollar cost is returned to the nation manyfold.

I want to say in conclusion that if we could promote ourselves more in the bipartisan and cross-political way in which we did on this delegation, not just overseas but in Australia, I think that members of parliament would be much more highly respected in the community than, unfortunately, we currently are. This was a very well-led trip, as I have said. I want to again extend my congratulations to Senator Alan Ferguson and all of the other members of the delegation. It was very well done.

Mr NAIRN (Eden-Monaro) (12.44 p.m.)—I would like to support the remarks of both the member for Cowan and the member for Mallee, particularly the last comments of the member for Cowan. In my seven years in parliament this is only the second delegation that I have been on. Once the delegation left Australia, the political allegiances of each of the individual members were left behind, to some extent, and we were all there on behalf of Australia and on behalf of the parliament. That was a really great way to start off on the right foot overseas and I think we all started very much with that attitude.

The Canadian week was certainly a very busy and interesting week. The member for Mallee mentioned going to the parliament in Ottawa, which I also found fascinating. Question time in the Canadian parliament was interesting, and fairly robust actually, but probably the most interesting aspect was the use of dual languages. There was the situation where some questions were asked in English and actually answered in French or vice versa. There were also many members who answered questions partly in English and partly in French—they would swap from one paragraph to the next, so that was an interesting experience. Some of the similarities to Australia in Canada were incredible, particularly in the health area. The week that we were in Canada there was substantial discussion, in the public, generally, about health matters. In fact, there was a major report about to be released—I think it was released more or less at the end of the week that we were in Canada. In the lead-up to that, there were major articles in the local newspaper each day on some aspect of health. I found the similarities with Australia and the problems that they are having in Canada, with respect to their health system, quite stark.

I was pleased also to go to Quebec. I found that interesting, as did the member for Mallee. There were very individualist aspects of Quebec compared to other parts of Canada. I was fortunate to visit a private mapping spatial information company, which I wanted to see while I was there, and look at some of the work they were doing and the technology that they used. The National Research Council Canada, which we visited, was a highlight, particularly from my point of view as chair of the parliament’s Standing Committee on Science and Innovation. Some of the aspects that they are working with and working towards, particularly with improving the research and development commitment in Canada, were things that I was interested in, given the inquiry that my committee here in Australia is currently undertaking. In the information that the National Research Council gave to us, in the Speech from the Throne—which is an interesting turn of phrase in itself in Canada—I noticed Prime Minister Jean Chrétien said:

An innovative economy is driven by research and development. It requires a highly skilled workforce and investments in new technology.

To secure our continued success in the 21st century, Canadians must be among the first to generate new knowledge and put it to use.
In a speech in September 2002, he reinforced that they were certainly heading in that direction. So we have some competitors in Canada in respect of what we are also trying to do here in Australia. I congratulate the Australian High Commission in Canada for the assistance that they gave us. They were absolutely superb. The staff were tremendous in everything that they did while we were there.

Then we went on to China and, as others said, there was a drastic difference. We went to Chongqing, Beijing and Shanghai and saw the development of China in three different aspects, from probably the least developed through to the most developed. Shanghai was like walking into the future, and what they have done there in the Pudong District over the last 10 years is absolutely staggering. It was great to speak about so many different areas between China and Australia and understand the huge market that is there as we develop our trade through the WTO. I was pleased to be able to buy Bega cheese in Beijing, which demonstrated the extent of trade that is possible for the future, and all those aspects that we discussed. Well done to all the committee. It was well led by Alan Ferguson, and Mick McLean, the secretary, did an excellent job as well. (Time expired)

Mr Edwards—Mr Speaker, I seek leave to table the speech which I referred to, which was given on behalf of all Commonwealth countries at the Menin Gate on 11 November 2002.

Leave granted.

Parliamentary Delegation to the United Kingdom and the Netherlands, 18 to 29 November 2002

Mr Hawker (Wannon) (12.50 p.m.)—I am pleased to present the report of the Australian Parliamentary delegation to the United Kingdom and the Netherlands, 18 to 29 November 2002. During the two-week visit we met with ministers, senior government officials, parliamentary committees, and civic and business people in both countries. This report details the activities of the delegation and summarises the discussions held during the visit.

Productive exchanges took place with ministers in both countries on agricultural reform within the European Union and on the potential impact on reforms that may arise from the proposed expansion of the European Union. We held discussions with senior officials on current issues such as the fight against terrorism, asylum seeking and the situation with Iraq. Also useful were discussions with representatives from each country on their handling of foot-and-mouth outbreaks, drawing on their experiences in the management of such situations.

A warm welcome was extended to our delegation by the United Kingdom parliament, including the Speaker of the House of Commons, the Rt Hon. Michael Martin MP. Delegation members were honoured to be guests of the parliament at question time in both houses.

During the visit to the United Kingdom we were fortunate to meet with representatives from the Corporation of London and the London Stock Exchange. Notable from those meetings was the importance placed on retaining London’s reputation as a leading international banking and financial centre by maintaining it as a world-class city with first-class services and security.

The delegation was invited to York to meet with council and county council representatives. We discussed with them the impact of parliament’s modernisation plans for local government and the increasing difficulties that local governments are facing in funding local services. We also met with officials from the University of York, who outlined their highly successful and innovative approach to promoting and supporting the creation of commercial enterprises, particularly in the areas of science and information technology research.

The delegation was appreciative of the interesting program hosted by the United Kingdom parliament, under the auspices of the UK branch of the Commonwealth Parliamentary Association, and of the generous and warm hospitality extended to us during our visit.

Our visit to the Netherlands coincided with the lead-up to a national election, fol-
following the collapse of the coalition government there. However, the sudden political developments did not impact on the success of the visit, and members of the delegation were received warmly by members of the Dutch parliament. A feature of the visit to the Netherlands was the discussions with caretaker ministers and senior government officials on the Netherlands’ advanced policies on drug use and euthanasia. In both these areas it was noted that the government has strict regulations to ensure its policy aims are not compromised. Given the very warm welcome we received from members and officials of the Netherlands parliament, we were delighted to extend an invitation on behalf of the Parliament of Australia to Mr Frans Weisglas, the Speaker of the Tweede Kamer, which is the equivalent of our House of Representatives in the Netherlands, and to Mr Gerrit Braks, the President of the Eerste Kamer, which is the equivalent of our Senate in the Netherlands, to undertake a reciprocal bilateral visit to Australia.

During our visit we had the opportunity to hold discussions with business representatives and authorities from Amsterdam Schiphol Airport about airport security, noise abatement and land acquisition, and its approach to creating airport cities. Of particular interest was the briefing about and demonstration of biometric iris scanning for processing of passengers. Schiphol was the first airport to introduce this measure as a means of fast-tracking travellers with a trusted profile.

We were honoured during our visit to the Netherlands to visit the site of the memorial to the crew of Lancaster JB659 of No. 97 Squadron, who lost their lives when shot down over Amsterdam in 1944. Two of the seven crewmen were Australians. Delegation members laid tributes at the cemetery to honour the crewmen.

In conclusion, I sincerely thank my fellow delegation members, Senator Forshaw, Senator Heffernan, Senator Hutchins, the member for Paterson, Mr Bob Baldwin, and the member for Grayndler, Mr Albanese, for the cooperative spirit in which this visit was undertaken and for their input into making this a successful and enjoyable visit. I also give special thanks to Denise Gordon, who accompanied the delegation and made everything run so smoothly. I am sure all other delegation members will agree with me when I say that we received excellent support from the High Commissioner to the United Kingdom, His Excellency Mr Michael L’Estrange, the Ambassador to the Netherlands, Mr Peter Hussin, and their respective staff. I would also like to thank Austrade, Foreign Affairs and everyone else who helped. (Time expired)

Mr ALBANESE (Grayndler) (12.55 p.m.)—I am very pleased to be able to speak in this debate after the leader of the delegation, the member for Wannon. I begin by congratulating him on the way he led the delegation, which was as professional as the way he runs the economics committee of this House, which I am also on. There are a number of other people I want to thank. Firstly, I would like to thank Mr Paul Jackson and Mr Andrew Pearson, who were from the UK branch of the CPA and who looked after us. Mr Michael L’Estrange, the High Commissioner to the United Kingdom, gave us an excellent briefing at the beginning of the delegation visit, which really helped shape the way the program took place. In the Netherlands we were looked after by Wilma Kooijman from the Dutch parliament. Our Ambassador to the Netherlands, Peter Hussin, also played a critical role—in fact, we were fortunate that he was visiting Australia prior to our delegation, so we were able to have dinner at the Dutch embassy here. I thank both our Ambassador to the Netherlands and the Dutch Ambassador to Australia for assisting the delegation.

I want to make just a few brief comments. Firstly, during the UK part of the delegation one of the interesting meetings we had was with Baroness Symons, Minister of State for Trade and Investment. The context of that discussion was an early build-up regarding the Iraq situation. At that stage the UK was very strongly putting the view that the UN was the key. It is a few months since then, and I think it is unfortunate that at the moment it is not the United Nations that is playing a critical role in events on the other side of the world.
While I was in the UK, I was also particularly interested in having a look at the so-called New Deal programs with regard to welfare reform there. Some of those programs have been extremely successful in turning around long-term unemployment rates, particularly in cities of the old economy and old mining towns, giving people hope. Many of those New Deal programs are based on Labor’s Working Nation programs of the mid-nineties. As well as the formal parts of delegation programs, one of the really positive things about these delegations is that people are able to have meetings on their particular areas of interest. Those meetings were very productive and successful.

In the Netherlands it was particularly interesting because we were there when an election had been called. There had been a government made up of a centre right alliance, including members of Pim Fortuyn’s Lijst. Some analogy—although not a direct one—can be drawn between the rise of that party and the rise of One Nation here in Australia, in that Lijst was a political party that particularly emphasised immigration and ran a pretty hardline anti-refugee agenda. It is interesting that what everyone thought would happen in the election on 22 January did not occur. In fact, the mainstream parties of the centre left and the centre right both had considerable increases in their vote. When the extremists in Pim Fortuyn’s Lijst actually had to serve in a government, it fell apart. So, whatever our weaknesses are in terms of mainstream political parties, I think there are lessons to be learnt there.

It was also interesting to look at the liberal approach that the Netherlands has to drug rehabilitation, stem cell research and voluntary euthanasia. In a delegation containing two people as diverse as Senator Heffernan and me, there were interesting discussions but, nonetheless, we all got on. We had quite considerable debate, and the Netherlands parliament was certainly exposed to the diverse views in the Australian parliament. I also found it interesting to look at Schiphol Airport and the noise amelioration programs that have occurred there. They are very relevant to me, as the member representing people closest to aircraft noise at Sydney airport. I want to finish by saying that, when the world is engaged in this action, it is positive that the European Union represents a more collective approach to political governance.

(Time expired)

PRIVATE MEMBERS’ BUSINESS

Mobile Phone Theft

Mr KING (Wentworth) (1.00 p.m.)—I move:

That this House:

(1) notes the widespread use of mobile phones in Australia, with subscriptions now at approximately 12 million;

(2) commends the Commonwealth Government and Australia’s telecommunications carriers for their cooperative action in developing measures to address the problem of loss and theft of mobile phones, including:

(a) carriers implementing IMEI (International Mobile Equipment Identification) number blocking technology, which can render a lost or stolen mobile phone inoperable;

(b) examination of regulatory reform to support IMEI blocking; and

(c) encouraging greater public awareness of this problem and recommending action consumers can take to protect themselves in the event of the loss or theft of their mobile phone; and

(3) notes the success of these measures to date and the recently reported falls in the level of mobile phone theft in Australia.

The Britney Spears song Hit Me One More Time does not necessarily refer to a physical altercation, nor to a robust love life, which I understand she claims she does not have. It means ‘send me another text message on your mobile phone’. That indicates to me that the whole question of the security of mobile phones today is vital, as the technology has become an integral part of people’s lives—particularly young people’s. There are now, as the motion indicates, some 12 million mobile telephone subscribers. Mobile phones in Australia are no longer the toys of the rich; they are in everyday use right across the community. Indeed, parents provide their children with mobile phones so that a constant line of communication is available to them. As a parent with two teenage sons, I
am well aware of that phenomenon. Teenagers are even SMS messaging each other during school. They have embraced the technology of SMS messaging with so much gusto that a whole youth culture and nomenclature have developed around the technology.

With the spread of mobile phone use, a number of issues of general interest have been raised. The first relates to the question of responsible use. We need to develop a sensible and broadly accepted courtesy code for the use of mobile phones. The second relates to health and includes the possible radiological damage intensive long-term use of mobile phones may bring; in addition, according to physiotherapists there is even the possibility of SOS from constant SMS usage.

But today I am most concerned with the question of the loss of mobile phones through theft or otherwise. There are some 120,000 mobile phones lost annually, according to police and security sources. The consequences of the loss of a phone can be devastating. Kerryn Sloan, a councillor on Waverley council in my electorate, wrote to me recently and described the situation after her phone was lost:

It is like being in exile. All your communication lines are severed and the thought of what someone can do with your numbers and contacts is really worrying.

It is not just the loss of information and stored numbers on SIM cards; victims of mobile phone theft also incur the costs associated with paying out any fixed-term contracts, plus the expense of purchasing replacement phones. Dramatically, in Oxford Street, Bondi Junction—in my electorate—the theft of some $50,000 worth of mobile phones from the Optus World shop occurred at 3.30 a.m. last Monday.

The theft of mobile phones is a major issue and one which touches the lives of many ordinary Australians. I am pleased, therefore, to acknowledge in the terms of this motion that some progress has been made by the government and the three main carriers in relation to GMS phones. Last year, as a result of a special conference between the carriers and the Commonwealth government, a program of cooperative action in developing measures to address the problem of theft and loss of phones was put in place. That included implementing an international mobile equipment identification, or IMEI, number blocking system. That technology renders a lost or stolen mobile phone inoperable for further use. It is important to note that Telstra put in place its part of that blocking program on 15 August 2002 and that Vodafone put in place its part on 31 December 2002. On 31 March 2003—that is, very shortly—Optus will commence its blocking program. I am also pleased to say that AMTA, the carrier representative body, is putting in place a telecommunication cross-network program that will ensure that mobiles will be blocked across all networks. It is important that we publicise this to the broader community. That is one of the purposes of this motion. As a result of the initiatives taken by the government and the carriers—I hope those initiatives will bear fruit and people’s phones will be more secure. (Time expired)

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

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

Ms O’BYRNE (Bass) (1.06 p.m.)—I welcome the opportunity to speak in this House on the subject of mobile phone use, and I thank and commend the member for Wentworth for raising the issue in this way. We do not always agree on the subjects that the member for Wentworth and I enjoy talking about, but on this occasion we do.

For me, perhaps the most telling reference in the motion is that which highlights the fact that there are now approximately 12 million mobile phone subscriptions in this country. The population of Australia is currently around 19.7 million people. Whilst acknowledging that some Australians will have more than one subscription, that figure basically indicates that nearly two out of every three Australians have access to a mobile phone. We are not talking only about adult Australians with the means to maintain mobile phone habits; it is probably fair to assume that the popularity of mobiles is very low amongst the oldest Australians. Thus these
statistics become somewhat daunting, bringing home to us the number of these subscriptions which must relate to persons under the age of 18 years. Whilst many of these telephones will be parent controlled and provided for the purposes of safety for and contact with their children, many will not be. Even if the telephones are parent provided, their usage may not always be controlled. Approximately 24.4 per cent of our population is aged under 18 years. A bit of basic mathematics leads us to a pretty rapid conclusion that a fair proportion of those under 18-year-olds must have access to mobile phone subscriptions.

The reality is that mobile phones have become status symbols, particularly amongst teenage Australians. The risks of mobile phone possession and usage—whether that includes long personal conversations, accessing expensive phone services or uncontrolled texting interchanges—can be substantial. Before long either the child or the parents can be faced with horrendous bills. In my electorate office, I have certainly seen the disastrous effects this can have; many parents have come into my office with these concerns. In these circumstances, the risk of theft is also greater. Mobile phones have been popular targets for theft virtually since their arrival on the market. The black market in mobile telephones thrived in circumstances where it was almost impossible to trace ownership. In reality, mobile phones are also very easy things to lose. I do not think we would be all that amazed by the number of phones which slip out of pockets or are left on the seats of taxis, trains and buses or in someone else’s office. They also look so much alike; it is easy to mistake someone else’s for your own.

Although action in developing measures to address the problem of the loss and theft of mobile phones has been longer in coming than really needed to have been the case, it is to be commended. I commend in particular the encouragement of greater public awareness, not only in relation to the specific matters which the member for Wentworth has brought before the House but generally in relation to the usage of mobile phones. There is no question that mobile phones in the wrong hands are potentially time bombs waiting to go off. The consequences, whether they be the result of a loss or a theft or quite simply the provision of a mobile phone legally to a person who is either not fully cognisant of the implications of its use or is reckless about it, can be significant. Greater public awareness about mobile phones and their use is absolutely essential.

I would prefer to see even more cooperative action than that described by the member for Wentworth and, if that is not forthcoming voluntarily, then perhaps some legislative action to ensure that consumers are fully aware of the implications of their possession and use of mobile phones. The risk, as mobile phones become more and more a part of our daily lives, is that consumers will become complacent about the costs and complacent about protective measures. The fact that there are 12 million subscriptions for just 19.7 million Australians is evidence enough that mobile phones are becoming a necessary part of our lives. You only have to look at the job ads, particularly those targeted at young people looking for casual work, to see that possession of a mobile phone is often a necessary prerequisite for participation in society. I see by the way in which many people organise their daily lives and their family schedules that they have become dependent on most family members having a mobile phone. This trend will, I am sure, develop even further. I think soon it will become a given.

In these circumstances, a broad range of measures to protect the consumer is absolutely essential, and there are several ways in which these can be achieved. Industry self-regulation and cooperative action in addressing a broad range of issues is one. In addition to the protective measures which the member for Wentworth has referred to, I would like to see real action which will ensure that excessively mounting call charges are referred to the bill payer for action when they begin to arise, rather than at the end of the billing period. This would particularly apply to situations where the phone is provided to a dependent child or to a person without the capacity to understand the implications of excessive phone use. I also believe that we
should have more stringent assessment of subscriptions and that this is something that we should be considering in this process.

Mr TICEHURST (Dobell) (1.10 p.m.)—
I rise today to support the motion of the member for Wentworth and to commend the federal government, law enforcement agencies and the telecommunication industry for their combined commitment to developing measures to deal with mobile phone theft. The federal government and industry acknowledge that a consistent, national and multifaceted approach is the only effective way to combat mobile phone theft. Technical solutions need to be supported by education strategies and regulatory reform to outlaw IMEI tampering or handset rebirthing and, in effect, to reduce the number of stolen mobile phones each year from over 100,000.

In the first three months after Telstra introduced the antitheft IMEI blocking technology, more than 10,000 handsets have been blocked from its network: 69 per cent of these were stolen and 31 per cent were lost. The UK also noted that falls in mobile phone theft were reported after the implementation of its mobile safety campaign. While prevention strategies involve costs for mobile phone carriers, which may be passed on to consumers, the fact is that consumers are already paying for the problem of mobile phone theft, not only through having to purchase new phones to replace those that are stolen but also via the public investment in law enforcement to deal with mobile phone theft.

The severity of the problem of mobile phone usage emerges when we examine the nature of the offences involving theft of mobile phones. The largest growth in crime associated with stolen mobile phones has been in offences that are violent in nature, such as street robberies and stabbings. Ironically, parents providing their children with mobile phones for their safety may in fact be endangering them. The number of young victims of mobile phone theft has surged 600 per cent in recent years. Last month in New South Wales a 19-year-old boy was killed when a gang of teenagers robbed him of his mobile phone before ramming him into a power pole.

In the absence of IMEI blocking technology, after a mobile phone has been reported stolen and the network has cancelled the account, the thief can simply replace the cancelled SIM card with another purchased legitimately. Unauthorised users who continue to use a phone in this way have little or no prospect of apprehension by the police. Stolen mobile phones, particularly those with newer features and higher retail prices, have thus become a readily saleable commodity on the black market. The theft problem generated by the low risk of apprehension has been exacerbated by certain marketing practices adopted by telecommunication service providers in response to competitive marketing pressures. Many service providers now encourage customers to enter into contracts for set periods of time—usually 24 to 36 months—in return for which each customer receives a handset free or at reduced cost. When a customer loses their mobile phone or has it stolen, they are usually required to continue the contract and buy another handset at their own expense. Given the high cost differential between mobile phones purchased legitimately and those available on the black market, victims of mobile phone theft may in many instances be tempted to cut their losses by purchasing another phone illegally.

IMEI number-blocking technology is currently employed by Telstra and Vodafone and will be implemented by Optus by 31 March this year. This will make it possible for police to obtain the identity of the phone’s current user from the mobile phone carrier. At present, most mobile phone customers do not know their IMEI number. Most do not appreciate its importance in police investigations. However, it is very easy to obtain: you simply press *#06# and the IMEI number for a particular handset will be revealed. Therefore the government’s education strategy is of vital importance in reducing the theft of mobile phones.

In the UK the launch of a mobile phone database that will prevent stolen phones from being used on any UK mobile network has been successful. When a stolen phone is reported to a network operator they are able to cancel it just like they would a credit card.
Technical solutions and the aggressive education campaign in the UK are complemented by the Mobile Telephones (Reprogramming) Act 2002, which introduces sentences of up to five years for those caught reprogramming IMEI numbers on mobile phones. I commend the government for its commitment to developing measures to prevent mobile phone theft.

Mr MARTYN EVANS (Bonython) (1.15 p.m.)—I rise to give bipartisan support to the motion introduced by the member for Wentworth. I think it is important to draw attention to the fact that, while mobile phone technology has been successful and has reached the level of use to which the honourable member has, in moving this motion, drawn attention, the reality is that it has been so successful because it is so simple in the hands of the consumer. This technology has worked and has been marketed so well and has reached these levels of use because the consumer simply has a phone in their hands which works. The technology is transparent to them but behind that technology lies an incredible array of very complex technology in the hands of the network providers. That technology is much more computer technology these days than it is telephone technology because almost all the technology which is employed, apart from the radio technology used to disseminate the telephone signal, is basically and fundamentally composed of computer software. In the hands of the telephone companies it is basically a large computer system.

Of course, they can now use that in very flexible ways and they could have come to a solution much earlier in the existence of mobile telephone technology. Unfortunately, there are very strong, perverse incentives in the system for them not to come to a solution for the benefit of consumers because in reality the new user of the stolen mobile phone is still making telephone calls. Telephone calls are still being paid for; someone is still responsible for the payment of those telephone calls being made through the stolen handset. As far as the telephone companies are concerned, there are quite perverse incentives in the system. They really have never had an incentive to provide effective solutions to the theft of mobile phones—even though those solutions have been staring them in the face ever since the system was invented. The reality is that mobile telephone technology, because it is so software oriented, has always provided ready solutions to problems like this. It has simply been that the perverse incentives built into the system—not deliberately by the telephone companies, of course, but simply by the very nature of the business—are such that they have never had the necessary incentives to deal with these kinds of problems. Now they are dealing with them—ultimately and belatedly—and I am very pleased to see that that is the case.

The honourable member for Wentworth has quite correctly pointed out—indeed, as all honourable members in this debate have—the magnitude of these problems. It is occurring at all ends of the market now, with not only our young people but also our older citizens making very good use of this vital technology. It will extend beyond mobile phones because now PDA devices—portable computers—which are reduced to the size of mobile phones and which will be even more valuable also incorporate telephone technology. So $1,000-plus computer devices will also incorporate telephone technology. Laptop computers incorporate telephone technology to dial out as broadband devices. The 3G telephone technology will allow even more expensive devices to also incorporate telephone technology, which will also need this kind of protective software. It is quite possible for the telephone companies to incorporate much more consumer empowerment into these devices.

As the honourable member for Bass has pointed out, consumers need even greater empowerment. So why not allow consumers to manage their mobile telephone accounts for themselves, for their children and, if necessary, for their older parents through the Internet? You can set daily limits through your own web account for your mobile telephone—if that is what is necessary. At a particular time in your child’s life, you may want to set a $5 or a $2 a day limit through an Internet web page which Telstra can provide for your particular mobile phone account. For another child you might set a $3 a
day limit or you might set a limit of five, or 10 or zero SMS messages a day and tomorrow or next month you might change that. If Telstra or the other account providers allowed that kind of empowerment by consumers through the Internet, for example, that kind of management on a micro basis would be very cost effective for the consumer and for the telephone companies. Of course, they are not providing that level of control because that would reduce the profitability of some of the services which are very highly profitable because of the out-of-control management by individuals in the system. That is the problem we face.

(Time expired)

Mr FORREST (Mallee) (1.20 p.m.)—I would also like to commend the member for Wentworth for bringing this issue to the attention of the House. When you consider that there are something like 100,000 mobile phone pieces being stolen annually, it is very easy for members to equate that to something that has happened to a constituent much closer to home. I think it is important that we have this debate, too, just to reinforce a few simple things that the community can do for itself. There are adequate in-built security measures that are already in the handpiece. I know a lot of people say that is too technical or too complicated, so to that extent the member for Bonython is right, but there are very simple measures where you can code in your own PIN—a four-digit number—and you can impose your own local security.

It is very easy to have your mobile phone stolen. Of all mobile phones stolen, 28 per cent are stolen from motor vehicles and 20 per cent are stolen from social venues such as restaurants, pubs and clubs. That can happen easily: you make a call, you then become engaged in another conversation, you leave your phone on the table next to you and it is very easy for someone to walk past and collect it. Eight per cent of mobile phones are stolen from the workplace, which is very disconcerting.

To expand on what the member for Bonython has said, there are some measures in place. I have children too, and we have provided them with mobile phones for security purposes. There are only certain numbers that they can ring and it is not an unlimited account. We provide a limited amount of dollars per month so that if a phone is stolen and they have not utilised the in-built security measures, which I have already mentioned, the liability is somewhat limited.

In addition to what the carriers can do—and members have mentioned the IMEI process—there are a large number of smaller initiatives which consumers themselves can utilise, but most people are unaware of them. I think it is important that we have a motion like this to give some publicity to those measures. One of the things that I am amazed about is the incredible take-up of mobile telephony in Australia in the short space of around 12 years—since the late 1980s. I can remember that my first mobile phone was an old analog box that weighed 3½ kilograms. Do you remember those, Mr Deputy Speaker? It was a very effective piece of equipment, but it was analog technology. To give some testimony to the difficulty in providing a regulatory framework with technology changing, soon after that we had the introduction of the GSM network, the global system for mobiles, using digital technology. Since then here in Australia there have been a huge push and massive expenditure by the carriers, particularly Telstra, for the provision of CDMA, code division multiple access, which is an Australian adaptation, if you like, to make the technology go even further and to cram more and more users into a limited technology. With all those changes, there is no doubt that consumers become readily confused, but it is not so difficult to impose your own security arrangements and just be a bit careful where you leave your mobile phone.

I am very grateful that the government has taken a very proactive role in the rollout of mobile telephony. It is an incredible facility to provide to rural Australia, in particular, and the kind of constituency that I represent. In fact, this Friday I will be launching another CDMA tower at a place called Gulaquil in my electorate, which is a strategic location on the Henty Highway. It is the third such tower I have taken part in launching just this year. It is very pleasing to my constituents because the demand to have this technology
at their disposal for commercial and safety reasons is becoming even greater. In Australia there are 12 million handpieces in a population of slightly less than 20 million. This gives us the highest per capita possession of mobile phones of any country in the world. This motion is all about ensuring security and safety for consumers so they can avoid having their possessions stolen. I commend the motion and thank the member for Wentworth for bringing it to the parliament’s attention.

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

Employment: Mature Age Workers
Ms BURKE (Chisholm) (1.26 p.m.)—I move:
That this House:
(1) notes that statistics may not reveal the true extent of the unemployment problem for the over 45’s;
(2) notes the additional impediments to gaining employment following the loss of a job for those aged over 45;
(3) notes the lack of opportunities for the older worker to change career paths and consider education and retraining before attempting to re-enter the workforce. The skills and knowledge of the older worker also need to keep pace with change so as not to alienate them from the workforce;
(4) acknowledges the benefit to employers of older workers as they generally demonstrate a greater commitment to a good employer and show competence in their dealings with customers; and
(5) calls on the Government to put in place policies that are more specific in tackling mature-age unemployment and that remove age-based discrimination and access to the labour market.

Mr Deputy Speaker, given that this is the first opportunity I have had to speak in the House since ADF personnel actively engaged in military action in Iraq, I want to briefly send my best wishes and hopes to all Australians in and around Iraq and wish them all a safe and speedy return home. I also want to send my prayers to the family of Paul Moran, the ABC cameraman who was killed in a suicide bomb attack in northern Iraq, and to Eric Campbell, who was injured in the same bombing.

I am pleased to have the opportunity to raise an issue that is very important to a large number of Australians: the scourge of mature age unemployment. This is faced particularly by men who become unemployed, and they face many difficulties in obtaining employment following redundancy or from any other cause of later life unemployment. The inability to obtain, or even be genuinely considered for, employment is a debilitating thing for many in our community. It has a direct impact upon individuals, their immediate family and friends and the broader community. It affects all of us.

The effects of long-term unemployment that are faced by so many in our community can be devastating. I am sure that all honourable members have been contacted by constituents regarding the difficulties faced by mature age unemployed people, and I want to now quote from one such communication that I have received. It said:

Imagine what it is like when you no longer pay your mortgage, telephone bill, gas or water and always be ringing trying to get an extension and to also be in a never-ending row with your family over money.

Employment agencies will not change their policy on mature aged men.

The only jobs people will look at casual, part time and miserly paying jobs.

I have good references and I do well at interviews but late 50’s no way, even if you are in good health. You can have all the experience under the sun, be up to speed, be well dressed and go for job interviews but agencies do not put you forward for jobs.

They discriminate on the basis of age. When I attended the interview late last year for the Myer Santa school conducted by one agency, one prospective Santa asked the agency lady what her agency was doing to give men in their late fifties employment chances.

Her answer was “we are looking for attendants for the Royal Melbourne Show”.

He sat in silence. He asked me afterwards what I thought of it and I replied, “There is a song written by a world war one soldier in the trenches called ‘Nobody Seems to Care’.”
That lady had absolutely no idea of our problems.

Long term unemployed people in their late fifties are alone, they lose their friends, they lose social communication, they are ignored and they are regarded as a burden by their families.

Anna, there are a growing number of people like me in Monash and they really have no voice. The effects of mature age unemployment vary greatly from the structure of unemployment that younger people in our society face. A couple of the differences can be summarised as a lower likelihood of unemployment but a significantly higher likelihood that, upon becoming unemployed, the period of unemployment will constitute long-term unemployment. Essentially, this means that, upon becoming unemployed, a person aged over 45 will be less likely to be able to re-enter the paid work force, and if they do re-enter the work force their period of unemployment is greater than for a younger person. Mature age workers deciding not to re-enter the labour market and living off savings can account for lower unemployment rates among over-45s—the hidden unemployed. Generally, mature age employees hang on to their jobs; their problems usually commence when they are involuntarily separated from their jobs.

The government is well aware of this issue: in the last parliament a very significant report called Age counts was produced by one of the House standing committees, the Treasurer produced the Intergenerational Report prior to the last budget, and the Prime Minister has raised his objection to ‘the culture of early retirement’. With all this awareness, it is disappointing that no concrete programs are in place to support older workers to retrain or re-enter the work force.

Whilst I welcome the Attorney-General’s signalling of legislative change to prohibit age discrimination, we still await actual legislation and we still have not seen any actual programs or funding go into this critical area. It is a problem which can only get bigger with our ageing population. Adoption of the recommendations of the Age counts report would go a long way to redressing many of these issues. That was a very worthwhile report which again showed the ability of this House to work in a bipartisan way, and it is disappointing that nothing has been done with it.

I bring this issue before the House in the hope that all members will place a greater focus on the impacts of long-term unemployment upon mature age members of our work force. I particularly urge the government to remember their plight and to do something for these hidden unemployed.

The DEPUTY SPEAKER—Is the motion seconded?

Ms Vamvakinou—I second the motion and reserve my right to speak.

Mr RANDALL (Canning) (1.30 p.m.)—In speaking to this very worthy motion relating to the problem of unemployment for mature age workers, I would like to begin by saying that there is nothing more dehumanising and destructive to someone’s self-esteem than to be told at a mature age of life—which has been described as 45-plus for the point of this exercise—that they are no longer easily employed and that, if anything, after 45 they are uncompetitive and unwanted and that their age group is underutilised in the work force. I know this because I and many of my friends, acquaintances and colleagues have been through the rather ordinary position of suddenly finding ourselves without our previous employment. It is a pretty tough row to hoe. The effect that it has on your family and on your health, wellbeing and self-esteem is very debilitating. I agree with the previous speaker: building up your mortgage and running up debt are the sorts of things that come with the position of being a mature age person who has lost their means of employment.

The real problem for a mature age worker who has been made redundant or who has lost their job is getting back into the work force. The evidence is that the longer these people stay out of the work force, the harder it is to get back into a job. A longer duration of unemployment results in an increasingly poor opportunity to place applicants. Evidence suggests that it is only when job queues grow very short that re-employment possibilities for that group recover but that, even with those probabilities, job seekers from that group find limited prospects. Ac-
According to research, the main impediment to the employment prospects of older workers is the perception that they are less capable than younger counterparts and that they lack the ability to develop new skills, particularly those with a technological focus—an issue I will come back to shortly.

I want to talk about the positives of mature age workers. We all know that mature age workers have a wealth of experience, whether from a specific field they have previously been involved in or from life experience. They have people skills et cetera, and you cannot put an old head on young shoulders. That is what mature age workers offer.

Mature age workers also have the necessary motivation: they need to pay bills, and for many people who find themselves in this sad position their finances have not improved at all and they have families to look after and children to send to school. Of course, they are also motivated to maintain their self-image and self-respect. Another positive benefit of many mature age workers stems from the fact that many of them bring a wealth of old-fashioned values, like punctuality and going the extra mile for those they are working for.

I must address a couple of issues in relation to the remarks of the previous speaker, the member for Chisholm. Labor’s record in this area is pretty ordinary. I remember my former dear colleague the then member for Dickson was going to make this her major objective as the shadow spokesman in this parliament, and very little materialised. Let us look at the record. National unemployment now is around six per cent, and mature age unemployment in January 2003 lies at 3.8 per cent, which is still too high. Unemployment for the mature age demographic is reducing. For example, in February 1993 under Labor it was eight per cent; in January 1998 it was 5.7 per cent; and in January this year, as I said, it was down to 3.8 per cent. Unlike the Labor Party opposite, we on this side of the House do not think that welfare is a lifestyle choice. Contrary to what the opposition spokesman said, there are programs addressing this problem, including the Work for the Dole program and the Australians Working Together initiative, which has funding of $146 million over four years and which targets mature age job seekers to help them get a fairer and better job deal. We have committed $23 million over four years for training places in IT packages. (Time expired)

Ms VAMVAKINOU (Calwell) (1.35 p.m.)—I am pleased to rise today after seconding this motion moved by the member for Chisholm, and I join her call on the federal government to address as a matter of urgency the concerns of the mature age unemployed. In my own electorate, the families of Calwell have historically relied on the manufacturing sector for jobs. As a result we have borne a large part of the fallout from economic restructuring, which has led to massive retrenchments, contracting of jobs and the casualisation of the work force. In fact, between 1998 and 2001 some 20 percent of the 484,200 jobs lost nationally came from the manufacturing area. Double-digit unemployment is a frequent feature in my electorate, reflected in very high youth unemployment but also in significant mature age unemployment.

Unemployment for over 45-year-olds becomes a long-term struggle to achieve acceptability and relevance in a changing workplace. The efforts of people in this group are often impeded by employer attitudes that do not prefer or favour mature workers, despite their skills, experience and maturity. Ex-Ansett employees in Calwell are a sad example of this trend: despite their years of experience, they have encountered great difficulties in finding work in the aftermath of the Ansett collapse. They have faced great age discrimination and reluctance by employers who, when surveyed, often cite the fact that seniority based pay scales make the mature age unemployed too expensive to employ.

Simply put, employers do not want to pay them according to age and experience. In addition, there is a fear by some employers that a perceived preference to retire at 55 renders them unsuitable for long-term investment. The fact that many are either too skilled for the jobs going or not skilled enough makes re-employment difficult. But it is age discrimination which is by far the
The greatest factor in the failure to get employment by this group, where the majority are men over 45 years of age. In addition, failure by the government to provide an effective and viable long-term solution to this problem makes the plight of the mature unemployed intransigent and hopeless.

The recent round of employment service contracts illustrated again where the government continues to fail older workers. My local Job Network services, despite the constraints of their contracts, are doing a good job. But they too express concerns, constantly telling the government that increasing administrative burdens often get in the way of their helping people to find work. The lack of adequate funding and inadequate targeting of assistance to the individual needs of the client, with a breaching regime that is in desperate need of reform, mean that disadvantaged job seekers, such as the mature age unemployed, are effectively parked—and that is a term that is used often—without meaningful job placements.

By failing to provide adequately for these workers, the government has assigned them to the scrap heap. Improving skills and retraining are vital for getting and keeping work, but this government responds with lots of good intentions and too many half-measures. Leaving skilled workers to the fate of the market and the economic cycles and operating on the basis that the ageing population and assumed labour shortages would force businesses to hire more mature workers is no way to determine policy; nor is relying on state anti-age discrimination legislation to fix age discrimination a viable solution. It is a cop-out by the federal government.

In some cases, it is employers and businesses that are leading the way with programs to address age based discrimination. Last year, for example, Westpac invited mature age workers to apply for up to 900 positions in contact centres and branches. In my electorate of Calwell, we have an excellent cooperative program called Employability for Life, which is a business community partnership run by local training providers in tandem with business. It has shown a possible way forward in addressing age disadvantage. The program links long-term unemployed with local corporate leaders and officials to assist in job seeking skills, networking and vocational training. Lynne Johnson, who leads the program, claims that it is designed to enable disadvantaged and disabled community members to transform their lives by providing them with skills to succeed in the job market. The program is innovative and bold. It can match over 300 people a year with training and mentors. But no amount of training will help if there are no jobs.

Labor’s solution starts with reforming the Job Network to ensure commercially viable services, early intervention, changes to the job seekers classification system and opening up access to job matching services. Labor’s solution is about finding work. As the manager of my local Centrelink said to me the other day, ‘Training and educating workers is vital but, at the end of the day, so is a job.’ Anything else is just dressing up workers without somewhere to go.

Mr JOHNSON (Ryan) (1.40 p.m.)—I would like to thank the member for Chisholm for bringing this important issue of mature age unemployment to the parliament’s attention. It is important to state at the outset that the ABS uses very strict criteria to determine whether an individual is classified as unemployed, testing whether they are both actively looking for work and are available to work in a set time period. This is, of course, in line with the definition set by the International Labour Organisation and provides objective and consistent unemployment statistics. The current statistics show that employment for Australians aged 45 years and over has increased. It has increased by 5.9 per cent over the 12 months to January 2003, and by 24.6 per cent over the past five years. So let us not have any of this nonsense from the opposition, who are painting a different picture. This government is, in fact, a very proactive government in relation to this very important issue.

The unemployment rate for mature age persons is consistently lower than that for younger workers. In January 2003, the unemployment rate for the mature aged was 3.8 per cent compared with 7.8 per cent for persons aged under 45. The unemployment rate
for mature age Australians stood at 5.7 per cent in January 1998. The unemployment rate for mature age persons is well below the peak of eight per cent, which was the figure under the Labor administration in 1993. It is very important that the government tells its story. It is very important that the government’s message gets to the Australian community and that they know the real situation.

The Howard government’s priority is very much to ensure that it has a structure in place that most effectively gets unemployed people into jobs. That is what it is all about. The government is working to ensure that mature age Australians, in particular, are not disadvantaged in the labour market. It is doing this by maintaining a very strong, well managed economy and by having a very flexible and productive workplace relations system. It is enhancing the current employment services arrangements with well targeted measures to support mature age job seekers. It is also reinforcing very strongly the importance of lifelong learning and is improving the education system to focus on standards, skill development and job readiness. It is taking action on the impact of demographic changes through a whole of government policy approach.

A very important point to be made on this whole issue is that this government has provided $146 million over four years through Australians Working Together to ensure that mature age job seekers get a fair deal—something that the opposition does not let the Australian community know. It is very important that members of the government very clearly and very strongly let the Australian community know all the initiatives that the government is putting together. The Australians Working Together package provides a range of measures to assist mature age job seekers, including access to Job Search training without having to wait until they have been unemployed for three months. The new Transition to Work program is designed to help those returning to the workforce after a long absence. There are also simpler income support arrangements and increased help for those on the Newstart allowance.

As another very important initiative, the government has also committed some $23 million over the next four years to fund 46,000 IT training places for older Australians. This initiative is targeted at people aged 45 years and over who are in the labour force or are welfare dependent, giving them skills to participate effectively in today’s very strong technology oriented work sector. This is another initiative that the Labor Party does not tell the Australian community about. It is a similar story in my electorate of Ryan: in the suburb of Indooroopilly there is now a seniors service that was not there previously.

The SPEAKER—Order! It being 1.45 p.m., the debate is interrupted in accordance with standing order 101. The debate may be resumed at a later hour and the member for Ryan will have leave to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS

Sport: Cricket World Cup

Ms O’BYRNE (Bass) (1.45 p.m)—Australia’s stunning victory in the Cricket World Cup is a cause for great national pride and a recognition of the success of initiatives such as the Australian Cricket Academy and the professionalism of sporting bodies such as the Australian Cricket Board. But it has special significance for me and for the people of my electorate of Bass, because the Australian team was steered onto its unwavering course to its ultimate goal by one of our own. Ricky Ponting’s elevation to the Australian one-day captaincy may have caused eyebrows to be raised in some quarters, but to all of us it was a cause for much local pride—a pride which has no doubt swollen beyond all belief in the last 12 or so hours.

He is very much the product of Tasmania—a young boy from Mowbray, in the working-class suburbs of Launceston, who has combined the wonderful natural ability with which he is endowed with the opportunities which were presented to him to rise to the very top of his sport. Not only was he able to lead his talented and determined team on an unbeaten path through to the final but last night he led by example. Despite what commentators described as a shaky start, he dominated the Indian bowling with 140 off
just 121 balls. It was fantastic to see the 234-run, unbeaten partnership between two highly professional cricketers hailing from opposite ends of our vast continent; the Darwin lad combined magnificently with the Tassie boy in a superb display of sporting prowess. This aptly demonstrates what young Australians can achieve, wherever they might come from, if they are given just one thing: opportunity. That is something all of us who have the privilege to be members of this House should ensure we provide to all of our fellow Australians whenever possible.

Miranda Electorate: New South Wales Election

Mr Baird (Cook) (1.46 p.m.)—Like the member for Bass, I congratulate the Australian cricketers on a great success and victory last night in the Cricket World Cup. I want to discuss an event that occurred on the evening of Friday, 21 March with respect to one of the Young Liberals, Warren Hudson, who was guarding posters that had been erected at Port Hacking High in Miranda for the New South Wales state election. He was trying to stop a girl stealing a poster when he was attacked by two of her male friends. He was beaten up and subsequently taken to hospital with significant facial injuries that required stitches.

Four people came to his rescue. They were Joshua McIntosh; Michael Collier, the son of the member for Miranda; Greg Downes; and Bob Rogers, whom I know personally. They raced from the Labor Party campaign offices to his aid. I want to congratulate them on a bipartisan effort to repel the gangs and to come to the rescue of the Young Liberal, who was doing his job in a democratic environment. It does show that, despite all, we can come from different parties and recognise a man in trouble.

Ms King (Ballarat) (1.48 p.m.)—I rise to congratulate the towns of Ballarat and Clunes for the roles they played in the making of the new Ned Kelly movie. The movie premiered at the weekend in Melbourne to much acclaim. During the month-long filming many areas in my electorate were used, including farms and local towns. The town of Clunes featured extensively in the movie, being the backdrop for the robberies in Jerilderie and Euroa. Many local people, in particular Duncan McHarg, Michael Chessire and Graeme Johnson, played a role in the movie as extras. All up, over $100,000 was injected into the town’s local economy by the film producers—a much needed boost of funds into one of the greatest towns in my electorate. Remnants of the movie can still be seen in Clunes, with old banks, libraries and stores still featuring the 1800s style. Ballarat also featured in the film, with the corner of Sturt Street and Lydiard Street used as the backdrop for Melbourne in the 1880s. My electorate office appears in the film as well. Unfortunately, I did not get the opportunity to meet Heath Ledger or Geoffrey Rush, but I am told by many local women that I certainly missed out!

I would like to congratulate Hepburn Shire Council and Ballarat City Council for continuing their hard work to attract films and television to our area. Australia is fast cementing its place in the world for reliable and inexpensive shooting locations, with areas in my electorate being used extensively. I would also like to thank the many local people that participated in making the movie. As Ned Kelly hits the screens on Thursday, I urge Australians to go along. (Time expired)

McPherson Electorate: Tugun Bypass

Mrs May (McPherson) (1.49 p.m.)—On Monday, 10 March, the long-awaited announcement on the funding of the Tugun bypass by the federal government was made by the federal Minister for Transport and Regional Services, the Hon. Mr John Anderson. The announcement put an end to speculation about the extent of federal government financial backing for the long-awaited bypass. The federal transport minister committed a capped contribution of $120 million towards the construction of the bypass. The $120 million grant is not to be taken lightly. It is a significant grant of new money to the Queensland roads program that will not be withdrawn from other federally funded projects in the state.

The Tugun bypass is a road of national importance, a RONI. RONIs are state re-
sponsibilities, but this once-only, capped contribution demonstrates a recognition by the federal government of the significance of the project and its commitment to the Gold Coast city. There is now some certainty for the people of the southern Gold Coast. There is also certainty for the future development of the region. The ongoing impasse regarding the funding and building of the bypass has been the single most divisive issue on the southern Gold Coast for many years, but with funding in place from both the federal government and the Queensland state government the road will be built. Construction of stage 1 of the Tugun bypass is expected to commence later this year. I would like to thank the federal minister for transport, John Anderson, and his staff for their assistance in seeing the funding finally committed. It has been an enormous win for the southern Gold Coast, the electorate of McPherson and the Gold Coast city. (Time expired)

Cabramatta Electorate: New South Wales Election

Mrs IRWIN (Fowler) (1.51 p.m.)—Last Saturday saw the real test of public concern in the New South Wales electorate of Cabramatta, which falls within my electorate of Fowler. Despite a poisonous campaign against her, the sitting Labor member, Reba Meagher, was returned with a swing to her of 19 per cent. Reba gained almost 70 per cent of the primary vote and over 80 per cent of the two-party preferred vote. In summary, it is a very important program that directly assists one of the most disadvantaged areas of the Gold Coast. I am very pleased to be associated with the Silver Bridle Action Group and I wish them the very best with the program.

Joan Kirner House

Ms GILLARD (Lalor) (1.53 p.m.)—I rise to mention a very important event which happened last Friday in Victoria in Williamstown—which is not within my electorate but adjacent to it—and that is the opening of Joan Kirner House. Joan Kirner served as the member for Williamstown with distinction. She served as the first female Premier of Victoria, and she has been succeeded as the member for Williamstown by Steve Bracks, so there is obviously a pattern emerging there. Joan Kirner House is the former Williamstown Court House that has now been converted into a community centre, particularly a community education centre. The opening was attended by Joan Kirner and she met with many members of the local community who hold her in high regard and with great affection. It is an appropriate monument to her time as the member for Wil...
lismontown and as the first female Premier of Victoria. I think it is important that it be marked in this House.

**Bondi Surf Bathers’ Life Saving Club**

Mr KING (Wentworth) (1.54 p.m.)—As the representative of the people of Wentworth, which has Australia’s most beautiful and popular beaches, I was delighted yesterday to attend the annual general meeting of the Bondi nippers, one of the most famous junior clubs in the country—known as Bondi Surf Bathers’ Life Saving Club, Junior Activities Committee. I congratulate the newly elected committee, led by Tim Smith, with Graeme Fowler as his deputy and the hardworking Kerrie Baldock as secretary. I know the club looks forward to another successful and active year. The number of children participating in Bondi nippers continues to grow. Last season, 181 children registered, with 145 of those attending for more than half of the 16 Sundays over the summer months. From the age of five through to 14, these magnificent young Australians learn all there is to know about water skills and the beach, and they love it. The involvement and sense of gratification this achieves is best summed up by the comments of Anca and Patrick Harding-Irma, age managers for the Bondi red hats under 12, who wrote in the excellent annual report of the club, ‘We’re all very lucky to live here at Bondi and fortunate to have such wonderful kids to enrich our lives’.

Earlier in these sittings this year, I spoke about the connections that bring people together and help build communities, which is sometimes given the description ‘social capital’. As I said to the Bondi nippers club at the AGM yesterday, it is only through the participation of children and the contributions of their parents and guardians, all of which are voluntary, that we can build better communities. The nippers have been doing that since 1965, and now more than ever, with so many pressures on family life and young Australians having to fight harder than perhaps even their parents did to secure that wonderful Australian heritage which we all treasure, we must continue to support clubs like the nippers. *(Time expired)*

**Monash and Whitehorse Council Elections**

Ms BURKE (Chisholm) (1.56 p.m.)—After some robust and entertaining local council elections, I would like to congratulate the newly elected councillors for both Monash and Whitehorse: in Monash, Ross Smith, Joy Banerji, Stephen Dimopoulos, Peter McCall, Geoff Lake, Brian Little, Vicki Bouziotis and Jeanne Solity, with Geoff Lake being elected mayor again; and in Whitehorse, Jessie McCallum, Peter Allan, Robert Chong, Bernie Millane, Bill Bowie, George Droutsas, Sharon Ellis, John Koutras, Chris Aubrey and Sharon Partridge, with Jessie McCallum again being elected mayor. I look forward to working with these councillors, who have all striven hard to be elected or re-elected to these local governments.

**Iraq**

Mr BILLSON (Dunkley) (1.56 p.m.)—In the last few weeks I have outlined my support for the government’s predeployment of troops to Iraq and the subsequent decision to participate in the coalition of the willing to rid Iraq of its weapons of mass destruction, to neutralise the threat they pose to international security and to liberate the Iraqi people from Saddam’s barbaric regime. Attempts to discuss differing points of view can run into walls of unsubstantiated assertions, slogans and intemperate claims of not listening, despite genuine sincere efforts at dialogue. My deduction is that much of the opposition comes from embedded views that simply seek out a cause or an issue through which they can express these attitudes.

I encourage all members of parliament and particularly members of the public to read this document I am holding, which is a major study of the attitudes of candidates contesting the 2001 federal election conducted by the ANU, QUT and the University of Queensland. It is quite revealing. It states that 100 per cent of Liberal and National Party candidates at the last federal election said they were either proud or very proud to be Australians, 87.7 per cent of the ALP respondents said they were likewise, while 55.3 per cent of the Greens candidates responded to the survey saying they were not very proud or not proud at all to be an Aus-
tralian. You read further and you understand that there is a large number of people in the parliament that are not comfortable with Australia’s support for the fight on terrorism. More importantly, I was amazed to read that as many as 12.3 per cent of ALP candidates believed it was very likely or fairly likely that the US presented a threat to Australia’s security. It is quite amazing and very enlightening reading. I encourage you to read it. (Time expired)

Anderson, Mr Jim

Mr MOSSFIELD (Greenway) (1.58 p.m.)—I rise to mourn the loss of a tireless worker and a good local member, Jim Anderson. Jim was the member for Londonderry in the New South Wales state parliament, and on the morning of the election, this past Saturday, as he was setting off to the local polling booth at around seven o’clock, he suffered a heart attack and sadly passed away. Jim was mayor of Blacktown from 1991 to 1995 before moving into state parliament for the seat of St Marys. When St Marys was abolished in the redistribution, he became the member for Londonderry. He was a champion of his electorate and always fought for Western Sydney and the people he represented. Jim was born in Belfast and moved to Australia 30 years ago. He has always been active in his local community. He had a great sense of humour and was never short of a kind word—a true gentleman. He was well respected and will be sorely missed. To his wife Kathleen, his son Robert and his daughter Rhona, I extend my deepest sympathies and condolences. Western Sydney has lost a great deal in losing Jim, but he will be remembered by all who knew him.

Colston, Former Senator: Criminal Proceedings

Mr MURPHY (Lowe) (1.59 p.m.)—In May 1999, two eminent expert medical specialists determined that former senator Dr Malcolm Arthur Colston had only months to live. The DPP has been doing a review of Dr Colston’s case for nine months to establish his fitness to stand trial for rorting the Commonwealth—on 28 charges of defrauding the Commonwealth through travel rorts. Something has got to be done about it because Dr Colston is clearly not terminally ill and is fit to stand trial.

The SPEAKER—Order! It being 2 p.m., in accordance with standing order 106A, the time for members’ statements has concluded.

QUESTIONS WITHOUT NOTICE

Iraq

Mr CREAN (2.00 p.m.)—My question is to the Prime Minister, and I ask: given that coalition forces have been involved in military action for several days and have encountered resistance, can the Prime Minister inform the House of the number of coalition casualties, including the current wellbeing of Australian troops? Does the Prime Minister have any information on the current number of Iraqi civilian and military casualties?

An incident having occurred in the gallery—

The SPEAKER—Remove that man from the gallery.

Mr HOWARD—I thank the Leader of the Opposition for the question that he has asked me. It is not possible for me to give a precise number of coalition casualties. The information that I have is not substantially different from what has been reported in the media. Sadly, an Australian cameraman was killed, in circumstances that have been detailed in the media. I understand the foreign minister may have something further to say about that later on today. I am able to report to the House that thus far there have been no casualties sustained by the Australian forces. There do appear to have been a number of battle casualties sustained by the United States forces. Regrettably, some 14 to 16 British military personnel have died in a series of accidents.

So far as civilian casualties are concerned, it is not possible to give a precise figure. However, on the basis of both the bombing assessment reports and the targeting assessment reports by both the United States and the British military, and our own, it is possible to say that the aim of the coalition forces in keeping to an absolute minimum the number of civilian casualties as a result of the military raids has so far, it appears, been achieved. That is not, of course, to suggest that loss of even one life is anything other
than very regrettable. It is very important in circumstances such as this that we take care not to trivialise any aspect of the casualties that are sustained. But it is a firm goal of the coalition forces, and it is very much a goal of the Australian forces, that targets be selected on the basis that injury and death to civilians is avoided to the maximum extent possible.

It would appear from some of the on the ground press reports, including in particular those of the Australian journalist Paul McGeough of the *Sydney Morning Herald*, who is still in Baghdad, that the aim of the so described ‘precision attacks’ of the coalition forces has been successful to date and that the buildings that have been attacked and the assets that have been attacked are those that are part of the infrastructure and support system of Saddam Hussein’s regime. I am very conscious, and I am sure that both President Bush and the British Prime Minister are very conscious, of the responsibility carried, which is fully consistent with giving their own forces a proper opportunity of protection and success. The obligation they carry is to minimise the civilian casualties. That is a very firm aim. It is one of the things that perhaps has distinguished this operation from operations that have been conducted in the past.

I take this opportunity to say—I am sure on behalf of everybody in this parliament—how much the Australian community respects the skill, the professionalism, the bravery and the commitment to duty displayed by the men and women of the Australian Defence Force now in the gulf. I believe that they have behaved in accordance with the best traditions of Australia’s military forces. They are a group of people of whom all of us can be immensely proud. They are a group of people who carry into the campaign in which they are now involved, and any campaign in which they will be involved in future, the profound good wishes of every man and woman in this country. I believe they should. They carry the profound hopes and prayers of all Australians that they will return safely to their homes. If there are any further pieces of information on the general subject matter of the Leader of the Opposition’s question that I can provide to the parliament over coming days, I will be only too happy to do so.

**Iraq: Ansar al-Islam**

**Mr PYNE** (2.07 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House about the group Ansar al-Islam, which is apparently responsible for the suicide car bombing that killed Australian journalist Paul Moran?

**Mr DOWNER**—I thank the honourable member for Sturt for his question and appreciate the concern he has about these Islamic terrorist organisations. The member for Sturt has been particularly assiduous in focusing on these sorts of groups. All of us, I think, would express our deep regret at the death of Paul Moran and extend our condolences to his family. I understand from intelligence and other sources that the organisation responsible for the car bombing which killed Paul Moran was Ansar al-Islam, as the honourable member suggests in his question, and that is an extremist Islamic organisation. Importantly, it is allied with and actively supported by al-Qaeda. This group has also had contact with Iraqi intelligence officers in recent times. There is evidence to suggest that Iraqi intelligence services have provided support to Ansar al-Islam to destabilise the Kurdish so-called safe haven which was established after the Gulf War in 1991. There was a report in February of this year that claimed that Iraqi intelligence agents are among Ansar al-Islam’s leadership, though we cannot confirm that. There are also reports that Ansar al-Islam has been experimenting with poison gas and toxins and that these may have been provided by the Iraqi regime. Ansar al-Islam is based in the Kurdish part of northern Iraq, which is the region where Mr Moran was killed.

Ansar al-Islam shares al-Qaeda’s extremist ideology—that is, jihad against the West and the establishment of strict Islamic regimes throughout the region. It runs a terrorist training camp in northern Iraq in conjunction with elements of al-Qaeda, and it stands against the secular and democratic goals of the other group that represents the majority of Kurdish people in northern Iraq. Ansar al-Islam grew out of an organisation called Jund al-Islam, which fought against the
Kurds in the safe haven some time ago. Jund al-Islam is accused of mutilating and decapitating Kurdish fighters—clearly crimes against humanity and, importantly, crimes against Islam. The political leader of Ansar al-Islam is Mullah Krekar, who received political refugee status in Norway in 1991. I believe he is currently in detention in Norway due to fears on the part of the Norwegian government that as a political, religious and military leader he could carry out terrorist activities in that country. In July 2001, Krekar described Osama bin Laden as ‘the crown on the head of the Muslim nation’.

Ansar al-Islam has been listed by the United Nations as a terrorist organisation related to al-Qaeda and is subject to asset freezing and other sanctions in Australia and, of course, elsewhere. This is a highly dangerous organisation with interests in and close proximity to weapons of mass destruction. As events in Iraq develop further, more information about Ansar al-Islam should come to light. It will, I am sure, continue to reveal the links that have already been established between Ansar al-Islam and Iraqi intelligence.

Foreign Affairs: Travel Advice

Mr CREAN (2.11 p.m.)—My question is to the Prime Minister. Does he recall being asked yesterday about the threat to Australians in Surabaya, Indonesia, and his response:

Surabaya was a very specific thing related to a group that has a record of being associated with terrorist behaviour long before operations started in Iraq.

Prime Minister, isn’t it true that yesterday the British government also issued advice to British citizens that:

New information since the start of military action in Iraq has heightened our concern, especially ...

about Surabaya. Prime Minister, why are the British being honest about this increased terrorist threat in Surabaya following military action in Iraq while your government refuses to admit the truth?

An incident having occurred in the gallery—

Mr HOWARD—I accept—

The SPEAKER—Prime Minister, when it is convenient—

Mr HOWARD—No, I am not going to—

An incident having occurred in the gallery—

The SPEAKER—I will recognise the Prime Minister when he can be heard. I do not see any point in recognising the Prime Minister when he cannot be heard.

Government members interjecting—

Mr HOWARD—Just keep quiet. The Leader of the Opposition has asked me a question about the nature and the basis of travel advice issued by the Australian government. Naturally, travel advice issued by the British government or issued by the government of the United States is a matter for those governments and is based on information which is received by those governments. Not surprisingly, different governments, even amongst countries that might share a common view on a number of things—which obviously the governments of the United States, Australia and the United Kingdom do—will differ. Can I point out to the Leader of the Opposition this: threat levels are determined by the Australian Security Intelligence Organisation. The government acts in accordance with the advice from that organisation. I reiterate to the House that the government’s comments and actions have been entirely consistent with the advice that we have received from ASIO.

The overall threat level in Australia has not changed since the beginning of the war in Iraq. It remains at the heightened level following 11 September, with the special alert issued by the government on 19 November last year remaining current. As the government has indicated, some specific threat levels in respect of some defence facilities and foreign interests in Australia have been raised. I should add that threat levels in respect of the United States and the United Kingdom assets have not changed, and they have been at high for some time. Also, threat levels against Australian interests in a number of countries overseas—especially in the Middle East—have been raised because of the war in Iraq. The government has been totally open and transparent about this
through the DFAT travel advisories. But general threat levels were not raised in countries such as Indonesia, because they were already at a high level.

The fact is that the government has been open with the Australian people, since 11 September 2001, in sharing as far as it can information relevant to public safety. The government has done this even when the information is generalised and specific, which has led to some criticism. The alert of 19 November last year was a case in point. It was in the same spirit of responsibility and openness that DFAT issued the warning about Surabaya on Saturday, 22 March. I can state categorically that the government has been advised that none of the intelligence that formed the basis for that warning mentioned Iraq. As has been recently indicated—and I think I made this point yesterday—if there were to be a major terrorist attack in coming weeks, wherever in the world, we can assume now that the perpetrators will use Iraq as part of their raison d’être, whether that is the case or not. From the response of some opposite, the commonsense and logic of that is very strong indeed. But we can also assume with equal confidence that if any such attack were to occur it will have been in planning for some considerable time and long before war in Iraq became certain. The government has repeatedly reported, since the predeployment of Australian forces was announced in January 2003, that our intelligence agencies have advised that no intelligence has been received requiring the raising of the overall threat level in Australia. I assure the Leader of the Opposition, and I assure the Australian people, that if that changes we will pursue the same approach as we have since 11 September and bring it to the attention of the Australian people.

I want to make one final point, Mr Speaker, that no self-respecting country can allow its policies to be dictated by the threat of terrorism. That is not something that I believe. I believe that Australians would not want their government to fashion or dictate policy according to the threat of terrorism. The issue of terrorism and the potential threats of terrorism remain an issue in the ongoing debate about the government’s decision to commit military forces to Iraq. It is the government’s very strong view that Australia’s involvement in Iraq is directed at reducing the threat of terrorism, and over the longer term it will do that. That remains the position and I can assure those opposite and assure the Australian public that if we receive any specific intelligence advice which would warrant further warnings of a generalised or specific kind to be made that will immediately be passed on to the public. But I am not responsible for the travel directives of the British government or the travel directives of the United States government. It is the Australian Security Intelligence Organisation, led by very professional people, who fashion the threat assessments which come to the government. The advice that we have received from that organisation has formed the basis of the travel warnings that we have given and will give in the future, not the advice of the intelligence organisation of any other country.

An incident having occurred in the gallery—

The SPEAKER—I will recognise the member for Riverina in just a moment.

Iraq

Mrs HULL (2.19 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on Australia’s humanitarian response to the crisis in Iraq?

Mr DOWNER—I thank the honourable member for her question. While Australia is involved in military action against the Iraqi regime the government is also engaged, in a number of ways, in meeting the people of Iraq’s immediate needs and the contribution we can make to rehabilitation and reconstruction of a country which has been under dictatorial rule for many years. Australia is already actively contributing to meeting the immediate needs of the people. As I mentioned in the House last Thursday, we provided an initial $17½ million to UN humanitarian agencies and the International Committee of the Red Cross, as well as Australian non-government organisations. This has enabled agencies to provide urgently needed food, water and health care. For example, as
I just mentioned, Australia has contributed to the International Committee of the Red Cross, and over the weekend the International Committee of the Red Cross restored water facilities to almost 40 per cent of the population of the city of Basra. In addition, Australia will supply 100,000 metric tonnes of Australian wheat to support the provision of urgent food aid for the Iraqi people. Australian wheat is already on ships in the gulf. These supplies can be delivered as soon as ports and other distribution points are secured. We are working hard on getting the shipments into Iraq and distributed as soon as possible.

We are also looking to Iraq’s future needs and are deeply engaged with the American and British governments, as well as the United Nations, in plans for postwar, post-conflict reconstruction. We do not underestimate the challenges, but we will make a significant contribution to the reconstruction effort, including helping identify the best possible interim structures to ensure the quickest and most sustainable transfer of authority to the people of Iraq themselves. We will also assist further with economic rehabilitation, and agriculture is a sector where Australia can make a particularly effective contribution. We, after all, have more than 50 years of agricultural links with Iraq—through the supply of wheat, meat and dairy products—and we have been involved in years gone by with dry land farming expertise in Iraq as well. We have already identified Australian agricultural experts to assist with planning and to ensure experts can be deployed to the region once the security situation permits.

Foreign Affairs: Travel Advice

Mr CREAN (2.22 p.m.)—Mr Speaker, my question is addressed to the Prime Minister and follows his last answer. I ask him: don’t the UK and Australia operate on the same intelligence information in assembling their travel advisories, most particularly in relation to South-East Asia? Is it not a fact that Australia has a particular responsibility for intelligence collection for other allied intelligence agencies about Indonesia? Given that the UK have concluded:

New information since the start of the military action in Iraq has heightened our concern, especially about Surabaya—can you explain how the British conclude that there is an Iraq connection but your government does not?

Mr HOWARD—It is true, as I have indicated on a number of occasions, that there is very intimate intelligence sharing between the United States, Australia and the United Kingdom in particular. Indeed, it is arguable that that intelligence sharing is one of the hallmarks of the relationship. But it is also the case that threat levels for this country—and, therefore, for this country’s citizens—are determined by the assessments of the Australian Security Intelligence Organisation, and we act on their advice. That was what I said in answer to the last question, and it remains the position.

Budget: Australian Defence Force

Mrs BRONWYN BISHOP (2.24 p.m.)—My question without notice is addressed to the Treasurer. Would the Treasurer outline to the House the government’s ongoing financial commitment to the Australian Defence Force, particularly at this time, when our service men and women are in active service beyond our shores?

Mr COSTELLO—I thank the honourable member for her question. I can inform the House that over recent years the government has built up expenditure on defence quite significantly. In addition to what would otherwise have been base funding for this year of in excess of $12 billion, the government remains committed to East Timor, with approximately 1,100 ADF personnel in East Timor. Over the forward estimates there is a commitment in addition to base finance of $1.9 billion in relation to East Timor. At the end of 2000, the government announced a white paper, to build Australia’s capital expenditure and the structure of our defence forces, of $27 billion over 10 years. Including this year, across the forward estimates there will be additional spending of $6.9 billion under the government’s defence white paper.

The government’s commitment in relation to Afghanistan last year—and this financial
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year, in addition—is of the order of $523 million. In last year’s budget the government announced $1.3 billion to enhance domestic security measures. In addition to that, there was the government’s announcement of an Incident Response Regiment—$120 million over the forward estimates; and a Tactical Assault Group—$219 million over the course of the forward estimates. In addition to that, are, of course, the deployment which has already taken place and the predeployment. The cost of those, in addition to all the other measures, is of the order of hundreds of millions—which the government has not yet finalised, given the fact that obviously it is unclear how long current activities will last in Iraq.

The government makes no bones about the fact that it believes that the first call on funding is for the Australian defence forces—the brave men and women who serve their country in Iraq. Leading up to this budget round, the defence forces will be the first consideration in relation to adequate and sufficient funding to accomplish their task, to underscore the government’s commitment to the importance of the effort they are currently taking part in.

Foreign Affairs: Travel Advice

Mr Rudd (2.27 p.m.)—My question is directed to the foreign minister. Is the minister aware that, on 19 March, the US and British governments both issued global alerts advising their citizens of increased terrorist threats following military action in Iraq? Minister, when asked in question time last Thursday why Australia had not followed suit with the British and the Americans, do you recall saying:

… what the situation is in terms of the security of Australians in Nicaragua, Buenos Aires or Reykjavik may be an entirely different thing from the security of Australians in Amman, Oman, Jakarta or the Philippines. Whilst we do from time to time have global travel advisories … my judgment is that the best thing to do is … that we focus primarily on the country-specific travel advisories …

Minister, how do you reconcile your comments with the fact that you then backflipped and issued a general warning to all Australian travellers at 7.43 p.m. on Friday, advising of a general risk of terrorist activity to Western interests?

The Speaker—I remind the member for Griffith that use of the word ‘you’, if he looks at it, was not appropriate in that context.

Mr Downer—We have had in place, as I explained the other day, global travel advisories. I did not say we did not have global travel advisories. But I made the point that you have to be—as we see it, in any case—very careful in the judgments that you make in global travel advisories. I appreciate the honourable member quoting what I said in my answer last week, because it is the point that I think is the important point—not to say that we should never have global travel advisories or that we should not from time to time adjust them, but we have to be very careful, in doing that, to ensure that we are not transmitting misleading messages to Australians.

The trouble with suggesting to people that to go overseas anywhere on earth is going to be intensely dangerous is that it will, in the end, in my view, have the effect of making people disregard the travel advisories. It is always a very difficult balance. I appreciate both the Leader of the Opposition and the member for Griffith asking questions about this, because it does draw to the attention of the House the difficult balance you have to strike. On the one hand, it is very important to ensure that information we get which pertains to threats to Australians is passed on to Australians—to the broader Australian community; to the travelling community. On the other hand, we have to be very careful not to overstate the case. We have been criticised for understating from time to time, and we have been criticised for overstating from time to time.

The fact is that we have to strike that balance in order for the system to be credible, and that gets to the heart of the point I made last week. If we put out an exaggerated global travel advisory, then people going to Buenos Aires, Panama City or wherever it might be would understandably come to the conclusion that this did not bear a great relationship to reality—and they would be correct in drawing that conclusion. In those cir-
circumstances, the travel advisories would start to lose credibility with the public more broadly. So it is about maintaining the credibility of the travel advisories—making sure we do not excessively alarm people when that is not necessary, that we do not exaggerate or give the impression to Australians that it is totally dangerous to leave the country in any circumstances, while on the other hand making sure that, where there are specific concerns we might have, they are dealt with.

Iraq

Mr NAIRN (2.31 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the safety of those Australians remaining in Iraq?

Mr DOWNER—I thank the honourable member for Eden-Monaro for his question. I think the issue of the safety of Australians in Iraq has been brought home for us in a tragic and very dramatic way with the death of Paul Moran in a car bombing. We have already had some discussion about that during question time today. On that particular point, the House may be interested to know—and it is pertinent to the question—that the Australian Ambassador in Teheran is assisting Mr Moran’s widow and ABC representatives who have travelled to Iran. The embassies in Amman, Ankara and Teheran are working with local authorities in the area—and in very difficult circumstances—to arrange for Mr Moran’s remains to be transported to Iran. The Australian Consul from Teheran has travelled to the Iran-Iraq border to ensure that the transfer of Mr Moran’s remains to Iran proceeds quickly and, importantly, with dignity. We are receiving excellent cooperation from the Iranian authorities in relation to this complicated process.

More broadly, the government still does remain very concerned about the safety of a number of Australians in Iraq. Members of the House who follow this closely will have noticed that the numbers do change day by day because of the notifications we get from time to time, particularly from journalists who might be working with foreign media units. As of the moment I am speaking, we are aware that there are about 24 Australians still in Iraq—15 in Baghdad, five in northern Iraq and four in southern Iraq. Of that 24, 13 are media representatives. Four of them are in Baghdad, five are in the north and four are in the south. We believe we now have seven human shields, and there are four long-term residents who I think are dual nationals.

My department has, of course, been warning people not to travel to Iraq for some time and warning people who are in Iraq to leave, although that is not exactly practical at this moment in the case of many parts of Iraq. It is probably practical in some parts but not in all parts. Clearly, Baghdad airport is closed. Our advice to those Australians who are in Iraq is, unless they are lucky enough to be able to leave overland, to stay well away from any type of strategic location. After all, it is almost axiomatic to say that our ability to provide consular assistance to Australians in trouble there is, to say the least, extremely limited.

Foreign Affairs: Travel Advice

Mr CREAN (2.34 p.m.)—My question is to the Minister for Foreign Affairs. I refer to the general advice to Australian travellers issued by his department at 7.43 p.m. last Friday, which advises of a general risk of terrorist activity to Western interests. Minister, what specific information was this advice based on and when was it obtained? How did that information differ from that which you relied upon on the previous day to say that a general advisory was not warranted?

Distinguished Visitors

The SPEAKER (2.34 p.m.)—This is highly unusual, and I ask the Leader of the Opposition to forgive me: I had failed to recognise a group in the gallery from the parliament of Papua New Guinea. Prior to recognising the Minister for Foreign Affairs and since the group is about to leave for the Senate, on behalf of the parliament I extend a warm welcome to our friends from Papua New Guinea.

Honourable members—Hear, hear!

Questions Without Notice

Foreign Affairs: Travel Advice

Mr DOWNER—in a sense, I think I have already answered that question. My point is that I did not say last Thursday—and I do not say it now—that we never issue general
travel advisories; I say that we do have general travel advisories. I would have to check this, but I think some were probably issued in the time of the previous government as well. Obviously, we continue to monitor the situation very closely. The particular pieces of new information I can think of at the moment relate to two factors that have come from Indonesia, as well as very general but very serious information that comes from the Middle East. In relation to Indonesia, there was at one stage some information which we publicised and which we talked about— even in question time, if my memory serves me well—in relation to the possibility of sweeping operations by an Islamic extremist group in Indonesia which has made those sorts of statements from time to time. More generally, as the House knows, there has been the information in relation to a possible terrorist attack in Surabaya. In that particular case, we issued a very specific press release last Saturday.

In addition to that, it is very important to follow the evolution of the individual country travel advisories in relation to the Middle East. They have been reissued many times—over 20 times in the last few weeks, from memory. Naturally enough, we are very concerned about possible terrorist threats in the Middle East region, and it has been important to highlight that. So the general travel advisory, as I explained, does exist, and I did not say that it did not exist. It does exist, and we just endeavour to get the balance right there. It obviously does take into account specific warnings we have in particular parts of the world, but we do try to get the balance precisely right.

Iraq: Embassy in Australia

Mr DUTTON (2.37 p.m.)—My question is to the Minister for Foreign Affairs. Can the minister inform the House as to the measures the government is taking to freeze the assets of the Iraqi mission in Australia?

Mr DOWNER—I thank the honourable member for his question and for the interest he shows. First of all, all Iraqi assets in Australia have been frozen since 1990. That was done as a result of Security Council resolution 661, and that resolution was manifest here in the banking foreign exchange regulations. The Iraqi embassy was given permission to use its accounts on a case by case basis, to allow for the operation of the embassy, which was of course a reasonable thing to do. In any case, we had to do that in order to comply with our obligations under the Vienna Convention on Diplomatic Relations. It was consistent also with action that is taken by other states, such as the United States of America.

As the House will know, we have asked the staff of the Iraqi embassy to leave. Although they were due to leave last night, because of a delay in their Qantas plane from Canberra to, I think, Sydney—it was either Sydney or Melbourne—they missed their subsequent flight and have had to stay for a further 24 hours. They will be taking the international flight tonight to the Middle East. In any case, they have certainly left Canberra at this stage. In that context, no further access will be allowed to the embassy's bank account until further notice. Also, it is not of course necessary for us to confiscate Iraqi assets in Australia in order to secure them for the future use of the Iraqi people, because those assets are already frozen. But, in relation to the assets of the embassy, we naturally do not want to feel that the regime of Saddam Hussein will have any further access to those assets—and they will not, because they will not be returning to diplomatic representation in Canberra. But consistent with the various provisions in Australian law—and there is a bit of a proviso there—assets will be left for the incoming diplomats from Iraq, when diplomatic representation is resumed once the conflict has ended.

Foreign Affairs: Travel Advice

Mr RUDD (2.40 p.m.)—My question again is to the foreign minister. I refer to the general advice of heightened terrorist threat to Australian travellers issued by the minister's department at 7.43 p.m. last Friday. Minister, is it a fact that the general advice states that the only place in the world where Australians face a heightened terrorist threat because of the war in Iraq is in the Middle East? Minister, why have the US and the UK concluded that their citizens are under terror-
ist threat right across the world because of Iraq but you have concluded that Australians are only under terrorist threat because of Iraq in the Middle East region, despite the fact that Australians represent the single largest Western presence in South-East Asia?

Mr DOWNER—As the honourable member conveniently points out, the general travel advisory took particular account of the situation in the Middle East and made a point which I think is very important: that is, it underscored the need to monitor our country specific travel advisories carefully. I do not want to contradict any perceptions the Labor Party might have, but actually we do not always do everything in precisely the same way that the British do or that the Blair Labour government does. Sometimes we do things differently.

In relation to our travel advisories, we very carefully ensure that we get the balance right, as I have said several times today—and as I said once or twice on Thursday, and as the Prime Minister has, I think, indicated. We do what we can to try to get the balance right. Obviously, we would never endeavour to hide from Australians information we had which related to a possible risk of terrorism. We would certainly not do that. That would not be the right thing to do at all. So, when we get information, we do our best to make it available in the most relevant way possible, and that is not necessarily in the same way as the Americans and the British do it.

Without wishing to sound too repetitive, the point is that, if you were in South America or in the south-west Pacific or somewhere, in those circumstances the threat in Surabaya would not really be relevant to you. If you are in the Cook Islands, the threats in the Middle East are hardly likely to be relevant to you. So somebody in Rarotonga, reading a general travel advisory which was too extravagant, might superficially think: ‘In Rarotonga, I’m going to be subject to a threat of terrorism.’ That, if I may say so, is a very unlikely proposition—not that you would ever rule anything out these days, but it is a very unlikely proposition.

So one has to try to strike a balance with these travel advisories between making sure people have the appropriate information and not doing it in a way which is in any way misleading. If we were to use, in a general travel advisory, too extravagant a formulation, the truth is that would be misleading. One of the things we do—and I think the department are very right in this respect, so I will very strongly defend them here—is make sure that there is a particular focus on the country by country travel advisories. I must say that I think they are a much more useful tool to travellers than the generalised travel advisories. The generalised travel advisory the honourable member refers to—on 21 March—was only very slightly changed, and that was particularly to ensure that people focused on the individual country travel advisories relating to the Middle East.

Immigration: Visa Applications

Mr SCHULTZ (2.44 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. Can the minister advise the House on contingency arrangements by his department for the continued processing of visa applications from people in the Middle East?

Mr RUDDOCK—I thank the honourable member for Hume for his question. The impact of the war in Iraq on visa arrangements has so far been fairly limited, but arrangements have been made to continue the processing of visa applications from people who could be affected by closures that have occurred or may occur. I am sure all members appreciate that the safety of staff and their families is given a very high priority by the government. We do not wish to see any unnecessary and unavoidable delays but that may occur. At the moment the embassies in Israel and Jordan are currently closed to the public, although emergency visa processing is available in both countries.

Other Australian visa offices in the region, including Beirut, are currently operating normally. However, we have made arrangements to process visa applications and clients from the Middle East at an Australian visa office in Athens if that proves necessary, particularly if our operations in Beirut and in other posts in the Middle East are affected by
the present war. It is obviously an evolving situation, and people in Australia who require information about visa services can contact dedicated lines that the department has established. Information in relation to that is available on the Internet. The telephone inquiry lines will be able to provide information about processing in relation to visa applications already lodged at Australian offices in the Middle East as well as information about how to make new visa applications, and those lines are staffed between 8 a.m. and 8 p.m. Eastern Standard Time.

Ministerial Staff: Conduct

Mr McCLELLAND (2.47 p.m)—My question is to the Minister for Foreign Affairs. Minister, can you assure the House that no member of your staff leaked to an ABC journalist the alleged contents of the national security briefing provided by ASIO last Friday to the Leader of the Opposition?

Mr DOWNER—Speaking for myself personally, I did not have any knowledge of the briefing. I am not the minister responsible for ASIO; the Attorney-General has responsibility for ASIO. I am not aware of anybody on my staff doing such a thing. I will check but I do not think any member of my staff would have known what happened in the briefing. In fact, I would be, to say the least, rather amazed if any member of my staff had any knowledge of the briefing, because I certainly did not.

Defence: Policy

Mr RUDD (2.48 p.m.)—My question is to the Minister for Foreign Affairs. Does the minister recall the speech by the Minister for Defence on 28 November last year and also earlier speeches where the defence minister claimed that, following US policy, pre-emptive military strike was the new and appropriate doctrine in international affairs? Minister, given Australia’s involvement in pre-emptive military action in Iraq, can you now confirm that this is the Howard government’s new military doctrine?

Mr DOWNER—I think it is well known that under the United Nations Charter there is a right to self-defence. So this argument about whether or not there even exists a new doctrine of pre-emption I think is—

Mr Rudd interjecting—

The SPEAKER—The member for Griffith has asked his question.

Mr DOWNER—I think the question of whether there is a so-called doctrine of pre-emption is not clear at all. In other words, it is a point of common sense that was illustrated very graphically during the course of the last 15 months and these scenarios might be the best way of answering the question. In normal circumstances, when you are dealing with the issue of counter-terrorism, it is perfectly clear that where a government that you may wish to deal with is opposed to terrorism you are able to cooperate with that government. For example, terrorist organisations in that country may be planning terrorist actions against your citizens or even against your country. You could work with that local government in order to ensure that those actions do not occur. That would be a typical situation.

An alternative scenario is what happened in the case of Afghanistan. There was a judgment made, particularly following the events of 11 September 2001, that the government in Afghanistan was not cooperating with the government of the United States and, more broadly, the international community, in dealing with al-Qaeda. The United States in those circumstances issued an ultimatum to the Taliban government of Afghanistan and the Taliban government did not respond to the ultimatum. In those circumstances, it made sense for the United States and its allies to launch military action against the Taliban and their partners al-Qaeda in Afghanistan. I think those two examples of a typical cooperative arrangement are more or less what we have in our region—as against what happened in Afghanistan—and they illustrate the point.

This notion that there is now somehow a completely new doctrine is not quite the point. The point is that there is a much-heightened sense—and this really has to be understood in the context of Iraq as well—in the United States of the need for it to be proactive in preserving its national security since 11 September 2001. That is an enormous factor of change, and some people have seen this as the introduction of a new
doctrine. I would say it is not quite so much a new doctrine as a degree of sensitivity and determination in dealing with terrorism and rogue states in particular and with the risk of weapons of mass destruction from rogue states falling into the hands of terrorists. There has been an utter determination to deal with those problems, and that determination was not as strong before 11 September 2001 as it has been since.

I think a lot of extravagant language is used very readily. Perhaps it is used as shorthand to describe this as a massive paradigm shift, a doctrinal shift and so on. There is something in that, but I think that can be overstated.

Mr Rudd—Mr Speaker, I seek leave to table a copy of the defence minister’s statement of 28 November outlining the doctrine of military pre-emption, which the foreign minister has forgotten about.

Leave granted.

Fuel: Ethanol Content

Mr WINDSOR (2.53 p.m.)—My question is to the Minister for Transport and Regional Services. Minister, you would be aware of the $120 million worth of private sector investment proposed for the Gunnedah and Dalby ethanol plants and the $120 million for a natural gas pipeline that would, in a sense, guarantee the development of the Gunnedah plant. Given the urgency of this matter, when will the government mandate a minimum level of ethanol in Australian petrol and also ensure certainty for investors by guaranteeing a 38c per litre excise exemption in the long term for domestic production?

Mr ANDERSON—I thank the honourable member for New England for his question. I think the only comment I would care to make at this stage is that the government is considering very closely a number of issues surrounding Australia’s energy future, including the role that biofuels and ethanol might play in that. I hope we will be in a position to say something very shortly.

Defence: Policy

Mr CREAN (2.54 p.m.)—My question is to the Minister for Foreign Affairs. Given the defence minister’s announcements last year that military pre-emption is the Howard government policy, does the minister recall the statement in the government’s recent defence white paper which states:

The Australian Government may need to consider future requests to support Coalition military operations to prevent the proliferation of weapons of mass destruction, including to rogue states or terrorists.

Minister, are you aware of the State Department’s definition, issued on 21 May last year, of those states responsible for state sponsored terrorism, which are listed as Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria? Will you now rule out Australia’s military participation in any future preemptive war against these countries?

Mr DOWNER—First of all, I reject the proposition that the war against Iraq is a war which is anything other than a war which is legal under existing Security Council resolutions; that is that it is a war which is an enforcement of chapter VII resolutions of the United Nations Security Council—resolutions 678, 687 and 1441 in particular. Secondly, I do not think it will come as a breathtaking shock to any member, at least on this side of the House, but we do not actually have any plans to mount military action against Cuba, Sudan, North Korea or whoever. I never heard such a thing discussed.

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

Opposition members interjecting—

Mr Howard—I point out that the opposition has had 10 questions.

The SPEAKER—Question time is entirely at the Prime Minister’s disposal.

QUESTIONS TO THE SPEAKER

Parliament House: Security

Mr KERR (2.56 p.m.)—I have a question to you, Mr Speaker. Before I ask this question, in terms of its context, I should acknowledge that it is entirely necessary and appropriate that a nonviolent removal of those who seek to disrupt the proceedings of this House occur. But I want to raise a matter which occurred on Sunday in the precincts of this parliament which raises issues of civil liberties and the dangers to those civil liber-
ties through the conduct of parliamentary staff.

On Sunday a woman who had attended a rally outside this parliament walked to the top of the grassy precincts of the parliament to overlook the War Memorial. She was accompanied by two of her children. Before proceeding, she had been asked by parliamentary attendants to leave behind a placard which she had carried, and she did so. But she was wearing a T-shirt which had on it a slogan saying ‘World War III, starring Bush, Hussein, Blair and Howard’ and the slogan ‘No war’.

When she got to the top of the building and was overlooking the War Memorial, she was approached by a parliamentary officer, I believe a member of the APS, who told her she was obliged to remove the T-shirt because it was a political statement. She kept telling the APS officer that she was not in the demonstration, she was on the hill with her kids to show them the War Memorial. She said she had come from Dubbo because she felt strongly about the war being wrong but now she was just an ordinary person exercising her rights as an Australian. I am advised that she was quite shaken but she held her ground.

Mr KERR—Mr Speaker, I did alert you to these circumstances—

The SPEAKER—The member for Denison could have written me an entire epistle; the standing orders would still stand. He is obliged to come to his question.

Mr KERR—The question I ask you is whether it is under your instructions or the instructions of any other officers of this parliament to require people to remove T-shirts or other items of clothing which express particular views, not within this chamber but on the external parts of this building or indeed in the internal parts of this building, which offer no disruption. I ask you whether this is in accordance with any instruction that you have provided. If it is not, can you ensure that we do not move down a path where the civil liberties of ordinary Australians to express peacefully their views are going to be curtailed?

The SPEAKER—I can very quickly respond to the member for Denison by indicating to him that no, I have not issued any specific instruction that changes the arrangements that currently exist under which there is in fact a demonstration area. Obviously, it is sometimes difficult to draw the line between what is an appropriate or inappropriate political statement. It would seem, from what the member for Denison has said, that one of the APS officers may have been a little more diligent than was appropriate in discharging his duty. I will raise the matter with the APS. Before I do so, I must publicly indicate the support that I have, and that I believe everyone in the House has, for the security staff and the APS in this building.

Honourable members—Hear, hear!

Parliament House: Security

Mr MARTIN FERGUSON (3.01 p.m.)—I have a question to you, Mr Speaker. I refer to a security information circular issued by the Secretary of the Joint House Department on 21 March this year which states: The measures recognise the importance of Parliament House as a symbol of an open parliamentary democracy and the measures maintain relatively free access to the building. It then goes on to state:
They will not restrict the ability of the public to visit the building or view the proceedings of Parliament.

Mr Speaker, are you aware of whether or not requests have been made for the provision of batons and pepper spray to security officers of the parliament? If so, what is your attitude? Is it also correct that the law prohibits an officer denying a member of parliament access to the building? If so, have you also been advised that security officers feel limited in their capacity to enforce screening of members? If so, what advice has been given to security staff about this issue and can that advice be tabled for members’ perusal?

The SPEAKER—I may have to take some of the member for Batman’s question on notice because it was rather extensive. Most of the issues he has raised were addressed in the statement I made to the House in February this year. I am not aware of any changes from the statement I made in February. I will take a closer look at the member for Batman’s question and come back to him if there are things that he has raised that have not been addressed or implied in the February statement.

Parliament House: Security

Mr WILKIE (3.03 p.m.)—I have a question to you, Mr Speaker. This afternoon a member of my staff, on my instruction, attended a rally at the front of the building and collected A4 information being passed out at that rally so that I could be informed of the activities occurring. On his return to the building, security staff confiscated the material. This was despite it being in my staff member’s pocket, with only a small portion of it protruding, and despite my staff member having their Parliament House identification on display. Mr Speaker, under whose authority was the information confiscated and a member of my staff prevented from carrying out their lawful duties? Mr Speaker, can you give an undertaking to ensure that such activities will not occur in the future?

The SPEAKER—Before I respond to the member for Swan, I note the member for Charlton is seeking the call. Does the member for Charlton wish to ask me a similar question?

Ms HOARE—Yes. Mr Speaker, without restating the question, the same incident occurred to my staff member. On return from the rally outside Parliament House, she was carrying an A4 sheet of paper with information about meetings in the ACT region and she had that taken from her as she came through the security doors.

Opposition members interjecting—

The SPEAKER—There are some regulations in the standing orders that the member for Lyons would understand, I would hope, better than most. My response to the member for Swan and the member for Charlton is that it is obvious that on a day like today, in circumstances such as these, the security staff will be feeling that they have a particular role to be diligent in the things they are doing.

Opposition members interjecting—

The SPEAKER—Order! There are a number of people who will find themselves outside this chamber very shortly.

Mr Leo McLeay interjecting—

The SPEAKER—I warn the member for Watson.

Mr Kerr—That’s a disgrace!

The SPEAKER—I warn the member for Denison! I have not even concluded my statement. In defence of the security staff, I simply recognise that in circumstances such as these, and on a day like this, there will be a number of them who will, quite understandably, feel quite diligent about what they are doing. Nonetheless, the member for Swan and the member for Charlton have raised matters that are of concern to me, and I will take them up with the security staff.

Parliament House: Speaker’s Gallery

Mr CIOBO (3.05 p.m.)—I have a question to you, Mr Speaker. Over the last several sitting days there have been a number of interjections from members of the public gallery. The question that I have, and a concern that I know is felt by a number of members, pertains to interjections that have occurred from the Speaker’s gallery, and in particular the fact that a number of interjections have been on a repeated basis by the same individual or individuals. Mr Speaker, will you
explore the appropriateness of having parliamentary staff record the details of members requesting tickets for the Speaker’s gallery—

Opposition members interjecting—

Mr Gavan O’Connor—Why don’t you jail them!

The SPEAKER—Order! The member for Corio is warned!

Mr CIOBO—to determine the appropriateness of reconciling those who are issuing tickets to people we know would seek to bring a stop—

Mr Tanner—This is from the Bjelke-Petersen era!

Opposition members interjecting—

The SPEAKER—Order! The member for Moncrieff has the call. He is perfectly entitled to ask a question of the chair. The standing orders provide that he will be heard in silence, and I will deal with people who abuse the standing orders.

Mr CIOBO—As a firm believer in the appropriateness of this parliament discussing the nation’s business in a certain way, and on a continued basis, I highlight that the interjections that come from the public gallery and from the Speaker’s gallery—

Mr Leo McLeay interjecting—

The SPEAKER—The member for Watson is warned!

Mr CIOBO—prohibit this parliament from continuing its business on behalf of all Australian people. On that basis, I ask you, Mr Speaker, to explore the appropriateness of recording tickets that are requested for the Speaker’s gallery, so that people who continually interject over a number of days can, in some manner or way, be constrained.

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane is warned! The member for Moncrieff would do well to take advice from the member for Denison, who did, in fact, alert me prior to raising the issue that he raised with me today. The facts are that, while many members, for some strange reason, believe that the entire gallery in front of the Speaker’s chair is the Speaker’s gallery, they are—as those who are informed would know—in error. Only a number of rows in the gallery are offered tickets from the Speaker’s office; the rest of the gallery is open to the public. I indicate to the member for Moncrieff that it is the intention of the presiding officers to have an open parliament.

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane will excuse himself from the House. The member for Brisbane then left the chamber.

The SPEAKER—The latter part of the member for Moncrieff’s question asked if there was any form of restraint placed on people who were persistent interjectors. Consistent with what predecessors in this office have done, I have applied precisely the same rules as my predecessors, and people who interrupt on more than one occasion are, in fact, unable to gain entrance to the gallery for a predetermined period of time.

Parliament House: Security

Mr SWAN (3.10 p.m.)—My question relates to the matters raised by the member for Swan and the member for Charlton. It relates to the events outside this parliament and the experiences those members have had. In light of the increased public concern about matters concerning the war, is it the case that there is an increased presence of security forces in this House? Would you consider making a statement to the House, as a result of those matters, about what steps are being taken not only to increase security but also to protect the rights of individuals who work in this House?

The SPEAKER—In response to the Manager of Opposition Business, consistent with the statement I made in February—note ‘in February’—there has been an increase in security staff. I also indicate that, while we speak, public access to this building has been denied by the action of over 300 protestors, who are burning material and blocking the front of the House.

Parliament: Unparliamentary Language
Ms CORCORAN (Isaacs) (3.11 p.m.)—Mr Speaker, I seek your indulgence to make a short statement.

The SPEAKER—The member for Isaacs did raise with me a concern she had, and I indicated that I would extend to her indulgence and I do so.

Ms CORCORAN—Mr Speaker, this follows a question to you last Thursday from the members for Grayndler and Watson which followed a caution to me from the Deputy Speaker last Wednesday against the use of unparliamentary language. Last Thursday, I was not in my normal seat so I could not respond. Mr Speaker, in answer to the question, you noted that I had acknowledged the chair and the chair’s caution; therefore, you assumed that I was not offended by the caution. Whilst that is a logical thing to assume, in fact, you were not correct on this occasion, Mr Speaker.

I would like to draw attention to the difference between questioning the veracity of information that we received from the government and using unparliamentary language against an individual—and I was engaged in the former, not the latter. At the time of the caution, I was faced with the choice of either finishing my speech or responding to the caution. Finishing my speech was far more important to me, and that was the course of action that I chose.

The SPEAKER—I thank the member for Isaacs. I think all members understand that there is a genuine effort on both sides of the House not to impute motives unfairly to members, and that was consistent with what the member for Isaacs has just said and consistent with my comments last Thursday.

LEAVE OF ABSENCE

Mr CREAN (Hotham—Leader of the Opposition) (3.12 p.m.)—I move:

That leave of absence for the remainder of the current period of sittings be given to Mrs Crosio on the ground of ill health.

Question agreed to.

PETITIONS

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

Iraq

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

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

Your petitioners therefore request the House to:

- use its influence to dissuade the US Government from the threat of precipitate military action in Iraq;
- refrain from all support of such threats;
- continue with diplomatic efforts to reach a resolution of the problems of the region; and
- work through the United Nations, as the duly constituted international body, for building a secure basis for world peace.

by Mr Andren (from 64 citizens) and
Mr Hawker (from 1,129 citizens)

Iraq

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

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

Your petitioners therefore request the House to:

- use its influence to dissuade the US Government from the threat of precipitate military action in Iraq;
- refrain from all support of such threats;
- continue with diplomatic efforts to reach a resolution of the problems of the region; and
- investigate how much the proposed war on Iraq is motivated by a desire for cheap oil and for increased control of the oil-producing world.

by Mr Hartsuyker (from 45 citizens) and
Mr Vaile (from 194 citizens)
The petition of certain citizens of Australia draws to the attention of the House that the people of Australia have not been consulted on a commitment made that Australia will support an impending war against Iraq.

We are concerned that such a war will:

- Result in the deaths of many Iraqi civilians, as well as Australian US and Iraqi troops.
- Goad Saddam Hussein to use any weapons he has at his disposal in a bid to retain power.
- Cause a civil war in Iraq, enlarge the refugee problem and further destabilise the Middle East.
- Enhance the perception that The West is at war with the Islamic World, thus consolidating the recruitment power of anti-Western extremists.

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

by Mr Edwards (from 131 citizens) and
Dr Lawrence (from 2,218 citizens)

Iraq

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

The petition of certain residents of Grayndler draws to the attention of the house our opposition to unilateral military action by the United States in Iraq and the deployment of Australian troops in support of this action.

We strongly believe that there is no justification for military action by the United States despite the rhetoric from President Bush that Iraq continues to flout UN Resolutions calling on Iraq to disarm. In their actions, we feel that the US intends to attack Iraq regardless of the findings of the UN weapons inspection process resulting in death and injury to many thousands of innocent Iraqi citizens.

We also strongly believe that the decision by Prime Minister to deploy Australian Defence Force personnel to Iraq places their lives at risk unnecessarily and may result in Australia becoming a further target for retaliatory action.

Your petitioners therefore request the House call upon the Prime Minister of Australia to withdraw Australian Defence Force personnel from the Gulf immediately and allow a full and open debate to take place in Federal Parliament.

by Mr Albanese (from 94 citizens)

Iraq

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

We, the electors of the Division of Page request that the Parliament acts in accordance with the majority of Australians and votes AGAINST sending Australian troops to be involved in a war against Iraq without United Nations approval.

by Mr Causley (from 376 citizens)

Iraq

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

The petition of certain citizens of Australia draws to the attention of the House the enormous hardship and suffering inflicted on the people of Iraq by military action in 1991 and by eleven years of severe and debilitating sanctions. It also draws the attention of the House to the potential for immense devastation and incalculable human suffering if war is unleashed on Iraq.

Your petitioners therefore request the House to call on the Government to withdraw immediately all Australian military personnel currently deployed in the Middle East, to reject all further requests for Australian involvement in military action in Iraq, and to vigorously promote peaceful solutions to the problem of Iraq’s failure to comply with the United Nations’ resolution on weapons of mass destruction.

by Mr Hartsuyker (from 415 citizens)

Iraq

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

The Petition of certain electors of Australia draws the attention of the House to:

Our grave concerns regarding the unilateral decision by the Prime Minister to deploy Australian Military Personal to the Gulf prior to full United Nations Security Council resolution.

Your petitioners therefore request the House to:

Stop the deployment of Australian military personnel to the Gulf without the full support of the Australian people and to continue to work towards a peaceful resolution.

by Ms Livermore (from 1,284 citizens)
Iraq
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of citizens of Queensland draws to the attention of the House the fact that we the undersigned wish to make clear to our Government, and all politicians, that we are totally opposed to another war in Iraq we desire a peaceful resolution based on dialogue without the use of weapons or military force which we see as an outdated mode of resolving conflict.
Your Petitioners therefore pray that the House, forthwith undertake all steps necessary to remove Australian Defence Service personnel from engagement or involvement in the Iraq conflict and instead engage in peaceful dialogue utilising the mechanisms and resources of the United Nations.

by Mr Ian Macfarlane (from 461 citizens)

Iraq
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain concerned citizens of Alice Springs draws to the attention of the House our strong opposition to Australia’s involvement in a war against Iraq. We believe that such a war would be unjust, and would cause immense loss of civilian lives in Iraq, threaten regional stability, increase the hazards of terrorism against Australian interests, and impair long-term prospects for world peace. Your petitioners therefore ask the House to revoke all plans to deploy Australian troops against Iraq and bring Australian service men and women already in the Gulf region home.

by Mr Snowdon (from 378 citizens)

Iraq
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain citizens of Australia draws to the attention of the House the enormous hardship and suffering inflicted on the people of Iraq by military action in 1991 and by eleven years of severe and debilitating sanctions. It also draws the attention of the House to the potential for immense devastation and incalculable human suffering if war is unleashed on Iraq.
Your petitioners therefore request the House to call on the Government to withdraw immediately all Australian military personnel currently deployed in the Middle East, to reject all further requests for Australian involvement in military action in Iraq, and to vigorously promote peaceful solutions to the problem of Iraq’s failure to comply with the United Nations’ resolution on weapons of mass destruction.

by Mr Truss (from 249 citizens)

Australian Broadcasting Corporation: Independence and Funding
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
This petition of the undersigned Orange community draws to the attention of the House its concern over the long-term decline in funding of the ABC and asks the House to call upon the Federal Government to support:
(i) the independence of the ABC Board;
(ii) the establishment of a joint parliamentary committee to oversee ABC Board appointments so that it is constructed as a multi-partisan Board, independent of the government of the day;
(iii) an immediate increase in funding allowing the ABC to operate independently of commercial pressures including advertising and sponsorship; and
(iv) the maintenance of its role as an independent regional broadcaster.

by Mr Andren (from 33 citizens)

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

We, therefore, the individual, undersigned attendees at the Conference of Social Justice, State Peter’s College, Cranbrook, Vic 3977, petition the House of Representatives in support of the above mentioned Motion.
AND we, as in duty bound will ever pray.

by Ms Corcoran (from 26 citizens)

Suicide Bombings

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

We the citizens of Australia note that the practice of suicide bombing is a crime against humanity. This crime and its participants, organisers and supporters are guilty of a crime which has been committed against innocent civilians.

Further, we the undersigned note that there is no moral, religious or political justification for this crime.

Your petitioners, declare therefore, that the perpetrators of these crimes should be prosecuted and punished by the appropriate international courts of justice.

We the citizens of Australia call on the House to act immediately to facilitate a debate at the next United Nations conference to declare clearly and unequivocally, that the practice of suicide bombings is a crime against humanity.

by Mr Danby (from 116 citizens)

Telecommunications: Mobile Phone Towers

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

This petition of certain citizens of Australia draws to the attention of the House that current legislation is insufficient to protect the health of the people of Australia from the dangers of micro-wave radiation emitting from mobile phone telecommunication towers.

Your petitioners therefore request that the House amend current legislation to:

(a) Safeguard the people of Australia against health threatening electromagnetic radiation emitting from mobile phone telecommunication towers and installations, by restricting the siting of these facilities to zones of no less than 300m from residential areas.

(b) Stop the location siting of mobile phone telecommunication towers and installations, including collocation and multiple siting areas close to residential areas (ie homes, schools, hospitals, aged care centres and other such facilities), until major research identifies conclusively a safe distance for each tower or installation to be located.

Implement immediately a major medical and technological research program, by recognised and independent organisations, into the potential adverse health effects of this radiation.

by Dr Emerson (from 73 citizens)

Medicare Office: Logan City

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

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

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

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

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

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

by Dr Emerson (from 500 citizens)

Environment: Kangaroos

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

This petition of the citizens of Australia draws to the attention of the House the intolerable and untenable cruelty to and suffering of kangaroos and their joeys, inherent in the commercial kangaroo industry. Night after night, shooters disrupt the rich, complex family structured mobs, where females educate their young and alpha males fight for the right to pass on the best genes, according to universally accepted scientific dogma of natural selection. It is the largest, unmonitored massacre of wild animals in the world and threatens the very survival of our wild kangaroos, an icon loved the world over.
Our National Symbol, the kangaroo, endearingly known as Skippy, is a good will ambassador without equal and has a right to exist free from fear, pain, suffering and exploitation in his native land. The importance of the kangaroo to the health and prosperity of this land, for all Australians cannot be overestimated. Your petitioners therefore request the House brings a halt to the commercial slaughter of kangaroos.

by Mr Hunt (from 50 citizens)

Iraq

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

The petition of certain members of the electors of the Division of Dawson and surrounding districts draws to the attention of the House that there is a growing movement committed to preventing or stopping this unjust war on Iraq.

The Australian government has sent troops to support a US-led war against Iraq. It will not reduce the threat of terrorism, but make it worse. And it will not liberate the peoples of Iraq from dictatorship, but impose another Saddam Hussein or worse.

The majority of the Australian people understand this; only six per cent support the Bush-Blair-Howard crusade to invade Iraq without Security Council backing.

We ask the House:

1. Support the majority of the Australian people and commit themselves to building the broadest possible movement against the war on Iraq;
2. Express their solidarity with Australia’s Middle Eastern, Muslim and Arabic-speaking communities, who have been the target of racist attacks;
3. Demand the withdrawal of our troops from the region.

by Mrs De-Anne Kelly (from 177 citizens)

Small Business: Superannuation

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

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

The Government is planning to burden small business with its so-called superannuation choice (deregulation) of funds;

A typical small business cannot afford $13,200 per employee in fines—an impost of $204,000 on a small business with 20 employees, or the legal liabilities associated with these planned regulations.

The Council of Small Business Organisations of Australia fully supports Labor’s call for small business to be exempt from these proposed regulations.

Your petitioners believe that the Government is ignoring the substantial compliance costs, paperwork, legal costs and potential fines which will act as a significant burden on small businesses throughout Australia.

We therefore request that the House immediately implements amendments, which exempt small businesses from this additional burden.

by Mr Kerr (from 224 citizens)

Communications: Community Radio Station

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

We the undersigned petitioners Residents of the State of Tasmania, and Citizens of Australia petition the House to review a recent decision of The Australian Broadcasting Authority (ABA) that has caused our community radio station to be displaced.

We ask the House to

1. Urgently reinstate Cadence FM 99.3 our Community Radio station that has been providing an essential community service for over 5 and ½ years and
2. To protect the assets of unrepresented and disadvantaged groups involved in community Broadcasting.

by Mr Kerr (from 1,038 citizens)

Health: MRI Machines

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

The petition of certain residents of the State of New South Wales draws to the attention of the House the refusal by the Federal Government to license a Magnetic Resonance Imaging (MRI) facility at the Concord Repatriation and General Hospital denies equitable access to vital health services for cancer, heart, orthopaedic, burns and MS patients.
Despite a commitment by the NSW Government to purchase a MRI machine, Concord Hospital remains the only teaching hospital in Sydney not approved to provide MRI diagnostic services via the Medicare system.

This means Concord’s frailest patients are unable to locally access vital diagnostic services.

Your petitioners request the House to protect the public’s interest and provide equitable access to the Medicare system for inner western Sydney residents by licensing MRI diagnostic services at the Concord Repatriation and General Hospital.

by Mr Murphy (from 1,475 citizens)

**Family and Community Services: Child Care**

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

This petition of citizens of Australia draws the attention of the House to the decision not to provide In-Service Provider training funds to Queensland childcare services. Our opposition to this decision is based on the following—

The Government has singled out Queensland from any other state by halving by $500,000 in childcare in-service training funds;

Childcare workers across Queensland will not have the same access to in-service training as in other states;

This decision is also of concern to children and families across the State who are using child care services;

The Government should not be able to axe funding to a program that is currently under review.

Your petitioners therefore request that the House turn its urgent attention to:

1. Seek an urgent review of this decision.
2. To reinstate in-service training funds to Queensland childcare services.
3. To adequately fund the following Queensland childcare training and resource organisations—Lady Gowrie Queensland; QCOSS—Child Care Management Training and Support Unit; Family Day Care Association Queensland Inc.; and Queensland Children’s Activities Network QCAN Inc. to deliver ongoing quality in-service training to all Queensland childcare services.

by Ms Roxon (from 1,001 citizens)

**Environment: Sea Cage Fish Farms**

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

The petition of certain citizens of Australia draws to the attention of the House the impact of sea cage fish farms in Moreton Bay.

Sea cage fish farms will significantly increase level of nutrients into the bay derived from excess feed, faeces, dead fish, operational pollution and cage cleaning;

Increase the risk of algal blooms;

Contribute to lowering dissolved oxygen in the water which leads to the death of marine life;

Place at risk the wild populations of fish, bird and flora species through introduced diseases, genetically modified breeding stock and pollution plumes;

Require the use of tetracycline and formalin as medication in the feed and anti-fouling agents to clean cages, the long-term environmental effects of which are not known;

Create a blight on the visual amenity of Moreton Bay significantly affecting the tourist potential of Moreton Bay;

Compromise the millions of dollars that has been invested to date to remove nitrogen from Moreton Bay to protect the fragile ecosystem.

Your petitioners therefore request the House to immediately enact legislation that will prevent the establishment of sea cage fish farms in Moreton Bay.

by Mr Sciaccia (from 267 citizens)

**Telecommunications: Services**

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

The petition of certain residents of the Southern Moreton Bay Islands in the State of Queensland draws to the attention of the House that we are disadvantaged in our telecommunications services.

Although only a few kilometres from the mainland, the telecommunications services provided to the Southern Moreton Bay Islands are relatively primitive, and far more costly. Residents in this area are especially disadvantaged with respect to access to technology and the internet, due to the limited nature of current services.
Your petitioners therefore request the House to review the current telecommunications structures with a view to allow residents of the Southern Moreton Bay Islands improved access to telecommunication services, by the introduction of Broadband—ADSL, or equivalent.

by Mr Sciacca (from 202 citizens)

Medicare Office: Bribie Island

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

The petition of certain electors of Australia draws the attention of the House to the Howard Government’s failure to address issues surrounding the lack of a Medicare Office on Bribie Island.

We call on the Federal Government to provide adequate services to the people of Bribie Island, many of whom are elderly and cannot travel to other areas.

As Bribie Island is one of the fastest growing areas on Queensland, the Federal Government has an obligation to meet the needs of both the elderly and families by supplying funding to adequately meet the needs of our growing community.

Your petitioners therefore request the House to address these issues and provide a Medicare Office on Bribie Island.

by Mr Swan (from 2,254 citizens)

Petitions received.

PRIVATE MEMBERS’ BUSINESS

Private Health Insurance: Rebate

Mr PYNE (Sturt) (3.16 p.m.)—I move:

That this House:

(1) reaffirms its support for the 30% private health insurance rebate which helps give Australians choice and is financially assisting almost 9 million Australians and their families, including one million Australians who earn less than $20,000 a year;

(2) notes the Labor Party opposed the introduction of the private health insurance rebate and voted against the legislation when its was debated in the House of Representatives and the Senate;

(3) notes that numerous Labor Party members have called for major changes to the rebate; and

(4) calls on the Labor Party to express its support for the 30% private health insurance rebate or urgently release its private health insurance policy.

The private health insurance rebate is a tax cut worth about $700 to $800 a year for Australian families with private health insurance. It is a 30 per cent tax cut on private health insurance premiums. Removing the rebate would amount to a tax increase for nearly nine million Australians. The coalition government support the rebate. It gives Australian health consumers quality, choice, better access and affordability. Our policy has also received a tick from Access Economics in their recent report, Striking a balance: choice, access and affordability in Australian health care.

Labor’s position is also crystal clear. Labor have always hated the private health system. They see it through the prism of the class struggle—an idea as outdated as the spinning jenny and the stump-jump plough. Labor’s opposition to the private health system is a metaphor for the modern ALP: short-sighted, limited, ridden with contradictions and unable to rise above their class-conscious, determinist history. Labor bitterly opposed the private health insurance rebate in both the House and the Senate. Since the legislation was passed with the support of Independents, Labor’s campaign against the rebate has continued. On 6 November 2000, the then Leader of the Opposition said:

My Shadow Health Minister, Jenny Macklin, and I have made clear that Labor will retain the 30 per cent private health insurance rebate, with no means test or cap.

But, just as we knew Labor did not support the government’s border protection policy, we knew they did not support the rebate. Soon after the election, the member for Jagajaga made clear what Labor really thought. The Australian of Monday, 19 February 2001 reported that the member for Jagajaga said:

We’ve been saying for ages that the private health rebate doesn’t take pressure off public hospitals ...

In an article by Maxine McKew in the Bulletin of 12 June 2001, the member for Jagajaga is reported as speculating on how the Labor Party might fund a doctors’ $100,000 a year pay claim. McKew writes:

There is an obvious option for the Labor Party. They can get their hands on close to $2 billion by
killing off the 30% rebate to those who take out private insurance.

The article continues:

It’s no secret Macklin hates the rebate ... After a year or so into office, a defensible backflip could see the rebate scrapped with the revenues redirected to both public hospitals and GPs.

In the Canberra Times of 2 December 2002, the member for Jagajaga, in reference to the debate, is reported as saying:

It’s a huge area of expenditure and a lot of people are figuring out that it isn’t worth having ...

Indeed, the member for Jagajaga’s position on the private health insurance rebate seems to be more aligned with that of the member for Denison, Duncan Kerr, who has called for the ‘substantial dismemberment’ of the 30 per cent private health insurance rebate. The member for Jagajaga and her Labor lieutenants seem to be softening up the electorate for a policy backflip.

We know that, in addition to scrapping the rebate, other alternatives Labor are considering include means testing the 30 per cent rebate and capping the Commonwealth’s expenditure on the rebate. Maybe the member for Canberra will be able to inform us whether or not that is the situation. A capping of the program would be akin to the slow suffocation of the rebate for, although the subsidy would stay, its value and effect would be diminished over time. Also, the compliance costs of such a scheme would surely erode the funds available to Australian private health consumers. We also know that Labor are considering placing a ceiling on individual expenditure on the rebate, which would not need a means test but which would have the effect of costing Australian families as much as $500 a year. Maybe the shadow minister has been told about that suggestion circulating in the ALP right now or maybe she is being left in the dark. Labor’s position has nothing to do with what is best for Australians and everything to do with ideology. Labor oppose consumer choice because they do not trust Australians to manage their own affairs.

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

Ms ELLIS (Canberra) (3.21 p.m.)—I rise to speak during this private members’ business debate today on the private health insurance rebate. The Howard government’s management—or should I say mismanagement—of private health insurance has been appalling. In the run-up to the 2001 election, Prime Minister Howard said that his government’s policies would lead to reduced premiums and that private health insurance would be more affordable and attractive to consumers. We now know with absolute clarity that the government’s policies in this area have led to the exact opposite: families and taxpayers are now paying a very high price. Since the election in 2001, the government has approved increases in premiums of more than 14 per cent. This year’s increase of 7.4 per cent comes on top of last year’s average increase of 6.9 per cent. As a result, many families with private health insurance will pay an extra $150 to $250 this year. Together with last year’s increases and the decision by some funds to abandon discounts for regular and up-front payments, many Australian families will now be paying $300 to $500 more for their premiums than they did before the election in 2001.

The cost to taxpayers generally is also horrendous. The average increase in private health insurance premiums of 7.4 per cent will cost taxpayers more than $170 million each year, or $680 million over four years. That is on top of the $2.3 billion that the Commonwealth is already spending on the 30 per cent private health insurance rebate this year. For every dollar that premiums rise, taxpayers will contribute 30c. The Minister for Health and Ageing recently demonstrated the way in which the Howard government has developed inadequate policy. Last month Senator Patterson announced an agreement with the Private Health Insurance Association to phase out gym shoes, tents and golf clubs from the ancillary benefits which many health funds offer. This is an admission that the taxpayers’ funds are being wasted on top-rate ancillary items. For example, in Senate estimates we discovered a case in which a woman claimed $400 from
her health fund on the basis that her family’s lifestyle was to relax listening to classical music and that this would result in them not having to go to the psychologist. After a complaint to the Ombudsman, the fund subsequently agreed to pay. It is difficult to see how a $120 federal government subsidy for the purchase of $400 worth of classical CDs can possibly be justified as a legitimate Commonwealth expenditure.

The Howard government also claimed that the private health insurance rebate would relieve pressure on the public health system. It is difficult to find anyone who agrees with this view. State premiers, state health ministers and health policy experts such as Professor Deeble, one of the architects of Medicare, argue that the introduction of the rebate has not solved the problem at all. On the contrary, when you look at the official statistics, it is clear that there has been a negligible fall of 0.1 per cent in public hospital separations since the introduction of the rebate. At the same time, we have seen the catastrophic collapse of bulk-billing and very many more presentations to emergency departments because of the collapse of bulk-billing—in respect of which, the federal government will not lift a finger. Professor Deeble has also argued that 60 per cent of the rebate goes to ancillaries or to people simply upgrading their private health insurance cover.

I would now like to turn to an issue which is very important to me in my role as shadow minister for ageing—that is, dental services. The statistics are frightening. People over 45 have an average of 20 missing, filled or damaged teeth. Disadvantaged Australians are twice as likely as the general population to have lost teeth and are less likely to visit a dentist. Half of all adults aged 65 and over who live in rural areas have no natural teeth. Fewer than 50 per cent of uninsured people visited a dental professional in the previous 12 months, and 14 per cent had not visited for five or more years. In 1996 the Howard government axed the Commonwealth dental program set up under Labor. Waiting lists increased 55 per cent in the years 1996 to 2000, and waiting times for non-emergency treatment are projected to reach 29 months in 2002-03. As copayments and waiting times increase, more teeth are extracted instead of filled. With fees for private dentistry as high as $200 an hour, many people rely on publicly funded dental clinics. These are now so pressed that they can only see people who are in severe pain. About 500,000 people are on waiting lists to receive public dental treatment. Only 11 per cent of those eligible for treatment receive it each year, yet the Howard government now spends over $350 million annually on subsidising private dental insurance. (Time expired)

Mr Anthony Smith (Casey) (3.26 p.m.)—The private health insurance rebate is of critical benefit to Australians and to the entire health system. Our system relies on a dual system of public and private health. Without a strong private system, without a critical mass of Australians in private health insurance, the whole system suffers—and that is the thing that those opposite seem to miss. As the member for Sturt said when he spoke to his motion, nearly nine million Australians are covered by private health insurance. That 30 per cent rebate which he spoke of and which this motion is about means that private health insurance is 30 per cent cheaper than it otherwise would be; it means it is 30 per cent more affordable than it otherwise would be. As the member for Sturt said, that represents to the average family with an average policy a saving of around $700 or $800 every year.

If the Labor Party had had their way, they would have prevented this ever coming into being. They have spoken against it. They voted against it in both houses of this parliament. They did everything they could to stop it coming into being. If they have their way in the future, they will do exactly the same thing. The millions of Australian families with private health insurance deserve to know what the Labor Party plan for them—that is, a $700 or $800 tax hike on their private health insurance. As I said, the Labor Party opposed and spoke against this measure when it came in. At the last election, as the member for Sturt said, they pretended that, whilst they opposed it, they would keep it, but nobody believed them. Everyone was right not to believe them, because every ut-
terance, every word, every statement by the Labor Party since the election has been about how the rebate should be changed, how it should be altered and how, as the member for Sturt said, they can dismember it, as has been stated by Duncan Kerr, the member for Denison.

Labor oppose private health insurance because of their well-known ideological obsession. You do not need to take our word for this; you need only go to Graham Richardson, the former minister for health, who said after he left parliament, ‘The Labor Party have always been a bit biased against private health insurance.’ You can see why when you look at their record over their 13 years in government. They never once had a single incentive for private health insurance, and they did everything within their power in a policy sense to make life difficult for those with private health insurance. In this aim, it has to be said, they were spectacularly successful. During their 13 years in government, the number of Australians with private health insurance fell from 65 per cent to around 34 per cent in 1996, which took it down to very low levels indeed. This bias and this blind opposition not only threaten the premiums of the millions of Australians who have private health insurance but also threaten, as I said at the outset, the entire health system.

When people abandon private health insurance, it has second round effects on both the private system and the public system. For the private system, massive drop-outs reduce the pool of funds available and cause catastrophic premium increases. We saw that between 1986 and 1988. For the member who spoke just before me about private health insurance premium increases, it would do her well to go back to that time. In that period of two years, premiums went up 40 per cent. In 1991 and 1992, when there were further drop-outs, they went up a further 17 per cent. This also hurt the public health system. When you have those sorts of drop-outs, as we did in the late eighties and the early nineties, that burden is immediately transferred on to the public system.

Graham Richardson acknowledged this when he was health minister. In 1993 in the Senate he said:

I accept that one of the ways we will have to explore in making sure that some of the pressure is taken off waiting lists is at least to put a floor under private health insurance ... to get the numbers back up.

Unfortunately, he never got the chance. As he said after he left parliament:

I steered a package through the cabinet but resigned before I could sell it to the caucus. Practically the whole package died when I left as the Labor Party had always been a bit biased against private health insurance.

It took the election of this government to provide the important incentives in relation to private health insurance which have increased numbers, benefited millions of Australian families and helped strengthen the entire health system. This motion says that we will keep that rebate because it is working. We call on the Labor Party to do the same thing. But up until now the only thing we hear is that they will scrap it and hit every Australian family with a private health insurance bill of between $700 and $800.

Ms HALL (Shortland) (3.31 p.m.)—It really surprises me to hear the previous speaker talking about ideological obsession. What I see is an ideological obsession on the other side of the House to totally destroy Medicare, undermine our current system and force people to pay more for basic health care. It is really absolutely disgraceful what this government have done, and they have shown just how little understanding they really have of health and health issues. The other thing that really surprises me is that the member for Sturt would have had the courage—or should I say the stupidity—to move this motion given the massive increase in private health insurance premiums with which Australians have recently been hit. This year alone there has been a 7.4 per cent increase in private health insurance premiums. I can see the member for Sturt looking particularly bored and complacent about this increase. Last year we had a 6.9 per cent increase. That is an increase of over 14 per cent since 2001.

This government promised the Australian people more affordable private health insurance. We know that we should never believe what this government promise. We know that
they have quite a reputation of going back on the promises that they make to the Australian people. It was no surprise whatsoever when, on the anniversary of September 11 last year, this government announced their agreement to an automatic CPI increase in private health insurance. This is not a government that is committed to openness. This is not a government that is about providing good quality health care to all Australians. The money that is being spent on health should be about improving health outcomes. Is improving health outcomes about putting money into insurance or is improving health outcomes about putting money into hospitals, encouraging a system which makes it possible for doctors to bulk-bill and making sure that people actually get the health services that they need? Health care is about care; it is not about insurance. This is bad policy by the government.

Last weekend I was working on a polling booth in the New South Wales election. Two people came up to me and spoke to me about issues relating to private health insurance. One person was a pensioner who had been paying into private health insurance, and it was causing them a great degree of financial hardship.

Ms HALL—This person needed to have a hip replacement. When he went along to his doctor, he was advised, ‘Yes, we’ll book you into the local private hospital. But on top of what your health insurance company will pay, you will have to pay $4,000.’ That pensioner had his hip replacement in the local public hospital. So tell me what that delivered to him. Another person came up to me and expressed their concerns about private health insurance. It is no wonder the Carr government did so well in New South Wales.

The recent increases are going to lead to another $170 million a year being paid into private health insurance—and that goes with the $2.3 billion that is already going into the government’s health insurance rebate. It is because of all these inequities that exist that the Labor Party are undertaking a careful review. We are reviewing the 30 per cent rebate to determine whether it is delivering the best possible health outcomes. In other words, we are seeing whether health dollars are best spent on insurance or whether they would be much more effectively spent on achieving good health outcomes, through the money going to hospitals and to actions to increase bulk-billing. Bulk-billing has been a casualty under this government, and it is because of that casualty that I am having a ‘save Medicare’ meeting in my electorate on Saturday this week. (Time expired)

Mr CIOBO (Moncrieff) (3.36 p.m.)—We have just heard the Labor Party’s position regarding the 30 per cent private medical insurance rebate. They say it is bad policy. What could that possibly be code for? It is code for the fact that, if the Labor Party have their way and get into government, they would abolish the 30 per cent rebate and they would slug ordinary Australians—those nine million of them that have private medical insurance—an extra 43 per cent premium increase for their private medical insurance. Those one million Australians—as outlined in the motion moved by the member for Sturt—who struggle on less than $20,000 per year to maintain their private medical insurance do so because they believe that they have the right to good quality medical cover and they want to exercise that right through the private system.

How interesting that the Labor Party live in this ideologically sealed world where they believe that the best way to generate an outcome is to tax and spend, tax and spend. The more money they can raise, the more money they can throw at that great thing called the health system. Apparently, the more money there is to throw at the health system, the sooner the Australian Labor Party will solve the nation’s ills. How interesting, though, that the opposition are unable to make the connection between recognising that the more people there are in the public system, the harder it will be to provide that
Let’s get a couple of statistics and closely examine where exactly we stand with respect to medical procedures. We heard the member for Shortland talk about someone who she claimed was shocked to learn that they had to make a gap payment. We heard the shadow minister claim on 18 November 2002 that private patients face out-of-pocket gap payments for one in five privately insured medical services provided in a hospital. On the face of it, that might be concerning—but what is comforting is that, when the Labor Party were in power, it was four in five people who had to make gap payments. Now, under the 30 per cent rebate, it is only one in five. The difference is really quite stark. This feigned concern that opposition members have about the gap payment suddenly evaporates when you consider that, under their policy, four in five people had to make the gap payment.

What about the claim that this person had to have a hip replacement? When you examine it, the fact is that now, in private hospitals—hospitals that increasingly are taking the bulk of medical procedures because of the fact that we have the affordable 30 per cent rebate—six out of 10 major joint replacements, about half of chemotherapy procedures, over half of major procedures for malignant breast conditions, six out of 10 cardiac valve procedures and seven out of 10 major eye lens procedures occur. Why is that? It is because we have made private medical insurance affordable and the people of Australia like the fact that they can now afford to get private medical insurance. It is vastly different to the situation that existed under the Labor Party. The fact is that the nine million Australians that take advantage of our 30 per cent rebate enjoy the fact that they have access to good health outcomes through both the public and the private system if they choose.

Another claim we have heard from the Labor Party is that there have been increases in the premium that is put forward by private medical insurers. Let’s compare those increases. There, again, the Labor Party is on very shaky ground because, under the Labor government, private health insurance premiums grew by an average of 11.3 per cent. That was the average increase in private medical insurance premiums. Under this government, premiums have increased by an average of 4.98 per cent. That is 4.98 per cent compared to 11.3 per cent under the Labor Party. It is a vast difference.

The other concerning thing—and this goes to the heart of what the member for Sturt and my good friend the member for Casey put forward in this motion—is the fact that the Labor Party still refuses to publicly state its position with regard to the 30 per cent rebate. What we heard from the member for Canberra were words to the effect of ‘Don’t mention our policy on the rebate. We won’t talk about that; we’ll talk about everything except the 30 per cent rebate on health care.’ But the most telling quote of all is a comment that Graham Richardson made on 2GB. This is the quote: Jenny Macklin has an ideological position with which I don’t agree—

(Time expired)

Mr RIPOLL (Oxley) (3.41 p.m.)—Currently there are two wars raging: one in Iraq; the other on the domestic front regarding health care and bulk-billing services in Australia. The great similarity is that the man who has endorsed both wars so enthusiastically is the Prime Minister of this country. This is a PM that is not averse to casualties and not averse to making those least able to defend themselves suffer. This is a PM and a government that have no hesitation in making life less secure for the sick, the frail, the aged and the forgotten so-called Howard battlers.

Where are the Howard battlers of today, those the government so eagerly courted in past elections? They are now the families suffering under John Howard’s harsh and unfair health care policies. They are the families queueing and waiting to see a GP—if they can get onto the list. They are the families paying the 1.5 per cent Medicare levy and the private health insurance with the several increases. For all that extra cost, they get very little additional service. The government has tried for some time to argue that people are better off with the 30 per cent re-
bate. But let us get one thing straight: the moment the 30 per cent rebate was introduced, every single fund raised its premiums by exactly the same amount; so the only people who were better off were the insurance companies. This is more evidence of John Howard helping big business and forgetting average families. Yes, the 30 per cent rebate is helping many families; yes, it is important—but it is only important because, under this government, the cost of health insurance has risen by considerably more than just 30 per cent.

My constituents in the electorate of Oxley are experiencing great difficulties in locating medical practitioners who continue to bulk-bill. Yet the government maintains the charade through motions like that from the member for Sturt, insisting that the private health insurance rebate has fixed the health care system and that no more problems exist. Try and tell that to the low-income families who are trying to survive day to day; try to explain the need to commit additional money, which they have not got, to afford private health insurance. If they have private health insurance, they subscribe to the lowest and cheapest possible level, which provides very little in real effect—all this to get a service they have already paid for through the 1.5 per cent Medicare levy!

The rate of bulk-billing has fallen by almost 10 per cent since the Howard government came into office. The average cost of seeing a doctor has gone up by about 50 per cent, to $12.57. But, if you think this is not much, think again. Those that it hits directly are those least able to afford it and the families that do not have any private health insurance at all. They are the families now being forced to pick up the government’s bill by paying upfront for GP visits. In the run-up to the last election, the government told Australians that their private health insurance would be more affordable and that premiums would go down. But since the election all we have seen are premiums go up.

The government said that the 30 per cent rebate was the be-all, end-all solution to health care. John Howard said he would fix waiting lists and provide better health care services by giving people more choice. But now that we have seen premiums rise by 7.4 per cent this year—and on top of an average increase of 6.9 per cent last year—we know that families are much worse off. For many people, the 30 per cent private health insurance rebate is not a health issue; it is a family budget issue, and it is important to them in the family budget context. Labor is undertaking a very careful review of the 30 per cent rebate to see if it is delivering the best possible outcomes for families. It is obvious the 30 per cent rebate is no longer working, with tens of thousands of people pulling out. They are pulling out because they cannot afford the high cost and they now realise they were conned by this government’s scare campaign of lifetime cover. This is a government that operates through fear, intimidation, misinformation and making ordinary Australians feel less secure, not more secure.

I am calling for the Prime Minister and his battle hardened backbenchers to stop the unfair assault on families and let commonsense prevail—commonsense in maintaining a fair and accessible Medicare system and commonsense in putting a lid on the unfair increases in private health insurance premiums.

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

Public Transport

Mr MARTIN FERGUSON (Batman) (3.46 p.m.)—I move:

That this House:

(1) condemns the Howard Government’s seven years of disinterest and denial on public transport as evidenced by its:

(a) decision to add a Goods and Services Tax to fares;
(b) failure to address the FBT disincentives on public transport fares;
(c) failure to give urban buses a fair go under the Diesel and Alternative Fuel Grant Scheme; and
(d) stated denial of any responsibility or consideration of public transport in the Auslink Green Paper that purports to lay the groundwork for a national transport plan;
(2) notes with concern the impact of increased congestion in urban and outer urban areas on quality of life, health and access to jobs and services for Australians;

(3) emphasises the environmental gains to be made through policy measures that reduce transport emissions, especially by reducing car dependency;

(4) stresses that access to public transport is an issue in all regions, including regional towns and cities, impacting daily on access to jobs, education and services for Australians;

(5) calls on the Howard Government to release any policy option and research papers commissioned or undertaken by the Commonwealth that canvass policy measures and costs associated with tax and regulatory barriers to increasing public transport usage, including the “Cost Benefit Analysis Study for Exempting Employer-Provided Public Transport from Fringe Benefits Taxation” conducted by the Australian Greenhouse Office in 2002; and

(6) calls on the Howard Government to accept a role for the Commonwealth in relation to public transport and declare that role in the Auslink White Paper due to be released this year.

The opposition has moved this motion on public transport out of sheer frustration—frustration with seven years of disinterest, denial and policy paralysis from the Howard government on this all-important issue. I remind the House that one of the first things the Howard government did when it came to office was ditch the Building Better Cities Program. That program—sponsored, ironically, by the former member for Batman, Brian Howe—was a significant federal Labor government commitment to urban development not just in our major metropolitan cities but also, importantly, in our provincial cities. Urban public transport was a key part of that. It was a mature, modern and honest acknowledgment that the government could not ignore the challenges of urban development. But, unfortunately, the program was dumped, and with it any Commonwealth commitment to public transport.

The Howard government has continually said since then that it would be unconstitutional for it to be involved in public transport. I simply say, today: what bollocks! Not only did a Building Better Cities Program provide opportunities on this front, but Labor in government also put in place federal transport legislation that allowed and encouraged a funding framework for urban transport infrastructure. That legislation is still in place, unamended. Action under this legislation requires the minister to do two things: firstly, read the legislation and, secondly, get the will to actually do something constructive on urban transport.

In the face of all the evidence showing the benefits—both environmental and social—of an efficient public transport network, the will to do something should not be hard to muster, but the Howard government continues to pass the buck and deny responsibility. The last seven years have been seven years of missed opportunity and excuses on the public transport front. The first term keynote policy of the government—tax reform—missed important opportunities to address public transport. The government and its partners in crime, the Democrats, delivered a GST system which actually taxed public transport fares. This increased the tax take and produced a new disincentive for public transport use.

The Diesel and Alternative Fuels Grants Scheme—something that is subject to debate in the House this week—does not apply to all buses and therefore, again, missed an opportunity as part of the GST package for all operators to offset fare increases. Fringe benefits tax concessions do not apply to public transport, whilst the concessions continue to apply to company cars and parking. And the most startling missed opportunity is the recently released AusLink green paper, the minister for transport’s so-called grand plan to address the transport issues the government has been ignoring for the past seven years. I remind the House today that AusLink is a national freight transport plan. It is not a plan to address the nation’s transport challenges, because the plan does not include public transport infrastructure. Clearly, the minister believes public transport is completely in the hands of state and local government and, unfortunately, point-blank refuses to even consider sharing any role in it—in essence, pulling its weight.
This is a bit rich considering the minister has put the Commonwealth’s national highway funding responsibilities on the table to share. I consider that this is a dishonest approach motivated by a cost-shifting agenda and a missed opportunity to deliver real solutions to the real transport challenges that confront Australia in the 21st century. As the member for Wills and shadow minister for sustainability and the environment clearly understands, increased congestion has significant consequences for people living in urban and outer urban areas—such as the area that you represent, Mr Deputy Speaker Jenkins, the City of Whittlesea. It impacts clearly on people’s quality of life through an adverse impact on their health through increased air pollution; it impacts on their family and personal lives through increased time commuting; and it impacts on their access to everyday services like education, health and child care. In essence, access to public transport is about equity. It is about trying to ensure that, on all those service fronts, we back up the provision of those services with access through public transport that is efficient and, if anything, reasonable in cost.

Therefore, I argue that it is imperative that we work together on innovative public transport policies to start getting people out of their cars and onto buses and trains—thereby ensuring not only support for but also the growth of a reasonable and accessible public transport system. It should be noted that access to public transport is an issue for all regions in Australia, not just our major metropolitan cities such as Brisbane, Sydney and Melbourne. Poor public transport inhibits access to jobs, education and social services in places like Shepparton and Rockhampton. The inherent car culture in today’s society is also having a serious and significant effect on the environmental health of our nation. The Bureau of Transport and Regional Economics states that, if current trends continue, by 2010 greenhouse gas emissions from the transport sector will be close to 47 per cent above 1990 levels and that, by 2020, the figure could reach 68 per cent.

The government chooses to ignore the environmental gains to be made through policy measures that reduce car dependency and, in turn, transport emissions. State and territory governments and many local governments have their eye on the ball in relation to public transport and are making great improvements to infrastructure and network integration. But what is missing—as is the case on a range of fronts at the moment—is national leadership and interest at a national level. We have a minister for transport who is, yet again, missing in action on this front and, in turn, doing our nation a huge disservice. Where is he today? As usual, he is missing. He sends a couple of backbenchers in to defend the indefensible. He is sneaking around and hiding from it, and sending in his backbench to explain his inadequacies yet again—just as they have had to try to explain the minister’s inaction and lack of interest in public transport to their own constituents.

If we were actually to embrace this new commitment to public transport at a national level, I am pleased to say that we would, in essence, be catching up with world national leadership on this front. For example, we need only look to the United States Transportation Equity Act for the 21st Century to see that federal governments can institute policy priorities that acknowledge the public transport challenge. Look at Canada and Britain. It is a pity that the minister will not join that coalition of the willing on public transport. The Howard government needs to be willing to front up on public transport. It must develop an interest and help take the load. It must, in essence, bring together a new coalition in Australia of state and local government under the Commonwealth umbrella to actually make progress on this urban public transport front.

I stand here today on behalf of the opposition to say—as we have always said—that Labor are willing. We did it in government over the period 1983-96 and we also did it under the Whitlam government over the period 1972-75. We understand the challenges of our metropolitan cities and our regional cities. We also accept that, unfortunately, yet again, the Howard government won out. It stands out as a non-performer on the provision of public transport. It is for that reason that I have pleasure in moving the public transport motion currently before the House.
It goes not only to tax and equity issues but also to emerging environmental matters—a major concern to Australians, irrespective of whether they live in city, regional or remote locations. Therefore, I call on the Howard government to accept, once and for all, in the development of AusLink a role for the Commonwealth in relation to public transport and to declare that role in the AusLink white paper. (Time expired)

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

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

Mr HARTSUYKER (Cowper) (3.57 p.m.)—I welcome the opportunity to address the House today on such an important issue as transport. Transport and the formulation of an action plan for transport which meets the needs of consumers and business are of course crucial to the ongoing economic growth of Australia. Meeting the transport needs of Australians crosses all boundaries, but I would like to take this opportunity to impress on the member for Batman how important it is to recognise the importance of an efficient transport system in rural and regional Australia.

The member for Batman referred to a number of matters in his motion. I must say that, interestingly, he took the opportunity to question the existence of the GST on public transport fares. As my learned colleagues in the House are aware, 100 per cent of the revenue raised from the GST is passed directly to state governments. There are probably two things we will never see in this House: firstly, a Labor Party policy; and, secondly, a state Labor Premier arguing for the removal of the GST. So I was curious to see that.

Let me talk about the government’s bold new initiative—AusLink—and put to rest some of the member for Batman’s misleading comments about AusLink, and the issues of urban congestion, the environment and public transport. By way of background, the Deputy Prime Minister and Minister for Transport and Regional Services, John Anderson, released the AusLink green paper last November. The green paper is a discussion document and has been the basis for a comprehensive three-month consultation phase on the government’s proposals.

These consultations have been highly successful, with around 550 submissions received to date. Additionally, the government has conducted face-to-face consultations in over 40 locations around Australia. The submissions are now being digested by the Department of Transport and Regional Services and are a valuable contribution to the development of a formal statement of government policy—a white paper. This is scheduled to be released by the Deputy Prime Minister around the middle of the year.

The government has embarked on this new approach because Australia’s national transport system faces some huge challenges and, frankly, the framework we inherited to deal with these challenges has proven highly ineffective. The challenges include a doubling of the land freight task—both road and rail—over the next 20 years, with interstate road freight almost tripling. The costs of urban congestion are forecast to rise from $13 billion to $30 billion annually from 1995 to 2015, and greenhouse gas emissions are forecast to increase by some 40 to 50 per cent over the period 1990-2010.

These challenges have been identified in the AusLink green paper, so it is a complete furphy to claim that AusLink does not recognise that urban congestion and environmental concerns are increasingly important pressures. The issue is what should be done about them and what is a reasonable role for the Commonwealth to play in any solutions—and I will come to that a little later. Through AusLink, the government intends to improve the performance of the national transport system and work to contain costs that are forecast, caused by such things as congestion, crashes, pollution and energy depletion. Central to the government’s AusLink proposals is the identification and development of an integrated national land transport network, which will be the backbone of Australia’s transport system and the focus of the government’s land transport investment. This network will move beyond separately developed road and rail networks.
and ad hoc intermodal developments; it will also promote sustainable natural and regional economic growth, development and connectivity.

It is entirely appropriate and sensible for the Commonwealth to define a national land transport network, which will include urban links of that network, and to focus our efforts on that network. We will also develop a five-year national transport plan which will map out how the national land transport network will be developed. The plan is being developed with wide participation from the community, industry, states, territories and local government. While AusLink recognises urban congestion is a major challenge for passengers, industry and the community, it is complete nonsense to assume that the Commonwealth has prime responsibility for addressing congestion. The states own the land transport infrastructure and are responsible for its planning. They and local government are responsible for land use planning, which is a key factor in addressing the causes of congestion. Also, the bulk of congestion is caused by local trips. Urban congestion is primarily a state issue.

This does not mean that the Commonwealth wipes its hands of the issue—far from it. What sorts of things might be possible under AusLink to help tackle urban congestion and its environmental consequences on the national network and to help build a more sustainable national transport system? Firstly, we have an opportunity for better, long-term cooperative planning and decision making to develop a more sustainable national land transport network. AusLink’s five-year rolling plan within a broader 20 to 25 year time horizon gives us the opportunity to look to the future, its challenges and its opportunities and to work on long-term solutions, not band-aids.

Secondly, AusLink will consciously promote and, where applicable, fund a wider, more innovative range of solutions to transport problems. We are not going to rush into simply building more roads because existing ones have reached their capacity. This can merely be a recipe for more pollution. We want to closely examine how to get the best out of existing infrastructure by the use of new technologies that allow us to better manage the infrastructure network and to get better management of traffic to improve freight logistics, but we will not be funding urban public transport services, which are clearly a state responsibility.

Thirdly, the government wants to examine the role that an efficient rail industry can play in building more sustainable freight transport systems. Australia is looking at a huge increase in freight traffic over the coming years, which means more truck movements. Road transport will always play a dominant role because of its door-to-door efficiency, especially in urban areas. But, if a better, more efficient rail system can take some of that growth and channel it through urban areas to ports, then we can contain the growth in truck movements.

Fourthly, we recognise the important role that effective, well-run public transport can play in our cities. In planning the development of urban sections of the national land transport network, it is sensible that public transport should be included in that planning. However, this does not mean that the Commonwealth should fund urban public transport infrastructure or services. The states are far closer to urban public transport in their responsibilities than the Commonwealth. Anything the Commonwealth could do in this field is dwarfed by the funding, management and land use decisions which need to be addressed by the states as the owners and regulators of public transport systems. It is hard to see another transport issue which is more closely tied to state responsibilities than urban public transport.

Minister Anderson also understands the issues facing regional public transport, in particular interregional public transport services. At the last election, he committed to take to the Australian Transport Council—the ATC—the issue of future demand for regional public transport and the impact of government regulation on the viability of those services. The ATC has agreed to cooperate with a study by the Bureau of Transport and Regional Economics on these issues. The first phase of this, on projected demand and the adequacy of regional public transport services, is due to be released in the coming
weeks. Other phases of the bureau’s comprehensive work are continuing.

While the government recognises the importance of a well-run public transport system, the opposition needs to be a lot more considered about its mantra on this issue. Work by the Bureau of Transport and Regional Economics estimates that, even if public transport were to reverse the long-term decline in its share of urban passenger trips and double its current level of passenger patronage, private motor vehicles would still account for 85 per cent of urban trips. There is no simple connection, saying that public transport is the solution to congestion. Public transport is important, but it is not a panacea. Urban transport problems are far more complex than this. It is also a spurious argument that there is an obligation on the government to fund urban public transport.

To conclude, AusLink will resolve an improved planning regime. It will clarify the involvement of state, local and federal governments in the funding of the land transport task, and it is a strategy which goes well beyond the electoral cycle. The government, through its AusLink initiative, recognises the important role of public transport in planning for better urban transport networks, and AusLink will continue to contribute to better urban transport outcomes. But we need to be clear: funding of urban public transport is not a Commonwealth responsibility.

Mr Kelvin Thomson (Wills) (4.05 p.m.)—I have great pleasure in seconding and speaking to the motion moved by my colleague the member for Batman. The refusal by the Howard government these past seven years, just confirmed again by the member for Cowper, to support public transport is disappointing. What the member for Cowper and other government members fail to realise is the way in which the Commonwealth funding for roads and the absence of Commonwealth funding for public transport skews the playing field. If you are a state government deciding how to meet any given transport need, it inevitably skews the playing field in the direction of building more roads.

A large majority of Australians live in cities and major urban areas and experience the impacts of air pollution, noise, congestion, lack of green spaces and urban sprawl. Our quality of life and our physical and mental health are increasingly at risk from the degradation of urban environments. Transport and urban planning is in urgent need of attention at a national level. As the Australian Conservation Foundation has pointed out, car dependency has grown to the point where the use of cars in Australian cities for commuter and other private travel is second only to their use in American cities. On average, over 80 per cent of Australians travel to work by motor vehicle, and that percentage continues to rise.

This situation is not always—or even necessarily often—a matter of choice. Commuters spend more than three hours a day in many cases driving alone to and from work. The lack of accessible, safe and affordable public transport and the lack of other options, such as cycling, car pooling or working close to home, leave a lot of commuters with no alternative. Many of the new suburbs being built in your own electorate, Mr Deputy Speaker Jenkins, and in the northern parts of Melbourne and other areas, discourage cycling and walking. They do not include readily accessible education, shopping, employment and entertainment facilities and are not built around public transport hubs.

Almost half of the vehicle trips undertaken in Australia are less than five kilometres, reflecting not only our psychological reliance on vehicles but also poor urban design that discourages walking and cycling. This trend is now being reflected in Australia’s growing obesity, which is one of our major public health problems. Unfortunately, the knee-jerk reaction of some to these issues is to build more roads. In fact, numerous studies both here and overseas have shown that road building does not relieve transport congestion and air pollution; instead, it encourages car dependency and induces traffic growth in Australia—up to 180,000 additional vehicles on our roads each year.

A new approach to transport and urban planning is needed: one that reduces car dependency and the need for travel and pro-
promotes sustainable and livable cities. There is no doubt that there has been a lot of neglect in this area and that changing it will not be easy, but it is essential that it is tackled and that the government consider, as a priority, the challenge of reducing greenhouse gas emissions along with other impacts of road based transport such as congestion and urban sprawl.

I am pleased to see that the New South Wales state government—and I congratulate them on their success in the weekend state election—have recognised the increasing use of private motor vehicles as a very significant and growing air quality issue. In relation to greenhouse gas emissions, as at 2000, transport contributed almost 15 per cent of national greenhouse gas emissions. Emissions from trucks and light commercial vehicles, for example, have increased by more than 32 per cent over the past decade. The transport sector is an important area to approach when attempting to reduce greenhouse gas emissions. Linear, let alone exponential, growth in road transport is not consistent with the government’s undertaking to actively contribute to the global effort towards reducing greenhouse gas emissions. The European Union has looked at de-linking economic activity from freight transport demand as a key indicator in measuring progress towards more sustainable development.

In developing our policy in this area, my colleague the member for Batman and I are mindful of the position of the Labor Party conference to ‘provide support for state governments to improve and extend public transport systems in urban and in regional Australia for employment, education, training, social justice and economic reasons’ and ‘achieve a greater use of public transport, thereby contributing to emission and congestion reductions’. We want to integrate transport, land and environment objectives and ensure that public transport is available to new suburbs and developments.

Mr WAKELIN (Grey) (4.11 p.m.)—I welcome the discussion on, and the Howard government’s involvement in, public transport. As my colleague the member for Coper has acknowledged, whilst this is predominantly a state government matter, there are things that impact on it from the federal sphere. The motion mentions the decision to add a goods and services tax to fares. Fuel excise increased enormously during the Labor years and the impact of fuel prices on public transport has been very significant. We also need to recognise that the goods and services tax all goes to the states, which, I understand, contributed something like $6 billion annually at last count—it is probably up on that now—subsidising public transport. There is, therefore, significant scope for state governments to use the revenue from the GST to offset the huge cost of subsidising public transport, which is, predominantly, urban public transport.

In relation to the lack of consideration of public transport in the AusLink green paper, it is very important to come to terms with our Federation and the constitutional requirements of the states—and this is where I did not always agree with Gough Whitlam. I am of the view that the states must accept their share of the responsibility in this process. There is a great opportunity now—as acknowledged by my colleagues on the other side; the result in New South Wales emphasises this—for all the states to develop public transport in a national sense. The last thing the states want is for the federal government to interfere with what they consider to be their responsibility and where they have a leadership role.

Regarding the environmental gains from reducing car dependency, it is very important to acknowledge that this government has improved fuel quality standards and vehicle emission standards in line with European standards and that further improvements to fuel and vehicle standards are currently under review. The Bureau of Transport and Regional Economics has estimated that, even with the growth in traffic, these new standards will reduce diesel emissions in 2015 by 30 per cent compared with their levels in the 1990s. So there is significant effort going into the environmental controls for environmental gains.

It is essential that we address the issues of congestion in urban transport and of providing an efficient service which transfers peo-
ple in what is an increasing urban sprawl. There are models throughout the world which I have an open mind about and which I think we should certainly look at in a very serious way.

Mr Martin Ferguson—You only need to go to Perth, Barry.

Mr WAKELIN—Yes, I agree; that is quite right. As I say, I have a very open mind about that, but these things need to be driven very much by the states. I am sure the Commonwealth will be interested in the debate, but we cannot escape the fact that constitutionally that responsibility lies elsewhere.

The AusLink white paper, which is due to be released later this year, is a far-reaching document; it is important. In fact, I understood that it was very much part of the opposition’s policy to support this broader national agenda, in looking out past the next election. I very much welcomed this opportunity to participate in the debate today.

(Time expired)

The DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for this debate has expired. The debate is interrupted in accordance with standing order 104A. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

GRIEVANCE DEBATE

Question proposed:
That grievances be noted.

Centrelink: Debt Recovery

Ms JACKSON (Hasluck) (4.17 p.m.)—Over the past two years the government’s family tax benefits system has driven families in my electorate of Hasluck into a cycle of debt which many are still struggling to come to terms with. After the first year of its operation, 5,052 families in Hasluck received notification of a family tax benefit debt and 971 families received notification of a child-care benefit debt. After the second year of operation, another 2,550 families received notification of an FTB debt and 559 families received notification of a child-care benefit debt. Based on the national average of these debts provided by the minister, the government is taking—conservatively—$6,743,869 out of the pockets of Hasluck families. I have surveyed approximately eight per cent of the families within Hasluck who have received notices of debts through the family tax benefits system. I believe that their feedback is indicative of the difficulties many families receiving this benefit are now facing. Results from the survey of 200 local families clearly demonstrate the fact that a system that is supposed to assist families with the costs of raising their children has actually resulted in blowing apart their family budgets. I have spoken to many families who have received a debt notice and they have repeatedly told me about the obvious flaws in the system, but I was deeply shocked to realise the longer term impact these debts were having on those families.

By far the most disturbing figure that emerged from my survey was the fact that 70 per cent of families who received a debt notice for the 2000-01 financial year also received one for the 2001-02 financial year. Worse still, as the government well knows, the issuing of debt notices for the 2000-01 financial year was cynically delayed until early 2002, a few short months after the November 2001 election. One may well question the government’s handling and motivation for that decision, as it resulted in 70 per cent of Hasluck families surveyed being hit with two large debts within months of each other. I know that a combined debt of $1,627 may not mean much to members of parliament who are on salaries in excess of $100,000, but for families in some areas of Hasluck this figure could well be close to 10 per cent of their annual income. As one single mother put to me:

Why didn’t they just tell me about the first debt at the end of the 2000/01 financial year ... By the time I knew there was a problem, Centrelink told me that I had already been accruing a second debt for the past 6 months ... I’m still paying off the debts and hardly receiving any family assistance. This government should be ashamed of its decision to delay notifying families of the first round of debts. It has put an additional financial burden on many low-income families, and for many families a debt trap has already closed.
The results of my survey indicate that families receiving the family tax benefit have been offered different pieces of advice from Centrelink officers on how to avoid further debts. One piece of advice that was regularly offered was the need to advise Centrelink immediately of any changes in income. We even had an electronic media advertising campaign to that effect. The Prime Minister himself stated on 18 September 2002, in response to a question without notice:

Families who tell us that their income has risen during the year will be able to be paid at a subsequent rate that reduces or wipes out a potential overpayment.

Mr Deputy Speaker Jenkins, you might wonder what the result was following this advice from Centrelink and repeated by the Prime Minister. It was that 54.4 per cent of families who received a debt during 2000-01 and/or the following year notified Centrelink of changes to their income within one week; and 33.3 per cent of those surveyed notified Centrelink of changes to their income within one month. One constituent who received a debt for the first financial year stated:

It doesn’t matter when you ring as I was told, you incur a debt as your income estimated is incorrect.

Another constituent who received a debt in excess of $1,200 told me that Centrelink had said to her, ‘Let us know if your circumstances change,’ which, she said:

... I had already done as my husband lost his job, and I returned to work full time for 4 months ... they adjusted my payments but I still ended up with a debt. It caused great financial stress paying back the debt.

Yet another constituent who followed this advice said that Centrelink was slow to make changes to her payments. She said:

I still can’t see how I was overpaid ... but had no choice but to accept their calculations and pay the debt.

Clearly, advising Centrelink immediately of any changes to income did not work. Though families received reduced payments at some point after notification, Centrelink did not take into account the so-called overpayment component which would have accumulated prior to the notification of change. I note that the government publication from the Family Assistance Office entitled ‘More Choices for Families’ now gives more detailed information. The fact sheet includes the following:

To reduce the chance of overpayment you can ask the Family Assistance Office to adjust your fortnightly payment of the Family Tax Benefit over the remainder of the income (financial) year to recover or reduce any amounts you may already have been overpaid.

This statement is included in a densely-written four-page fact sheet which I understand was distributed to families who receive the family tax benefit. I must say that I am not confident that this fact sheet will be of much use to the many families who are already deeply confused by this complex system. From this statement, it is still not clear whether or not families who ring Centrelink to advise of changes to their income will have their payments adjusted to reflect the overpayment, which would have occurred prior to notification. According to the statement, individuals would have to not only ring Centrelink to advise of changes in their income but also specifically request Centrelink to further reduce their payments to take into account debts already accumulated.

The second piece of advice to avoid a debt, given to 43 per cent of survey respondents, was for families to overestimate their income for the family tax benefit. Of those constituents who did overestimate their income, 68 per cent said the advice did not work. In addition, 42 per cent said that they lost benefits, such as their health care card or their child-care benefit, which they would otherwise have been entitled to. One of my constituents who followed this advice had her FTB payments halved while she was still struggling to pay off her FTB debt from the year before. Another constituent who overestimated her income lost $150 per fortnight. She conveyed to me that she was unable to continue overestimating her income because, she said, ‘We rely on the extra payment to survive!’ Yet another constituent echoed this sentiment, stating, ‘We need the money on a weekly basis to feed the family.’ Other constituents provided feedback on the impact of overestimating their income on additional benefits. One constituent stated that overestimating her income resulted in lowering the child-care percentage rate, meaning I pay
For families in my electorate of Hasluck, the government is clearly out of touch with reality. It believes that most families are in a position to either overestimate their income and receive reduced benefits or opt to receive their benefits in a lump sum at the end of the year. Families who have been advised by Centrelink to do this have said, for example, ‘I cannot afford the cut in payments’ or ‘I was told to claim no benefit in the year and I would be paid a lump sum at the end of the year. Obviously we should starve until that time.’

The government still does not seem able to comprehend the basic principle of a family assistance payment; that is, it is meant to assist families. The government’s deliberate decision to hold off notifying families that they had incurred a debt at the end of the 2000-01 financial year ensured that the majority of families were doomed to receive an FTB debt two years in a row. This ensured that families who were supposed to be receiving family assistance were instead plunged into a cycle of debt from which many have still to recover. Whilst families were still paying off the debts that they had no idea they were accumulating, the government advised them to further reduce their income by receiving reduced benefits or no benefits throughout the year.

As the survey respondents have clearly said, this is just not possible for many families. What are they expected to live on during the year, when they need that additional assistance through the family tax benefit system? The Howard government’s family tax benefit system is an unmitigated disaster. For many families, it has not assisted but rather plunged them into debt at a time when Australian households are confronting the highest debt levels in history. It has forced those in Centrelink to divert scarce resources in order to administer this overly complex system and to deal with debt collection instead of doing their job. Families in Hasluck are struggling. I call on the Howard government to waive the debts owed by Hasluck families and to fix the system now.

**Economy: Self-funded Retirees**

Mr McARTHUR  (Corangamite)  (4.27 p.m.)—Wild variations in world share markets have sent a shiver through small investors around Australia. Many self-funded retirees have suffered large drops in retirement incomes and assets. People on the verge of retirement have, out of necessity, delayed their retirement due to a diminishing nest egg. The United States stockmarket is approximately 40 per cent below its highs of three years ago in March 2000. Australian markets are approximately 15 per cent down on their highs. People with managed investments have suffered from low returns or negative returns within the last year, and numerous self-funded retirees in the electorate of Corangamite have told me of the financial pain they have suffered. No doubt many other members of this House have had similar stories related to them over the past 12 months.

Government-funded age pensioners will not feel the direct effects of these financial storms. For those who have worked hard and saved up their nest egg, this situation is a cruel, cruel irony. All of this turmoil makes the government’s Intergenerational Report the more relevant. It adds yet another imperative to make sure the gyrations of world markets are not another disincentive for people to save for their retirement. The Intergenerational Report, circulated in last year’s budget, deals decisively with demographic change. Australians are living longer than ever. This is something about which we should rejoice. To live a long, meaningful and happy life is surely what we want for ourselves and for our fellow citizens. But for the community, this happy situation comes at a cost. To quote from the Intergenerational Report:

Spending on health, aged care and age pensions is likely to grow because the population is ageing and older people are the biggest users of the health system.

Future spending has to be kept under control. The Pharmaceutical Benefits Scheme—in my view a world-class set of arrangements for providing affordable drugs—must be kept under tight control, requesting Australi-
lians to make a reasonable part payment for the drugs they consume.

Ultimately, superannuation reform needs the most urgent treatment. Measures to encourage greater contributions are under way. Low-income earners are receiving government contributions of up to $1,000. The self-employed can claim greater tax deductions on their superannuation contributions. The self-employed and other eligible people will be able to claim a full tax deduction for up to $5,000 of superannuation contributions, compared with $3,000 previously. The government’s proposed superannuation surcharge rate for higher income earners is being reduced from 15 per cent to 10.5 per cent in 2004-05. I commend that proposition.

These measures, and many other possible future measures, are desperately needed in the light of Australia’s notoriously low national savings rate. The problem of low savings rates has been well illustrated by Yale University economics professor Robert Shiller. To quote from Ivor Ries’ article in the Bulletin magazine of 30 July 2002:

Some economists worry that a massacre on Wall Street could force the baby-boomer generations, now approaching retirement, to increase savings and choke off the consumer spending that has helped prop up the US economy through recent turmoil.

One who shares those worries is Yale University economics professor Robert J. Shiller, whose 1999 book, Irrational Exuberance, predicated the current meltdown.

He was somebody who indicated the change in the stock markets in the US before it actually happened.

The savings rate has been abysmally low in the US during the bubble period; it fell from close to 10% before 1990 to near zero now …

They have been told to hang on to their stocks no matter what happens. The fact that some of these people will have to cancel their early retirements will certainly make a profound impression on a lot of people.

So there we have Professor Shiller who has written a very interesting book on these matters and made these predictions before they became fashionable.

The low savings culture which has developed in Australia has a number of possible sources. The first is an emphasis on home ownership at all costs—above all other options and combinations. The second is low interest rates encouraging easy credit, something that the Howard government has brought about—this scenario that interest rates have been kept low—but there is obviously this less advantageous outcome. Finally, there is the consumer culture of having it all, whether you can afford it or not. The Financial Planning Association has pointed out that Australians have stopped saving for a rainy day. Fewer than half of all Australian households are saving outside superannuation, and that is a very dangerous situation. People closest to retirement are the worst savers. The National Centre for Social and Economic Modelling research conducted last year confirmed this worrying trend. I suspect that home-owner paper gains for increases in property values are creating an illusion of prosperity into the future.

I call on the government to continue its good work in retirement incomes policy and go one further; we should look at boosting further government co-contributions for private savers. As price-earnings ratios gradually settle to more sensible levels on the world stock markets, may we use this current crisis of confidence as a chance to encourage long-term saving. An economy based on consumer spending through increased personal debt would be based on shaky foundations indeed. I call on the government to continue to encourage savings through the provision of additional incentives so that the taxation burden on Australians can be kept at bearable levels as the Australian population ages. In this way, thrift and discipline will be rewarded, which is not currently the case.

Education: University Fees

Ms GEORGE (Throsby) (4.33 p.m.)—As a community, we should never tolerate a situation where access to higher education is based on capacity to pay rather than on merit and ability. I am concerned that developments over the life of the Howard government are certainly heading in that direction. Further to that, I am concerned that the outcomes of the minister’s review of higher education—particularly with its focus on fee
deregulation—could make the situation even worse.

Before commenting on these general developments, let me indicate a number of critical issues confronting my electorate of Throsby and its constituents. Although the heart of my electorate is a mere 15 minutes away from Wollongong University—a great university; in fact it won the university of the year award two years in a row—too few of my constituents are students at that institution. In total in Throsby, fewer than 3,000 constituents are enrolled in any university. Approximately five per cent of my constituents are enrolled in a tertiary institution, and that includes TAFE institutions—which is low. So the young people of my electorate are not getting a fair share of access to tertiary places. This is a great shame because, as we all know and appreciate, education is the door to success and opportunity.

Despite the fact that greater numbers of young people are staying on to complete year 12, there are systemic problems which continue to deny students from lower socioeconomic backgrounds the chances of obtaining a university education. The younger generation in my electorate does not appear to be getting significantly better opportunities and outcomes than their parents did. My electorate of Throsby has the third lowest rate of people with tertiary education qualifications of all electorates in this country. Fewer than 10 per cent in Throsby have such qualifications, in comparison to the electorate of the Minister for Education, Science and Training where 43 per cent of his constituents are lucky to have had the benefits of tertiary education. There is a lot about the issues of access and equity in higher education. They are fine principles, but in reality it is not happening on the ground because where you live, your family’s background and their levels of income and wealth continue, unfortunately, to be the major determinants of whether your children ever get the chance and opportunity that higher education brings with it.

So what are some of the general barriers that stand in the way of genuine access and equality of opportunity? The most obvious barrier revolves around this government’s funding policies in higher education, which are stopping many students from poorer families getting an opportunity to go on. The Howard government has ripped out $5 billion from Australian universities since 1996. This reduction in public resources has shifted a greater financial burden onto the students and their families. According to the federal department’s latest figures recently released, student fees and charges now constitute 37 per cent of universities’ income, up from 25 per cent back in 1996. By comparison, Commonwealth funding—that is, public investment—now represents only 44 per cent of university income, down from 57 per cent in 1996. In fact, Australia now ranks about fourth on the OECD’s list of nations most reliant on private sources of funding.

What this means in practice is that it is costing much more for families and students to avail themselves of those opportunities. You need only look at the up-front costs of some courses to appreciate the magnitude of this problem. Up-front fees for a combined law degree at some of the prestigious universities are around $85,000 and, for a veterinary science degree, well over $100,000. These up-front fees would put the prospects of participation by students in my electorate well out of the reach of the average family. We have this problem generally, because we have seen a cutback in public investment and a greater shift of financial burden on to individuals and families.

But for the students themselves there is a major problem with the repayment of their HECS debt. When HECS was first introduced there was some comparability between the HECS repayment threshold and average weekly earnings—that is, repayments of the HECS debt were presumed only to begin when a graduate reached a measure of financial security. Under the Howard government the threshold has remained relatively unchanged while average weekly earnings continue to rise, such that the gap is now around $10,000. The HECS threshold must be lifted to alleviate financial hardships on individual students.

We read about the fact that the HECS debt will top $11 billion by 2005 and that the average age of repayment is now about 34
years of age for men and 39 years of age for women. Not only the cost of tertiary education but also the debt they carry when they leave their studies and contemplate having a family and raising enough money to be able to repay their mortgage are significant impediments for many students. Over 70 per cent of students from my electorate of Throsby currently enrolled in university are struggling with this HECS debt.

I am very pleased to hear that the Australian Vice-Chancellors Committee recently argued for the lifting of the threshold for repayment. This will certainly be an important and positive measure to relieve the financial pressures on students. We all know from reports, most recently from the Catholic University, that many students are struggling—there has been an increase in poverty levels—and are under great pressure to complete their studies. Many are, at the same time, doing casual and part-time work.

I am using this grievance debate to urge the minister and this government to reconsider their policy options and to understand the impact of their current policies in denying equitable access and opportunity to students across the socioeconomic spectrum. The minister’s desire to further deregulate fees and to increase the number of full fee paying students can only have further negative consequences for the people in electorates such as mine. His proposals would only intensify the burden on poorer families and increasingly lead to a system based on capacity to pay.

As a society, we should never accept that money rather than merit opens university doors, nor should we ever accept a system where students with lower academic qualifications are accepted at the expense of others with better marks simply because their parents have the money to pay for their education. As we know, in some institutions, you can gain entry, if you are fortunate enough to have your fees paid up front, on lower marks than others.

I have used this grievance session to draw the minister’s attention to the realities that apply in electorates such as mine, where notions of access and equity and equal opportunity are not being translated into reality and where the young students appear not to be getting better opportunities than the generation before them. My grievance is that participation in university education is becoming more expensive, that the responsibilities for the costs of that education are increasingly borne by students and their families, which means that many students from working-class backgrounds are not being given those opportunities, and that university education is becoming less reflective of the Australian community at large.

Brisbane City Hall: UN Flag

Mr JOHNSON (Ryan) (4.42 p.m.)—I want to speak in the parliament today on the subject of the UN flag taking the most prominent position outside Brisbane City Hall in King George Square. As I speak on the floor of the Australian parliament and as Australian defence personnel are engaged in conflict in an overseas theatre of war, it is not their flag—the Australian flag—which takes pride of place or the most dominant position outside Brisbane City Hall; rather, the flag of an international organisation, the UN, takes the most prominent position outside Brisbane City Hall. I want to use the opportunity in this grievance debate to elaborate on this issue.

Some members will be aware that the Labor administration of Lord Mayor Jim Soorley has taken the decision to fly the UN flag prominently above City Hall in King George Square as a sign of opposition to and protest against Australia’s military commitment to the war against Saddam Hussein’s brutal regime. I place on record my total opposition to this decision and I call on the lord mayor to immediately replace the UN flag with the Australian flag in the central position.

This is an act of total arrogance by a man who no longer cares for the people of Brisbane. This is an act of total contempt by a man who stood for lord mayor and is now running away from his responsibilities and the mandate he received from the people of Brisbane at the last Brisbane City Council elections in 2000. City Hall is not the place for the UN flag to fly; indeed, no Australian government, state government or council building is the place for any overseas flag to fly.
Of course the lord mayor, like every Australian, is entitled to have his opinion on Australia’s participation in the military engagement against Iraq. But who does this man think he is to impose upon the City of Brisbane and the residents of Brisbane, the flag of an international organisation? It does not matter whether it is the UN or any other esteemed international body. It is simply not appropriate for the UN flag to take pre-eminence over the Australian flag. And that is my point: I do not take issue with its flying but its taking pre-eminence over the Australian flag.

The fact of the matter is that this man is the lord mayor of a city. He is not in the Queensland parliament. He is not a member or senator of the national parliament. If he wishes to determine or influence national policy he is perfectly entitled to stand up and be counted at a federal election. In case anyone thinks this is a case of partisan politics, let me say that it is not. I have the words of none other than the Queensland Premier, Peter Beattie—a Labor politician—to back me up in relation to the prominence and centrality of the Australian flag’s position outside City Hall. On this issue, the Queensland Premier said:

I have no problem with Jim flying the flag at all. But in my view, when Australian troops are in the field, you fly the Australian flag as well and you fly it in the dominant position. The UN flag should not be flown without the Australian flag right next to it.

These are the words of a very successful Queensland Labor Premier who is contradicting the position of a Labor lord mayor. Whilst I do not want to make a habit of it, I want to pay tribute to the Queensland Premier on this occasion. The Queensland Premier should be commended for doing the right thing, saying the right thing and calling on Jim Soorley to give prominence to the Australian flag over the UN flag at City Hall.

I have stated before in this parliament that I am one member who supports very strongly the place and purpose of the UN in world affairs. I have been to the UN in New York and have had the opportunity to see at close hand the great work of this essential world body. During my time as a graduate student at Cambridge University, I had the pleasure and privilege of being president of the Cambridge University UN Society. I support fully the existence of the UN and would be amongst the first to defend its continued place in our international architecture. But first and foremost, I am an Australian; I fly the Australian flag with pride, ahead of the UN flag. And so should Jim Soorley.

So let us have none of this self-righteousness from the lord mayor. Let us have none of this ‘I know best’ attitude from Jim Soorley. Let us have none of this arrogance from someone who holds the high office of Lord Mayor of Brisbane. Let us see some leadership from the man who is supposed to be a leader of a major city but is acting like a schoolboy bully. I have been contacted by Ryan residents who have been angered by Lord Mayor Jim Soorley’s conduct and arrogance in this regard. Last week I received an email from a constituent of mine, Mr Garry Clarke, from the suburb of Bellbowrie in the Ryan electorate, who had this to say about Jim Soorley’s actions:

As an Australian citizen, Queenslander and a Brisbane City Council ratepayer, I would like to ask ‘who gave you the authority to remove my flag from one of my buildings’?... My Grandfather and Father fought for, and my Uncle died for freedom under the flag you have removed.... Come on Jim, sometimes you don’t give much thought before you act. Freedom of speech allows you to have your views but don’t play with national pride!

If Jim Soorley thinks that the Australian flag does not resonate widely with the Australian people, he is completely misjudging their affections and sentiments. I take this opportunity to reflect on the Australian citizenship ceremony that I conducted last Friday in my electorate at Jamboree Heights State Primary School. At that ceremony, people from around the world—from South Africa, Taiwan and many Pacific nations—who chose to become citizens of this great country were absolutely glowing in their comments about the Australian flag. They were very supportive of the flag’s presence and of its flying in the school hall.

I have the feeling that the words of a former Queensland Premier, Wayne Goss, are relevant in relation to the present council’s
future electoral prospects. It will be recalled, of course, that Wayne Goss predicted that the Australian people were waiting with a baseball bat to throw out the Keating Labor government at the 1996 general election. I am certain the people of Brisbane are waiting with their baseball bats for the council elections next year to throw out a tired, sloppy and dismissive Labor council.

We are very privileged in this country to have such a great democratic tradition that supports and embraces freedom of speech. To those Australians, such as Jim Soorley, who are opposed to the government’s decision to support an international coalition to disarm Iraq, I say that I strongly respect the views you hold—and I respect the rights of my constituents to convey to me their opinions. I embrace the positions of the Australians who live in Ryan and who have a different assessment of the government’s position and, as their elected representative, I respond to them as I ought to. I respect their views because I believe passionately in everyday citizens being permitted to gather peacefully and to speak against the duly elected government. I respect their views because I believe in the majesty of our democracy and the precious freedoms we enjoy in this country. Indeed, democracy and freedom—the right to protest peacefully and to tell one’s politicians how vehemently you disagree with them—are the hallmarks of this country and its great democracy. These are the characteristics which define us as a truly great nation and set us apart from many of the monstrous regimes around the world, including that in Iraq.

However, I take this opportunity in the grievance debate to encourage peaceful protests. It is alarming to see the amount of vandalism and the intensity with which the protests are taking place. I respect the protesters’ passion but I understand that in Western Australia the parliament was defaced in a dreadful act of vandalism. We also saw the very visible graffiti across a national icon, the Sydney Opera House. On the weekend, protests were held nationally. Although the majority of protests appeared to be orderly, there were arrests in Melbourne for the painting of slogans on statues outside the US consulate. In Sydney, police had to restrain a group who mobbed the New South Wales Premier’s vehicle, pelting it with paint and eggs and striking the car with their placards. This does not strike me as conduct becoming of peaceful protestors.

In conclusion, I encourage and call upon all those who have an issue with the Australian government to lend their protests peacefully. I also encourage the Lord Mayor of Brisbane to once again fly the Australian flag where it should properly be flown: at the centre of King George Square. This is the flag that the Australians in the Middle East are representing and fighting under. Again, I very strongly encourage all those in my electorate who have an issue with me to get in touch and convey their opinions. I respect their views and, as their representative in this parliament, I respect their right to convey them peacefully. (Time expired)

Iraq

Solomon Islands, Vanuatu and Samoa: Parliamentary Delegation

Ms GRIERSON (Newcastle) (4.53 p.m.)—Now more than ever the Australian public has reason to contemplate its nation’s future foreign affairs policy and position. Our troops are currently committed to a war in Iraq as a result of the government’s decision that this nation’s interest is primarily dependent on a strong alliance with the United States of America. While acknowledging the strength of that alliance, I think the Prime Minister has made a major error in not looking to the future of our nation and to our own region for building strong alliances and relationships to best deliver the security, safety and prosperity we want for all Australians. That is why I use this grievance debate to share with the House experiences gained on a delegation I participated in last year to neighbouring countries in the Pacific region.

Before I do that, I reiterate for the public record the opposition’s support for the Australian troops engaged in war in Iraq. Although we want them home and would have preferred that they not be deployed before all UN peace processes were exhausted, we recognise that our forces are in Iraq under the government’s power to determine troop de-
ployments and engagements. In doing the job they are directed to do by this government, our Defence Force personnel are assured that we will continue to do all we can to ensure that they are given the best resources and the best Australian command structure possible to do the job they are committed to. Our desires for their safe return and for a swift peace are complementary.

My address today covers a four-day delegation visit in December last year to the Solomon Islands, Vanuatu and Samoa, accompanying the Minister for Foreign Affairs, Alexander Downer. This was a very brief and crowded trip, and I will not be able to cover it as much as I would like to in this short time. Twenty-four hours were spent in each of three countries. It seems that I gained enough experience as a backbencher to accompany our parliamentary secretary, Chris Gallus, and the minister, and to help them, I suppose, engage more fully with the communities of those three countries. That was to my benefit. It was a wonderful opportunity to have that engagement with those Pacific communities.

Firstly, we visited the Solomons on a day when tensions were very high and Honiara was facing some major problems with the continuation of its government. The Solomon Islands at this stage receives Australian aid worth over $36 million, and that is certainly very much needed. Major problems still exist with literacy levels and school enrolments. On our arrival in Honiara, the tension was made more obvious by the fact that the population is dominated by young men who are not employed and not engaged in education. That seemed to be a major destabilising force in that country. On our arrival, we were also able to engage with women, at the request of the many female members of parliament who accompanied that delegation. We had an amazing opportunity to hear from women about how difficult it is in the Solomons to engage in governance and decision making. I urge the Minister for Foreign Affairs to use gender empowerment programs, because women are the community builders in places such as the Solomons.

We visited the Community Peace and Restoration Fund programs, and we attended the opening of a rehabilitation centre. I mention the Community Peace and Restoration Fund programs in particular because those programs direct aid funds to the community. It seems to me that, with the governance and law and order problems in the Solomons and with the lack of rigour that sometimes applies, community building is the desired way ahead. Visiting the Lighthouse Rehabilitation Resource Centre, we saw the opening of a newly constructed centre for adult literacy. The warmth and pride of the hospitality was much appreciated by our delegation. As a former educator, it was wonderful for me to see that the centre focused on adult literacy. The other thing I observed was that the resource levels and the resources used were quite deficient. The electorate of Newcastle are trying to assist me to donate English texts for all ages to these island nations, because a lack of such resources was certainly a problem.

We also visited the Honiara hospital, where I was sad to see that domestic violence accounted for a very high percentage of the problems of the clients presenting with injuries in the fracture clinic. Again, supporting women and families in the Solomons is vital. It was also obvious that health programs were more successful when they actually engaged communities.

Sadly, since visiting the Solomons we have learned of the assassination of the much loved elder and member of the peace council, Sir Frederick Soaki, who was working very hard to bring about stability within the special constabulary. That is a tragedy for that country, as was the damage done by the recent cyclone. I register my support for the reconstruction and reform efforts.

Moving on to Vanuatu, I was delighted to visit the institute of technology in Vila, to see a foundation stone laid, to see newly refurbished facilities being used for practical skills training and to see newly erected student accommodation. We were also fortunate to visit a health clinic in Mele village, where we were again warmly welcomed by the community. It was very chastening to see that sexual health was the main area of health education and awareness programs at that clinic. There is great concern that HIV-
AIDS may become a problem throughout the Pacific nations, and we were pleased to see that some aid was being directed that way. In Vanuatu, it was also interesting to see that colonialism still rules. Supporting the expression of indigenous culture and self-determination in Vanuatu is certainly one area in which aid should be given by Australians. In Vanuatu, it was pleasing to see that access to safe water was largely assured, literacy levels were improving and primary school enrolments were higher, but the mortality rate for babies and life expectancy for all Vanuatuans remain major problems.

We were then fortunate to move on to Samoa, and that was a great contrast. Samoa is a country that certainly uses the strength of its cultural identity to take control of its economy, its social fabric and its future direction. The Samoan Legislative Assembly members who met with us were particularly helpful, and it was obvious that the pride they have in their country helps to shape better outcomes and performance. We were also able to participate in a briefing from Treasury personnel and ministry secretaries—and they were women. It was an excellent development to see women as part of the reform process in Samoa, and we were delighted to have that experience with them and to see that economic, governance and public sector reform is certainly making a difference. We noted that both adult literacy and enrolments in primary schools in Samoa are running at almost 100 per cent. It certainly shows that that country is investing well in education and the nation’s future. Complementary aid programs from Australia were well received and very much appreciated. Since returning home, my interest remains high that those countries are well represented and well supported by this nation. Their stability is part of our future security and stability as well, and securing them from exploitation through crime and money laundering is something that we have a strong commitment to.

I would like to acknowledge Dr Chris Millar from my electorate. He is leaving this month to work voluntarily in the Solomons. We wish him well with his 12 months in the Solomons providing health services. I would also like to acknowledge Gaye Hart, Director of the Hunter Institute of TAFE in my electorate. Gaye Hart is currently President of the Australian Council for Overseas Aid and was formerly the executive director of the Australian National Committee for UNICEF. I thank her for the learning experience, education and time she took to make sure that I understood aid programs a lot better than I did before going on this delegation.

The real star of our delegation, though, was Sean Dorney from ABC Radio. Wherever we went, that man was a legend. It really demonstrated the importance of our ABC programs to the Pacific region. I do thank the minister and his parliamentary secretary for making it a bipartisan delegation and for accepting us into the delegation. To DFAT staff, AusAID staff and high commission staff, thank you. In conclusion, I would like to quote from an 18-year-old Samoan-born person from my electorate, Tagisia Alao. Tagisia made the Newcastle Australia Day address this year. In expressing her pride in becoming an Australian, she said:

We are not asked to turn our backs on our past lives, to forget our roots, to discard traditions and customs that have shaped who we are, even young ones like me.

Tagisia Alao is proud of her Samoan heritage and holds high hopes for the future of her new country, Australia. Noting the impact of recent tragic events on the lives of so many Australians, Tagisia made the point that:

... tragic things can unite people and make them strong.

This is what Tagisia wants for her new country. In conclusion, Tagisia said:

There are so many things I want for Australia ...
I want to see Australia free from war of any kind.
I want to see a return to the harmony among all who live here.
I want to see reconciliation with the very first Australians.
I want to see health and happiness for all children on Australian soil.
I want to see it rain.
I want much more, most of which I can do little about, but those I can, I will strive with all my heart and my soul.

My Australia deserves at least that. (Time expired)
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.03 p.m.)—Thank you very much for the opportunity to participate in this grievance debate. Prior to election, members in their own local constituencies make representations to the people they wish to vote for them and outline plans of a local nature. Such plans will be among the matters people take into account when determining whom they are going to vote for on polling day. National issues play a very important role, but equally these days people appreciate that members are required to work very hard on behalf of their own local areas, in addition to participating in and receiving the benefit of being part of the national umbrella campaign.

During the last federal election, I brought forward the Fisher 10-point plan, outlining a number of issues which were particularly important to my constituency, which is fortunate enough to be based on the central and southern Sunshine Coast. Over the 16 months since I have been re-elected, I have worked very hard to progress the issues included in the 10-point plan and to bring them to fruition. Once upon a time, if you were a federal member and a person approached you about an issue other than one that was a federal responsibility, the temptation was to send that person on to the state or local area representative. These days, however, people do expect their federal members of parliament to be across both state and local issues in addition to matters of national responsibility.

I was concerned over a number of very important issues confronting the Sunshine Coast and, in particular, the electorate of Fisher. I was worried over the impact that car hoons were having on the quality of life on the Sunshine Coast, and I held a number of public meetings in the electorate to deal with the ‘hooning’ issue on the Sunshine Coast. After much debate at one of the meetings, Buderim resident Mr Tony Nioa moved a motion, which was accepted unanimously by those present, calling for local councils to work together toward the identification of a site for the construction of a motor racing facility on the Sunshine Coast, toward the designation of a site for motorists to display their vehicles and also toward having a policy of zero tolerance put in place with respect to car hoons. The overarching element of that motion was that the community had had an absolute gutful of car hoons. There was zero tolerance for car hoons from day one. But, because many of those people who were wrongly accused of being car hoons were sports enthusiasts, it was desirable to have a place for those people to show their vehicles and to exchange ideas and it was also desirable to work towards a motor racing facility where those sports enthusiasts would be able to demonstrate the capacity of their individual vehicles.

I established a subcommittee headed by local businessmen Jeff Barnes and Scott Heeney, and they are doing a great job of working towards identifying a site for the construction of the motor racing facility. I have worked with members of the various councils on the Sunshine Coast, including Councillor Joe Natoli, and I have identified a site for displaying vehicles where enthusiasts will be able to swap ideas. I have also pushed for the state government to introduce legislation that gives police the power to implement the zero tolerance approach to car hoons.

The state government have brought in legislation. It took them some time to do so. It is legislation which hopefully will improve the situation and which will indicate that people who choose to live on the Sunshine Coast and people who choose to visit the Sunshine Coast are able to have quiet and peaceful enjoyment of what is undoubtedly one of the best areas in the country to either live or visit. The jury is out at this stage on the state legislation. I certainly hope that it is going to work. There have been some confiscations. We will just have to see whether the state government have gone far enough on this issue, but it is something that I will be monitoring very closely.

I would also like to thank Councillor Gordon Wallace and Councillor Tim Dwyer from the Caloundra City Council and Councillor Barbara Cansdell, Councillor Steve Dickson and Councillor Joe Natoli from the...
Maroochy Shire Council, as well as the state member for Maroochydore, Fiona Simpson, who were all supportive of the public meetings and worked hard with me to solve the hooning problem. I have to sound one sad note, though: the state Labor member for Kawana, Mr Chris Cummins, adopted an arrogant and negative approach to these efforts to resolve the problem. He has shown a complete unwillingness to work with other elected representatives on this issue and did not even have the courtesy to stay right through one of the public meetings and listen to the views of constituents, local councillors or indeed Miss Simpson.

I have to say that I was impressed by the way that so many people came forward—close to 300 people—to attend the public meeting. It indicated there was a very high level of concern. I am pleased that we are moving forward not only to make sure that there is zero tolerance of car hoons but also so that car enthusiasts who spend lots of money on their vehicles and who often wrongly get accused of being car hoons, have a place to display their vehicles and swap ideas and, in the longer term, a place where they are able to demonstrate the performance of their vehicles compared with the vehicles of other car enthusiasts.

I have also been very opposed to pumping of sewage into the ocean. I am a very strong supporter of our Sunshine Coast environment. We are a community which has clean and green beaches. This government, through its Natural Heritage Trust, has spent a lot on improving the quality of our environment and our waterways. I have been appalled for years by the principle of ocean outfall, where councils and authorities simply pump sewage into the ocean. It does not do much for the quality of the beaches. But I want to congratulate the Caloundra City Council, which is proposing to work with the Caboolture Shire Council, the Noosa Shire Council, the Maroochy Shire Council and Sunwater to divert all Sunshine Coast sewage to an agricultural area in Nanango. Nanango is in South Burnett and prior to the last redistribution I was privileged to have Nanango shire, Kingaroy shire and other parts of Queensland in that general vicinity in the electorate of Fisher. They have now gone to Blair, where they are well represented by my good friend and colleague the honourable member for Blair.

I would like to congratulate Councillor Andrew Champion of the Caloundra City Council on his dedication to this project. This project will cost an estimated $70 million, which is a lot of money in anyone’s terms, but it is certainly a very important investment in our environmental and agricultural future. This is simply a win-win situation: it is a win for our local beaches and our local Sunshine Coast community and it is also a win for the Nanango area.

An issue that has been of great concern to me ever since I was elected and certainly before is the problem of unexploded ordinances in the Kawana Waters-Currimundi area. My pledge was to work with the Department of Defence, the state government and the Caloundra City Council with a view to solving this problem. Work has been progressing on resolving the UXO problem in the Kawana Waters-Currimundi area, and I met with the Minister for Defence a little while ago to discuss this matter. I want to commend Councillor Andrew Champion and Councillor Elaine Darling, a former member of this place, on the way in which they have worked with me to try to solve this endemic problem which has been around for more than half a century. Solving the UXO problem is a major difficulty, given the fact it has been around for so long.

All levels of government have to accept some share of responsibility for the fact that the problem still exists. For instance, the federal government at the time of the Second World War was trying to defend Australia, and naturally one had to have trial usages of these particular weapons. The state government permitted the land to be subdivided and sold off for residential dwellings. The Caloundra City Council allowed houses to be built on the site, knowing that possibly it was contaminated. Public safety must come first, and I intend to continue to work, in my capacity as the member for Fisher, with other
elected representatives and other levels of government to make sure that this problem is solved once and for all.

The Sunshine Coast is a wonderful place in which to live. On another occasion, I will continue my discussion of progress on my 10-point plan for the electorate of Fisher, which I announced prior to the election in 2001. (Time expired)

**Corrie, Ms Rachel**

*Mrs IRWIN (Fowler) (5.13 p.m.)*—At a time when our country is at war, I want to speak of the personal courage and bravery not of someone serving in the military but of a peace activist. Rachel Corrie of Olympia in Washington State, USA, was cold-bloodedly murdered when run over by an Israeli army bulldozer in Rafah, in the occupied territory of Gaza, on 16 March. Her death has been dismissed as an accident by Israeli authorities, but this tragic event cannot be so lightly dismissed. We all vividly remember the scenes of Tiananmen Square in 1989, when one brave individual stood in the path of a line of tanks. We saw the leading tank hesitate and stop. While we do not know the final fate of that lone protester, we do know that the Chinese People’s Liberation Army draws the line at running over protesters. And we know that Rachel is not the first victim to die as Israeli army bulldozers knock down houses—and not just the homes of suicide bombers—as part of its strategy to create fire zones in Palestinian cities. Thousands of homes have been bulldozed or blown up.

Rachel Corrie, a 23-year-old student at Washington State University, had arrived in Gaza in January as a human rights observer and direct action resistor. Her experiences and observations in the occupied territories are revealed in a series of emails she sent to her family in the United States. They reveal her feelings and reactions to what she saw and express her fears and even a premonition of her death. They reveal the daily horror of life suffered by Palestinian people under the brutal regime of the Israeli army. In an email to her mother on 27 February, Rachel wrote:

Love you, really miss you. I have bad nightmares about tanks and bulldozers outside our house and you and me inside ... I am really scared for the people here.
of oppression was obvious everywhere I went. We arrived in Rafa, the site of Rachel’s murder, after a long bus trip across the treeless Sinai desert. As an Australian, the first thing that you notice about Rafa is the thousands of eucalypt trees planted there. They bring a lump to your throat, as these things do when you are far from home. But, when I think of Rafa now, it is the tragedy of Rachel Corrie’s death that brings a lump to my throat.

If you have walked through the streets of a refugee camp like Jabilaya in Gaza as I have or looked into the eyes of Israeli soldiers in Hebron as I have you know what Rachel was writing about. It is this feeling of oppression that is thick in the air. It is the sadness you feel as you watch proud, beautiful people suffer in a way that no human being should. Like Rachel, you begin to wonder whether you would remain nonviolent in the face of such oppression. But you feel powerless to help. As Rachel said in that email to her mother:

I am really scared, and questioning my fundamental belief in the goodness of human nature.

This has to stop.

I think it is a good idea for us all to drop everything and devote our lives to making this stop. I don’t think it’s an extremist thing to do anymore.

I still want to dance around to Pat Benatar and have boyfriends and make comics for my coworkers. But I also want this to stop.

Disbelief and horror is what I feel. Disappointment.

I am disappointed that this is the base reality of our world and that we, in fact, participate in it. This is not at all what I asked for when I came into the world.

This is not at all what the people here asked for when they came into this world.

This is not the world that you and Dad wanted me to come into when you decided to have me.

And in one of her last emails to her mother, Rachel speaks of her Palestinian friends:

I felt much better after this morning. I spent a lot of time writing about the disappointment of discovering somewhat first-hand, the degree of evil of which we are still capable.

I should at least mention that I am also discovering a degree of strength and of basic ability for humans to remain human in the direst of circumstances—which I also haven’t seen before.

Of the forces now fighting in Iraq, many will receive decorations for bravely firing missiles or bombing targets from many kilometres away from harm but few, if any, could match the courage of Rachel Corrie. Her words in those last email messages strike a chord in the hearts of all of us who see oppression and seek to do something to end it. Rachel Corrie is a shining example of a young woman whose message is more powerful than any bunker-busting bomb and whose inspiration is far greater than any current world leader.

It would be a travesty in the year of an aggressive war on Iraq for us to see the awarding of the Nobel Peace Prize. But, having read the words of Rachel Corrie and felt in my own heart the message of true peace that she died for, I think it would be a travesty if she were not considered for the Nobel Peace Prize. When I read her words, it is hard to believe that they come from one so young—she was 23 years of age. To me, she comes closer than anyone else in understanding the role of nonviolence in the face of brutal oppression. My thoughts go out to Rachel’s parents in the United States. They must be so proud of their beautiful daughter. The world is so much poorer for her tragic loss.

Queensland: State Government Funding

Mr NEVILLE (Hinkler) (5.23 p.m.)—Before I commence my contribution, I thank the previous speaker for her contribution. I add my words of condolence to the parents of Rachel Corrie. I think that was an appalling incident. After this dreadful Iraqi war is over and the Middle East returns to, we hope, some state of normality, one of the first things that must be addressed is a more decent accommodation between the Israeli and Palestinian people. I do not say that with any sense of criticism of either side; it just cannot go on the way it is going. There are too many Rachels being killed in that conflict.

I will return to more mundane matters. In the wake of the New South Wales election and the return of the Carr Labor government, I think it is a good time to start looking at the Queensland ALP’s political report card. Let us mark down its performance in some core
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Let us have a look at its role in housing, natural resource management and fiscal management. I am sure that, when it comes time for the public to grade the Beattie government for its performance, there will be tears before bedtime.

Housing is an issue that has always been of keenest interest to me, with the industrial powerhouse of Gladstone central in my electorate. With ongoing industrial growth in the city, we have seen a residential population surge. The Queensland Minister for Public Works and Housing, Rob Schwarten, has happily taken pot shots over the current negotiations with the Commonwealth on the Commonwealth-State Housing Agreement, using Gladstone as an example, but I fear the minister may have shot himself in the foot. It appears to have slipped Mr Schwarten’s memory that it is the states and territories that receive the allocation from the Commonwealth-State Housing Agreement funds and allocate them to the various regions of their states and territories. The Commonwealth does not have a housing department, and how the money is distributed in these regions and cities is solely a matter for the state government. If the state government is ill prepared or has not made provision for Gladstone’s obvious and emerging housing needs, it can hardly blame the federal government.

Mr Schwarten recently used Anglicare’s *State of the Family 2003* report to try and bolster his untenable position as Queensland’s housing minister. The minister claimed that the report condemned the Commonwealth on its record of funding for public housing, but what I find even more intriguing is a section from Anglicare’s report from the previous year. It reads:

Recognising the need for secure, affordable housing, Anglicare Central Queensland (CQ) Gladstone Community Rent Scheme provides subsidised rental accommodation to low income households in the Gladstone/Boyne Island/Tannum Sands region. Over 95 per cent of the households assisted by the Community Rent Scheme are jobless and are drawn from those groups in the community which face discrimination in the private rental market. When the program was first started it concentrated on “putting a roof over people’s heads”.

This says much more about the Queensland government and its appalling track record in planning for population growth than it does about the Commonwealth. The emerging boom in Gladstone has been known for some time. The state government has the Gladstone office of the Department of State Development monitoring such matters. It partly funds the Gladstone Economic and Industry Development Board and the Gladstone Area Promotion and Development Board Ltd, which are both excellent sources of data and advice. And it is Mr Schwarten, the minister, who chooses which region receives the funds.

Let us look at the details of the Commonwealth-State Housing Agreement and how the Queensland government is using spin and rhetoric to cover its own ineptitude in handling public housing funding. Over the current Commonwealth-State Housing Agreement, which runs from 1999 to June 2003, this year, the states and territories will have received $4 billion. Queensland’s share is 19.5 per cent, despite the fact that the population as a proportion of the national figure is only 18.7 per cent. Put another way, Queensland receives $55.70 per capita against a national average of $53.30. Mr Schwarten should note that for the 2000-01 year the Commonwealth provided more than $200 million to Queensland under the Commonwealth-State Housing Agreement while the Queensland government itself provided only $66.6 million. In the scheme being negotiated, the states will not receive less than $4.75 billion, an increase of 18.7 per cent. If you like to take that through, based on a period of low inflation, which this government has delivered, that would allow for an increase of about 3½ per cent for inflation—anything less than that means a positive result for the states.

This figure does not take into account the Commonwealth’s rent assistance program, which is used by low-income earners. Again, Queensland has been treated very generously. For 2001-02 Queensland received $462.9 million, or roughly 25 per cent of the rent assistance expenditure for Australia, despite having, as I said, only 18.7 per cent of the population. This $462.9 million is an
increase of 6.2 per cent over the previous year’s funding—again well ahead of inflation.

In fact, if we look at the combined Commonwealth funding for the Commonwealth-State Housing Agreement and rent assistance and compare it to the contribution made by the Queensland government and the other state governments of Australia, we can see that, for every dollar that the Commonwealth government puts up, the other state and territory governments contribute a paltry 14c in assistance. Let me restate that: the Commonwealth’s contribution is $1; the state’s contribution is 14c. That figure does not take into account the Supported Accommodation Assistance Program—or SAAP, as it is known—for emergency housing. In Queensland, the Commonwealth contributed $24.4 million and the state contributed $17.7 million. The federal government and the states index increases to the CPI. Only the Queensland government does not index to the CPI. So, on an annual basis, the Queensland contribution keeps slipping back in proportion to inflation.

The Commonwealth also reduced the burden of the welfare housing sector when it introduced the first home owners grant in 2000. Since then, the Commonwealth has invested $3 billion in the national scheme. More than 91,000 Queenslanders have successfully applied for the first home owners grant, and I imagine that has had a marked effect on the demand for public housing. From my discussions with builders, I know that it is especially so in Gladstone. It is easy to see which government is most serious about helping those deprived in terms of housing assistance and which is not.

Let us now turn our attention to matters of natural resource management—more specifically, the Queensland government’s record on fire management and drought relief. Anyone who has followed the EC process will have seen the knock-down, drag-out wrangle between the Commonwealth and the state government in terms of providing financial and other assistance to primary producers. Without going into great detail, it boils down to this: the Queensland government has contributed $2.24 million to drought aid over the last two years, which stands in stark contrast to the $114 million that the Commonwealth has committed to Queensland farmers. Let me give you another example. The federal government has contributed $20 million to drought aid in the Darling Downs area; the Queensland state government has contributed a measly $700,000. Of that amount—wait for it—they have reclaimed $500,000 in administration fees. That leaves a net contribution of $200,000.

On the issue of fire management, the Queensland government has been left lagging behind New South Wales and Victoria. When the Commonwealth introduced a cost-sharing contribution of $5.5 million to allow the states to introduce firefighting helicopters, the Queensland government backed off. The Queensland Minister for Emergency Services, Mike Reynolds, is on the record as saying that the state had an aerial firefighting strategy in place. Let me detail the state government’s so-called aerial firefighting strategy. In the event of a serious fire outbreak, a random collection of rescue and community helicopters and several fixed-wing crop-spraying aircraft will be put into action. The cost to the state government of leasing an aerial firefighting unit—one of the helitankers—would have been $1.67 million, yet the only concerns of the emergency services minister, Mike Reynolds, would appear to be—(Time expired)

Health: Howard Government Policy

Mr Griffin (Bruce) (5.33 p.m.)—I will take the last remaining minutes of the grievance debate in the House today to grieve about the state of health care policy in this country and particularly about what has been shown to be the agenda of the Howard government in recent times with respect to the health of this nation. We all know from last year’s budget measures that, having been told prior to the election that the Pharmaceutical Benefits Scheme was not a problem in terms of being a growing expenditure cost to the government, all of a sudden after the election we found out that it was a huge problem. This government then came forward with quite draconian measures to increase the cost on ordinary Australian fami-
lies. We saw part of their agenda with that measure.

In more recent times we have seen what this government now has planned for the Medicare system: effectively, to move towards dismantling what Australians understand to be the Medicare system. In particular, I want to mention the issue of bulk-billing. As members would be aware, bulk-billing rates have been plunging across the country since this government has been in power. We know now, from the Minister for Health and Ageing and the Prime Minister, that the commitment to what was bulk-billing has changed. The fact is that this government has now redefined what it was elected on when it comes to providing universality in the health care system. We have seen the minister backtracking at a million miles an hour on what she sees as the commitment in the area of bulk-billing. For example, in an interview with ABC radio earlier this month, the following exchange occurred:

Jon Faine: This is a key issue, Senator Patterson; define low income. In the phrase you just used, you say it is of concern for people on a low income. What’s, to you, the acceptable level?
Patterson: Well, I see a ... I have a concern that two people on a similar income, particularly those on a low income, living in two different parts of Australia, one has access to a general practitioner who doesn’t charge a gap, and one doesn’t. And I feel that’s an important issue.

Presenter: But are you saying low income to you means pensioner?
Patterson: Low-income people usually have a Health Care Card.

So we see the basis of it there. There are currently around 1.5 million health care card holders in this country. In those circumstances, we are actually dealing with a small part of the Australian population—but certainly a part of the Australian population that is in need of assistance with their everyday health care needs. The fact of the matter is that, by moving down this track, the government really is changing the nature of what we have all learnt to believe was the Medicare system. But we all know that has been Prime Minister John Howard’s position because, as we know, when he was Leader of the Opposition he said: Medicare has been an unmitigated disaster. We’ll get rid of the bulk-billing system. It’s an absolute rort. We will be proposing changes to Medicare which amount to its de facto dismantling ... we’ll pull it right apart.

The fact is that we are seeing this government moving down that track right now.

(Time expired)

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—The time for the grievance debate has expired. The debate is interrupted and I put the question:

That grievances be noted.

Question agreed to.

APPROPRIATION BILL (No. 3) 2002-2003

Report from Main Committee

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

Ordered that the bill be considered forthwith.

Bill agreed to.

Third Reading

Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (5.37 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

APPROPRIATION BILL (No. 4) 2002-2003

Report from Main Committee

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

Ordered that the bill be considered forthwith.

Bill agreed to.

Third Reading

Miss JACKIE KELLY (Lindsay—Parliamentary Secretary to the Prime Minister) (5.38 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

**BILLS RETURNED FROM THE SENATE**

The following bill was returned from the Senate without amendment or request:

Agricultural and Veterinary Chemicals Legislation Amendment Bill 2002

**MEDICAL INDEMNITY (PRUDENTIAL SUPERVISION AND PRODUCT STANDARDS) BILL 2002**

Cognate bill:

**MEDICAL INDEMNITY (PRUDENTIAL SUPERVISION AND PRODUCT STANDARDS) (CONSEQUENTIAL AMENDMENTS) BILL 2002**

Second Reading

Debate resumed from 12 December 2002, on motion by Mr Slipper:

That this bill be now read a second time.

Mr STEPHEN SMITH (Perth) (5.40 p.m.)—The purpose of the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 and the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002 is to ensure that health care professionals have access to medical indemnity cover that is provided by insurers prudentially regulated by APRA—the Australian Prudential Regulation Authority—and to specify minimum standards for medical indemnity cover. The proposals contained in these bills represent part of a package of measures in response to the collapse of UMP in April 2002. This House and this parliament have already passed the Medical Indemnity Agreement (Financial Assistance—Binding Commonwealth Obligations) Bill 2002. The purpose of that bill was to appropriate funds for payment in accordance with an indemnity agreement between the Commonwealth and United Medical Protection, UMP, and its wholly owned insurance subsidiary, Australasian Medical Insurance Ltd, AMIL, and to confirm the government’s commitments relating to UMP-AMIL.

On 23 October last year, the Prime Minister announced a range of measures, which were said to address rising medical indemnity insurance premiums and which would ensure a viable and ongoing medical indemnity insurance market. In December the parliament considered and passed a package of four bills, including the Medical Indemnity Bill 2002, to which I have earlier referred, which implemented most of these initiatives. These measures included the establishment of an incurred but not reported—IBNR—scheme to assist medical defence organisations, MDOs, with unfunded IBNRs and a High Cost Claims Scheme, under which the Commonwealth will meet 50 per cent of the cost of claims payments greater than $2 million up to the insured amount made by MDOs or insurers.

The bills now before the House deal with the one outstanding element of the package announced by the government on 23 October; namely, that MDOs be brought into a new regulatory framework administered by the Australian Prudential Regulation Authority and be subject to a range of prudential safeguards to mitigate insolvency risks. I state at the outset that these bills are in principle supported by me and by the opposition.

The proposed framework also contains product safeguards to ensure that health practitioners receive continuity of cover. Currently, medical indemnity is largely provided by medical defence organisations, MDOs, to which I have referred. MDOs are not-for-profit mutual organisations that provide discretionary cover to their members in exchange for a subscription payment for membership of the organisation. As MDOs are not contractually obliged to meet the claims of their members, their activities fall outside the definition of ‘insurance business’ in the Insurance Act 1973 and the prudential supervision of APRA. MDOs rely heavily on reinsurance to protect their financial position. Most MDOs have wholly or partially owned insurance company subsidiaries which they use to access the reinsurance market. APRA does have regulatory power over these captive insurers.

MDOs can raise additional capital under their current structural arrangements by charging increased subscriptions or by making a call to members for an additional amount of money. The tradition in the industry is to make the call on members effective...
from 1 July of a particular year. Since 1999, four of the main MDOs have been required to make a call on their members for additional funds. There are seven major MDOs in Australia: United Medical Protection, UMP, in provisional liquidation; the Medical Defence Association of Australia; the Medical Indemnity Protection Society; the Medical Defence Association of South Australia; the Medical Defence Association of Western Australia; the Medical Protection Society of Tasmania; and Queensland Doctors Mutual Ltd. While all MDOs write business to some degree across Australia, the home state of the MDO generally provides most members.

I now turn to some of the key measures contained in the bill. From 1 July 2003 only general insurers under a contract of insurance will be able to provide medical indemnity cover for a health care professional. Breach of this requirement carries a maximum penalty of 12 months imprisonment. Health care professionals are broadly defined to include ‘any person who provides care, treatment, service, advice or goods in respect of the physical and mental health of a person whether or not for reward’. The definition specifically includes medical practitioners and registered health professionals.

Prudential standards under the Insurance Act 1973 provide that insurers must have capital of at least $5 million. The bill provides for transitional arrangements so that MDOs may apply to APRA for an exemption from the minimum capital requirements until 30 June 2008. In order to obtain an exemption, MDOs must submit a funding plan to APRA. The intent of the funding plan is to ensure that MDOs will be able to meet APRA capital requirements at the expiry of the transitional period. The bill also sets out product standards for medical indemnity insurance contracts. The minimum cover amount is $5 million and/or another amount prescribed by the regulations. Failure to provide such cover constitutes an offence.

The bill draws a distinction between claims-made base cover, where claims are made within the contract period, and incident-occurring base cover, where a claim can be made after the contract has expired provided that the incident occurred during the contract period. If a contract to provide claims-made cover is entered into, comes into effect or is renewed on or after 1 July 2003, the bill provides that an insurer must also offer to provide cover for all past health care incidents for which the health care professional does not have cover or retroactive cover, as it is described.

Insurers are also required to offer extended reporting benefits, ERB, cover, also known as run-off cover, within 28 days of a triggering event. These events include where a health care professional dies, becomes permanently disabled, retires or terminates a contract. ERB cover protects health care professionals from claims in relation to events that occurred before ERB cover commenced for which the person was otherwise uninsured. The bill specifies requirements that must be met in order for offers of retroactive cover and ERB cover to be regarded as complying with the purposes of the act. Significant requirements include that offers must be in writing, must be open for 28 days, must give clear, concise and effective explanation of the feature of the cover and must charge premiums that are reasonable. APRA may issue guidelines for the purpose of assessing whether a premium is reasonable. These guidelines are disallowable instruments. The bill vests responsibility for enforcing product standards for medical indemnity contracts in ASIC, the Australian Securities and Investments Commission.

The Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002, which is being considered cognate with the main bill, will require MDOs to provide data to APRA to prevent MDOs with discretionary liabilities from becoming authorised insurers. In order to be an authorised insurer, MDOs will be required to transfer their discretionary liabilities to a separate entity.

Since these bills were tabled in the parliament, they have been the subject of interest so far as the medical defence organisations are concerned and so far as the medical profession is concerned, both for individual practitioners, whether they be general practitioners, procedural practitioners or procedural specialists, and for their respective or-
organisations, whether they be the AMA, the Australian Medical Association, or the Divisions of General Practice. I think it is true and fair to say that the three areas of the bill which drew most attention and consternation from the profession and its various constituent parts and representatives were insurance based contracts—and some of the MDOs had views on the adverse impacts on them of moving to insurance based contracts—the so-called blue sky claims and the so-called run-off cover for death, disability or retirement. For some period of time, the representative organisations have been making submissions to the government to see whether the government would countenance changes to the bill so far as these matters are concerned.

I have had these representations made to me on behalf of the opposition, and my attitude has been to wait and see what response the government makes to the various representations. That is largely because, whilst these are of particular interest to the profession—whether that is a medical defence organisation, an individual practitioner or their respective representative groups—they are not necessarily of great interest to the ordinary consumer. The adverse consequences of getting it wrong, however, do have, and have the potential to have, a great adverse impact on the ordinary consumer either by way of additional cost for a medical service that a consumer has come to depend upon or through the withdrawal of a service because a medical practitioner believes the problems of medical indemnity insurance have become so compelling that the game is no longer worth the candle.

On Wednesday, 19 March—last Wednesday—the government announced a number of minor amendments to the bills as a result of discussions with the medical defence organisations and the doctors concerned about the impact of the bills. The Prime Minister indicated that the amendments the government was proposing to make to its own legislation included the following: to ensure that the five-year transitional relief from the full application of APRA’s capital adequacy requirements is extended to the existing cap to the insurers of the medical defence organisations; to make a minor change to the definition of ‘health care providers’ to ensure that it covers former health care providers; to ensure that the compulsory offer requirements for medical indemnity providers for run-off cover do not extend to medical indemnity providers that have stopped writing new policies and are running off their existing liabilities; to enable medical indemnity providers to exclude known incidence from cover in the same way that an insurer would exclude known incidence; and to provide that APRA must make a determination within 30 days of receiving an application for transitional relief from the capital adequacy requirements.

The government also announced that it would commission a study of options to examine the retirement cover issue and increase the level of its financial support for the medical indemnity insurance of obstetricians in rural and regional Australia. The government’s amendments announced by the Prime Minister are technical, and the opposition have no objection to them. I have not actually sighted them but I assume the government will progress those in the Senate and, provided they are technically correct, we will support them in that place. The announcement by the Prime Minister of these technical amendments was met with some concern from various medical defence organisations, particularly the smaller medical defence organisations—for example, the medical defence organisation in Tasmania, which had been running strong arguments in respect of the change to insurance contracts—and by what is best described as a muted response from the AMA, which is particularly keen to pursue the blue sky matter.

I will now go to the detail of those three remaining contentious areas. The first is the adverse impact which some of the smaller MDOs see of moving to insurance contracts. While the larger MDOs, representing about 80 per cent of doctors, have broadly accepted the move from discretionary cover to offering insurance contracts, a number of smaller MDOs have strongly argued that the model of discretionary cover better serves their members and that there would be adverse
consequences associated with moving to the insurance model proposed by the government. It is true to say that those adverse consequences relate to the perception the smaller medical defence organisations have that they will see work force reductions so far as general practitioners or medical specialists are concerned. It is also true to say that the government has a strong view that there is a need for all in the industry to move to insurance based contracts rather than a model of discretionary cover. The government argues that it was discretionary cover which got UMP into difficulty and we have now got the chance for fundamental and structural reform, so why would we leave that gate open? As I said, the opposition in principle supports the framework, and that is a compelling and strong argument. The worry I have stems from the continual representations I get, particularly from the Tasmanian defence organisation, about their perception of adverse consequences and their perception of the adverse work force implications that it would bring to Tasmania.

The second issue relates to the blue sky claims. There are significant concerns that under the proposal doctors will be personally liable for claims that are settled in excess of the maximum cover provided by their insurance. Under the present discretionary arrangements, cover is uncapped. This means that, if a doctor holds an insurance policy which offers $15 million in cover but a catastrophic injury occurs which exposes the doctor to a payout of more than $15 million, the doctor will be held personally liable for the extra amount. The government’s current scheme offers no protection for doctors against this eventuality and may force some doctors to asset strip in order to protect themselves against the consequences of such adverse claims. Other doctors may choose to retire early rather than face the possibility of personal liability for high-cost claims. This is an issue of particular concern, and representations have been made by the Australian Medical Association. When the Prime Minister announced these minor and technical changes last week, which I referred to, this issue was at the peak, so to speak, of the AMA’s ongoing representations.

The final issue is the death, disability or retirement cover—or run-off cover, as it is referred to in the trade. Under the bill, after 1 July 2003, death, disability or retirement cover that has not commenced will be deemed to be subject to the new regime. It has been argued—again, by the AMA—that this means that doctors will continue to pay large premiums after retirement. The AMA and the medical defence organisations have given in principle support for a statutory DDR fund—death, disability or retirement cover fund—proposition developed by the Institute of Actuaries. Under this proposal, MDOs would contribute to a fund that would be drawn up to meet DDR claims. While the government has announced that it is prepared to inquire further into this issue, it is as yet unresolved.

So they are the three contentious issues which remain. It is appropriate for me to indicate to the House the general approach which the opposition proposes to take on these matters within the next few days. Without breaching any confidence, I will also indicate to the House a preliminary conversation I had with Senator Coonan, the minister with responsibility for this bill in the other place. When the government’s announcement was made last week, many of the smaller medical defence organisations who object to the road that the government is going down urged upon the opposition and, I assume, the government and other members of the Senate that the bill be referred to a Senate committee to enable those three issues—that is, moving to the insurance contracts scheme, the blue sky claims and the run-off cover—to be considered. There are some attractions in that, because that would enable those three contentious issues to be the subject of a public conversation or a public debate. The difficulty the government has with that approach is that any referral to a committee in the last week of March means that the legislation will not be passed now but will come back to the parliament in the middle of May during budget week, and it is unlikely that the parliament would get to the bill during budget week. That provides a difficulty for the medical defence organisations, because at the moment they are in the process of negotiating with their reinsurers for
the purpose of making a call upon their members effective from 1 July this year. So, if the reinsurers are uncertain about the state of the legislative framework, that obviously has a potential material impact on the level of the reinsurance and the level of the premiums.

So my conversation with Senator Coonan earlier today proceeded on this basis. The government, as I understand it, is prepared to consider some form of inquiry—a Senate inquiry or some other appropriate inquiry—into the blue sky issue and the death, disability or retirement cover issue. I think it is also fair to say—and this is not an attempt to verbal Senator Coonan; as I said to her when we last spoke, we will no doubt have more conversations this week to try to resolve this matter—that the government is happy to contemplate removing the death, disability or retirement cover aspects from the legislation to provide a potential vehicle for a Senate inquiry into that matter.

Clearly, the suggestion to refer the bill to a Senate committee—and the prospect that the bill might not be passed this week—has caused the government to respond positively on the issue of an inquiry into the death, disability or retirement cover and the blue sky claims, and I regard that as a helpful contribution. My impression is that the government is very adverse to moving in any way on the insurance contracts based system and regards it very much as a fundamental part of the structural framework, and there is a strength to that argument— if this contributed to UMP’s difficulty, why would you leave that opportunity open? The worry I have is that I am not sure the government is responding positively enough or with enough alacrity to the representations made, particularly from Tasmania, which go to the adverse work force implications that will be caused as a consequence of going down this road.

Whilst I have said that we support the framework in principle—and I am pleased that it is pretty clear that, with a bit more conversation between the government and the opposition in the course of the next couple of days, we will see some agreed formal vehicle for looking in greater detail at the blue sky claims and the death, disability or retirement cover—I would like to see the government respond more positively to the representations that have been made, particularly from Tasmania, so far as those adverse work force implications are concerned. Whilst I have said that we support these measures in principle and support the flagged government amendments, I think there is a bit of water to go under the bridge in the course of the next couple of days before we see whether the parliament or the Senate can agree to the passage of these bills in the course of this week.

I should also say that I have had very strong representations from the major medical defence organisations—no doubt as the government has—who cover, as I said earlier, about 80 per cent of the trade. They strongly make the point that if the reinsurers do not by the end of this week see legislative certainty then that will cause very grave difficulty. That is a very powerful point which the parliament will need to consider very carefully. That is a summary of the framework of the legislation and a summary of what I regard as the three remaining contentious areas. The government has, to its credit, given ground by way of flagging a further look at those two areas of difficulty, and that will please the MDOs generally and please the AMA. It also pleases me, but I think we need to do a bit more work on what adverse implications may arise from moving to insurance contracts before we can bring this matter to complete finality in the course of this week.

Mr SOMLYAY (Fairfax) (6.02 p.m.)—Obviously I am not privy to the discussions that the shadow minister had with Minister Coonan earlier this day, but I will agree with him that this has been one of the most contentious issues with the medical profession, at the electoral level, that any of us have had to deal with for quite some time. I doubt that the local AMA in any electorate has not had several meetings with members of parliament to talk about this issue. Therefore, I propose to speak about the purpose of the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 and the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential
Amendments) Bill 2002, as I really cannot comment on those issues raised by the member for Perth—but I hope to be able to do so by the end of the week.

Mr Stephen Smith—It was late in the day.

Mr Soml by—Thank you. The purpose of this bill, as set out in section 2.3, is (a) to ensure that health care professionals have access to medical indemnity cover provided by properly regulated, and therefore viable, insurers and (b) to specify minimum standards for that cover. This bill is important to health care professionals for the security of viable medical indemnity, to patients for when things do go wrong and to the community so that we can be confident in the continuation of our health care services. As everybody in this House knows, there have been ongoing problems with the provision of medical indemnity, including the financial position of the major Australian provider, UMP, and its wholly owned subsidiary, AMIL. Those problems and uncertainties are still endangering the very provision of our health care services, particularly in high-risk fields such as obstetrics.

The legislation is one part of the Howard government’s strategy to tackle these problems and uncertainties by ensuring that medical indemnity insurance is made a viable commercial product with safeguards to mitigate insolvency risks. But, before we can discuss this legislation further, we need to look at how medical indemnity is currently provided, how it is different from other forms of insurance and why this legislation is needed. Health professionals, like other businesses, need general insurance cover. But as well as that they need insurance to protect them in case of litigation for claimed error, negligence or misconduct arising from actions that could be recent or which could have occurred many years earlier. One problem is that there is a longer than usual time frame for litigation in such matters, which makes it difficult to calculate future risk and costs. Medical indemnity therefore differs from other types of insurance. In fact, as it is currently structured, it is not actually insurance and it is not provided by insurance companies.

In Australia, medical indemnity cover is provided primarily by medical defence organisations, or MDOs, which are not-for-profit mutual organisations which offer discretionary indemnity cover to members, who pay an annual subscription. Note the word ‘discretionary’. In all other forms of insurance, there is a contract which obligates the insurance company to honour the policy when an insured event takes place. There is no such contract with MDOs. The discretionary indemnity provided by the MDOs gives the MDOs absolute discretion to deny cover in any circumstances at all and bestows on the member no legal right to be indemnified. Even though MDOs very rarely deny claims, the existence of discretionary cover has two important legal implications for doctors, and therefore the community. The first legal implication is lack of prudential regulation and the second is certainty of indemnification. This bill addresses both those problems.

Let us look at the first of the problems: the lack of prudential regulation. While MDOs provide what appears to be an insurance product, they are not themselves authorised insurance companies. Instead, they all have subsidiary, or captive, insurance companies which have been established primarily to provide reinsurance cover to the parent MDO. This means that, unlike other insurers, the MDO customers are not currently protected by the body of consumer protection law which relates specifically to insurance, such as the Insurance Contracts Act and the Financial Sector Reform Act. The discretionary cover provided by the MDOs is not regulated by APRA and is not subject to the prudential standards applicable to general insurers. While a captive reinsurer may be covered by APRA and prudential regulation and standards, the MDOs avoid prudential regulations because they are not insurance companies in the technical sense of the word. With this bill, we are closing that loophole.

The key elements of prudential regulation are minimum benchmarks in three areas: (1) capital, (2) corporate governance and (3) risk management. A financial institution must maintain minimum standards in these three areas in order, firstly, to obtain and, secondly,
to continue to hold a licence to operate as such. You might ask why such regulation is necessary for MDOs. It is not for reasons of bureaucracy; it is for reasons of certainty and viability. It is so our health care professionals can be certain of continuing indemnity cover and, therefore, we, the community, can be certain that those professional services will continue to be available to us. It has been recognised internationally that prudential regulation provides a high level of certainty that any financial commitments made by those regulated institutions can and will be met.

Despite legislation passed last year regarding IBNRs, there still remains doubt as to the consistency of liability recognition practices across the industry. This affects risk management and the amount of capital reserves required. IBNRs are ‘incurred but not reported’ incidents—that is, the error or incident has occurred but has not been reported yet to the MDO. In fact, the patient concerned might not take action for some years, or he or she might take no action at all. But MDOs, like insurance companies, should be required by accounting standards to recognise their liability so that appropriate provisioning can be made for the inherent risk. Currently, the lack of prudential regulation and reliable reporting of IBNR liabilities leaves medical practitioners underinformed and vulnerable regarding the financial viability of their cover provider.

The second legal implication I mentioned for the current discretionary cover is certainty of indemnification. Unlike insurance contracts, discretionary products are not subject to consumer protection and there is no legal obligation on the MDO to indemnify the member. This bill is aimed at overcoming these problems. Under clause 10, medical indemnity cover can only be provided by general insurers and only under contracts of insurance, thereby ensuring prudential regulation, proper accounting and certainty of indemnity.

MDOs who wish to continue as providers of medical indemnity will need to become authorised insurers and operate in compliance with prudential standards developed by APRA, who, under clause 28, is responsible for enforcing compliance. For instance, one of the requirements to be met will be prudential standard GPS 110, which requires that insurers hold a minimum of $5 million capital. Because the government recognises that some MDOs may not be in a position to comply immediately with the prudential standards, part 2, division 2 of the bill provides transitional arrangements during the period from commencement of the act on 1 July 2003 until 30 June 2008. That is a transition period of almost five years. During that time, for example, an MDO can apply to APRA for an exemption from the $5 million capital requirement.

For a number of years, there have been concerns about the viability of medical indemnity providers in Australia and particularly about the adequacy of their reserves to meet future claims. In October last year, the Prime Minister announced a package of measures to address those problems, and this bill is part of that package. Medical indemnity is not just a problem for doctors; it is a major public issue because it affects not just the cost but also the very availability of essential health services. We need this bill to ensure that our health care professionals have access to reliable cover that meets minimum standards and is provided by properly regulated insurers, so those professionals can get on with the job of keeping us healthy. I commend this bill to the House.

Ms BURKE (Chisholm) (6.12 p.m.)—I rise today to speak on the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 and the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002. These bills constitute a portion of the government’s response to the crisis in medical indemnity insurance caused by the collapse of United Medical Protection. United Medical Protection was the largest medical defence organisation in Australia and provided a form of protection to medical practitioners. Issues of medical indemnity may appear to be of little interest to the broader community. If viewed in a very narrow case, that may be true. But the importance of issues surrounding the provision of medical indemnity to practitioners have had huge
flow-on effects, causing great concern and even fear that critical medical services, such as obstetric services, will no longer be available. Since the collapse of United Medical Protection in April 2002, issues of medical indemnity and the impact that they have upon the availability of medical services have been of central importance to many communities, individuals and the medical profession, most particularly in rural communities.

The collapse of UMP has caused the government to act by constructing a system of regulated and commercially viable medical indemnity insurers from the existing system of medical defence organisations. These medical defence organisations or MDOs operated as not-for-profit mutual organisations that provided discretionary cover to medical professionals via conscription; that is, as the MDOs were not bound to meet the claims of their members but could discern which claims they did or did not meet, they fell outside the normal definition of insurance and, therefore, were outside the prorogues of most regulations.

MDOs relied heavily on reinsurance to protect their financial positions. Most MDOs have wholly or partially owned insurance company subsidiaries which they use to access reinsurance markets. What that means in layman’s terms is that, to reinsure, you have to lay off your bet. You have to actually understand what you are covering and what you are risking. For many years, MDOs have undervalued and underassessed their actual exposure to risk. Suddenly we have had a call upon their reserves, and things have fallen over. I think there was a belief in the medical profession that doctors were above reproof in some ways, would never be found out and would never have a claim against them. Sadly, that is not the case. These schemes have been underfunded, and now we have come to the situation we are in.

Already there has been legislation to provide for an incurred but not reported scheme to assist MDOs with incurred but not reported costs. What does that mean? It means that you could have a claim that somebody has not made for 25 years and so you have not thought about insuring for that risk. Suddenly you have someone come to court and say, ‘This doctor performed this terrible atrocity 25 years ago; now cough up,’ and we have literally had that happen in the courts in recent history. So there has been this unrealised liability sitting out there in the ether waiting to happen, and in some respects one of the downfalls of this scheme is that we still do not recognise that risk. In addition to this, there is a scheme to assist medical defence organisations with high-cost claims through Commonwealth provision of 50 per cent of the cost of claims over $2 million and up to the insured amount. That might be all right but we are not sure how this will all play out. So currently there are many issues still not adequately covered by this bill.

The bills currently before us seek to put in place a new regulatory framework, overseen by the Australian Prudential Regulation Authority, that includes a number of prudential requirements and safeguards. These should be welcomed. I have had a longstanding interest in the work undertaken by APRA in prudential requirements that apply more broadly to the insurance industry—and, again, more broadly, to deposit takers, APRA has coverage of the whole financial sector. These are issues that if not handled properly could have a massive and indeed devastating impact upon people’s lives.

I have raised a number of times the terrible circumstances of Nick and Millie, two people who live in my electorate, and the failure of prudential regulations and the subsequent collapse of HIH that has harmed them greatly. Essentially, the builder they had, Avonwood, went under. They were given an assurance that that was okay because they had building guarantee insurance that would cover the loss or the collapse of the builder. Lo and behold, the insurance company of course was HIH. So, despite them being covered, they were simply told, ‘Well, we’re terribly sorry; now your builder has collapsed and so has your insurance company, you have no cover.’ This is the kind of impact that poor insurance has on people. It is not just something in the ether that others do not need to talk about. What we now have is Nick and Millie paying off a house that they will never own, because they
will never actually be able to build it because there is no insurance cover for it. But they have taken out a housing loan, so they have to pay the bank back, but they will never build their house. This is why we should all have interest in what goes on in regulation and insurance companies. They have saved all their lives for the dream home that they will never have.

So, far from being some technical, arcane type of regulation that is distant from the broader community, this legislation is very important. It affects the availability of medical services to thousands and even millions of Australians. The availability of medical indemnity insurance that provides an appropriate level of coverage, is appropriately priced and is prudentially run is a very important component of the health industry. Doctors need to be able to obtain coverage and patients need to feel that if there is a significant problem with the treatment they receive—if that treatment is negligent, I should add—then the organisation providing coverage has sufficient assets to cover possible payouts. There has been a lot of criticism of the scheme put forward by the government that the scheme will actually cause even more doctors to fall out because they just will not be able to meet the payments. In an article in the *Age* on Thursday, 20 March, Josh Gordon and David Wroe stated:

> In a dire forecast that angered professionals already struggling to meet their insurance bills, the Australian Prudential Regulation Authority claimed insurance companies had been massively under-charging rather than profiteering. 
> APRA head of enforcement Darryl Roberts said.

No bookie on the Melbourne racetrack would let you get away with those sorts of odds. Mr Roberts continued:

> “For every $100 of premium received for professional indemnity insurance, the industry is paying out over $145 in claims and expenses,” APRA head of enforcement Darryl Roberts said.

So doctors are fearing that instead of costs coming down their insurance premiums will go up. In recent times I have had the joy of giving birth to two children. I have gone through the private system; I am quite happy to state that. But on both occasions I paid over $1,000 in excess to my obstetrician to cover her insurance liability. I can afford to do that; the majority of Australians cannot. That was on top of my full private health insurance and the Medicare rebate, so it was $1,000 predominantly to pay her medical insurance. In an article in the *Herald Sun* on Sunday, 16 March, Dr Mukesh Haikerwal said:

> “Patients are already having problems accessing GPs.

> “Increased uncertainty will lead us to reconsider our careers all together.”

So, yes, we have a crisis with GPs and bulk-billing as it is. Putting up their medical insurance is just going to make it harder and harder and put a greater drain on the system, predominantly in those specialised areas where they are paying phenomenal amounts of professional indemnity already.

The long-term security of the industry requires that medical indemnity providers are financially stable enough and have sufficient reserves to cover liabilities—that they actually understand the risks that they are underwriting. To be honest, it would be an actuarial nightmare to actually calculate these risks. However, in the transition of the industry from subscription based, not-for-profit mutual organisations to providers that are commercially sound, with appropriate prudential reserves, it is also critically important that the industry is brought along with the changes. This is too important an area to neglect the significant transitory changes that are required of medical defence organisations. It is for this reason that I have significant concerns that some articles in the press over the last couple of months indicate a high level of concern amongst some medical defence organisations. Last Thursday’s *Age* had an article on this issue. I quote again from an article by Josh Gordon and David Wroe:

AMA president Kerryn Phelps said the Government’s prudential regulation plan was a step forward, but the legislation ignored key problems
such as how to indemnify doctors who retired, died or were disabled.

We are not always going to agree with Dr Phelps, but in this instance I think she has it right and makes a couple of good points. There are two difficulties that are faced in providing answers to the problems she has identified. It is a very complex area of insurance, where the possible claims against the insurer can eventuate well after the event occurred and the practitioner has left the practice—or indeed, may have died. This difficulty was also highlighted, by Dr Haikerwal, in the Herald Sun on Sunday, 16 February. Dr Haikerwal said:

... major problems with the federal scheme included a cap on insurance payouts, which could leave GPs personally liable to cover outstanding costs, and the lack of “run-off” insurance coverage to protect doctors against claims that arise while they are no longer practicing.

Adults and minors have three and 25 years respectively to lodge a medical negligence claim.

“We have had situations where a doctor’s estate has been sued years after they have died.”

The inability of the government to appropriately address the legitimate concerns of doctors weakens this legislation. The movement of the medical indemnity industry from a nonregulated membership system to a regulated environment which also ensures there are sufficient capital reserves is an important step. This bill requires a provider of medical indemnity to have appropriate reserves of $5 million by 2008, with the period between July 2003 and 2008 being a transition period to allow providers to accumulate those reserves. There is the need for these insurance companies to have adequate capital reserves.

The requirement to have oversight by APRA will be yet another drain on that regulator. While I welcome regulatory oversight of the industry, we must ensure that with that come sufficient resources to an already underresourced regulator in APRA. With the HIH debacle, we saw the effect of a regulator that did not so much regulate as keep an eye on the industry. The actual stated approach of APRA is ‘soft touch regulation’. That means that it relies heavily on the reporting of these companies. Unfortunately, HIH taught us that we cannot trust companies to report appropriately. I do not mean that that applies across the board but, if there is a rogue in there, if you are relying on their own reporting, it is very hard for them to be found out. If APRA is to take on yet another very complex area of regulation, it should be adequately resourced to do so—and that means not just taking on personnel but taking on personnel who actually understand a very complex area of the industry. So, in transferring this further mandate to APRA, it is essential that APRA be appropriately resourced. You simply cannot regulate an industry as complex as the insurance industry, particularly such a complex component of it as medical indemnity, without sufficient staff and a willingness to act when required. The great failure of APRA in relation to HIH was its unwillingness to intervene when an industry member was so obviously in trouble. That is a circumstance that we should not tolerate from a regulator, and it must not occur because of insufficient resources.

I do not oppose this legislation, but I stand in this place feeling that the government could have done significantly better. The medical profession should have been brought along in the process. We should not be facing the prospect of the failure of additional providers, as reported in the media. Country communities in particular are already underresourced in relation to medical practitioners. This bill should not put another drain on those already stretched resources. The government should have acted earlier regarding medical defence organisations and should not have waited until the collapse of the largest provider with a $400 million shortfall. We saw the government’s failure in respect of the HIH collapse; again the government, as well as its regulator, did not act soon enough. Appropriate oversight of an industry as complex as the medical indemnity industry relies upon a well-resourced and active regulator and a government that backs it up with attention to the industry and its stability.

I would like to quote again, this time from an article in the Australian Financial Review of Thursday, 27 February. The article states:

Australia’s peak doctors’ group yesterday described the federal government’s proposed medical indemnity reforms as a complete mess, saying
they would only exacerbate the shortage of GPs and specialists.

Australian Medical Association President Kerryn Phelps said the changes, which come into effect on July 1, would actually increase costs for doctors and their patients.

“There may well be a reduction in services, particularly in the high-risk procedural areas, and the second thing is that [patients] will have to pay more for those services when they can find them,” she said.

“We already have towns around the country which don’t have an obstetrician and women are having to travel distances, and sometimes long distances.”

Again, obviously the doctors are speaking from their own perspective, and about their own issues. But I think it highlights that, if we are going to introduce a raft of legislation that is meant to be assisting a profession to achieve coverage and be able to continue in their professional practice, we should not have the key lobby group speaking out against the proposed legislation. While I welcome the steps taken in this bill, I do not believe it has been thought through enough, and I think the government could have done significantly better.

Mr CADMAN (Mitchell) (6.26 p.m.)—I listened with interest to the previous speaker, the member for Chisholm, and I welcome her thoughtful contribution. This area of medical insurance and indemnity confronting doctors and specialists is something that is of concern to everybody. Our whole community was shocked to find that, despite announcements by the chairman of UMP that everything was okay—that they were handling their claims and that doctors and the community need not worry—within a few weeks the company folded and the government had to bail it out.

Part of the problem was that UMP was not a proper insurance company and some of the factors that had to be considered in looking at the changes that had occurred in medicine were not taken into account. One factor, for instance, was the long-term prospect of claims—claims that may be made 25 years after an operation or procedure has been performed on a patient. That long delay is something that most doctors did not think would apply to them. They had considered a period of five or 10 years to be reasonable for seeing whether any untoward side effects of a particular treatment or procedure might occur, and they had considered that that would be covered by insurance. To find that something could be stretched out for 25 years and a court could then find that the doctor was indeed liable or that insurance needed to be paid was a surprise to the industry.

The second factor in the whole medical area was the size of the claims that were being settled by courts. The massive amounts being paid out by way of compensation were unexpected and, in the eyes of many in the public, unwarranted. It seemed that trivial matters were receiving large payouts, and that was a cost to UMP and to medical insurers. So gradually there was an attrition in the resources such companies had. They could not cover the claims that were being made and the contributions or premiums being paid by the medical profession were not adequate for them to predict a reliable future. Medical defence organisations, of which UMP was one, came under the microscope, and on 31 May last year the Prime Minister announced the key elements of the government’s strategy for ensuring that medical indemnity insurance be made a viable commercial product and that proper assessment of the risk take place, along with proper prudential management and proper assessment of what the likely payouts would be. This legislation is part of that package.

There have been complaints by some that the legislation does not go far enough—or that it goes too far. I think the government has got it about right. I think that Senator Helen Coonan, after a great deal of careful examination and a great deal of negotiation, has got it right. She has listened carefully to all sides of the argument. There may be some areas in which we will have continuing interest and in which there may be the prospect of further change, but I believe it behoves the parliament to pass this legislation.

On 23 October, the Prime Minister announced further details of the government’s strategy. In that announcement the Prime Minister said that, in respect of prudential supervision of medical defence organisations, the Australian Prudential Regulation
Authority, APRA, would be administering the prudential arrangements. So we have a process for these organisations that I think most of the community felt were just like any other insurance companies, although in fact they were not. These organisations that doctors pay premiums to are now going to be gathered into a proper process where they are under APRA’s supervision and where they will be required to meet certain prudential standards.

The changes proposed in these two pieces of legislation are interesting. The Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 will require medical defence organisations to operate prudentially on a sound footing, as I have said. They will have to provide certain information about their products to their members—that is, the medical profession. They will incur some additional costs in order to operate prudentially and on a sound basis. For example, they may have to raise additional capital to meet their prudential requirements. That is a matter of contention with doctors because, as we will see shortly, the costs involved in operating a medical practice are very substantial compared to what a doctor or specialist receives in return. It has been said, therefore, that additional costs for doctors will force some out of the medical profession and will force others to restrict the types of services they give.

As I have mentioned previously in the House, my electorate is close to the great Westmead Hospital. When speaking to specialists there, particularly those involved in neurological or obstetric services, I have been told that some of those specialists are facing huge insurance bills—$100,000 to $120,000 a year before they even start up. They then have the costs of their surgeries, their rooms and their staff and all the other costs that go with practices. Insurance alone was looking to be a horrific factor which might drive many out of medicine. That would have been a tragic loss of brains and skill that might otherwise have benefited the Australian community.

These bills bring medical defence organisations under the coverage of APRA, where they will be properly supervised and where they will have to fulfil certain conditions. These conditions have been set over a period of time, with discussions between the medical profession, the insurers, the medical defence organisations and the government. There are two important points that really do apply to discretionary cover. They have important implications for members of medical defence organisations. Previously, there was a lack of prudential regulation. The key elements of prudential regulation are minimum standards for the amount of capital that an organisation must hold—the corporate governance and risk management. We heard something today about HIH, and that is exactly the thing: the process of risk management and corporate governance has been lacking, and that must be applied to medical defence organisations.

The other point is that a financial institution must maintain certain practices in order to obtain and continue to hold a licence to operate. That is a general insurance principle. Medical defence organisations rarely exercise a discretion against a claim for indemnification, and they lack prudential regulation and reliable, transparent public reporting. Those have been some of the shortcomings of the system up to this point.

Another shortcoming in the system that has existed up to this point is that discretionary cover provides uncertainty to doctors regarding the extent to which a claim is going to be covered, should it be made. The Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 will address issues that relate to the outline of the medical indemnity market. The intent is to ensure that providers of medical indemnity cover are subject to appropriate prudential supervision. The bill provides for transitional arrangements. There will be a five-year period in which medical defence organisations can get their houses in order. So it is not going to happen overnight, but the process is to move towards that point. The government’s intention is to give these organisations a chance to change but, at the same time, to be prepared to be flexible enough to meet some of the issues that have been raised in the House today that need to be assessed. This bill also provides for minimum product stan-
The main purpose of some of the consequential amendments in the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002 is to require medical defence organisations to provide data to APRA; that is, APRA will have access to their books and to the processes they are using. That process applies to all general insurance, and it is going to apply here. APRA will have the power to inspect, to take extracts from and to make copies of the books, accounts and other documents—perfectly reasonable stuff.

The main bill, the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002, sets the framework for the changes that were announced in May last year by the Prime Minister, the details of which were finalised in, I believe, October last year. Some of the reasons for these changes are interesting. The report of Trowbridge Consulting of November 2001 noted:

As medical defence organisations are not insurers, they have not been subject to the same accounting and reporting requirements as insurers. MDOs need to comply with the usual company accounting standards but do not need to comply with the sections of the act that apply to general insurers. This has led to a variety of accounting practices in relation to the reporting of incurred but not reported claims and full insurance disclosure of known claims liabilities. Liabilities for known reported claims have always been reported in medical defence organisations’ balance sheets. However, there has been inconsistency in reporting the incurred but not reported claims between the medical defence organisations, with some incurred but not reported claims on their balance sheets, others disclosing it in a note of the accounts and others not disclosing it at all.

There we see that there is an inconsistent approach to prudential management.

The Australian Health Ministers Advisory Council stated, that in their opinion, one of the reasons that the medical defence organisation industry had experienced financial difficulty was that it had not been subject to the same prudential scrutiny as insurers and that the difficulties faced by UMP in particular were of a kind which might well have been identified and acted upon earlier had there been a regulatory regime in place. The council also stated that some of the key problems of competitive underpricing of products and the failure to adequately reserve potential liabilities were likely to have been addressed at an earlier stage. That is absolutely right; nobody could argue with that.

Under the Insurance Act there is a requirement for a rigorous prudential regulatory regime. APRA must give authorisation for a body corporate to carry on insuring. They must approve it, ensuring that the standards of conduct are set and that the prudential supervision is of a certain standard. General insurers have for years been used to this. APRA is the approved authority, and an organisation must have an APRA approved actuary and auditing process. Certain standards of conduct, including ensuring that all those involved are ‘fit and proper persons’, are set down. A minimum assets requirement is placed on insurers, and they must have funds of a set level in reserve. All of this has been calculated and laid down, and that is part of this legislation that the House is dealing with tonight. The clauses of the legislation spell out the need for prudential requirements one after another. The standards of minimum cover and offers for retroactive and run-off cover are there, and the legislation fits together as a package.

In conclusion, I want to refer to comments made recently by Dr Kerryn Phelps about some of the concerns that the AMA have. To my mind, they are not matters that should delay the passage of this legislation. The government needs to get it through. If there are shortcomings identified over a period of time or factors which need further amendment, the government can deal with them, but we need certainty in place. We do not need the Senate playing games and delaying things, and I do not think the intention of the opposition is to cause that to occur. We need to have the government’s proposals out there, and we need certainty for the medical profession, whether we are talking about specialists or general practitioners.

Regarding the comments by Dr Phelps, I have noted that she has asked the govern-
ment to extend its high-claim subsidy to 100 per cent of the so-called blue sky liability for the amount of claim above $15 million. Dr Phelps says $15 million is an extraordinary claim. Yes it is, but in this day and age I consider that we would be unwise not to consider it. Dr Phelps says that the massive and unpredictable future care costs for the severely disabled need to be assessed. I notice that she also says that the AMA recommends a community funded, nationally coordinated medical accident care and rehabilitation scheme for patients severely injured as a result of medical accident. That needs to be examined, but this bill should proceed.

Dr Phelps says that the biggest sticking point could be the proposed levy on doctors. Dr Phelps outlines some of the costs of running a practice. They are very interesting. If one looks at the value of bulk-billing and the cost of insurance, it must be a matter of concern to general practitioners. Dr Phelps has said that she does not believe that doctors can contemplate a premium or levy that will provide a scheme which can be expanded to cover 100 per cent of claims above the insurable cap, which is $15 million, or that they can cover the long-term care and rehabilitation and the tort law reform that is necessary. But, all in all, the AMA strongly agrees and encourages the government to proceed. I am pleased that that is the case. The government should proceed. I do not believe that the opposition has indicated that it will be obstructive, but it is also seeking to get a reasonable result from this process with the prospect of future changes—perhaps those outlined by Dr Phelps—as time transpires.

Mr GRIFFIN (Bruce) (6.44 p.m.)—I rise today to speak on the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 and the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002. It is a rare occasion in this chamber when one follows the member for Mitchell and is in a situation where one finds oneself in some agreement. As the shadow minister for health, the member for Perth, said earlier, Labor do support this bill, although we do think that through a limited process to be negotiated, hopefully in the other place and without holding this up, we may be able to see some changes which would be to the benefit of the system overall. I certainly take on board his comments about other things that may need to be done in the future.

The Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 seeks to put in place key regulatory requirements to ensure providers of medical indemnity insurance meet the prudential regulatory requirements that are imposed upon other providers of general insurance in Australia. In addition, the bill states that medical indemnity insurance contracts must have certain key attributes so that health care professionals have access to insurance policies that provide complete coverage. In plain English, the problem is that medical defence organisations have access to insurance policies that provide complete coverage. In plain English, the problem is that medical defence organisations have not been subject to the same regulatory requirements as other general insurers, particularly in relation to accounting and reporting standards. It has been suggested by the Australian Health Ministers Advisory Council that this is, in part, at least one of the reasons for the current financial difficulties being experienced by medical indemnity insurers. Medical defence organisations are not required to comply with the Insurance Act 1973, which contains a rigorous prudential regulatory regime.

Prompted by the appointment of a provisional liquidator to the country’s largest medical defence organisation, UMP insurance, in May 2002, this bill forms part of the government’s package of reforms announced in October 2002. Presently, medical defence organisations provide cover on a discretionary basis. This entitles a member to seek indemnification from an MDO; however, the member has no legal right to be indemnified under the current arrangements. This discretionary arrangement has resulted in some uncertainty for doctors on the extent to which a claim for indemnity will be met. In essence, the current situation means that unlimited cover is limited to the capital available to the medical defence organisation to which a member belongs. Clearly, the current situation leaves doctors in a vulnerable position should their medical defence organisation be forced into liquidation.
Moreover, the continuing increases to premiums could lead to on-flow costs to patients, with doctors increasing their fees to subsidise escalating insurance premiums. Insurance companies are finding it increasingly difficult to provide affordable medical indemnity cover at a cost that is financially sustainable for their companies. In the case of medical indemnity cover, a long period of time can elapse between an adverse incident taking place and the point at which a claim is made against the provider, so insurers face difficulty in deciding how much to set aside to meet claims. This poses a much higher risk to consumers than some other forms of insurance because the consumer cannot be sure what the financial position of the provider is likely to be at the time the claim is lodged. Medical practitioners and patients need to have a reasonable degree of certainty that their claims will be met.

This crisis forms part of the broader insurance crisis that Australia is currently experiencing. Unless insurance is available to doctors at affordable levels there will be further impact on the numbers of doctors prepared to offer bulk-billing facilities, resulting in even fewer patients having access to primary and preventative health care services. The bill provides for the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission to have general administration of the parts of the bill related to their responsibilities. The bill is expected to have only a marginal financial impact on APRA and ASIC.

In 1991 the federal Labor government established a review of the professional indemnity arrangements for health care professionals. Chaired by Fiona Tito, it was responsible for examining the arrangements relating to professional indemnity and experience with compensation for medical misadventure. Completed at the end of 1995 and released publicly in January 1996, the report and its recommendations remained largely ignored by the then federal Liberal government. Leading up to the last federal election, Labor again raised the issue of medical indemnity and identified areas in need of reform. The Howard government was reluctant to address the issue until after the election. However, a medical indemnity insurance summit was announced on 19 December 2001 and was finally convened in April 2002. The government saw itself at this time as a facilitator, with the expectation that the states, territories, insurers, doctors and patient groups would formulate suggestions for significant policy changes and reform.

The problem was explicitly drawn to the attention of the government when UMP, one of the largest providers of medical indemnity cover, declared its intent to enter into provisional liquidation if there were not government intervention and assistance. This led to much uncertainty and distress to health care providers, who threatened to cease providing services until the issue was resolved and assurances were given by the government that they would be covered in the event of a claim against them. This crisis has led to the current package of reforms.

It is recognised that medical indemnity reform is critical to maintain adequate health services for the Australian community and that the medical system is being crippled currently by escalating premiums. These high premiums may deter doctors from entering high-risk specialties such as obstetrics and neurosurgery. Additionally, it could cause a further decline in doctors prepared to bulk-bill, as they will require up-front fee paying patients to maintain their practices in a financially sound manner. The bill draws providers of medical indemnity cover under the regulatory arrangements contained within the Insurance Act 1973, which contains a rigorous prudential regulatory regime. The bill further states that insurance contracts will be required to meet minimum standards to ensure full protection for medical practitioners in the event that claims are made against them.

The contribution that the government is proposing with regard to high-risk areas such as obstetrics, neurosurgery and GP proceduralists who undertake Medicare billable procedures is supported by the opposition as it appears appropriate, given that it is structured on risk rather than on the income of doctors. Additionally, we welcome the extension of the existing guarantee to United Medical Protection and Australasian Medical
Insurance Ltd to 31 December 2003 as we have been lobbying for this action. The bill also includes transitional provisions allowing providers of medical insurance cover time to comply with prudential standards relating to minimum capital requirements. The prudential standard GPS 110 requires that insurers hold a minimum of $5 million in capital at the point of start up. However, the transitional provisions in this bill will give MDOs until July 2008 to acquire the capital.

Generally, we welcome the government’s medical indemnity reform package and recognise that these reforms are critical in the continuing battle to provide accessible and affordable health services to all Australians. However, it must be articulated that there exists a real risk that these reforms will see the cost of health care rise. The reform package addresses short-term measures that will stabilise the exponentially increasing costs of premiums but it does not provide a long-term solution to the problem. The package as it exists does not address the professional indemnity needs of other health care professionals—midwives, for example—who are facing their own indemnity crisis which could result in a further withdrawal of services. Midwifery education is at risk because universities are unable to obtain professional indemnity insurance for student midwives and an ageing midwifery work force.

The package of reforms also fails to address the concerns of private hospitals. Private hospitals are facing rising premiums also and are contemplating the introduction of a gap fee, payable by patients, to cover the increased premiums. In light of the current increases in private health insurance premiums, this gap fee will be another blow to sick Australians.

We continue to support the call for the Howard government to bring down the costs of medical indemnity premiums by: assuming a leadership role in the national coordination of reforms necessary to state and territory laws with the aim of uniformity in tort law reforms; requiring mandatory reporting of negligence claims and national data collection on health care negligence cases to assess where major problems lie; considering the implementation of a national scheme to ensure that the long-term care and rehabilitation needs of catastrophically injured Australians are met; playing a much more active role in keeping reinsurance costs down by representing medical defence organisations in negotiations with reinsurers; and asking the ACCC to ensure that, whatever changes occur in medical indemnity insurance, no unfair or unreasonable costs flow on to patients for the provision of their health care.

There is much that is good in the reform package; however, there are technical issues that must still be addressed. Medical services to the Australian community will be threatened if we do not have a sustainable medical work force to provide them, and the high premiums may deter people from entering the health professions. Unless insurance is available to doctors at affordable levels, there will be a further impact on the number of doctors prepared to offer bulk-billing, resulting in less access to primary and preventive health care for Australians. Older patients require more time and doctors may find it difficult to sustain their practices with high numbers of Medicare patients and high insurance premiums. The current hospital system cannot bear any more pressure from patients choosing to attend casualty departments rather than pay up front to see their own GPs.

Labor supports the bill as a short-term solution to a serious crisis but stresses the need for further long-term solutions. The effect of expensive premiums on the patient and the neglect of other health care professionals must be addressed urgently. In light of the recent bulk-billing crisis and the increases in private health insurance premiums, it is essential that the costs of premiums not be passed on to the sickest Australian taxpayers. Labor does not oppose the idea of a levy on medical practitioners, as long as it is not exploitative, unfair or unreasonable, and believes that the Commonwealth should give the ACCC special powers to ensure that there is no on-flow of costs to patients as a result of the levy. The Howard government must assure the Australian public that they will not be adversely affected by the regulation of medical defence organisations. The issue of medical indemnity reform affects not just
doctors; it affects current and future users of the health system as well.

I wish to state clearly that Labor is committed to ensuring the accessibility and affordability of health care for all Australians. This bill will go some of the way to addressing the uncertainty that currently exists for medical practitioners, but we want to ensure that the beneficiaries of this package are not simply insurance companies, reinsurers or medical defence organisations. A strong role for the ACCC in this reform cannot be emphasised enough.

We do not wish to see unfair or unreasonable costs or price exploitation that will ultimately fall on Australia’s sickest taxpayers as a result of medical indemnity insurance premiums or levies on doctors. We also hope that there are further reforms that include other health professions and private hospitals and that take into consideration the real difficulty some smaller MDOs may have in meeting the strict prudential requirements. Notwithstanding that, and following on from the earlier comments of the shadow minister, the opposition support the bill as it stands.

Mrs HULL (Riverina) (6.56 p.m.)—I wholeheartedly support the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 and the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002. These bills will ensure that health care professionals have access to medical indemnity cover provided by properly regulated insurers. They also outline minimum standards for medical indemnity cover into the future. I welcome the proposals by the Howard-Anderson government to address the many complicated issues associated with medical indemnity and public liability across Australia. These proposals before the House will assist in reassuring doctors and specialists that they can continue to practise in the knowledge that they are adequately covered should problems arise.

After a disturbing year or more and the many challenges associated with the collapse of United Medical Protection, like the rest of the members on this side of the House, I welcome these proposals. These proposals will assist rural and regional communities in particular to access and retain adequate health care services. Many doctors and specialists have left the industry or have been forced to contemplate doing so. My hope is that this legislation will encourage them to remain in practice for many years to come and encourage others who have left the industry to return to practice.

Like many communities around Australia, my electorate of Riverina has suffered from specialist shortages and an increased demand on health care services. In April 2001 general practitioners and specialists in my electorate came to me warning me about the impending collapse of UMP, and together we brought these concerns to Canberra. Some of our points for discussion included the fact that the system was running out of money, the very real concern that obstetrics would no longer be available in Wagga Wagga and rural communities, and the realisation that there would be a similar situation for many cities and towns right across New South Wales. The concern was that action needed to be taken by state governments to legislate for tort law reform in structured settlements and to reduce the statute of limitations, particularly for obstetrics.

I welcome and acknowledge the member for Bruce’s discussion of the issue of leadership from the Commonwealth perspective to force states to implement such tort law reform. I suggest in return that the opposition could play a significant leadership role here in ensuring that the states come on board with a uniform package of tort law reform. I think this position forced a lot of doctors out of the industry, and the mere fact of not knowing what lay before them was of great concern for all our communities. I worked to encourage members from rural electorates in this House to lend their support to solving this issue of concern for rural doctors, specialists and health care professionals because, without adequate health care, many people in rural and regional areas will simply have to leave their communities and relocate to an area which offers sufficient health services.

Some of the issues I have raised in my many meetings include the fact that steep rises in medical indemnity rates by the mo-
nopoly provider in New South Wales, United Medical Protection, produced an acute threat to ongoing obstetrics and specialist services in rural and regional NSW—more particularly, in my area of the Riverina. In May 2001 an obstetrician in my electorate, Dr John Currie, and I continued to travel to Canberra to highlight the impending collapse of UMP and the need for states to take urgent action. I repeat that there was a definite need for state attorneys-general to take urgent action, right across the sphere, taking into consideration tort law reform structures and reducing the statute of limitations, particularly in the field of obstetrics. The states needed to take this action so that doctors and specialists could feel more comfortable about their futures.

This issue was and continues to be a source of great concern for people within my rural and regional electorate. Health care is one of the most valuable services for any Australian, especially in regional Australia. In my local communities, health care is the single most important issue. People in my area are concerned for their future and many seriously consider packing up and moving to larger centres where health care services are easy to access. There is a bidding war and a price war taking place, with councils right across my electorate determining how best to attract health professionals into their communities by offering them substantial payments and substantial medical centres and practices. It is heartening to see how well the Howard-Anderson government have got behind their rural health initiatives, ensuring that those communities that have no doctors or specialist services are able to access them, with a variety of enhanced facilities in their communities. One recent addition is the Co-lemabally medical centre, supported by the Howard-Anderson government, which has provided the impetus for a doctor to continue to service that area—an area that looked like it would have no further doctors.

I also want to talk about Griffith, which has a population of more than 25,000 and is the centre of Australia’s food bowl. Griffith has lost numerous specialists. The Griffith City Council and, to an extent, the Greater Murray Area Health Service have worked hard to attract specialists and they are now expanding their search overseas. Many other regional towns and cities throughout the Riverina have lost specialists and access to medical services and are desperately trying to understand how they can regain these services. The impending crisis of medical indemnity did not assist them at all.

Wagga Wagga is a growing city of almost 60,000 people and has recently lost its only ear, nose and throat specialist to retirement. Patients are now relying on the services of a visiting specialist from Albury—a city in the member for Farrer’s electorate, more than an hour away—whilst we are hoping we can attract a replacement specialist to service our community. When Wagga Wagga, with its large population, cannot replace an ear, nose and throat specialist, what hope does a city like Griffith or a smaller community have of attracting specialist services or of retaining their GP services, particularly when the indemnity costs for these doctors to practise are so high?

The legislation to be introduced by the government will help to prevent this nationwide shortage of specialists, and it will give many doctors and specialists the peace of mind to continue their practices with affordable premiums for medical indemnity insurance. I am very proud to say that, when the whole crisis formed, the federal government, led by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer, Senator Coonan, came forward with great dexterity and speed to ensure that our people had continuing services and that our doctors were assured of the support of this government.

Each time I rise to speak in this House I remind fellow members of how proud I am to represent a very vibrant and very strong electorate—an electorate with people who are determined to survive and succeed, despite the many obstacles that come their way. I have mentioned many times that health care is the most important issue. This community issue brought people together right across the Riverina in 2000 to raise well over $3 million in a little over a year for the establishment of a radiotherapy unit. It was indeed their proudest moment. The Riverina Cancer
Care Centre was opened in March 2002 following a public meeting on 18 August 2000. The centre offers lifesaving radiotherapy treatment to people from across the Riverina, southern New South Wales and beyond. Such is the desire for our communities to ensure the continuation of healthy lifestyles for the people who make up the surrounding district communities.

The Riverina is my home and I love everything about it. I take this opportunity to encourage specialists and medical practitioners to consider the Riverina as a fantastic place to work and live. The cities of Wagga Wagga and Griffith and the towns of Narrandera, Gundagai, Leeton, Temora, Cootamundra, Hay, Coleambally, Darlington Point, Ardlethan, Coolamon and Junee would all welcome you with open arms. I hope that there are doctors who will read Hansard to understand the issues of this bill and who will take the opportunity to come and see what we have to offer in the Riverina. Not only does the Riverina offer many career challenges and opportunities to develop skills but it also boasts a great lifestyle. The reason I support the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002 is so that the communities throughout my electorate can have access to specialists and the best health care, which they deserve, while specialists can have peace of mind when they offer these much needed services. I really do not want to see Riverina people forced to leave their homes and way of life because access to a doctor or specialist has become a struggle. They deserve to receive health care equal to that of anyone living in a metropolitan area.

The fear of losing obstetric services in rural and regional areas continues to grow within the medical community. A primary health care facility in my electorate was threatened late last year. Once again, people from Wagga Wagga and right across my electorate of Riverina rallied in support of their sole private hospital and maternity unit, arguing that the loss of choice for many women would have an enormous impact on the region—indeed, it would. In November last year, I witnessed a community come together to protect its health services once again. Calvary Hospital’s maternity unit faced an uncertain future as obstetricians threatened to leave due to the fear of the unknown price of medical indemnity insurance.

The maternity unit at Calvary Hospital services an entire region, including towns such as Narrandera, Griffith, Gundagai and Temora. People come from places up to three hours drive away to have their babies in this private facility. More than 30 per cent of mothers-to-be in Griffith currently travel to Wagga Wagga to have their babies. Without the services of Calvary Hospital’s private maternity unit, expectant mothers wanting private care would be forced to travel to Wodonga, Canberra or Sydney to have their babies. Six hundred babies were delivered at Calvary Hospital in 2001, an increase of 160 on the previous year. Without this service, the publicly funded Wagga Wagga Base Hospital simply could not cope with the increase in deliveries and there would be a significant strain on its existing services.

A rally was organised and more than 2,000 people marched along Wagga’s main street to show their support for Calvary Hospital. In addition to the support shown at the rally, more than 7,000 locals signed petitions, which I presented to this House, and the state Liberal member for Wagga Wagga, Daryl Maguire—who was recently re-elected to the New South Wales parliament—presented petitions to the New South Wales parliament.

With only three private hospitals outside metropolitan New South Wales offering obstetric services, it was crucial that we maintained this service for southern New South Wales. The threat to ongoing obstetric services was wholeheartedly taken up by the community, a testament to the huge importance that we place on such services. Not only was a vital health service under threat but the future employment of 26 full-time and casual midwives employed at the hospital was under threat at a time when the health service is working to attract midwives, nurses and other allied health professionals. These professionals were facing certain doom and gloom.

But through the positive actions of this government and as a result of many meetings
that I held with the minister—and through her great concern and also the great concern demonstrated by the Prime Minister’s office over this issue—the government made the announcement that they would be able to resolve this issue and ensure the ongoing services at Cavalry Hospital. I welcomed those announcements by the government, including the latest announcement by the minister on increasing assistance to obstetricians from 50 per cent to 80 per cent over and above that which is paid by non-procedural gynaecologists in medical indemnity costs. I think that is most helpful in order for us to retain our obstetric services in rural and regional areas.

After the minister, the Prime Minister and the government became positively involved in this issue, the local Wagga Wagga Daily Advertiser went from stories about rallying and people’s concern over the loss of their services to the headline ‘Maternity ward safe and sound’ on 14 December. The obstetricians had received their premium notices. They were affordable, just as the minister for health had assured me that they would be. They were able to continue practising at Calvary Hospital and are still doing so. Not only were obstetricians affected by the problems associated with UMP; orthopaedic surgeons, procedural GPs and district and regional hospitals in my electorate were also affected. There is certainly a great need to also ensure the future of these services through the actions of the government.

On 31 May the Prime Minister announced key elements of the government’s strategy for ensuring that medical indemnity insurance was made a viable commercial product. One critical element addressed was improved transparency in the financial reporting of medical defence organisations by bringing all the insurance business of MDOs into the prudential framework for general insurance. And so it should be, because a lot of the problems were due to a lack of transparency in the way in which companies reported and managed their risks.

On 23 October the Prime Minister also announced further details of the government’s strategy. He announced that MDOs would be brought into a new regulatory framework administered by the Australian Prudential Regulation Authority and would be subject to a range of prudential safeguards to mitigate insolvency risks. The Prime Minister also announced that minimum product standards would be applied to medical indemnity cover. I believe that this is a great step forward and I congratulate the government on their actions.

This bill requires MDOs to operate on a prudentially sound footing and to provide certain products and information to members, providing general practitioners and specialists with peace of mind—and so it should. Our specialists and doctors of the future should be able to look at how their risk is spread. New South Wales is the most litigious state for medical claims. This issue comes under the realm of the state governments, with a great need for continued action on tort law reform. By enforcing this reform, the spiralling system of medical indemnity could be relieved. How can a company manage risk and strike premiums on a yearly basis with no indication of what might happen in 25 years time? It is unreasonable. It is an unreasonable expectation with respect to the company and it is an unreasonable expectation with respect to the proceduralist obstetrician.

The structured settlements bill, introduced into the House last year, also will provide many benefits for both medical indemnity and public liability insurance. It will reduce the growing tendency for courts to award huge sums of money to parties and instead will make it more attractive for complainants to opt for structured settlements. The introduction of structured settlements will bring a great deal of benefit to those affected by medical indemnity and public liability insurance. It will also allow many organisations, including local governments, to factor in the risk of litigation costs and it will reduce the huge burden on insurers to pay lump sums following litigation.

The government has done and will continue to do an enormous amount to ensure there are medical services right across Australia—that is, in outer metropolitan areas and rural and regional areas. But, if doctors, specialists and proceduralists are continually
concerned about the general public taking legal action and suing in the first degree. I think we still have a long way to go. An education process must be undertaken to ensure the public recognises that there is a certain amount of self-accountability that goes with any sickness or any provision of services to a community. I applaud the bills in front of us and urge the public to consider litigation carefully before embarking on it to ensure that it is just and proper.

Ms LEY (Farrer) (7.16 p.m.)—I rise to support the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002 and the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002. Previous speakers have dealt with the detail of the amendments made by these bills. I would like to make some remarks about the amendments and about the effect that the medical indemnity issue has had and is having on my electorate of Farrer. Medical indemnity is not just a problem for medical professionals; it is very much a public interest issue. It is an issue that affects the constituents of my electorate of Farrer in one of the most fundamental ways: it affects their access to medical services and that in turn relates to health, one of the essential things for all of us. So there is an obvious public interest in ensuring that doctors have affordable protection in the event of a medical error. Likewise, patients must be confident that, if they are injured, they will be eligible for compensation.

Medical indemnity cover is the customary way that medical practitioners protect themselves from any obligation to pay compensation for injuries sustained by their patients as a result of their negligence. Such negligence is determined by a court of law. Medical indemnity providers or MDOs, medical defence organisations, were originally established by medical practitioners—it seems to me—as a form of cooperative into which those medical practitioners made payments and received protection. Now we are quite rightly moving to a more comprehensive prudential regulation of MDOs, and that gives doctors and patients a great deal more certainty. Until recently, little attention had been given to the adequacy of existing medical indemnity arrangements in Australia, but with the collapse of UMP last year all of this changed.

These bills realise one of the key measures in the government’s medical indemnity package, announced by the Prime Minister on 23 October 2002 in response to the medical indemnity crisis. The package aims to ensure that access to private medical services is maintained, including and especially in rural and regional areas. It addresses rising medical indemnity insurance premiums and helps to ensure a viable and ongoing medical indemnity insurance market. There are serious inadequacies in the medical indemnity legislation with regard to retiring doctors and high-risk specialists. Based on feedback from specialists and GPs in rural and regional areas and in my electorate, these concerns became obvious. The major issue we are confronted with is security for doctors, especially for retired doctors and doctors nearing retirement. Doctors who belong to an MDO with unfunded incurred but not reported liabilities may be subject to payments over which they feel they have no knowledge or control. I believe these bills address these concerns.

We must remember that our ability to manage high-cost claims is very much dependent on tort law reform by the states, who have an important role to play in bringing this under control. I appreciate that this will not solve the immediate problems facing the medical sector, but I am pleased that our government is very much on the case.

The Prime Minister announced further adjustments to the package on 19 March, and Dr Phelps, representing the AMA, made some comments in response. She said there is more work to be done and questioned whether capping insurance policies at, say, $15 million is sufficient. She stated that, if there were an award or settlement over this amount, doctors would be personally liable—that is, if they took out insurance for a maximum of $15 million and a claim came in for greater than that amount, they would be personally liable. Dr Phelps made the point that $15 million might seem sufficient today but that it is unlikely to be adequate in
10 or 20 years time, given that state and territory governments have failed to progress tort law reform sufficiently.

I say this to the AMA: the federal government relies on state governments—who, as we know, have primary carriage of the laws of negligence—to do their share. Dr Phelps acknowledges that state law reform is lagging, particularly on the statute of limitations, and suggests that the federal government’s High Cost Claims Scheme should reflect this. It seems to me that that is a request of the federal government to make up for the shortcomings of the states. In my state of New South Wales, progress has been made, and I look forward to rapid progress continuing.

There is talk about covering doctors for this so-called blue sky amount, but we cannot really expect the Australian taxpayer to pick up a blue sky tab and to underwrite whatever claims come a doctor’s way. We all know that, where industries or groups—and that includes lawyers—sense that there is a bottomless pit of funding and guarantees provided by government, they will change their behaviour accordingly. Lawyers will be the winners and Australian taxpayers the losers.

I welcome the additional premium subsidy for rural obstetricians. We have talented and dedicated obstetricians practising in Albury-Wodonga. They are among the best in the country. I say that because one of their number, Pieter Mourik, delivered my three children. None of the three deliveries was straightforward. I am proud that we have such a high standard of health care in our region, and I would hate to see any of this expertise lost. Similarly, we have some of the best and most experienced specialists from all sorts of fields of medicine: paediatrics; ear, nose and throat; psychiatry, including child psychiatry; general physicians; orthopaedics; hand surgeons; urologists; and others. Obviously, the loss of a practitioner from a rural or remote community results in the loss of significant skills, expertise, knowledge and understanding of rural and remote issues.

A group of specialists came to see me late last year expressing their very urgent anxiety, and I was very concerned about what they had to say. In particular, they drew my attention to the fact that the majority of their number is close to retiring age and they were seriously considering their future after 30 June. At that time, they felt they were faced with escalating, almost unknown, premiums after this date, which would potentially go on for years after their retirement. They were certainly weighing up whether it was worth them continuing their practice after 30 June, because one operation in the 2004 financial year could change everything for them.

The thought of losing our specialist doctors was quite horrifying to me, and it would be disastrous for our region, particularly because of the important regional role that Albury plays for the surrounding small towns in my electorate. Without that strong medical sector in Albury, people would have to travel to Melbourne—with all the inconvenience, loss of amenity and social disruption that that would cause. I do not think we are going to face retirements of this scale. I believe that our government is recognising the problem, moving to consult—and continuing to consult, which is more important—and making the necessary changes.

It is worth noting that, because the group of specialists in my area are at perhaps the later part of their working life—and this is common to much of regional Australia—they are possibly more likely to make the decision to bail out rather than to keep going with their medical practices. That certainly is of concern. It is worth noting that specialists and doctors at this stage of their working life have perhaps the most to offer, given all their years of experience and all their knowledge. The mentoring role that they can play for young and upcoming doctors and new recruits is absolutely invaluable. As I said, I am confident that the government has moved to address those concerns. At the time the specialists came to see me, they had no idea what sort of regime they might face. In fact, when they asked their medical defence organisations what sorts of premiums they might face and for how long, they were told, ‘How long is a piece of string?’ So, clearly, there has been much uncertainty, and I believe these bills will deliver increased cer-
tainty for doctors and allow patients to feel confident that their claims will be met.

Medical defence organisations do need to be regulated under the same standards as general insurers. Medical indemnity can no longer be just a hazy promise; it needs to be a legal and binding contract. This is a change for the medical defence organisations, and they will have up to five years to meet these minimum prudential capital requirements. I am pleased that the government will commission a study of options to examine the retirement cover issue and will consult with the AMA and MDOs in so doing. We will undertake this as a matter of urgency, because we are determined to ensure that workable arrangements are put in place to enable medical practitioners to access affordable and adequate run-off cover. We are committed to examining all options in this area as a high priority.

I would like to quote a letter I received from a specialist in my area. I think his comments represent those of the other specialists. He said:

I know several of my colleagues who are thinking about decisions to retire. This will be driving people out of practice, and certainly the other great concern is that as one reaches the twilight of one’s career there is no incentive at all to wind down. The ultimate effect of this on the community is going to be that many of the most senior and the most experienced practitioners will in fact leave the profession in the next year or so. The government needs to be aware of this potential catastrophe.

I have written to the specialists and I have enclosed the measures we have taken. I will continue to listen and consult and I believe, as I said previously, we are well and truly on the case.

As we know, UMP collapsed last year under the weight of $1 billion worth of claims, which I suppose demonstrated a level of underinsurance in an environment of rising risk and litigation. Certainly, litigation is on the rise, as demonstrated by these figures about obstetricians: one in six obstetricians was sued in 2001, compared to only one in 18 ten years previously; more than half of our obstetricians have received a letter of inquiry from a solicitor, which is the first stage of stage of litigation; and, in its last year, 60c in every dollar paid out by UMP went to lawyers—so we can see who the winners are in the present scenario.

Home birth advocates are rejoicing as more and more obstetricians close up shop, saying they are looking for excuses to carry out caesareans, they are overservicing and they are no doubt greedy and money-grubbing into the bargain. How ridiculous. This is symptomatic that we are getting to the stage where society, pushed by either lawyers or an entrenched expectation, is driving our specialist obstetricians out of private practice and allowing mothers to lose confidence in the person they must have utmost confidence in when giving birth. I believe the law is out of step with public opinion. Greed, individualism and contentiousness are winning out over commonsense. Our culture is changing, with this growing emphasis on individual rights and neglect of the common good.

Think about the effect the rise in litigation is having on day-to-day medical practice, including the financial costs of overinvestigating patients to keep the lawyers in check. I have been told that doctors are carrying out unnecessary, invasive investigations to prevent them from being sued. Doctors have many times before been sued for being too cautious with their investigations; no doubt they will soon face litigation for overinvestigating. There are just too many opportunities for speculative claims and too little consequences if a claim is lost. The Doctors Reform Society actually made a good point when it said that, in the information age, there should be no barrier to a web site from which can be downloaded court approved information to be provided to patients for any surgical procedure, investigation or medical therapy in any language. Doctors can pass this on. Obviously, they do not have a crystal ball; they cannot anticipate every single question and every single problem in every single language.

I would like to conclude by reaffirming how much the government have done for rural and regional medical services. We are now showing increases in doctor numbers in rural and remote areas, which is greatly
pleasing. Our $100 million initiative in rural and regional medicine is starting to have an impact. We have established rural clinical schools, and the University of New South Wales has one such school in Albury, where doctors spend up to a year of their medical training in a regional area. We hope, and certainly expect, that they will fall in love with the place and, if they do not come back to practise in Albury, they will choose to practice in a regional area.

Rural scholarships are a fantastic initiative by this government, as are rebate payments for existing rural GPs. I should also mention the allied rural health training that is being carried out by Charles Sturt University in my electorate and also in the electorate of the member for Riverina, who previously spoke so passionately about this issue. Charles Sturt University has an exceptional record in training allied health providers and actually keeping them in rural and regional areas. Pharmacy, physiotherapy and, I believe, speech pathology are several examples where a huge percentage of the students finishing these courses are in fact staying in the regions. Whatever the recipe for that success is, we need to copy it.

We are now one year into a three-year $2.1 million provision of rural specialist services in New South Wales. This includes $100,000 over three years for the far west of New South Wales for physician, dermatology and neurology services and $335,000 over three years in the greater Murray region for neurology, urology, orthopaedic, anaesthetist, gynaecology, oncology and paediatric haematology services. I am glad that the opposition supports these bills. I look forward to New South Wales and the country as a whole coming to grips with the medical indemnity problems. We have come a long way; there is a little bit further to go. I look forward to a successful outcome.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (7.31 p.m.)—I would like to at the outset thank those honourable members for making their contributions to the debate on the Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002. The purpose of these bills is to ensure that health care professionals have access to medical indemnity cover that is provided by properly regulated insurers, and to specify minimum standards in certain circumstances for medical indemnity cover. These measures as a whole are designed to ensure the long-term financial sustainability of the market for medical indemnity cover and to provide greater certainty to medical practitioners by establishing a framework for the establishment of minimum product standards to be offered to doctors purchasing indemnity insurance.

The bills give effect to the announcements by the Prime Minister on 31 May and 23 October last year to improve financial transparency in the financial reporting of medical defence organisations and to bring all of the insurance business of MDOs into the prudential framework for general insurers. In addition, it was announced that medical indemnity products would be subject to product safeguards to ensure continuity of cover. They also give effect to the Prime Minister’s announcement on 19 March 2003.

There are two main components of the Medical Indemnity (Prudential Supervision and Product Standards) Bill 2002. Firstly, it provides that medical indemnity cover is only to be provided by general insurers and only under contracts of insurance. Secondly, it provides for minimum product standards for medical indemnity insurance contracts. A minimum cover amount of $5 million or such other amount as prescribed by regulation will be required. There are also minimum product standards set down in the bill to offer doctors retroactive cover in certain circumstances. The bill also establishes a framework for the prescription of the offer of run-off cover via regulations, through which compulsory offers of run-off cover can be made mandatory where doing so would be appropriate for medical indemnity providers, doctors and the community. The regulation making power will also provide for minimum run-off requirements to be specified.

To help assist the medical indemnity insurance industry adapt to the prudential re-
forms contained in the bill, the government has offered a generous transition period—of five years from 1 July 2003—for the minimum capital requirements, for MDOs currently providing medical indemnity cover that wish to become authorised insurers and that do not already meet the minimum capital requirements. Further, the proposed bill amendments will further assist the industry to move smoothly towards the new requirements contained in the bill, by clarifying the scope and operation of bill provisions.

The Medical Indemnity (Prudential Supervision and Product Standards) (Consequential Amendments) Bill 2002 is designed to support the measures contained in the primary bill. Importantly, it will ensure that data must be provided by MDOs to the Australian Prudential Regulation Authority and will prohibit MDOs with discretionary liabilities from becoming authorised insurers. This prohibition is included so that legacy liabilities of MDOs are quarantined from the new insurance business being issued from 1 July this year. The government sees the passage of these bills as an important element of a broad strategy to stabilise the medical indemnity insurance market in Australia. In addition to the guarantee provided to United Medical Protection and its wholly owned subsidiary, Australasian Medical Insurance Limited, to 31 December 2003, that broad strategy has seen the government already implement a premium subsidy scheme, a High Cost Claims Scheme and a scheme to fund unfunded incurred but not reported liabilities of MDOs, to be recouped by a levy on doctors of participant MDOs.

Together with the proposed amendments to the bill, this legislation will ensure that doctors and their patients can have greater certainty in their indemnity arrangements, better access to appropriate and adequate indemnity arrangements and better information about those arrangements. I call on all honourable members of the House to support the passage of these bills in a timely fashion to ensure that doctors have the certainty they need in their indemnity arrangements and in the entities providing those arrangements, thereby ensuring that adequate medical services will continue to be available to all Australians. I commend both bills to the chamber and I present the supplementary explanatory memorandum to these bills.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (7.38 p.m.)—by leave—I move government amendments (1) to (25):

(1) Clause 4, page 5 (line 23), after “has the”, insert “meaning”.

(2) Clause 4, page 8 (after line 22), at the end of the clause, add:

References to health care professional

(10) A reference in this Act to a health care professional includes a reference to an individual who has been a health care professional at any time.

References to medical practitioner

(11) A reference in this Act to a medical practitioner includes a reference to an individual who has been a medical practitioner at any time.

References to registered health professional

(12) A reference in this Act to a registered health professional includes a reference to an individual who has been a registered health professional at any time.

(3) Clause 12, page 16 (after line 13), at the end of subclause (2), add:

Note: This subsection is not relevant for a body corporate if at the time the body corporate applied for a determination under section 13 the body corporate was already a general insurer.

(4) Clause 13, page 17 (lines 13 and 14), omit paragraph (3)(a), substitute:

(a) when it applies, the body corporate:

(i) is not a general insurer; or

(ii) is a general insurer and is prescribed by the regulations for the purposes of this subparagraph; and

(5) Clause 13, page 17 (lines 26 to 28), omit all the words from and including “The determination” to the end of subclause (3).
(6) Clause 13, page 17 (after line 28), at the end of subclause (3), add:

Note: Paragraph (c)—If a funding plan lodged with an application does not comply with the requirements set out in paragraph (d), the body corporate will need to make another application under this section and lodge another funding plan with that application.

(7) Clause 13, page 17 (after line 28), after subclause (3), insert:

(3A) APRA must make the determination within 30 days after receiving the application.

(3B) The determination must be in writing and APRA must give the body corporate a copy of the determination within 7 days after making the determination.

(8) Clause 21, page 28 (lines 21 to 31), omit subclauses (5) and (6).

(9) Clause 22, page 29 (after line 26), after subclause (1), insert:

(1A) In determining whether an offer made by an insurer to provide medical indemnity cover for a health care professional satisfies subparagraph (1)(c)(i), disregard:

(a) an otherwise uncovered prior incident of the health care professional; or

(b) a compensation claim in relation to an incident of that kind;

if it is reasonable and appropriate for the insurer to exclude the incident or claim from the cover provided by the contract, having regard to:

(c) the nature of the health care provided by the health care professional during the period during which the otherwise uncovered prior incident occurred; and

(d) the kinds of exclusions that are usually provided for in contracts of insurance that provide similar cover to the cover being offered; and

(e) any other relevant consideration.

(10) Clause 22, page 31 (after line 10), after subclause (4), insert:

(4A) In determining whether a regulated insurance contract provides the cover referred to in paragraph (4)(a) for a health care professional, disregard:

(a) an otherwise uncovered prior incident of the health care professional; or

(b) a compensation claim in relation to an incident of that kind;

if it is reasonable and appropriate for the insurer to exclude the incident or claim from the cover provided by the contract, having regard to:

(c) the nature of the health care provided by the health care professional during the period during which the otherwise uncovered prior incident occurred; and

(d) the kinds of exclusions that are usually provided for in contracts of insurance that provide similar cover to the cover being offered; and

(e) any other relevant consideration.

(11) Clause 22, page 31 (after line 22), at the end of the clause, add:

Compulsory offer has no effect in certain circumstances

(6) A compulsory offer made by an insurer for the purposes of subsection (1) ceases to have effect if the winding up of the insurer starts before the offer is accepted.

Note: An insurer must not carry on insurance business after the winding up of the insurer has started: see section 116 of the Insurance Act 1973.

Effect of subsection (1)

(7) Subsection (1) has effect subject to section 116 of the Insurance Act 1973.

Note: This means that an insurer does not have to make a compulsory offer for the purposes of subsection (1) once the winding up of the insurer has started.

(12) Clause 23, page 31 (lines 29 to 34) and page 32 (lines 1 to 9), omit paragraph (1)(b), substitute:

(b) an event prescribed by the regulations for the purposes of this paragraph occurs during the claims period for the regulated insurance contract; and

(13) Clause 23, page 32 (lines 12 to 18), omit subparagraph (1)(c)(i), substitute:

(i) the offer is an offer to provide medical indemnity cover for the
health care professional in relation to compensation claims that are made against the health care professional in relation to the health care professional’s otherwise uncovered prior incidents and the offer satisfies the requirements specified in the regulations for the purposes of this subparagraph;

(14) Clause 23, page 32 (line 22), omit Note 1.

(15) Clause 23, page 32 (lines 24 and 25), omit Note 3.

(16) Clause 23, page 32 (lines 27 to 36) and page 33 (lines 1 to 3), omit subclause (2), substitute:

(2) Without limiting subparagraph (1)(c)(i), the regulations made for the purposes of that subparagraph may specify requirements in relation to:

(a) the compensation claims to be covered by the contract being offered; and

(b) the limits on the amounts payable by the insurer under the contract being offered (whether in relation to an individual compensation claim or in relation to compensation claims made during a particular period).

Without limiting paragraph (a), the regulations may specify the compensation claims by reference to the period during which the compensation claims can be made.

(17) Clause 23, page 33 (before line 6), before subclause (3), insert:

(2A) For the purposes of making an offer to provide the cover referred to in subparagraph (1)(c)(i) for a health care professional, disregard the regulated insurance contract referred to in paragraph (1)(a) in determining the health care professional’s otherwise uncovered prior incidents.

(2B) In determining whether an offer made by an insurer to provide medical indemnity cover for a health care professional satisfies subparagraph (1)(c)(i), disregard:

(a) an otherwise uncovered prior incident of the health care professional; or

(b) a compensation claim in relation to an incident of that kind;

if it is reasonable and appropriate for the insurer to exclude the incident or claim from the cover being offered, having regard to:

(c) the nature of the health care provided by the health care professional during the period during which the otherwise uncovered prior incident occurred; and

(d) the kinds of exclusions that are usually provided for in contracts of insurance that provide similar cover to the cover being offered; and

(e) any other relevant consideration.

(18) Clause 23, page 34 (after line 18), after subclause (4), insert:

No offences if regulations not in force

(4A) The insurer commits an offence against subsection (1), (3) or (4) only if regulations are in force for the purposes of subparagraph (1)(c)(i) both:

(a) when the event referred to in paragraph (1)(b) occurs; and

(b) when the period of 28 days referred to in subparagraph (1)(c)(ii) ends.

If this is so, the requirements that the compulsory offer must satisfy are those specified in the regulations as in force when the event referred to in paragraph (1)(b) occurs.

(19) Clause 23, page 35 (after line 2), at the end of the clause, add:

Compulsory offer has no effect in certain circumstances

(7) A compulsory offer made by an insurer for the purposes of subsection (1) ceases to have effect if the winding up of the insurer starts before the offer is accepted.

Note: An insurer must not carry on insurance business after the winding up of the insurer has started: see section 116 of the Insurance Act 1973.

Effect of subsection (1)

(8) Subsection (1) has effect subject to section 116 of the Insurance Act 1973.

Note: This means that an insurer does not have to make a compulsory offer for the purposes of subsection (1) once the winding up of the insurer has started.
The bill gives effect to the Prime Minister’s announcements of 31 May and 23 October last year to bring all of the insurance business of MDOs into the prudential framework for general insurers. The main amendment the government is proposing relates to the run-off provisions of the bill. Run-off provisions cover the insurance cover that a doctor can access at certain times—for example, when he or she retires.

The government has received strong representations from medical defence organisations. The substance of their concerns regards the requirement in the bill, as previously drafted, that medical indemnity providers offer run-off cover to medical practitioners on certain terms and conditions and for a minimum of five years. The MDOs have indicated that the requirement would have required a significant increase in their capital requirements with consequently upward pressure on doctors’ insurance premiums.

The government accepts that the MDOs do have valid concerns. This reflects our understanding that the MDOs appear unlikely to be able to purchase reinsurance to match their obligations previously in the bill. The government also acknowledges the concerns of doctors about the availability and affordability of appropriate run-off cover for doctors upon retirement. To balance the concerns of doctors and their MDOs, the government has decided to make an amendment to the bill to remove the more prescriptive elements relating to run-off cover. These provisions will be replaced with an ability to prescribe run-off cover requirements by regulation. It is the intention of the government to regulate in advance of 1 July this year, the commencement of the bill, to require that appropriate interim run-off cover is offered to medical practitioners, consistent with conditions in the reinsurance market and the type of cover that MDOs are able to offer.

The approach taken in these amendments is to allow the nature of any compulsory run-off cover, including the period which it must cover, to be largely shaped by regulations. This will allow greater flexibility in specifying the type of run-off cover that must be offered. Amendments (8), (12) through (16), (20) and (22) through (25) form the group of amendments being made to the compulsory run-off cover provisions that will provide for such flexibility and delete any now redundant clauses, notes or cross-references. Importantly, amendment (18) provides that, if no regulations are made in respect of run-off cover, there will be no requirement on medical indemnity providers to make offers of run-off cover.

The other proposed government amendments are more technical, minor or machinery in nature and generally clarify the operation and scope of the provisions currently contained in the primary bill. For example, amendment (1) corrects a typographical error
in the bill as currently drafted and amendment (2) clarifies that the definition of ‘health care professional’ is not limited to persons who currently provide health care but includes those who previously provided health care. Amendments (3), (4) and (5) provide that captive insurers may apply to APRA for a determination that they should be granted the transitional arrangements relating to the minimum capital requirements. Amendments (6) and (7) ensure that such applications must be considered within a certain time frame once the applications satisfy the requirements set down in the bill and in the regulations.

Amendments (9), (10), (17) and (21) clarify that a medical indemnity provider may comply with the compulsory offer requirements set down in the bill and the regulations even though there are exclusions of claims and incidents from the cover being offered, if those exclusions are reasonable and appropriate, having regard to industry practice as well as any other relevant consideration. Amendments (11), (17) and (19) ensure that, if the medical indemnity provider has entered into formal run-off under the Insurance Act 1973, the offer obligations in part 3 of the bill no longer apply or have effect. I commend the amendments to the chamber.

Mr STEPHEN SMITH (Perth) (7.43 p.m.)—As I indicated during the course of the second reading debate, these amendments reflect the statement made by the Prime Minister on, from memory, Wednesday of last week, where he indicated a range of technical and other amendments to the legislation. I said that, sight unseen, we supported the thrust. The amendments and the supplementary agenda were circulated when I was on my feet. I confess I have not had the opportunity of going through them but, on the assumption that they are technically correct, we will of course support them in the other place. I assume they are correct, but we will obviously do that checking.

In the course of my remarks in the second reading debate, I also indicated that, in terms of the representations that have been made to us by the affected medical defence organisations, run-off cover was one contentious issue and blue sky was another contentious issue. So far as the small medical defence organisations are concerned—for example, the Tasmanian defence organisation—worries about the change to the insurance contract nature were another contentious issue. I also indicated, on the basis of discussions I had had with Minister Coonan, that the government seemed to be saying that they were happy to countenance some form of review of blue sky and run-off cover. That gave some comfort to the professional groups, including the AMA and the small medical defence organisations.

I urge the government to listen more acutely to what the small defence organisations are saying in respect of what they regard as the adverse work force implications that will come from the change to the insurance arrangement. As I said, we support that change, in principle, and understand the strength of the government’s argument that you do not want to move down a road which leaves that open to the smaller defence organisations—they may see themselves ending up in a comparable position to UMP, which in some respects was the start of all of this. I think there is a bit of water to go under the bridge before we come to a final conclusion in the other place in the course of this week. But, so far as these particular committee stage amendments are concerned, on the basis of the Prime Minister’s statement last week and the parliamentary secretary’s comments, in principle we support them. We will just do the detailed checking to make sure.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (7.45 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
MEDICAL INDEMNITY (PRUDENTIAL SUPERVISION AND PRODUCT STANDARDS) (CONSEQUENTIAL AMENDMENTS) BILL 2002

Second Reading
Debate resumed from 12 December 2002, on motion by Mr Slipper:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (7.47 p.m.)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

HEALTH INSURANCE AMENDMENT (DIAGNOSTIC IMAGING, RADIATION ONCOLOGY AND OTHER MEASURES) BILL 2002

Second Reading
Debate resumed from 11 December 2002, on motion by Mr Andrews:
That this bill be now read a second time.

Mr STEPHEN SMITH (Perth) (7.47 p.m.)—The Health Insurance Amendment (Diagnostic Imaging, Radiation Oncology and Other Measures) Bill 2002 amends the Health Insurance Act 1973 in relation to the payment of Medicare benefits for diagnostic imaging services such as diagnostic radiology, ultrasound, magnetic resonance imaging, nuclear medicine imaging, and radiation oncology services. The amendments provide for:

• mandatory registration of all sites where diagnostic imaging—for example, X-rays—and radiation oncology—for example, cancer radiation—services are provided;

• substitution of inappropriate requested tests with clinically appropriate tests and the extension of the prohibition of inducements through place and equipment or staff, in particular practices; and

• restoration of referral access for osteopaths to diagnostic imaging services.

Those amendments are supported by the opposition. They are straightforward and will enhance diagnostic and radiation imaging services.

I address each of the amendments in turn. Firstly, as far as the registration of practice sites is concerned, these amendments provide for the registration of practices at which diagnostic imaging procedures are undertaken, practices at which radiation oncology services are rendered, and bases for mobile diagnostic imaging and radiation oncology equipment. Registered premises and mobile bases will be allocated a unique location specific practice number. The main purpose of these amendments is to provide a mechanism to collect information about the rendering of diagnostic imaging and radiation oncology services. Information obtained through this initiative will enable expenditure patterns to be monitored; better detection and addressing of overservicing, cost shifting, claiming errors and fraud; better identification of where growth is occurring—for example, in the public sector versus the private sector; identification of issues resulting from the increasing trend to corporatisation, increasing mergers and takeovers, and horizontal and vertical integration; and better planning of equipment distribution and replacement of high-cost capital within the industry.

The introduction of location specific practice numbers for radiation oncology practice sites was recommended by the Radiation Oncology Inquiry Committee in its report provided to the minister on 8 June 2002. It was introduced to bring public and private facilities under the one umbrella to help address planning, service provision, workforce, age of equipment and other issues identified in the report. It is proposed that all sites which have any type of imaging equipment must register with the Health Insurance Commission, HIC, by 1 May 2003.

The second body of amendments goes to referral arrangements for diagnostic imaging services. These amendments implement certain recommendations of the Diagnostic Imaging Referral Arrangements Review for improving the referral arrangements for di-
agnostic imaging services. The amendments involve:

• enabling the provider of the imaging service to substitute a more appropriate imaging service when a patient is referred for an inappropriate service;

• requiring a further referral, where a service provider wishes to provide additional necessary services to those specified in the original request and the additional services are of the type that would have otherwise required a referral from a specialist or consultant physician; and

• prohibiting the stationing of diagnostic imaging equipment or employees at the premise of another practitioner by all diagnostic imaging service providers.

To ensure that patients in rural and remote areas are not disadvantaged by prohibiting the stationing of equipment or employees at the premises of another practitioner, there will be a provision for exemption in remote areas.

The third group of amendments goes to referring arrangements for osteopaths. This bill will enable osteopaths to be recognised as a separate profession—as distinct from their previous status as chiropractors—for the purposes of requiring certain diagnostic imaging services. Under current legislation, practitioners registered as chiropractors under state or territory registration laws can request specified diagnostic imaging services under the Medicare arrangements. Osteopaths registered as chiropractors under those laws are also able to request diagnostic imaging services. Some states now have separate legislation governing the registration of chiropractors and osteopaths. The amendments will restore the rights of affected osteopaths to request diagnostic imaging services and allow state or territory registered osteopaths, who were not previously registered as chiropractors under relevant state or territory legislation, to request these services.

As I have indicated, in my view these measures are straightforward. The opposition supports them. They have the support of the relevant industry groups and will lead to more efficient and more effective diagnostic and other imaging services. On the basis of my strong support for this measure, I was not proposing to speak for longer than a brief period. But I suspect that, with the informal placing of people on notice provisions that we have in this chamber, something has gone awry. The parliamentary secretary is doing her best to find the next speaker so that we do not embarrass ourselves by wondering what we do before eight o’clock when we might need to find a quorum.

As I have said, the measures in this bill are straightforward. They ought to be adopted, and they will lead to more efficient and effective practices. So far as the registration of practice sites is concerned, this is a sensible measure. It is a sensible measure because it will enable a proper and complete monitoring of those practices where radiation and diagnostic measures are carried out. Information which can be obtained through this practice site registration will over time enable more effective information to be obtained and more effective analysis to be made of that. That will enable expenditure patterns to be monitored and it will enable better and earlier detection of overservicing, cost shifting, claiming areas and fraud, if that regrettably occurs. It will also enable comparisons to be made about whether growth is occurring in the public sector or in the private sector, or both, and what comparisons can sensibly be made between the two.

This legislation will also enable a more effective monitoring to take place of what adverse consequences, if any, come from horizontal or vertical integration in this area of the profession and the industry; what effects, if any, flow as a result of mergers or takeovers in the private profession; and what, if any, consequences occur as a result of the worry in some quarters about increasing corporatisation in this area. And, importantly, it will enable better planning to occur so far as equipment distribution is concerned. This is a high capital cost industry and distribution of equipment is important, particularly when we pride ourselves on endeavours to ensure that there is some equity in terms of access to these services. Any information which enables us to plan better for the distribution of equipment is a sensible thing.
The amendments so far as referring arrangements are concerned have been the subject of a review by the Diagnostic Imaging Referral Arrangements Review Committee, and the relevant industry and professional groups have been involved in this review and support the review and the outcomes. It is hoped that the results of the review and the implementation of the amendment will enable the provider of the imaging service to substitute a more appropriate imaging service when a patient is referred for an inappropriate service. Rather than having a duplication and double referral, it gives more flexibility to the provider of the imaging service to enable an appropriate service to be conducted, despite the fact that there has been an inappropriate referral. It will also enable the prohibition of the stationing of diagnostic imaging equipment or employees at the premises of another practitioner by diagnostic imaging service providers, to guard against unnecessary duplication and overservicing. But the caveat which is importantly there is to ensure that there will be necessary exemptions in rural and remote areas for that purpose. The changed arrangements in respect of osteopaths comprise the final group of amendments. These seek to overcome the different registration practices at various state and territory jurisdictions so far as chiropractors and osteopaths are concerned.

These amendments, as I have said, are supported by the opposition. They will lead, hopefully, to better and more effective services at a more cost-effective rate so far as the taxpayer is concerned, and they will lead to better outcomes so far as concerns Australians who have to avail themselves of diagnostic imaging and the other services referred to in this amendment bill. I commend the amendments to the House.

Mr HUNT (Flinders) (7.58 p.m.)—I am pleased to rise to speak on the Health Insurance Amendment (Diagnostic Imaging, Radiation Oncology and Other Measures) Bill 2002. I am pleased to do so because I have contact with a range of people in my electorate of Flinders—as all in this place would have contact with people in their own electorates—who have concerns about a series of health matters. There are those with concerns about access to Medicare offices. There are those who are concerned about ensuring that we have an appropriate level of outer metropolitan doctors—and I am delighted that only yesterday the health minister, Senator Kay Patterson, announced a new range of incentives to assist doctors in moving into the outer metropolitan area. Importantly, many of my constituents have concerns about access to radiation oncology. In particular, because the Mornington Peninsula is some distance from radiation oncology units, we find there is a twofold effect. Firstly, there is a health risk to many people who feel that the process of travelling is too much for them, that it is in some way overly burdensome. Secondly, there is a financial effect: many families find that the costs of dealing with distance travel to radiation oncology facilities are too great for them or that they are burdensome or painful in some particular way.

In that context, I am delighted to speak on this bill and also—and I think this is critical—to talk about the range of activities that the government is carrying out in the radiation oncology field, in particular the notion of providing services to outer metropolitan areas in the principal outer metropolitan hospitals. That is a very important step forward. It is not glamorous and it is not high profile, but in practice it is a really beneficial change for those most in need, for those in our society who suffer from some of the most debilitating conditions, many of which are terminal.

In speaking on this bill, I want to focus, firstly, on the overview to it; secondly, on the background to it; thirdly, on its purpose; and, fourthly, on its provisions. This bill brings benefits to patients who require diagnostic imaging and radiation oncology services. We know that these services represent a large proportion of Medicare payments. The Health Insurance Commission estimates that 10 per cent of all Medicare claims are in some way inappropriate, incorrect or improper. At present, there is no imperative to discourage practitioners from submitting questionable claims, and industry bodies have no capacity to pursue them. Govern-
ment regulation in that context is consequently the only means by which such claims can be effectively deterred. By implementing mechanisms which have the ability to identify malpractice there is a significant likelihood that the incidence of fraud and overservicing may be reduced, resulting in savings which can be put towards those directly in need. It is about ensuring that the allocation is focused on those who have the most genuine radiation oncology needs and it is about providing additional resources and services, ensuring that we do not have overservicing in one area which deprives those most desperately in need of resources.

In that context, this bill provides for the collection and analysis of information so that legal sanctions can be imposed to prevent the inappropriate use of public funds and, importantly, to prevent the distortion and diversion of resources away from the most desperately needed areas of diagnostic imaging and radiation oncology. In that respect, it is a very important step forward. It is incremental, but it is a very important step forward.

I will now turn to the background to this bill, to put it in context. Firstly, at the last election the coalition government set forth a range of initiatives to expand access to radiation oncology for those in outer metropolitan areas and rural and regional areas. Those services will be gradually expanded over the coming years which will make a profound and significant difference to those who suffer and to those who need radiation oncology services.

This bill amends a number of provisions in the Health Insurance Act 1973 in relation to the payment of Medicare benefits for diagnostic imaging and radiation oncology services. This is the first time that these particular provisions have been put to the parliament. The bill establishes a scheme for registration with the Health Insurance Commission of service providers in this area. It allocates a location specific practice number, in order to monitor and thus to regulate activity, so that we can see where practitioners are helping to benefit their patients and so that we can identify those few practitioners who are acting in a way which is not beneficial to society or their patients.

The bill proposes that Medicare benefits will be available only from registered practices. That is an assurance both of propriety and of quality. It is a very important step, which fits in with the moves over the last 100 years generally which have been part of the process of providing oversight and regulation of medical practitioners whilst allowing them the freedom to carry on their work. The role of the government here is to provide a framework where we have assurance and quality control for the community whilst encouraging the direction of resources specifically to those areas which most desperately need them.

Interestingly, a similar scheme already exists under the Commonwealth Health Program Grant requirements. I also note that the issues raised by this bill are not solely the concern of the government. In response to a review of mandatory reporting of practice details, commissioned by the government in 2000, medical practitioners, the Royal Australian and New Zealand College of Radiologists and the Australian Diagnostic Imaging Association expressed strong support. An estimate of the initial set-up costs for this process of protecting the public is around $750,000, with maintenance costs predicted to be around $270,000 per annum. In that context, the amendments in this bill are intended to minimise disruption and compliance costs for individual practitioners. In particular, it is envisaged that, after an initial application for a location specific provider number, a yearly update will be required, taking about two hours per year to complete. There will be no application fees.

The third part of my speech delves more deeply into the specific aims of the bill. The first aim of the bill is to investigate and counter the effects of growing corporatisation and, in some cases, unassociated malpractice in the medical sector, which has raised concerns of diminished care standards and overservicing in pursuit of higher profits. The second aim of the bill is to reduce unnecessary future expenditure on diagnostic imaging and radiation oncology services and, importantly, to increase accountability for present expenditure. In that context, it is important to note that current expenditure on
radiation oncology and diagnostic imaging amounts to about $1.3 billion annually. It is estimated that these measures and the efficiency gains which will result from them will save the Commonwealth in the order of $11 million annually. That is money which can go directly to the bottom line of the health budget for provision of basic radiation oncology services.

The third aim of the bill is to collect data to help plan and develop programs to maintain the very key objectives of Medicare—to focus on the core, the essence, of the Medicare program, in particular making health care affordable for all Australians while ensuring that that care is of a high standard and ensuring all Australians have access to health care with priority according to need. This data will help to give an understanding of the types of practices which offer imaging services. Data collection plays a very important role in ensuring that, throughout the health system and throughout Australia, we have a better understanding of needs. Importantly, we may even be able to identify significant health trends as a result.

The fourth aim of the bill is to restore the rights of osteopaths who, under state registration laws, are unable to refer patients for diagnostic imaging services. This will provide a greater range of alternative treatment options to patients. Those who require diagnostic imaging will not be forced to obtain referrals from doctors. Finally, the fifth aim of the bill is to close loopholes in the Health Insurance Act to prevent the stationing of equipment at the premises of another practitioner. Those are the purposes of the bill.

I now turn to the final area I want to cover in my speech: the key provisions of the bill. Schedule 1 focuses on diagnostic imaging. Subsection 16D precludes the payment of Medicare benefits for diagnostic imaging services unless procedures are undertaken on equipment or a type of equipment that is registered and ordinarily located at the premises. So it is about carrying out the job, on the spot, under registered, tested and quality controlled conditions. That is a very important step. Similarly, subsection 23DZK provides that a register of diagnostic imaging premises be kept. It establishes the register nationally, and that is an important step. The second major element within the provisions of the bill takes the radiation oncology register a step further with provisions for radiation oncology similar to those applying to diagnostic imaging schedules. Again, this is a complementary element establishing a position throughout Australia.

Looking at this bill we see that it is one of a number of steps forward by the government. It is part of a range of activities the government is undertaking that will help communities such as Dromana, Rosebud, Rye, Blairgowrie and Koo Wee Rup—towns which are some distance from major health services. It is about focusing on the provision of radiation oncology services to those people who suffer from forms of cancer. We know that cancer is a problem with an extraordinary reach within our society, and this bill is aimed at addressing that problem by providing a regime of quality control and ensuring that there is no fraud or malpractice within it. Ultimately, this bill contributes to the broader radiation oncology package that the government has put forward. I am pleased to commend the Health Insurance Amendment (Diagnostic Imaging, Radiation Oncology and Other Measures) Bill 2002 to the House. I think it is a great step forward, and I hope that all members are able to support it.

**Mr GRIFFIN (Bruce) (8.11 p.m.)—** We are here to debate the Health Insurance Amendment (Diagnostic Imaging, Radiation Oncology and Other Measures) Bill 2002. The key objective of this amendment to the Health Insurance Act 1973 is to reduce the costs to the Commonwealth associated with the provision of diagnostic imaging services—which include diagnostic radiology, ultrasound, computed tomography, magnetic resonance imaging and nuclear medicine imaging—radiation oncology and other measures in relation to the payment of Medicare benefits. The secondary objective is to capture practice based data, in order to identify more accurately where and how the facilities and services are being utilised. Thirdly, the bill seeks to restore referral access for osteopaths to diagnostic imaging services. It is suggested that these amend-
ments to the Health Insurance Act 1973 will result in a reduction in overservicing, claiming errors and inappropriate practice.

The cost to Medicare for provision of these services annually is estimated to be $1.3 billion, or around 16 per cent of total Medicare outlays. This figure is an approximation, because to date there has been little substantial or accurate data collected on the utilisation of diagnostic imaging services. According to a report by the Australian Institute of Health and Welfare in August 2001, GPs order diagnostic imaging tests such as X-rays and CT scans at a rate of at least one test in every 13 general patient consultations. If this number is then extrapolated by the total number of GP patient consultations in, say, 1999-2000, it could suggest that approximately eight million tests are conducted annually. Doctors have said that advances in medical imaging technology have been so rapid that they are now an integral part of patient care. They further claim that another important factor in the increased rate of use of diagnostic imaging facilities is the fear of litigation for malpractice. Doctors refer to this practice as defensive medicine.

Evidence from international studies, supplied by the Australian Institute of Health and Welfare, suggests that there is a correlation between large practice sizes—say, 11 to 15 GPs—and a high rate of diagnostic imaging, particularly where there exists co-ownership of imaging facilities and general practices. The Australian Institute of Health and Welfare support the overseas findings. In their report, they claim that GPs working in corporatised practices are under pressure to generate more income by seeing more patients and increasing the number of diagnostic tests performed. It is also suggested that the pathology and radiology services referred to in the report often have the same ownership as the referring general practice.

In 1996 the radiology profession called for the introduction of a provider number system. They believe that such a system would allow for the proper identification and linkage of diagnostic imaging services to practice sites. An original proposal was put forward by the then Royal Australian College of Radiologists and was an attempt to assist in the identification of cost shifting, self-referral and entrepreneurial in-house radiology. In 1998 the diagnostic imaging agreement between the government and the profession again called for the identification of physical practice sites through the introduction of location specific practice numbers.

In 1999 the HIC undertook the pilot implementation of the radiology practice and equipment register under the auspices of the consultative committee on diagnostic imaging. They took responsibility for the diagnostic imaging agreement. The pilot program supplied valuable information and demonstrated that the system was achievable. An LSPN—that is, a location specific practice number—project team comprising representatives from the Royal Australian and New Zealand College of Radiologists, the Australian Diagnostic Imaging Association, the Australian and New Zealand Association of Physicians in Nuclear Medicine, the Health Insurance Commission, and the Department of Health and Ageing considered the administrative requirements for practices and providers. Whilst the HIC recognise that the introduction of practice site registration would require changes to billing systems on both their part and the part of practices, they found this approach preferable to a more minimal system that would not involve location specific practice numbers. The LSPN system allows for the complexities of practice arrangements, such as equipment only sites and remote reporting.

In June 2002 the introduction of LSPNs was recommended by the Radiation Oncology Inquiry Committee in its report to the minister. Briefly, the report suggested that public and private facilities should be brought under one umbrella, which would make it easier to address issues of planning, service provision, work force movements, equipment state and other issues. Currently, private radiology sites are registered with the HIC in order to receive health program grant funding. It is proposed that the HIC will shift radiation oncology practice site details to a new register and automatically allocate the practice site a location specific practice number.
In order to understand the implications of the bill it is important to understand its machinations. A practice site is defined as a premises or mobile facility operating under a single business name where diagnostic imaging or radiation oncology equipment is stationed or transported for the purpose of undertaking diagnostic imaging procedures or radiation therapy services for which Medicare benefits are payable. In short, it is proposed that the Health Insurance Commission will contact providers of diagnostic imaging and radiation oncology services to advise of the introduction of practice sites and equipment registration. The HIC will request that providers and practice managers return a pre-registration form including the name of a contact person. This information will allow the HIC to build a database of all diagnostic imaging and radiation oncology sites in Australia. Once the information is collected, the HIC will correspond with the practice sites and advise of their requirement to register and receive an LSPN. The registration form supplied by the HIC will be entered into the practice site database and will be linked to existing Medicare databases.

Once a practice site has been allocated an LSPN it will have to ensure this number is quoted on patient claims and accounts in order for the service to be eligible for a Medicare benefit. At 12-month intervals the practice site will be asked to confirm or update all information held by the HIC in order to maintain registration. It is anticipated that when the system becomes effective the HIC will check claims for the inclusion of an LSPN prior to paying a claim. When the HIC receive the claim they will be able to link where the service was undertaken by the LSPN. Furthermore, where an item stipulates that on-site supervision and reporting is required, the provider number and the LSPN will have to refer to the same practice site in order for the service to be eligible for a Medicare benefit unless a legislative exemption exists.

A second measure in this bill is the recommended implementation of findings in a review which was commissioned by the government in July 2000 in relation to the referral arrangements for diagnostic imaging services. The review committee comprised a number of practitioners and radiologists and suggested that a provider be permitted to substitute a more appropriate imaging service where they feel the patient has been referred for an inappropriate service and where they deem additional services to those required in the original referral are necessary and those services are of the type that would otherwise require a referral by a specialist. These measures would result in a small reduction in Medicare costs through reducing the number of diagnostic imaging tests that may need to be reordered.

A final measure of the bill is designed to redress an anomaly relating to the referring arrangements for osteopaths. Under the current legislation osteopaths cannot request specific diagnostic imaging services unless they are registered as chiropractors under the legislation. This bill will restore the rights of those osteopaths affected by changes in state and territory legislation and will allow osteopaths not previously registered as chiropractors to request these services.

Notwithstanding the positive results from the pilot program, the government still feels that a voluntary system would not achieve the desired objectives. The requirement for practice sites to be registered in order to be eligible under the Medicare scheme is therefore included in the legislation. The bill proposes that the Commonwealth be given the power to ensure that responsibility for applying for registration and updating practice site information is placed on the entities that control the practice site.

Sanctions will be introduced where site registration requirements are noncompliant, with the onus being placed on the proprietor of the practice to ensure practice details are correct and maintained with the Health Insurance Commission. The data collected through the location specific practice number system will be used to monitor the diagnostic imaging and radiation oncology services and will include information such as practice type and location, type of ownership and practice throughput. It is imperative that a provision be included to prevent patients from being financially disadvantaged through noncompliance by a practice site and
to require a review process for proprietors where registration is suspended or cancelled.

The explanatory memorandum states that the measures relating to the requirement for diagnostic imaging and radiation oncology facilities to be registered have been estimated to save the Commonwealth in the order of $11 million annually through improved compliance. The explanatory memorandum also claims that the monetary savings made in addressing these issues can be then redirected back into the Medicare program to improve access. It is proposed that the information collected under the new system will help the government to plan and develop programs to maintain the key objectives of Medicare.

To digress slightly, having a situation where government is looking to put some money back into Medicare is something that we should be very happy about; it is encouraging. If only we could see a more general approach taken by this government in that direction, as I said earlier in the House about another bill. We have seen recently with this government a situation where the overall question of where we are going with health care policy is really under question. When we see the issues that have been in the public sector with respect to bulk-billing and we see what that means in terms of the provision of a Medicare system, we really have to ask ourselves whether this government is committed in this area to ensuring an overall universal service provision for all of the Australian community. With speculation from the minister on issues like bulk-billing, we have to wonder whether this government is committed to providing services in a general sense.

Certainly measures such as this to try and ensure we get proper information about how the system operates are a step in the right direction. They can ensure that we actually plan better the provision of services and ensure we deal with things like overservicing, which are certainly problems that need to be dealt with. But there is a lot more that could be done and should be done to try and make the system work better. Rather than try and use the blunt axe of increased copayments or other blunt instruments to really get stuck into the Australian community, the government should be trying to make the system work more efficiently.

Labor are committed to the right of patients to high-quality health care services, and we believe that these regulatory measures will lead to improved utilisation and tracking of these services. That is one of the reasons that we support it. However, it should be noted that access to these services is already limited due to shortage of qualified technicians and staff. A report in the Age on 13 September 2002 referred to a report called *Vision for radiotherapy*, which warned that ‘radiotherapy services in Australia are in serious trouble. With only four-fifths of the desirable number of patients with a new diagnosis of cancer able to receive radiotherapy, waiting times for these treatments are too long’. There is a shortage of trained people and of modern equipment. Access to these facilities for those in the rural community is limited and much inconvenience is involved to those who must have treatment. There is an urgent need to get better diagnostic imaging and radiation oncology services to people in the bush. The funds saved by incorporating this amendment should be redirected to these failing areas of the health system. One believes that is what is intended, and as this comes through the system I look forward to seeing the results being fed through to ensure that that is the actual outcome. As I said earlier, the opposition are pleased to be able to support the bill.

Mr SOMLYAY (Fairfax) (8.26 p.m.)—It is always good to follow the member for Bruce in the debate. I take this opportunity to publicly congratulate him on his recent elevation to the opposition frontbench. May he have a long and distinguished career on the opposition frontbench. I am pleased the member for Bruce also mentioned the impact of *Health Insurance Amendment (Diagnostic Imaging, Radiation Oncology and Other Measures) Bill 2002* this bill on the bush. I have a regional seat and I know the provisions of this bill, are very good for the major centres in my electorate: Nambour, Noosa and Gympie.

As every member of this House is aware, providing quality health care for all Austra-
liaisons in an increasingly complex technological age is expensive. We have all come to expect a high standard of health care. No-one would want anything less—but it does come at a high cost. The Howard government are committed to continuing to improve the standards we have achieved, but we are a responsible government and, therefore, in the face of increasingly sophisticated procedures and escalating costs, we have to ensure that our health service, Medicare, is as cost effective as possible so we can continue to provide those services. That means we need good administration; we need to eliminate waste and overservicing; we need avenues of accurate, relevant data to provide a solid base for good decision making; and we need to work with the appropriate medical bodies in doing so. The better our administration of the Medicare system, the better we can continue to provide the services our people expect. That is what this bill is all about.

The purpose of this bill is to amend the Health Insurance Act 1973 in relation to Medicare benefits for diagnostic imaging and radiation oncology services. These two areas of medicine account for 16 per cent of the total annual Medicare outlay. Just think about that figure. With all the GP visits, operations, specialist and hospital services paid out under Medicare, 16 per cent, or $1.3 billion annually, is for diagnostic imaging and radiation oncology. That $1.3 billion is a lot of money, so let us make sure it is not being wasted or used in overservicing. We must make sure that we have the right information to ensure that it is directed at buying the best possible health services for the Australian community.

There are four amendments, four schedules to this bill, and not one of them changes the services for which a patient is entitled to claim or otherwise adversely affects the public—quite the opposite. The first two amendments contain the most important part of the bill. They require that diagnostic imaging and radiation oncology practice sites be registered with the Health Insurance Commission for services provided at those sites to be eligible for Medicare benefits. You might say, ‘The medical professionals are already registered, so why should the practice sites also have to be registered?’ There are some very good reasons.

Do you know we have no idea how many diagnostic imaging practices there are in Australia today? Based on the number of registered specialists, it is assumed there are about 750—but it is only an assumption. Registration of sites and the introduction of what are called location specific practice numbers, LSPNs, mean we will know how many practice sites there are in Australia, where they are situated, who owns them and what type of equipment they have—pretty basic information for government to seek when they pay $1.3 billion in benefits to the industry. A similar registration and information collection system already exists for radiation oncology premises but it applies only to private facilities, not public ones.

The second of these amendments will include the public sites in the register so that we get the whole picture and not just part of it. The information collected under this register is quite basic and straightforward: who, where and what. However, it will allow for better planning of both services and equipment. It will also allow us to safeguard the system from problems that are being exacerbated by changing ownership structures in the industry. There is a high capital cost associated with equipment used in both diagnostic imaging and radiation oncology practices. Because of this cost factor, and because of the dynamics of the medical business sector, there is an increasing trend towards mergers and corporatisation. Corporatisation, of course, is not a bad thing in itself but there are concerns that, with the changing ownership structure, practitioners may be pressured to favour high throughput and corporate profits to the detriment of patient care and Medicare costs.

The industry itself, not just the government, is concerned about these associated problems. The problems are overservicing, cost shifting, claiming errors and even fraud. With insufficient data it is difficult to estimate the extent of these abuses, but it is believed to be a significant cost to Medicare—that is, it is wasting money that could certainly be used in other health areas. These concerns regarding misuse of the system
have been heightened since the introduction of capped funding under the diagnostic imaging agreement between the Commonwealth and the profession, because abuse of the system puts pressure on the whole industry. The LSPN system will allow claiming patterns to be analysed and help prevent abuse of the Medicare system.

Speaking of costs, let us look at the financial impact of introducing this site registration. The estimated compliance cost in time and overheads for each practice to fill out an annual form and notify any subsequent changes is about $120 per annum per practice. That is not a huge impact. On the other hand, it is estimated that these amendments would save about one per cent of all Medicare benefits paid for diagnostic imaging. That means a saving of about $11 million per annum. Let me repeat that: the savings are about $11 million per year in Medicare funding, which could be used for other appropriate services. These savings will be achieved without cutting services to patients; they will be achieved simply by inserting a simple barrier, a site register, to protect the system from misuse.

The third amendment, schedule 3 of the bill, deals with referral arrangements. It comprises three elements, all of which were recommended by the Diagnostic Imaging Referral Arrangements Review Committee. It is a combination of plain commonsense and good administration—for instance, it allows diagnostic imaging professionals to substitute another test for a referred one if, with their specialist knowledge, they believe that the substituted service is more appropriate for that particular case. This prevents delays and wasted services and money as well as being much more convenient for the patient. On the other hand, to prevent overservicing the amendment also limits such a professional from ordering any additional procedure for a patient if such a procedure, for instance an MRI, would normally require a specialist only referral. The third element of schedule 3 prohibits the stationing of equipment or employees in the premises of the referring practitioner but, to protect patients, it does allow an avenue for remote area exemptions. The review recommended amended this amendment to overcome the inconsistency in existing legislation.

The fourth and last amendment is simply aimed at fixing an unintended anomaly created when some state law changes meant that chiropractors and osteopaths were no longer registered under the one state act—a separate register was created for osteopaths. The inadvertent result was that osteopaths were then unable to access the referring arrangements for diagnostic imaging services under Medicare. This amendment simply rectifies that unintended result of a state law change.

The Howard government are committed to protecting the health of our community but, being a responsible government, we aim to get the best value for taxpayers’ dollars. That means giving government departments and bodies the tools with which to provide good administration. This legislation provides such a tool. We should not be saying, for example, ‘We estimate that there should be about 750 diagnostic imaging centres in Australia, but we really do not know where they are and we do not know how many are outside capital cities.’ Currently, that is all we can say. The government have worked with the appropriate medical bodies to provide a mechanism to collect relevant, accurate data in the diagnostic imaging and radiation oncology fields. The data collected is simply the site, its ownership and its equipment. It has two important benefits: firstly, it will provide a basis for decision making in those fields; and, secondly, it will protect our Medicare system from waste and abuse. The recovery of $11 million per annum from waste and overservicing is a boost to Medicare. By protecting it from such abuse, we are protecting its ability to look after Australians. I commend the bill to the House.
tient referral procedures in relation to diagnostic imaging services; and, thirdly, to allow osteopaths to refer patients for diagnostic imaging services. During my contribution, I intend to speak to the question of diagnostic imaging services—most particularly, magnetic resonance imaging services—and then to deal with the question of the spread to osteopaths of the ability to refer patients for these services.

We know that diagnostic imaging, including magnetic resonance imaging, is a growing technology in health care in Australia. That seems logical, given that it is a breakthrough technology that enables the early diagnosis of a number of diseases, most particularly cancers. Diagnostic imaging accounts for approximately 15.5 per cent of Medicare benefits paid in 2001-02. The fact that this is a growth area is further verified by the statistic that the number of health professionals entering medical imaging as an occupation rose by 27.6 per cent between 1996-97 and 2000-01. We have a breakthrough technology that can make a real difference for people by the early detection of chronic illnesses, most particularly cancers. As the take-up of the technology grows, then obviously the workforce involved grows exponentially.

You would think that, with the introduction of a new technology, the government would take some steps to ensure equitable provision. Australia, as we know, is a big place. Whilst people tend to live in major cities, obviously we have substantial communities in rural and regional Australia. We also have substantial growing communities on the outer suburban fringes of our major cities, including my electorate of Lalor. Therefore, you would think that the government would take some steps to ensure that the introduction of this new technology is planned, that there is an equitable spread of services and that people, insofar as possible, are able to access services locally. You would not then get a situation where some of the more affluent suburbs end up disproportionately serviced by this new technology, whilst lower income suburbs, growth communities on the fringes of our cities and rural and regional Australia end up with not enough access to this technology.

Of course, we know from this bill that the provision of the new services has been largely unplanned. Indeed, it has been so unplanned that we need this bill to go through the parliament—and Labor do support this bill—so that we know where these services are being provided. Despite the growth in this technology, despite the fact that it is putting an increasing amount of bite on the medical budget in Australia, we do not know what is going on out there. We need something as basic as a registration system to ensure that we do know. Currently, without that data, there is no ability to examine and ensure that services are being provided equitably in a geographic distribution. There is no ability to target education and information campaigns. Obviously, the capacity to track the provision of services to deal with issues like overservicing and fraud is not sufficiently honed. This bill will create a registration system which will enable us to have that kind of basic information.

It seems odd that we should find ourselves in this position where we have new technology and its use is growing but we do not have even a registration system to tell us what is going on. If we cast our minds back, I think we can recall how we got here. We got here by a series of steps starting with the former minister for health’s noted scan scam, as members of this parliament who served in the last term would remember and as many members of the Australian public would remember also. What was the scan scam? It was a system engaged in by the former minister, on the eve of a budget arrangement that was going to create a cut-off date for the purchase of Medicare rebateable machines capable of doing this magnetic resonance imaging work. If you purchased your machine before the cut-off date then you were right—when you put that machine into service, you would get a Medicare rebate. If you purchased the machine after the date then you were not going to necessarily qualify for a rebate. Of course, as history records, there was an enormous number of purchases in the few days before that cut-off, leading to many questions in this place, an
Auditor-General’s report and then a report by the Joint Committee of Public Accounts and Audit further inquiring into the Auditor-General’s report. It seems to me that, had the former minister for health not retired at the last election, we still would be hearing the words ‘scan scam’ routinely uttered in this place.

In serving as a member of the Joint Committee of Public Accounts and Audit in the last parliament, when we inquired into the Auditor-General’s report on the scan scam, I know that one of the principal ongoing problems the scan scam left in Australian politics—apart from the fundamental probity questions going to the nature of arrangements in Australian politics, particularly the nature of trust that people can place in ministers of the Crown—was that we had who knows what kind of geographic or equitable spread of MRI technology. There was this unseemly rush to purchase machines for which practitioners were eligible for a Medicare rebate. You could pop them wherever you chose to pop them, where you could make the most money out of them; yet there was no system of planning, no system for the equitable distribution of these machines. It seems to me that the government is still playing catch-up with this bill to try and get back to where it should have been had the scan scam not happened and had it taken the necessary steps to introduce this technology in a way which would have included equitable provision across communities.

You might wonder, apart from my former service on the Joint Committee of Public Accounts and Audit, why I am particularly interested in this matter. I am particularly interested in this matter as a local member of parliament serving in the western suburbs of Melbourne. As of tonight, it still continues to be true that the western suburbs of Melbourne do not have access to this MRI technology. It is very important breakthrough technology for dealing with the detection of cancers and other severe illnesses and we do not have that technology available locally. This is a matter that the local members in Melbourne’s west have been complaining about in this place for a number of years now. We were routinely raising it in 2000, and I continue to press it now.

What does this mean? It means that people who live in my community, people who live in the middle to outer suburbs of Melbourne, cannot access one of these scans locally. It means they need to travel to town to access one of these scans. Obviously, that has an inconvenience factor about it, particularly if you do not drive. It means that there is an additional burden on the machines in town and it means long waiting lists. People can wait several weeks to get an appointment to have one of these scans done. The introduction of this technology was unplanned and the provision was unplanned. There was no equity in how this technology was originally rolled out in the Australian community and there were probity issues relating to the scan scam. Here we are, all these years later, and there is still an issue about the equitable distribution of these machines. Most particularly, there is an issue of access for the people in my community, the electorate of Lalor.

I note that the government did respond to the fact that there was no equitable provision of MRI technology across Australia, particularly as it left rural and regional areas with a problem. The government sought to rectify that in the 2002-03 budget by allocating $72.7 million to the development of new facilities—that is, new radiation oncology facilities in rural and regional areas. I think the extra provision to ensure access to new technologies in rural and regional Australia is a good thing, but as a representative of an electorate in the outer suburban areas of a major capital city—in this case Melbourne—I am concerned to see health measures targeted at rural and regional Australia when, if you actually diagnose need for access, if you do not just say, ‘Let’s define need as rural and regional and look at that,’ but look across the Australian map at areas of need, outer suburban areas frequently come up as areas of need but often do not qualify for assistance under the various programs that are targeted at rural and regional areas.

Government initiatives to deal with doctor shortages were originally targeted at rural and regional areas, notwithstanding the fact that communities like my own had doctor-
patient ratios far worse than those of some rural and regional areas. The government in the last budget said they would look at areas of need and allocated $80 million to do that. That $80 million has produced, at last count, two or three doctors across Australia. It has been a failure. As recently as this weekend, we have seen a new government program with an additional $20,000 or $30,000 to help doctors to go to areas of need. I note that my community has been targeted as an area of need. Given that the grand announcement in the last budget of $80 million to get doctors to outer urban communities largely came to naught, I approach the most recently announced measure with some scepticism. I trust I will be proved wrong.

The need for doctors in my community is critical. Doctors have their patient lists closed. If you move into the community, you cannot get onto a doctor’s list. Obviously, if you cannot get to the doctor, there is an access problem and, if you cannot get access to the diagnostic technologies we are talking about, that problem is compounded. We need to look at the health needs of outer urban communities like my own. One of those health needs is access to an MRI scanner in the local area. That still has not been resolved. I have no doubt that, when this registration system is in place, when the government can finally forensically tell us all where these machines are and what they are doing and when they can examine what is happening with the provision of this technology for equity, they will find that outer urban communities like my own are still doing it tough and need some additional assistance.

I move to the section of the bill that deals with osteopaths being able to refer patients for diagnostic imaging services. As I have indicated, Labor is broadly in support of this bill. I believe that the reason for the registration of premises is that, despite the high costs where people had complained about treatment they had received from chiropractors or osteopaths.

Within the community covered by that registration board—that is, chiropractors and osteopaths—the number of chiropractors was obviously far bigger, and there was an ongoing debate within the registration board and the various professional associations about whether or not osteopaths ought to be separately registered. I think those tensions between the professions have been replicated across Australia as that debate was pursued not just in Victoria but across Australia. The debate has been resolved in a number of states by separate registration, and the consequence of separate registration can be a need for the sort of legislative amendment we see here—to make clear that osteopaths, as opposed to chiropractors, also have the ability to refer for services. I think it is important that osteopaths, like chiropractors, have that ability and I wholeheartedly support that section of the bill, having had a great familiarity with these debates when I was serving as Chairperson of the Chiropractors and Osteopaths Registration Board. In summary, Labor do support this bill but, on behalf of my community, I take this opportunity to say that we would support it a lot more wholeheartedly if we were accessing locally some of the technology with which the bill deals.

Mr WILKIE (Swan) (8.52 p.m.)—I would like to speak in support of the Health Insurance Amendment (Diagnostic Imaging, Radiation Oncology and Other Measures) Bill 2002. This bill amends the Health Insurance Act 1973 in relation to the payment of Medicare benefits for diagnostic imaging services by amending the Health Insurance Act to, firstly, require registration of premises that offer diagnostic imaging and radiation oncology services before Medicare benefits are payable for such services; secondly, make changes in patient referral procedures in relation to diagnostic imaging services; and, thirdly, allow all osteopaths to refer patients for diagnostic imaging services.

I believe that the reason for the registration of premises is that, despite the high costs
associated with the provision of diagnostic imaging and radiation oncology services, little is known about the nature of the practices that provide these services. I understand that some information about service delivery is currently collected through Medicare provider numbers and patient identifiers. This provides insight into the size of the workforce and the number of patient services. However, information about the practices and equipment used to deliver diagnostic imaging services is not collected. This lack of data about premises and mobile facilities that provide diagnostic imaging services has in the past compromised the capacity of the Commonwealth, the medical profession and health researchers to examine and ensure equity of access to such services—for example, by examining the geographic distribution of these services—target education and information campaigns, assess compliance with legislation and regulation and ensure that equipment meets the eligibility requirements for Medicare benefits. More information is collected about radiation oncology services; however, radiation oncology has registration arrangements in order to standardise the information collected across public and private practices and consolidated registration processes.

The corporatisation of general practice medicine, particularly the trend towards vertical integration, has provided added impetus to the need for more information about the premises and facilities that provide diagnostic imaging and radiation oncology services. Vertical integration is a form of corporatisation that refers to the co-location of different practitioners and services, such as GPs, specialists, pathology and diagnostic imaging services. Often a third party not directly involved with the provision of health care owns and receives the profit generated by such services. Diagnostic imaging and radiation oncology are two services where there have been significant movement in ownership from individual practitioners to corporate facilities.

The impact of corporatisation has become a significant issue within the health care sector. In particular, professional associations and governments have been concerned with the potential for professional and clinically rigorous practice to be compromised in favour of corporate profits. There is Australian and overseas evidence to suggest that the co-ownership and co-location of GP and diagnostic imaging services results in higher rates of ordering of diagnostic tests. It is widely believed that there are a number of corporate practices that have encouraged practitioners to increase their requests for diagnostic imaging services. This is not to suggest that all increases in the rates of ordering of diagnostic tests in these circumstances are clinically unsound; however, such evidence does encourage caution about the level of servicing within practices where there is co-ownership or co-location of GPs with diagnostic imaging services. Diagnostic imaging accounted for approximately 15.5 per cent of Medicare benefits paid in 2001-02. The growth in radiation oncology is partly attributed to the increase in the incidence and detection of cancer in Australia.

I would particularly like to speak in relation to Western Australia. Sadly, there are significant waiting lists for radiotherapy at Sir Charles Gairdner Hospital, which is WA’s principal cancer treatment centre. This situation has worsened over the past 12 months, despite all efforts by Sir Charles Gairdner Hospital to expand its treatment capacity by significantly increasing the operating hours of its linear accelerators. However, because of the lack of overall linac capacity and increased demand, waiting lists and times continue to grow. Notwithstanding the problems, all clinically urgent cases are accommodated as quickly as possible. Even so, many patients do have to wait.

I know of a person who has been told she needs treatment. However, the earliest appointment she has been offered is two months away. I have reports that some people are having to wait even longer. In the meantime, I have spoken to other people I know and they advise me that, if someone requires a short treatment of radiotherapy—that is, one short, sharp dose or one week’s dose—then the hospitals can usually fit them in. It is the daily, six-week treatment that gets held up. With one person I know, although she has had to wait for several
months for the six-week treatment, they are going to give her one special dose—which they call a booster dose—so at least she can have some treatment in the meantime. In this person’s case, she will be having chemotherapy as well, but not everyone requires chemotherapy along with radiotherapy. It seems like an effort is being made to give people a booster while they wait in line for their six-week treatment. People do not have chemotherapy or radiotherapy at the same time. If someone requires very urgent treatment, they seem to find them a place.

This problem is not restricted to this particular hospital; it is an international problem which was recognised and responded to by the Baume review into these matters in 2001. The Commonwealth-initiated national inquiry into radiation oncology chaired by Professor Peter Baume reported to government in June 2002. I am aware of the Commonwealth’s 2002-03 budget commitment to improve access to radiation therapy for people living in rural areas. Dr Mark Platell, Executive Director of Medical Services, North Metropolitan Health Service, is WA’s representative on the Commonwealth-state regional areas of need for radiotherapy reference group which is advising on the allocation of linacs. The Baume inquiry report showed that WA has a low provision of linacs on a population basis compared to other states and territories. The figures in the report showed that, for WA to come in line with the national average, another two machines would be required. Doctor Platell has told the reference group WA’s particular circumstances with regard to the expansion of radiotherapy services. It is the assessment of the WA health department that the most effective and practical way of improving access to radiotherapy services for people living in rural and remote Western Australia would be to increase the number of linacs at the radiation oncology centre at Sir Charles Gairdner Hospital.

Western Australia has a well-funded patient assistant travel scheme, PATS—a scheme that has been improved dramatically by the Gallop government—which offsets the costs incurred by people living in rural and remote areas of Western Australia who need to go to Perth and major regional centres for medical treatment. The Western Australian government also plans to increase the provision of patient hostel accommodation in Perth, particularly to assist country people who need to stay in Perth for a course of radiotherapy treatment. It is expected that this initiative will complement increased radiotherapy capacity at Sir Charles Gairdner Hospital. There are three linear accelerators at Sir Charles Gairdner Hospital. One of these machines needs upgrading, and at least one additional machine is needed immediately. There has been $73 million made available for the commissioning of the new linear accelerators across Australia which are to be placed mostly in regional centres.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Immigration: Refugees

Mr KERR (Denison) (9.00 p.m.)—Tonight I want to raise some issues regarding Australia’s treatment of refugees. It is timely I do so because tonight I attended the Alan Missen memorial lecture. Mr Speaker, you will recall that Alan Missen was a distinguished parliamentarian, a member of your own party, at a perhaps more gentle time in Australia’s affairs, when there were large numbers of members of this parliament who stood very firmly for human rights and operated in a framework with less regard for the rigidities of party discipline that appear to now constrain some on the other side.

The speaker tonight was Mr Colin McPhedran, the child of a British father and a Burmese mother. He suffered terribly when the Japanese invaded Burma. At the age of 12 he was separated from his mother and made his way, ultimately, to Australia, where he found refuge and protection. He tells a story that would bring tears to your eyes, about the last words that his mother said to him. When he asked, ‘How will I find you again? What can I do if I don’t?’ he was told, ‘You will find good people to look after you.’ Sadly for him, he never found his mother again, but he did find good people who
looked after him. Those good people he found in Australia, where he has made his home. But, more recently, what of the people who have fled places like Iraq and Iran from tyrannical regimes, who have suffered seeing their parents wrenched from them? Some children have reached these shores alone and some have reached these shores with their parents. Did they find good people waiting for them? No; they found Minister Ruddock, John Howard’s Pacific solution and the kind of bitterness of spirit represented by Marian Wilkinson’s and David Marr’s classic book *Dark Victory*.

The other night I attended a speech given by Julian Burnside QC. It was, again, a heart-wrenching experience. There were some instances of simple bloody-mindedness. For example, in one instance a refugee had claimed that he had been informed on by a member of the detention centre who had accepted voluntary repatriation but who had been essentially a spy for the regime in Iraq. His story was not accepted, and the tribunal found that such a person did not exist. But no inquiry was made of departmental files. When the matter got to court for review, the department resisted producing those files. On three different occasions, using three different devices, it sought and successfully refused to produce those materials. Ultimately, they were produced, and they showed that the person he said had informed on him had in fact departed voluntarily, was back in Iraq and was cooperating with the authorities.

Why would a department with any humanity take such a course? We have a system now where the RRT can make decisions that no reasonable person could make, and yet that is not a ground for review. There are still 113 Iraqi nationals trapped like animals in a contrived hell in Nauru, for an expenditure of $226,000 each week, as a result of these practices. We are now sending soldiers into Iraq to destroy the regime that those same people fled from. We still have children locked up. We still have higher than normal rates of mental illness not only amongst the detainees—but also amongst the ACM guards who are placed in that intolerable position that we have created in those hells. I cannot do more than simply draw attention to the need for us to get back to the spirit that Alan Missen represented. *(Time expired)*

### Custodial Grandparents

**Mrs GASH (Gilmore)** (9.05 p.m.)—It does not matter whether it is getting ready for the first day of school, putting a bandaid on a gravel rash or reading a bedtime story, custodial grandparents are becoming surrogate mothers and fathers for the natural parents who cannot or will not care for their own children. Custodial grandparents teach and encourage, remember birthdays and important dates and deal with the everyday traumas and dramas encountered by children. In effect, they take on all the responsibilities of their grandchildren’s missing parents, as it is natural to do. Many do so out of concern and love and many do so without first making sure they are legally entitled to do so—and that can lead to problems. For example, doctors might refuse to share information or to treat the child. The child’s school might refuse to accept the authority of the grandparent as the guardian. They cannot get government assistance because they are not the technical parent, and the authorities will not respond to a non-legal relationship.

Many grandparents initially take grandchildren as a short-term measure but end up as the primary caregivers due to the severity of the parents’ problems. There is no doubt that such surrogate parents are very conscientious. They try to make ends meet but unfortunately there are often just too many ends. It always comes at a time of their lives that are for them to savour and enjoy. Many are on fixed incomes or pensions, and they certainly do not include an extra person in the budget. Before they even get to that point, the biggest difficulty is that many grandparents must face up to the disappointment of their own children. They have to deal with the belief that they themselves may have failed as a parent and now they have to do it all over again. It is emotionally difficult to confront the reality, to deal with it and then to move on to assume responsibility on behalf of their own children. The difficulty in measuring such relationships is that many are not legally recognised. Many
grandparents have just stepped in and are doing the job. The result is that many are living below the poverty line—both them and the children they are caring for.

Recently the Minister for Children and Youth Affairs announced funding to enable the Council on the Ageing to look into this phenomenon. It recognises the growth of a new type of family unit and the challenges it presents to our society and to us as a government. I think it is not before time—even more so, now that I have realised how difficult it is. When the announcement was made, I publicised the fact in the media and called on those grandparents who were in a custodial role to get in touch with me; and they did. Whilst much of the information I have gathered is anecdotal, it is enough for me to realise that we should be doing a lot more in that direction.

One couple who approached me and told me their story are pensioners, both in their late 70s. They have been looking after their grand-daughter for 13 years and, like most other parents, they are mightily proud of their child. She excels at school and, naturally, she is the apple of their eye. Their thoughts have now turned to the future and to the future of their grand-daughter. What will happen when they die? Who will be there to take over when they have gone? They have prudently set up a trust to make sure she is looked after financially. But you cannot set up a trust fund of love and compassion. They have done it tough, trying to work within their means and within the limits of what society has made available. Our welfare system is geared to supporting the family unit but, in this case, the definition of what actually constitutes this is changing and we need to meet that change. That can only be done by knowing the hard facts. While I was looking into this matter, I came across reports of the overseas experience. In America, for instance, the number of custodial grandparents has exploded by 44 per cent in the last two years. In Australia, we do not have these figures available, so we have to rely mainly on anecdotal evidence. This new age in which we are living is characterised by the ‘me generation’ and the growing abandonment of personal responsibility with a growth in demand for individual rights. The net result is that, more and more, the taxpayer has to take up the slack—willingly or otherwise. Whilst I do not like the concept of substitute parents, at least it is far ahead of parents abandoning their children altogether.

One aspect that should be explored is what support mechanism there is for custodial grandparents that have a child with severe emotional problems associated with parental abandonment and, in many cases, where there is an age difference of 50 years or more. Are the rules of parenting 50 years ago still suitable? Are they adequate to reflect the expectations of today? Anybody raising a teenager knows how difficult it can be, but imagine what it is like for someone who is 70 years of age.

The funding announced by the government is just the first step in addressing something that I see will become a more common social problem. We have made it far too easy to let go of our responsibilities to pursue instead personal and selfish gratification. The pursuit of individual liberties, while commendable, should not be at the expense of family and community. We need to deal with it in a supportive and realistic fashion without being judgmental. I urge all colleagues in this House to look into their electorates to see just how severe the problem is.

Gellibrand Electorate: Williamstown Dockyards

Ms ROXON (Gellibrand) (9.10 p.m.)—I would like to talk tonight about the future of the Tenix Williamstown dockyards in my electorate of Gellibrand. I am absolutely astounded by the comments that the defence minister, Senator Hill, made today in the Age, that suggest that the federal government is going to take account of the local Williamstown housing market to help determine where Australia’s naval ships will be built in the future. I find it extraordinary that the cost of housing or accommodation in a local area might be the determinant of where we would build the frigates or other ships for our Navy in the future. Surely a rational basis for such an important decision would be the quality facilities, the absolutely top-class staff at Williamstown and Tenix’s track record of
producing the best frigates on time each time as required by the federal government. I am confident that, if there were any fair, open tender process, Tenix Williamstown would be head and shoulders above the other contenders for any future naval contracts.

Williamstown, as many people in this House would know, has been a seaport and the home of shipbuilders since well before Federation, and it should not have its shipbuilding facilities taken away by a minister who seems to fancy that the view across the bay would make it a prime place for upmarket housing. Williamstown does not need more waterfront residences; it needs more jobs. If everyone were absolutely honest in this process, they would acknowledge the value of the facilities at Williamstown dockyards and the extremely skilled staff that will be lost if the government pushes ahead in its bloody-minded determination to prop up South Australian industry, no matter what the cost to others.

Frankly, I am sick of the future of Williamstown dockyards being put on the line by South Australian ministers who seem to be motivated more by their own state interests and keeping their own state happy than by developing a longer-term, sustainable strategy for shipbuilding in Australia. Each rumour about the future of Williamstown dockyard comes down to one thing: the Prime Minister, John Howard, frankly does not give a damn about the western suburbs of Melbourne. His South Australian defence minister and South Australian foreign affairs minister—not to mention his previous South Australian industry minister—are even worse. Why would we make a decision, as a nation, for more money to be spent in South Australia for something that already exists in my electorate of Gellibrand?

I am sick of this government’s dismissiveness of the needs of the residents of western Melbourne. It would be a huge blow to our region if Tenix were not able to build ships for Australia in the future. If Tenix and its employees, and the thousands of subcontractors and small businesses that rely on the shipbuilding contracts provided by this government, were closed down—or if the Howard government made a decision that would force the Williamstown dockyards to close down—this would be an extraordinary loss. This is without even mentioning the flow-on to the local cafes, restaurants, accommodation and other service providers. Although Williamstown is in Melbourne, the western suburbs of Melbourne still have double the unemployment rate of the rest of Victoria. These jobs are absolutely crucial to our region.

So, although we have the access, the facilities and the quality staff already established in Williamstown, the federal government seems determined to ignore this. But short-term political gain should not be the basis for our long-term defence industry strategy. Quality frigates that were built at Williamstown are currently engaged in action in Iraq. Both the *Darwin* and the *Anzac* were built at Williamstown and are serving our defence forces excellently as we speak. I can hardly think of a less appropriate time for the government to be bringing the future of Williamstown shipyards into question. The government has been pretending that it wants to rationalise the shipbuilding industry to sustain it in the long term. Now we suspect it is simply so it can tell the shipbuilders to work wherever it is Robert Hill thinks there will be the most political benefit to him. I urge the government to use a better measure than that—to look fairly at what facilities are needed, where the staff have the expertise and what cost there is to upgrade and rebuild a new facility. Williamstown dockyards have a proud history, a great record and a brilliant future. The government should just let them get on with the job.

**Parliamentary Privilege**

Mr PEARCE (Aston) (9.14 p.m.)—I wish to raise the issue of parliamentary privilege this evening. This House and its workings, including parliamentary privilege, were designed to enable the business of the Australian people to be conducted in the most effective and beneficial manner. Unfortunately, it seems that too often it is abused by a select few who are blinded by their own interest and neglect the interests of our nation. Sadly, this occurred in the Main Committee last Wednesday. The member for Melbourne, speaking in an appropriations
debate, engaged in his familiar unfortunate tactics, launching a baseless attack on Victorian businessman Ron Walker. The member for Melbourne produced no evidence whatsoever. In fact, he attempted to justify his speech on the basis that he had no evidence, with the exception of unnamed sources. Ron Walker has himself indicated the baseless nature of the allegation. I would like to take this opportunity to address the attack made on Ron Walker.

For fellow Victorians it may not seem necessary, but it is worth recapping, albeit briefly, the contribution that Ron Walker has made to Victoria and, indeed, Australia. Ron Walker’s outstanding contribution to business, the arts, the community and in raising Australia’s profile internationally was recognised when he was awarded the Companion in the Order of Australia. In serving the Victorian community in public life alone, Ron Walker has a long list of achievements. Ron Walker has served the people of Melbourne in elected office, becoming Melbourne’s youngest lord mayor at the age of 34. Following his time in local government, Ron Walker was appointed by the then Labor Premier, Joan Kirner, as the head of Melbourne Major Events Company, an honorary position that he held for 10 years. He is currently the chairman of the Melbourne 2006 Commonwealth Games Organising Committee as well as chairman of the Australian Grand Prix Corporation, chairman of the Microsurgery Foundation of St Vincent’s Hospital and a trustee of the National Gallery of Victoria.

But do not just take my word for it. I would like to tell you about the words of another fellow Victorian. I quote:

... I pay tribute to the tireless leadership that Ron Walker has undertaken over the last 10 years. This fellow Victorian goes on to say:

Ron Walker has been dynamic and determined and he has delivered over the last 10 years. I congratulate him on behalf of the Victorian public for what he has delivered and I welcome his ongoing contribution to the organisation committee of the 2006 Commonwealth Games. I welcome also his continued stewardship and chairmanship of the Australian Grand Prix Corporation ...

So which fellow Victorian was praising Ron Walker, the supposed Liberal Party power-broker? It was one of the member for Melbourne’s fellow ALP travellers, Victorian Labor leader Steve Bracks.

The reality is that Ron Walker has served the people of Victoria in a bipartisan way, reflected in his exemplary service under both Labor and coalition administrations. In announcing Ron Walker’s appointment to the Fairfax board, retiring Fairfax chairman Brian Powers noted that Ron Walker is a man of high integrity—clearly something that is lacking when it comes to the member for Melbourne. The member for Melbourne’s behaviour is typical of the opposition under its current leader. The opposition leader’s conduct in this matter spells volumes. Fairfax was so concerned about the member for Melbourne’s false claims that it contacted the opposition leader prior to the speech to make it clear that the claims had no validity. Despite this, and despite a denunciation from a Fairfax executive, the member for Melbourne went ahead with his accusation anyway. This demonstrates two things: firstly, that the member for Melbourne is totally out of control, making defamatory statements without producing a skerrick of evidence to back them up; and, secondly, that the opposition leader does not have the respect or substance of leadership to rein in the member for Melbourne. The member for Melbourne’s slide into the political gutter on this occasion and his personal attacks under the cloak of parliamentary privilege are a stain on this parliament. I call on the member for Melbourne to do the right thing and either correct the record of the House immediately or repeat his claims outside of the parliament and actually produce solid evidence to substantiate his accusations. (Time expired)

Braddon Electorate: Health Insurance Premiums

Mr SIDEBOTTOM (Braddon) (9.19 p.m.)—Hundreds of north-west coast families in my electorate of Braddon got a rude shock last week when they received letters advising them of huge increases in health insurance premiums—in some cases, jumps of up to 69 per cent. This follows the Howard government’s announcement that there
would be a 7.4 per cent increase in the amount of money that Australia’s 44 health funds could levy members. However, in many cases these premiums have risen considerably more. Most fund members took this to mean that there would be a 7.4 per cent rise in their premiums. Instead, the health funds targeted the products which were costing them the most in a bid to keep up with rising medical costs.

My office—and this is no doubt shared by many other offices of members in this House—has received more than 30 calls from shocked and angry customers. Some of these people will have to pay an extra $1,000 a year for private health insurance, and some even more. One of my constituents, Mr Conlon of West Street, Burnie, received a letter from the Government Employees Health Fund stating that his contribution per month would rise from $197.60 to $309.40. This is totally outrageous. It is a 56.5 per cent increase—or, quite simply, he will have to pay an extra $1,341.60 each year.

Most constituents complained of increases ranging from $574 a year to $1,077. Not only have these people been hit with huge increases but most have complained that their private health fund has reduced their extent of coverage. For example, as from 1 April when the new premiums apply, health fund members such as Mrs Dick from Burnie will have to pay $250 a day for the first two days in hospital. This hardly seems fair given the huge increases. Indeed, Mrs Dick’s premium will rise by nearly 57 per cent, or $22 per fortnight. This is a slap in the face to Australians with private health insurance who were told by John Howard in the run-up to the last election that premiums would fall under his government. The increase will also cost taxpayers more than $170 million a year, or $680 million over four years. However, with the actual increases shown to be between 20 per cent and 69 per cent, this could cost taxpayers billions.

For every dollar that premiums rise, taxpayers will contribute 30c. Mrs Sproule of Burnie will be up for a 40 per cent increase of $764 per annum; Mr Brack of South Rianna will be up for a 20.7 per cent premium increase; Mr T. Greene of Somerset will be up for a 20.3 per cent increase; and Burnie pensioner Hedley Charles’s premium will rise from $355 to $386 per quarter. Mr Ken Hegar of my home town of Forth is outraged by the premium increases that have occurred this year and last year and by the fact that, with all this, gap payments are still not covered for most premium holders. Once again, the government has used the nation’s proper concern with matters of national security to try to conceal the additional financial burden that families will have to bear if they elect to maintain their private health insurance.

McPherson Electorate: Sports Awards

Mrs May (McPherson) (9.24 p.m.)—I recently hosted a very special event to present the inaugural Commonwealth sports achievement awards to recognise outstanding sporting performances, achievements and contributions by community members within my electorate. A couple of the recipients were unable to join me for the presentation, and I would like to mention these people first.

We have a reputation on the Gold Coast for training world champions in swimming, and we are extremely lucky to have a world
champion coach in Dennis Cotterell. Dennis nominated two very special Australians for this award: Grant Hackett and Giaan Rooney, two young people who are a great credit to their sport, their country and their families. I would like tonight to pass on my best wishes to both these young people for continued success with their swimming careers.

Another gentleman who could not attend was Danny Clark, who was nominated for his sporting success in cycling. Danny was an Australian Olympic medallist in 1972, and his continued participation in cycling has seen him win six world titles in masters cycling since 1999.

Mr John Newton was also not able to attend the presentation but was nominated for his commitment and outstanding success in flat-water kayaking and surf lifesaving. His record of success as a competitor is outstanding. John is a veteran and competes in the over-55 age group. His achievements are outstanding and too numerous to put on the record tonight.

Leigh McBean was nominated for his achievements in swimming. In 2002 Leigh was selected as a member of the Australian swimming team for the Commonwealth Games and the Pan Pacific Championships. Leigh excels in backstroke over 50 metres, 100 metres and 200 metres. At the Pan Pacific Championships last year, Lee broke personal best times in both the 100-metre and 200-metre events—a wonderful achievement—and Leigh told me that there is more to come.

Another recipient was the Currumbin Tennis Club. The award was accepted by Shirley Redwood, the president of the club. The club was nominated for its continued dedication to the development and promotion of the sport of tennis in our local community on the Gold Coast. The club is a volunteer sporting facility that organises junior and senior tennis competitions and development programs. In 2002, three junior teams won their respective grand finals and one of the ladies teams won its grand final. The success of the club is attributed to the executive committee, whose members have held their positions for the last eight years.

Stan Beveridge was presented with his sports award for his contribution to the sport of squash—a game he does not play himself but works tirelessly to promote. In fact, for the past 25 years Stan has been organising squash events and competitions in the Palm Beach area for over 200 local players aged from nine through to 73. Stan’s lengthy contribution to the development and promotion of squash was certainly worthy of special recognition.

Graeme Clancy was nominated for his achievements in touch football at regional, state and national levels. In 2002 Graeme was selected in the Australian under-18 team that won 3-0 in the international test series in the Cook Islands. Graeme has also played in the Gold Coast Sharks under-20s team, the Queensland men’s state team in a state of origin challenge and in the Australian University Games. He is also a level 2 touch football referee and has assisted coaching junior athletes—another worthy recipient.

The next recipient is an outstanding athlete who has achieved success in masters swimming. John Crisp is 67 years of age and currently holds the record for the fastest swims ever recorded by an Australian in his age group for 20 long course distance events and 21 short course distance events. Last year John competed in the Australian national championships, the world championships and the Third Asia Pacific Games. John is a wonderful example that age is no barrier to competing in sport.

Mr Reg Free was recognised for his contribution and achievements in the sport of rowing. Reg is a past Australian champion in single scull rowing and, after finishing his professional rowing career, he continued his passion for the sport by taking up coaching. As a coach, Reg assisted individuals and teams to success at national and international levels. He also coached his two sons Duncan and Marcus, who achieved great success in rowing.

Travis Vaina at just 17 was nominated for his achievements in shotgun shooting and trap shooting. In 2002 Travis was placed fifth in the world championships in trap shooting, second in the Australian junior trap championships and first in several Queen-
Travis was also awarded the Queensland Junior Shooter of the Year in 2002, and he hopes to compete at the 2004 Olympics.

My final presentation was to a group of young men from the North Burleigh Surf Lifesaving Club under-16 surf team. Ryan Lysaught, Harrison Moncreiff, James Stewart and Tom Trembath were unbeaten in the 2002 season in surf team events and were gold medallists in the surf lifesaving titles held on the Gold Coast at Kurrawa Beach. I am sure that you would agree, Mr Speaker, that each and every one of these recipients of the inaugural Commonwealth sports awards are outstanding sportsmen and sportswomen.

Colston, Former Senator: Medical Assessment

Mr Murphy (Lowe) (9.29 p.m.)—Mr Speaker, you might recall that just before question time I raised the case of former senator Dr Malcolm Arthur Colston. I drew to the House’s attention that it has been nine months since the commencement of the third review of the state of health of Dr Colston. How many reviews, medical assessments and experts do we have to have to assess whether this man is terminally ill or fit to stand trial on rorting the Commonwealth with respect to travel allowances? Mr Speaker, this is a very serious matter, and it is in the public’s interest that I ask you to ask the Attorney-General to facilitate the DPP’s finalisation of this matter.

Debate interrupted.

House adjourned at 9.30 p.m.

NOTICES

The following notices were given:

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 20 March 2003, namely: Design and location of pedestrian and street lights.

Mr Price to move:

That this House:

1. values the contribution that all veterans who have served Australia have made;
2. expresses the appreciation of the contributions made by families of the veterans;
3. notes that to be entitled to a Veteran’s Pension, veterans will have had to serve in campaigns overseas; and
4. expresses its strongest condemnation against the Government for treating veterans as second-class citizens by failing to allow the same voluntary direct debits to third parties, such as health funds, as those on Centrelink benefits are allowed to make.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Environment: Greenhouse Gas Emissions
(Question No. 1327)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 4 February 2003:

(1) In response to Senate Estimates questions, did he say that the Australian Greenhouse Office (AGO) had not estimated the reduction in greenhouse gas emissions that would be achieved through a prohibition on clearing of “of concern” regional ecosystems on freehold land in Queensland, all remnant native vegetation in Queensland, or remnant native vegetation in areas of Queensland with an identified dryland salinity hazard.

(2) Will he direct the AGO to undertake the necessary work to answer these questions.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) No. Development of the National Carbon Accounting System of the Australian Greenhouse Office (AGO) has placed top priority on capability to estimate greenhouse emissions associated with removal of forest cover. The capability of the system to produce high calibre greenhouse emissions estimates for other types of vegetation systems (for example non-forest remnant native vegetation) is under development. Consequently, the AGO is not technically equipped at this time to produce estimates of greenhouse gas emissions from all types of ‘of concern’ or remnant native vegetation ecosystems.

Taxation: Family Payments
(Question No. 1384)

Mr Jenkins asked the Minister representing the Minister for Family and Community Services, upon notice, on 6 February 2003:

On the most recent data, how many Family Payment Greater than Minimum recipients reside in (a) Victoria and (b) the postcode areas of (i) 3074, (ii) 3075, (iii) 3076, (iv) 3082, (v) 3083, (vi) 3087, (vii) 3088, (viii) 3089, (ix) 3090, (x) 3091 and (xi) 3752.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(a) As at 7 February 2003 in the State of Victoria, there were 236,156 families in receipt of a rate of Family Tax Benefit (Part A) greater than the minimum rate. Of these families 99,209 were in receipt of a broken rate (less than maximum rate) and 136,947 were in receipt of payment at the maximum rate. In addition there were 279,669 families in the State of Victoria in receipt of Family Tax Benefit (Part B). Of these families 74,946 were in receipt of a broken rate and 204,723 were in receipt of the maximum rate. Note: There is no legislative minimum rate of Family Tax Benefit (Part B), and if a customer is receiving both types of payment they are included in both sets of figures provided.

(b) The following tables provide data in relation to the specific postcodes requested, also as at 7 February 2003. Note: customer numbers of less than 20 for a particular postcode are not released for privacy reasons.

<table>
<thead>
<tr>
<th>FTB (A)</th>
<th>Post Code</th>
<th>Broken Rate</th>
<th>Maximum Rate</th>
<th>FTB (B)</th>
<th>Post Code</th>
<th>Broken Rate</th>
<th>Maximum Rate</th>
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</thead>
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<tr>
<td></td>
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<td>1156</td>
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<td></td>
<td>3088</td>
<td>469</td>
<td>509</td>
<td>3088</td>
<td>379</td>
<td>1081</td>
<td></td>
</tr>
</tbody>
</table>
Family Services: Parenting Payments
(Question No. 1387)

Mr Jenkins asked the Minister representing the Minister for Family and Community Services, upon notice, on 6 February 2003:

On the most recent data, how many parenting payment single recipients reside in (a) Victoria and (b) the postcode areas of (i) 3074, (ii) 3075, (iii) 3076, (iv) 3082, (v) 3083, (vi) 3087, (vii) 3088, (viii) 3089, (ix) 3090, (x) 3091 and (xi) 3752.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(a) 94,800.
(b) (i)535. (ii) 496. (iii) 532. (iv) 640. (v) 399. (vi) 201. (vii) 399. (viii) 163. (ix) <20. (x) <20. (xi)107.

Data current as at 06/12/2002.

NOTE: Figures represented with <20 are not provided to protect the privacy of these customers.

Centrelink: Overpayments
(Question No. 1446)

Mr Brendan O’Connor asked the Minister representing the Minister for Family and Community Services, upon notice, on 10 February 2003:

(1) How many families and individuals in the electoral division of Burke have received a Debt Notice from Centrelink for overpayment of Family Tax Benefit in (a) 2000-2001 and (b) 2001-2002.
(2) What was the average Family Tax Benefit debt per family or individual in the electoral division of Burke in (a) 2000-2001 and (b) 2001-2002.
(3) How many families or individuals received Family Tax Benefit debt notices despite having informed Centrelink within 14 days of a change in their circumstances.
(4) What advice are Centrelink staff giving to help reduce or prevent debt notices.
(5) What steps has the Minister taken to reduce the number of families and individuals receiving debt notices for 2002-2003.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) In 2000/2001, 5008 customers in the electoral division of Burke incurred an overpayment of Family Tax Benefit of which a substantial number had the $1000 waiver applied. In 2001/2002, as at 27 December 2002 3716 customers in the same electoral division incurred an overpayment.
(2) The average debt per family in 2000/2001 was $859.34, in 2001/2002 was $792.78.
(3) This information is not recorded.
(4) Centrelink provides a range of advice which includes:
- explaining the family payment system, the importance of income estimates and the reconciliation process;
- Encouraging families to provide a reasonable estimate of their income for the financial year and assisting customers with this where required;
- Seeking new income estimates from families at the beginning of each financial year;
• Proactively encouraging families to keep their estimate up to date and assisting families with their estimates;
• Progressively from November 2002, discussing with families new choices available to them to match their payment arrangements to their family circumstances to reduce the chance of being overpaid;
• Informing families of the need to lodge their tax returns within 12 months of the end of the income year to ensure they receive their correct entitlement.
• Advising customers that their Family Tax Benefit overpayment may be recovered from their tax refund, or their partner’s tax refund (if they give consent).

(5) On 17 September 2002 the Government announced measures providing for more flexibility in the Family Tax Benefit and Child Care Benefit system. The measures will further help families match their payments to their circumstances.

Families, who notify the Family Assistance Office of an unexpected increase in their income and consequently are at risk of having an overpayment at the end of the year, can now ask for their ongoing entitlement for the rest of that year to be adjusted to significantly reduce or wipe out any possible overpayment.

Families can also choose to receive some of their Family Tax Benefit and/or Child Care Benefit during the year and the balance at the end – this gives them the flexibility to split their payments. This will assist those families who are unsure if a parent will return to work part way through that financial year, families who have older children who may get a job during the financial year, and families who are unsure of their annual income.

As well, the Child Care Benefit percentage has been simplified. This will make it easier for centres to administer Child Care Benefit and simpler for parents to understand.

Health and Ageing: Aged Care

(Reservation No. 1451)

Mr Sciacca asked the Minister for Ageing, upon notice, on 12 February 2003:

(1) What is the current waiting list for (a) low care and (b) high care beds in aged care facilities in the South East Region of Brisbane.

(2) How do these waiting lists compare with figures (a) 12 months ago, (b) two years ago and (c) five years ago.

(3) How many (a) low care beds, (b) high care beds and (c) aged care packages have been allocated within the electoral division of Bowman.

(4) How many (a) low care and (b) high care beds are currently operational within the electoral division of Bowman.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) The Commonwealth does not maintain waiting lists. Aged care homes may maintain lists for their own purposes.

(2) See (1).

(3) Information on the number of allocated places by electorate is not maintained in the general course of business as, in many instances, the exact location of provisionally allocated places cannot be known until shortly before construction commences. Planning and allocation of places is based on Aged Care Planning Regions.

(4) As at 31 December 2002, there were (a) 600 low care and (b) 604 high care residential aged care places operating in the electorate of Bowman.

Health: Asbestos Research

(Reservation No. 1467)

Mr McClelland asked the Minister for Employment and Workplace Relations, upon notice, on 12 February 2003:

(1) Has his attention been drawn to a recent announcement by the Hon. John Della Bosca, NSW Minister for Industrial Relations, of the establishment of a research institute into asbestos diseases.
(2) Given that evidence suggests there will be an increase in asbestos related diseases over the coming years and that Australians from all States and Territories will be affected by those diseases, will the Government consider liaising with the NSW Government with a view to assisting the institute to extend its research to a national basis.

Mr Abbott—The answer to the honourable member’s question is as follows:

(1) I am aware of the decision by the NSW Government to provide funding for the establishment of a research institute to study asbestos-related disease.

(2) Study and treatment of disease, including asbestos-related disease, is primarily a matter for Australian health ministers. The Commonwealth Government provides funding for health and medical research projects through the National Health and Medical Research Council (NHMRC). In 2003, the Commonwealth will provide more than $150 million in funding for important health and medical research projects across Australia including funding for research at the University of WA to develop a simple blood screening test for mesothelioma to enable earlier identification and treatment. Grants have also been provided by the NHMRC in previous years to fund other studies relating to asbestos related disease.

A range of research is being undertaken in Australia to study asbestos related disease including at the Sir Charles Gairdner Hospital in Perth. The work of the research institute in NSW will be a useful contribution to the existing Australian and international research efforts. It is open to the institute to apply for funding for particular projects through the NHMRC.

To assist in improving data on the extent of asbestos related disease, the National Occupational Health and Safety Commission (NOHSC) has maintained a National Mesothelioma Register since 1986.

The prevention of asbestos related disease and other long latency disease is an important workplace health and safety issue. The Commonwealth Government has been working with the States and Territories to address this matter. At my initiative, the State and Territory governments in September 2001 agreed through the Workplace Relations Ministers’ Council (WRMC) to a ban on the use and importation of chrysotile asbestos by 31 December 2003. The regulations to give effect to this prohibition are currently being developed. Ministers have also agreed to a prohibition of actinolite, anthophyllite and tremolite asbestos.

The National Occupational Health and Safety Strategy 2002-2012, recently endorsed by the WRMC, identifies five national priorities to bring about short and long term improvements in workplace health and safety. One of those priorities is to prevent occupational disease more effectively. Long latency disease is an area for particular attention. At its November 2002 meeting, the WRMC endorsed the first set of three year action plans to address the national priority areas.

Finance and Administration: Program Funding

(Question No. 1492)

Ms Grierson asked the Minister representing the Minister for Finance and Administration, upon notice, on 13 February 2003:

(1) Does the Minister’s Department administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Newcastle can apply for funding; if so, what are the programs.

(2) Does the Minister’s Department advertise these funding opportunities; if so, (a) what print or other media outlets have been used for the advertising of each of these programs and (b) were these paid advertisements.

(3) With respect to each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.

(4) With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses or (c) individuals in the electoral division of Newcastle received funding in 2001 and 2002.


(6) What is the name and address of each recipient.
Mr Costello—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:

(1) No.
(2) (a) Not applicable.
(b) Not applicable.
(3) (a) Not applicable.
(b) Not applicable.
(4) (a) Not applicable.
(b) Not applicable.
(c) Not applicable.
(5) Not applicable.
(6) Not applicable.

Commonwealth Funded Programs
(Question No. 1497)

Ms Grierson asked the Minister for Industry, Tourism and Resources, upon notice, on 13 February 2003:

(1) Does the Minister’s Department administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Newcastle can apply for funding; if so, what are the programs.
(2) Does the Minister’s Department advertise these funding opportunities; if so, (a) what print or other media outlets have been used for the advertising of each of these programs and (b) were these paid advertisements.
(3) With respect to each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.
(4) With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses or (c) individuals in the electoral division of Newcastle received funding in 2001 and 2002.
(6) What is the name and address of each recipient.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) Yes, community organisations, businesses or individuals in the federal electorate of Newcastle are eligible to apply for assistance under the following programs currently administered by the Department of Industry, Tourism and Resources, with applications assessed on merit and/or against relevant criteria.

Expenditure Programs
- Shipbuilding Bounty
- Shipbuilding Innovation Scheme
- Enhanced Printing Industry Competitiveness Scheme
- Printing Industry Competitiveness Scheme
- Small Business Assistance Program (including Small Business Answers, Incubator and Enterprise Culture Programs)
- TCF Strategic Investment Program
- R&D Start Grants and Loans (Industry Innovation Program)
- Commercialising Emerging Technologies (COMET) Program
- Competitive Pre-Seed Fund
- Innovation Investment Fund
- Innovation Access Program
(2) Yes. The programs listed above (with the exception of the National Innovation Awareness Strategy) are delivered by AusIndustry - the program delivery arm of the Department. AusIndustry has developed a National Marketing Strategy to facilitate delivery of its programs, which encompasses a range of marketing activities and tools - including limited, targeted advertising. Customer inquiries are managed by the AusIndustry delivery framework, including the AusIndustry Hotline and website. These delivery channels provide customers with further information, advice and support in relation to the programs delivered by AusIndustry.

AusIndustry has arranged for paid and unpaid advertisements in a number of formats namely, print and radio advertising. Print advertising includes advertisements placed in major daily newspapers (e.g. the Australian and the Sydney Morning Herald), regional newspapers (e.g. the Newcastle Herald), and targeted sectoral publications (e.g. the Australian CPA Charter when targeting a potential audience of accountants). Local radio advertising in the electoral division of Newcastle includes advertisements on Newcastle 2HD and KO FM Newcastle.

In relation to the National Innovation Awareness Strategy - the most recent advertisements were placed in the weekend Sydney Morning Herald, the Melbourne Age and the Weekend Australian. These were paid advertisements.

(3) Consolidated information on Departmental programs was forwarded to the Senate Economics Legislation Committee on 25 September 2002, in response to a request made by Senator Campbell during the 2002-03 Budget Estimates hearings. This information, which includes details of the purpose of each program, can be obtained from the Senate Economics Legislation Committee secretariat. Information on Departmental programs is also available on the Department's website (www.industry.gov.au) and on the AusIndustry website (www.ausindustry.gov.au).

A number of the AusIndustry expenditure programs are administered by the Industry Research and Development Board - including R&D Start Grants and Loans, Commercialising Emerging Technologies (COMET) Program, Competitive Pre-Seed Fund, Innovation Investment Fund, Biotechnology Innovation Fund and the Renewable Energy Equity Fund. The remaining AusIndustry expenditure programs are administered by AusIndustry with AusIndustry officers acting as delegated decision makers. In relation to the National Innovation Awareness Strategy - applications for assistance are initially assessed by a Departmental committee, before being passed to the National Innovation Awareness Council - an independent advisory council on innovation - for final recommendations on funding.

(4) to (6) Information on funding/assistance provided to the electorate of Newcastle through Departmental programs is provided below.

**R&D Start Program:** A competitive, merit based grants and loans program that supports businesses to undertake research and development and its commercialisation.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Project</th>
<th>Original Date Agreed</th>
<th>Current Agreed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transform Composites Pty Ltd</td>
<td>Phenolic Composite Panel</td>
<td>8/11/1996</td>
<td>$367,582</td>
</tr>
<tr>
<td>J-LEC Systems Pty Ltd</td>
<td>Mine emergency light/ sound escape</td>
<td>22/11/1996</td>
<td>$100,000</td>
</tr>
<tr>
<td>Company Name</td>
<td>Project</td>
<td>Original Date Agreed</td>
<td>Current Agreed Amount</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>----------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Tablam Pty Ltd</td>
<td>Get Home Safe</td>
<td>18/06/1999</td>
<td>$248,000</td>
</tr>
<tr>
<td>Altaral Pty Ltd</td>
<td>Industrial Laminate Continuous Manufacturing Process</td>
<td>14/07/2000</td>
<td>$151,950</td>
</tr>
<tr>
<td>Innova Soil Technology Pty Ltd</td>
<td>Efficient Thermal Treatment of Contaminated Soil</td>
<td>4/08/2001</td>
<td>$1,093,000</td>
</tr>
<tr>
<td></td>
<td>Machine Vibration Analysis Techniques</td>
<td>24/04/2002</td>
<td>$225,700</td>
</tr>
<tr>
<td>CW Pope &amp; Associates Pty Ltd</td>
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</tr>
</tbody>
</table>

**Total**: $2,674,356

**Note**: The agreed funding figure reflects total funding allocated to projects. Funding allocated to projects may be paid over a number of years.

**Innovation Access Program**: A competitive grants program to promote innovation and competitiveness by increasing Australian access to global, leading edge research and technologies and their uptake by Australian firms and researchers, particularly by small and medium enterprises.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Project</th>
<th>Original Date Agreed</th>
<th>Current Agreed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle City Council</td>
<td>Cooperation with the Rocky Mountains Institute on sustainable energy development in industry clusters</td>
<td>10/02/2000</td>
<td>$5,500</td>
</tr>
<tr>
<td>HLA-Envirosciences Pty Ltd</td>
<td>Costal issues paper on mining and mine-site rehabilitation</td>
<td>22/02/2000</td>
<td>$29,255</td>
</tr>
<tr>
<td>University of Newcastle</td>
<td>New green pre-treatment processes for coated products</td>
<td>11/04/2000</td>
<td>$25,000</td>
</tr>
<tr>
<td>University of Newcastle</td>
<td>Collaboration with the Central Research Institute of Electric Power Industry - Japan on black coal utilisation</td>
<td>2/06/2000</td>
<td>$98,000</td>
</tr>
<tr>
<td>Newcastle City Council</td>
<td>Funding towards Mr Amory Lovins travel to Australia to give presentations</td>
<td>16/06/2000</td>
<td>$4,000</td>
</tr>
<tr>
<td>Newcastle City Council</td>
<td>Newcastle City Council’s participation at the 21st ICLEI World Congress of Global Cities</td>
<td>16/06/2000</td>
<td>$4,000</td>
</tr>
<tr>
<td>University of Newcastle</td>
<td>Facilitating access to international expertise on the permeable reactive barrier remediation technology for contaminated groundwater</td>
<td>1/07/2002</td>
<td>$5,100</td>
</tr>
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<td></td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$170,855</strong></td>
</tr>
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</table>

**Commercialising Emerging Technologies Program**: A competitive, merit based grants program which supports businesses and individuals to increase the commercialisation of innovative products, processes and services.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Project</th>
<th>Original Date Agreed</th>
<th>Current Agreed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunter Surgical Pty Ltd</td>
<td>Medical - Tamponade device for use in colonoscopy</td>
<td>8/02/2002</td>
<td>$20,000</td>
</tr>
<tr>
<td>Exoflex Australia Ltd</td>
<td>Tyre recycling Tech. (Construction products)</td>
<td>28/02/2002</td>
<td>$52,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$72,000</strong></td>
</tr>
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</table>
Printing Industry Competitiveness Scheme: An entitlement based program which provides financial assistance to book printers to compensate for paper cost.

<table>
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<tr>
<th>Company Name</th>
<th>Project</th>
<th>Original Date Agreed</th>
<th>Current Agreed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exact Print and Design Pty Ltd</td>
<td>N/A</td>
<td>29/11/2001</td>
<td>$718</td>
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<tr>
<td>Total</td>
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<td>$718</td>
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</table>

Small Business Enterprise Culture Program: Provides competitive grants for initiatives designed to enhance small businesses access to skills development and mentoring.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Project</th>
<th>Original Date Agreed</th>
<th>Current Agreed</th>
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<tr>
<td>Hunter Business Centre</td>
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<td>$26,640</td>
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<td></td>
<td></td>
<td>$26,640</td>
</tr>
</tbody>
</table>

Small Business Incubator Program: Provides grants to not-for-profit organisations to help meet the infrastructure and set-up costs of new small business incubators. Smaller amounts are also provided for feasibility studies and to existing incubators for enhancements.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Project</th>
<th>Original Date Agreed</th>
<th>Current Agreed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle City Council</td>
<td>Newcastle City Business Incubator Feasibility Study</td>
<td>26/08/2001</td>
<td>$23,400</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$23,400</td>
</tr>
</tbody>
</table>

R&D Tax Concession: A broad-based market driven tax concession which allows companies to deduct up to 125% of qualifying expenditure incurred on eligible R&D activities when lodging their corporate tax return. A 175 per cent Premium (Incremental) Tax Concession and R&D Tax Offset are also available in certain circumstances.

<table>
<thead>
<tr>
<th>Company Details</th>
<th>Financial Year</th>
<th>Eligible R&amp;D Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of companies: 31</td>
<td>2000/01</td>
<td>$16,203,328</td>
</tr>
<tr>
<td>Number of companies: 21</td>
<td>2001/02</td>
<td>$22,127,057</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$38,330,385</td>
</tr>
</tbody>
</table>

Note: Section 47 of the IR&D Act precludes the disclosure of information relating to individual tax payers. The information provided is an aggregate of the total expenditure companies in the electorate of Newcastle have registered to claim in the relevant financial years. The actual benefit received by individual tax payers is confidential and only known to the Australian Taxation Office.

Tradex: Provides financial relief to exporting companies via an up-front exemption from customer duty and GST on imported goods intended for re-export or to be used as inputs to exports.

<table>
<thead>
<tr>
<th>Company Details</th>
<th>Financial Year</th>
<th>Duty Foregone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate information provided</td>
<td>2000/01</td>
<td>$187,459</td>
</tr>
<tr>
<td></td>
<td>2001/02</td>
<td>$156,279</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$343,738</td>
</tr>
</tbody>
</table>

Note: The information provided is an aggregate of the total revenue foregone in respect of companies in the electorate of Newcastle. Confidentiality restrictions prevent disclosure of detailed information.