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Wednesday, 28 May 2003

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

HEALTH LEGISLATION AMENDMENT (MEDICARE AND PRIVATE HEALTH INSURANCE) BILL 2003

First Reading

Bill presented by Ms Worth, and read a first time.

Second Reading

Ms Worth (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (9.01 a.m.)—I move:

That this bill be now read a second time.

The Howard government has committed $917 million to strengthen Australia’s universal health care system by making general practitioner services and other out-of-hospital services more available and more affordable.

The A Fairer Medicare package will deliver better access by increasing the size of the medical workforce, particularly in outer metropolitan and rural areas.

Central to the package is the new General Practice Access Scheme. This scheme will provide financial and other incentives to general practices that guarantee to provide medical care at no cost to patients who are covered by Commonwealth concession cards. As is the case now, general practitioners will be free to bulk-bill whomever they choose—but for the first time the government will provide an incentive to participating general practices to strengthen the availability of bulk-billing for pensioners and Commonwealth concession card holders.

The Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003 contains measures to make medical services more affordable. The bill does this in three ways.

Firstly, general practices that sign up to the General Practice Access Scheme will benefit from the convenience of new electronic billing arrangements. The new arrangements will be more convenient for both patients and general practitioners. If the participating general practitioner chooses to charge a fee above the Medicare rebate or ‘gap’, as they can now, patients will have reduced up-front costs. Instead of paying the general practitioner’s full fee, then claiming back the Medicare rebate, patients assign their Medicare rebate to the general practitioner and only pay the gap. Patients leave with no more to do and no more to pay.

Secondly, the bill safeguards people covered by a Commonwealth concession card against high out-of-hospital Medicare costs that add up over time.

The bill provides a new safety net whereby the government covers 80 per cent of out-of-pocket expenses to pensioners and Commonwealth concession card holders when their cumulative out-of-pocket expenses for Medicare services are in excess of $500 in a calendar year. Out-of-hospital services for which a Medicare rebate is payable cover, for example, services by general practitioners and specialists, ultrasound, diagnostic, pathology and radiation oncology. This new safety net provides an extra protection for the seven million Australians covered by a pension or a Commonwealth concession card.

Thirdly, this bill enables registered private health funds to offer insurance plans to cover all out-of-pocket expenses for out-of-hospital Medicare services in excess of $1,000 in a calendar year.

This new private health insurance product will cover the same wide range of Medicare
funded services as the concessional safety net.

The government’s 30 per cent rebate on private health insurance will apply to these new health insurance products. It will not be necessary to have existing private health insurance cover in order to take out this new product. At present, some 30,000 Australians face out-of-pocket costs of more than $1,000 in a year for Medicare services. For the first time, people will be able to insure against unexpected out-of-hospital costs.

The Howard government’s $917 million A Fairer Medicare package delivers a simple, fair, affordable Medicare system that provides health cover for all Australians.

The Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003, as part of the Howard government’s integrated A Fairer Medicare package, strengthens the original tenets of Medicare by increasing access and affordability for all Australians.

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

Debate (on motion by Mr Stephen Smith) adjourned.

INDUSTRIAL CHEMICALS (NOTIFICATION AND ASSESSMENT) AMENDMENT BILL 2003

First Reading

Bill presented by Ms Worth, and read a first time.

Second Reading

Ms Worth (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (9.06 a.m.)—I move:

That this bill be now read a second time.

The Industrial Chemicals (Notification and Assessment) Amendment Bill 2003 makes a number of changes to the Industrial Chemicals (Notification and Assessment) Act 1989 (the Act). The act establishes a system of notification and assessment of industrial chemicals to protect health, safety and the environment and to provide for registration of certain persons proposing to introduce industrial chemicals.

The proposed changes relate to the commercial evaluation permit system and company registration.

The commercial evaluation permit system allows the chemical industry to introduce new and innovative industrial chemicals to Australia for the purpose of commercial evaluation. The provisions under the act allowing this faster and less costly pathway to introduce new chemicals were first introduced in 1992.

The commercial evaluation permit allows companies to introduce new industrial chemicals at a specified volume and over a defined time. Companies provide information about the chemical and the commercial evaluation process to the National Industrial Chemicals Notification and Assessment Scheme (NICNAS). NICNAS conducts a health and environmental risk assessment and establishes conditions for safe use of chemicals under the permit. The NICNAS director can refuse to grant a permit if not convinced that the volumes are needed for commercial evaluation. In addition, there are penalties for companies that contravene the permit conditions.

The change to the commercial evaluation permit system is to increase the volume of chemicals from the current maximum of 2,000 kilograms to a new maximum of 4,000 kilograms, to be introduced over the existing maximum time period of two years. A volume change was considered following informal representation from chemical companies and formal representation from industry members of the NICNAS Industry-Government Consultative Committee to
NICNAS in July 1999. The chemical industry maintained that the volume limit of 2,000 kilograms was too low and that not all industry sectors could access this fast-track mechanism to bring in new and innovative chemicals. The alternative mechanisms under NICNAS have longer assessment times and fees and require more industry resources and chemical data. Consequently, Australia was missing out on some new and innovative chemicals and technology.

The NICNAS Industry-Government Consultative Committee endorsed reform of the category to meet the changing needs of the chemical industry, starting with a survey of industry practices concerning the use of the commercial evaluation permit system. A strong prerequisite for the reform was that worker and public health and environmental standards were not to be compromised.

The survey of industry practices confirmed that an increase in the volume of chemicals available under the commercial evaluation permit was needed, with 28 per cent of those surveyed indicating that the current maximum of 2,000 kilograms is too low to complete the process of commercial evaluation. NICNAS analysed the data and concluded that an increase in volume under permit to a maximum of 4,000 kilograms would enable industry to access this permit in most circumstances.

In moving to the higher volume, there are additional responsibilities for NICNAS and industry in maintaining community standards for chemicals introduction. Applicants are to provide a summary of health and environmental effects of the chemicals for NICNAS to use in the risk assessment. NICNAS is to upgrade its guidance on the use of the commercial evaluation permit system. In addition, it is introducing a raft of administrative changes to help ensure that companies understand and comply with permit conditions, including the requirement that they report back to NICNAS on any adverse effects experienced during the commercial evaluation and the success or otherwise of the commercial evaluation process. NICNAS is to compile this information and provide feedback to the public.

These changes are not expected to lead to a change in the NICNAS assessment fee.

The changes made to the company registration provisions in the act were developed in response to an independent review conducted in 2000 in relation to the company registration program. These aim to streamline administration, deliver reform and enhance regulatory compliance.

One area of change relates to the renewal of registration, with the aim of encouraging timely renewals. The company registration year runs from 1 September to 31 August in the following year. Currently a registered company has to renew its registration with NICNAS by 1 August, 30 days before the registration actually expires. Since the inception of the company registration scheme in 1997, the compliance rate with this renewal date has been persistently low (around 50 per cent each year), and this is despite vast administrative improvements to enable a smoother renewal process. Furthermore, an average of 10 per cent of the registrants failed to renew by the start of the new registration year. NICNAS has had to allocate significant resources to pursue outstanding renewals, and this has added substantially to compliance costs. Although an urgent handling fee is in place, it is not mandatory and cannot be used as a means to encourage compliance.

One reason for the large number of late renewals is the renewal deadline itself. Feedback shows that an early renewal date has caused confusion among industry. Companies cannot understand a renewal deadline.
which precedes expiry of registration by a month, since most other licences and registrations have up until the expiry date for renewal. The second reason is that some companies take the view that payment will only take place on final demand, knowing NICNAS cannot apply late fees under the act.

To address these issues, this bill will align the deadline for the renewal of registration with the expiry date of registration, that is, 31 August. The bill will also abolish the urgent handling fee and put in place a late renewal penalty for renewals received after this date. Any compliance costs in pursuing late renewals will be shifted to the late registrants.

If a company has not renewed its registration by 31 August for the following year, its registration lapses until the application fee, the registration charge for renewal and the late renewal penalty have been paid, whereupon the registration is deemed to have been reinstated from the beginning of the registration year. A company runs the risk of committing an offence if it introduces relevant industrial chemicals without a registration being in force and, where charges have been laid against the company for such an offence, the company is precluded from paying the applicable fees and charges to retrospectively reinstate its registration to avoid the offence.

Parallel to these changes, the bill also specifies 31 August as the date by which a registered company has to notify NICNAS if, for any reason, it is not renewing its registration for the next registration year. Currently no deadline is specified for such notification and, when a renewal is not received by 31 August, NICNAS cannot tell if the renewal is late or registration is no longer required.

Measures are taken to ensure that the late renewal penalty is viable. This bill stipulates that if a company is registered for one year and seeks registration in the following year, that registration in the following year is treated as a renewal and not as a new registration. This is to prevent companies from using new registrations to avoid the late renewal penalty when their renewals are late.

The other area of change relates to the fee setting mechanism for company registration. Currently company registration fees and charges are prescribed in the act. This is an exception rather than a rule as all other NICNAS fees and charges are placed in regulations. This has resulted in an inflexible fee system which cannot readily respond to cost recovery needs. This bill moves company registration fees and charges out of the act. They will become part of the regulations and will allow for the application of consumer price indexation. Any changes to fees and charges will require due consultation and ministerial approval.

In summary, the changes proposed in this bill are aimed at streamlining administration and delivering reform to the NICNAS scheme. The change in maximum chemical volume allowable under the commercial evaluation permit will enable the faster introduction of new and innovative chemicals and technology, while retaining safeguards to protect human health and the environment. The combined measures taken for company registration will encourage timely renewals and strengthen regulatory compliance. They will improve the collection of cost recovery revenues for the health and safety and environmental regulation of industrial chemicals in Australia.

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

Debate (on motion by Mr Stephen Smith) adjourned.
HEALTH CARE (APPROPRIATION) AMENDMENT BILL 2003

Second Reading

Debate resumed from 14 May, on motion by Ms Worth:

That this bill be now read a second time.

Mr STEPHEN SMITH (Perth) (9.16 a.m.)—There could not be a better juxtaposition: the government introduced its unfair Medicare package at 9.05 a.m. and funded it to the tune of $917 million, and at 9.10 a.m. we are debating the Health Care (Appropriation) Amendment Bill 2003. We know from the budget papers that the government is ripping $918 million out of the funding of the health care appropriation bills.

Mr Truss—Absolute rubbish! Wall to wall rubbish!

Mr STEPHEN SMITH—Read page 179 and page 162 of the budget papers. It is there for you to see. It is a great shame that ministers of the Crown do not even read their own budget papers. There could not be a better juxtaposition. At five past nine, the government put its unfair Medicare package legislation to the parliament, which is funded to the tune of $917 million, and at 9.10 a.m. we are debating the Health Care (Appropriation) Amendment Bill 2003. We know from the budget papers that the government is ripping $918 million out of the funding of the health care appropriation bills.

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Mr STEPHEN SMITH—Read page 179 and page 162 of the budget papers. It is there for you to see. It is a great shame that ministers of the Crown do not even read their own budget papers. There could not be a better juxtaposition. At five past nine, the government put its unfair Medicare package legislation to the parliament, which is funded to the tune of $917 million over four years, and five minutes later we are debating the appropriations for the health care agreements. In the budget papers, we have found that the government is ripping $918 million out of the forward estimates to fund it. So it is a straight switch: destroy Medicare and rob the states of a billion dollars over four years and between a billion and a billion and a half over the five-year period of the health care agreements—a billion dollar hospital pass to the states.

The minister at the table and other ministers should read pages 162 to 167 of Budget Paper No. 2 and page 179 of Budget Paper No. 2. There they will find the health care agreements funding cut—$918 million over four years—and the funding for the government’s unfair Medicare package—$917 million over four years—ripped out of the state public hospitals to fund the unfair Medicare package. There could not be a better juxtaposition of those events, from what we have seen today. The government has effectively done that as a job lot in five minutes in the House today.

The Health Care (Appropriation) Amendment Bill sets the scene for the Commonwealth to make its ongoing contribution to the funding of state public hospitals through the Australian health care agreements. The current five-year agreement period expires on 30 June this year, and the new agreements commence on 1 July this year for a five-year period. The opposition support the legislative framework that would enable the Commonwealth to continue to fund the health care agreements; our great complaint with the Howard government is the level of the funding and the manner in which it funds them.

The renegotiation of the health care agreements, so far as this government is concerned, has been a great lost opportunity. People interested in this area may recall that, at the health ministers conference in 2002, all the states, both the territories and the Commonwealth—through the Minister for Health and Ageing, Senator Patterson—agreed on a reform program. A series of task forces were established, essentially under the chairmanship of Professor Dwyer. A task force of clinicians was charged by the health ministers conference to look at a range of reform proposals and reform mechanisms. This set some expectations in the profession that there would be, firstly, adequate funding of the states through the health care agreements and, secondly, implementation of some reform measures.

In August last year, when I spoke at the Australian Health Care Association’s annual...
general meeting in Hobart, I said that people should not get their hopes up too high, because at some point in the process, someone in authority—not the minister for health—would turn up and say, ‘Last time they got this amount; next time they’re getting the same amount plus or minus a particular percentage.’ I made the point at the time that my great fear would be that it would be a minus percentage. People will remember that in November-December last year all the state and territory health ministers turned up but the Commonwealth was represented by an empty chair. Why was that? It was because the health minister had absolutely no authority in this matter. A decision had been made by the government—by the Treasurer and the Prime Minister—on the amount of funding, and no conversation would be entered into between the minister for health and the states and territories. The minister for health made it absolutely clear that she had no authority in this matter.

People will remember the crystallisation of this issue: the empty chair so far as the Commonwealth health minister was concerned and, in January this year, the Treasurer saying that we should proceed on the basis that there would be no new money for health in the budget. And that is precisely what we have seen—$917 million over four years for an unfair Medicare package and, in forward estimates: ‘Let’s drag $918 million over four years out of the funding for the health care agreements.’ It is a great lost opportunity so far as the renegotiation of the health care agreements are concerned. It is a great lost opportunity because nothing has been done to improve one of the great difficulties and problems we have in health care funding in Australia at the moment.

We know that it has always been the case that the funding of health care in Australia has been a combination of state and Commonwealth and a combination of public and private. From the Commonwealth’s perspective, in my view, it is a matter of trying to maximise the health outcomes by finding the best way of spending the money available to give us the best outcomes and then maximising the integration between the Commonwealth spend and the state spend—the public spend and the private spend. We know that for years the system has been bedevilled by cost shifting. There was a perfect opportunity here for the Commonwealth to move beyond the old-style approach of simply proceeding, as in this case, to dud the states on a particular amount of money and to start to address issues of state and federal cost shifting. There was an opportunity to move beyond the health care agreement simply funding the state public hospitals to contemplating up-front pooling of funds not just for hospitals but potentially for aged care, for PBS and for a range of areas where we could have open, transparent, up-front pooling of funds between the state and the Commonwealth so that for a five-year period everyone would know where everyone stood. Everyone would know the pool of funds available and, if you wanted to vary the pool of funds, that would have to be done in an open and transparent manner.

So there is a great lost opportunity so far as that potential for structural reform is concerned, but the great damage that the government is doing through this piece of legislation is to essentially give the states a $1 billion hospital pass, ripping anywhere from $1 billion to $1.5 billion out of the funding of the state public hospitals. The juxtaposition of the government’s introduction of its legislation for the unfair Medicare package could not be starker than today. What is the relevance of that measure to the funding of our public hospitals? We know that when the Howard government came to office bulk-billing rates were at 80 per cent. Shortly after Labor left office in May of 1996, bulk-billing
rates peaked at 80.5 per cent. In every year since then, under the Howard government, they have fallen. On the release of the last set of official statistics, the March 2003 quarter statistics, on Friday a week ago, we saw that the national figure for bulk-billing had plummeted to 68.5 per cent—a 12 per cent drop in the seven years the Howard government has been in office. More importantly, the stark reality is that over half of that drop occurred in the last year or so—a six per cent drop, effectively, in the last 12 to 18 months.

This echoed the advice that the department of health gave the new Minister for Health and Ageing in December 2001. The government was re-elected in November 2001 and less than a month later the health department advised the minister for health, Senator Patterson, that unless the government took dramatic action there would continue to be a serious and dangerous decline of bulk-billing, and the department could not formally advise where the next stable level of bulk-billing would be. We have seen that that advice to the new minister has become a self-fulfilling prophecy, because the government did nothing. As late as December last year, the Prime Minister stood in this place and said it was factually incorrect to say that there was a problem with bulk-billing. And every time—every quarter—when we saw the release of official statistics, the minister for health would simply say, ‘These are disappointing rather than disastrous.’

What is the effect of the collapse of bulk-billing as far as the states and our state public hospitals are concerned? With the collapse of bulk-billing, when people cannot find a bulk-billing doctor, where do they go? It might take two days, two weeks, two months or two years, but sooner or later we know that they end up in the emergency department of a public hospital, putting even greater pressure on the state system. As I travel around the countryside and speak to state and territorial health ministers, they have, to a man and woman, been saying for some time that the collapse of bulk-billing is putting additional pressure on our emergency departments, to the extent that they are now being inundated with presentations which could comfortably be dealt with at GP level. It is also regrettable the case that it is invariably the situation in health care that those people who are least able to afford making a payment, whether it is to see a doctor or pay for a script, are also those people most at risk of serious illness or chronic disease, either because of their age or their employment or economic status.

How does the government respond to the renegotiation of the health care agreements, to be effective from 1 July this year, and the collapse in bulk-billing? The government responds by ripping $918 million over four years out of the funding for the health care agreements and with the introduction of its unfair Medicare package. What does the government’s unfair Medicare package do? How does it seek to address the problem? How will its solution take any pressure off the emergency departments of our public hospitals? The answer is: it does not fix the problem. It is a classic John Howard, member for Bennelong, prime ministerial fix; it does not fix the problem. It pays incentives to doctors to bulk-bill pensioners and concession card holders only. That effectively destroys the universality of Medicare and the universality of bulk-billing. That is no surprise, because the member for Bennelong has held that view for a long time—firstly, as Treasurer in Malcolm Fraser’s government.

The last Malcolm Fraser remake of Medibank restricted bulk-billing by general practitioners to pensioners, concession cardholders and poor people. When the member for Bennelong, Mr Howard, became Leader of the Opposition in the 1980s, his view was that he wanted to destroy Medicare and he wanted to
destroy bulk-billing. His view was that Medicare and bulk-billing was a rort, and he had to gut it. His formal election commitment to the Australian people when he was Leader of the Opposition in 1987 was that bulk-billing should be restricted to pensioners, concession cardholders and poor people and doctors should be free to charge everyone else what they chose. That is precisely what the government’s unfair Medicare package now seeks to implement.

The second thing that the government’s unfair Medicare package seeks to do is to put in place financial incentives for doctors to bulk-bill pensioners and concession cardholders. It does that by paying them incentive payments to bulk-bill pensioners and concession cardholders, but more effectively, in the eyes of the doctors, it does so by enabling, for the first time, the patient rebate to be split from the doctor’s charge or copayment. That gives the green light to doctors to charge whatever they want.

I am not the only one saying this. The AMA said, on the release of the package, that it would be inevitable that doctors’ fees would rise. The Parliamentary Secretary for Family and Community Services, the member for Parramatta, Mr Cameron, also acknowledged this at the end of last week. The inevitable consequence of the government’s unfair Medicare package will be to increase the cost of a visit to a doctor for Australian families. Any family with an income of $32,300 or more is not eligible for a health care card or a concession card and as a consequence, bit by bit, visit by visit, members of such a family will pay more and more every time they visit the doctor. So the government’s unfair Medicare package does not provide a solution to the dramatic collapse of bulk-billing or to the funding of our state public hospitals.

As I have said, the legislation itself sets the scene for Commonwealth funding of the health care agreements over a five-year period. The opposition does not oppose the legislative framework—on the contrary, it is supported—but the opposition opposes the government’s unfair Medicare package. The government is ripping $918 million out of the health care agreements and effectively funding its unfair Medicare package to the tune of $917 million through that vehicle. The opposition strongly opposes this. We also oppose what the government is continuing to do in the budget papers, which is to seek to increase the cost of essential medicines for Australians and their families by an extra 30 per cent. These public policy failures of the government are condemned, and that is reflected in a second reading amendment that I will formally move before the conclusion of my remarks.

The final area I want to draw attention to, and which the second reading amendment draws attention to, is the government’s absolute refusal to countenance any review whatsoever of the private health insurance rebate. The government introduced the rebate and has consistently failed or refused to review that operation in any way—to look at its effectiveness. I have often said that the big health issues, so far as the Commonwealth is concerned, are generally health economic and health financing issues—not from a bean-counting or a fiscal point of view, but from this context: there will always be a limited amount of money that the Commonwealth has available to spend on health; what is the best way to spend that limited taxpayer resource and give the best health outcomes? The government’s unfair Medicare package expends $917 million over four years, private health insurance costs the Commonwealth taxpayer $2.3 billion per annum, and the government refuses to ask this simple
question: is that the best way of spending that money?

As I have said on many occasions—and I am happy to be misrepresented when I make these remarks, as the Minister for Health and Ageing, the Treasurer, and the Prime Minister have done—leaving aside the merits of the private health insurance rebate for the present, the great public policy crime that was committed when the rebate was introduced was that the government did not ask for any outcomes in return. No outcomes in return were asked of the private health insurance industry either in terms of cost constraint or improved efficiencies and no outcomes were asked in return of the private hospital industry either in terms of improving clinical outcomes or cost constraint. It was simply given. And I think it is legitimate for the Australian consumer, the Australian taxpayer and this parliament to ask the question: is this the most effective way of spending the money to give the best health outcomes?

It is actually possible to have a thoughtful review of the private health insurance rebate. For example, if the argument, which the government used, was that it was to take the pressure off public hospitals, then why does the rebate apply to ancillaries? Could you contemplate a system where the rebate was capped so far as individual payments are concerned and means tested so far as individual payments are concerned? Or, if the rebate is given and the private health insurance industry and the private hospital industry have the direct or indirect benefit of that rebate, why not require of them outcomes that will improve overall efficiency and result in better clinical outcomes, better efficiency in terms of allocation of resources and better health outcomes generally?

So, when you look at the great areas of public health policy—Medicare and bulk-billing, health care agreements and state public hospitals, the Pharmaceutical Benefits Scheme and private health insurance—the government has dramatic failures for which they need to be condemned on every score. So far as the Pharmaceutical Benefits Scheme is concerned, we find—in last year’s budget and again in this year’s budget—the government committing itself to increasing the cost of essential medicines by 30 per cent. We know from statistics that I obtained through the good work of Labor senators in Senate estimates last year that the health department’s own analysis of the effect of the 30 per cent increase is that over a four-year period—the department and the government itself are proceeding on this basis—five million pensioner scripts will not be taken out as a result of the increase in the charge and 300,000 Australians in families over that comparable four-year period will not take out their scripts. What is the consequence of people, particularly pensioners, not taking out their scripts? It is the same as the consequence of not seeing a bulk-billing doctor. It might be two days, two weeks or two years, but sooner or later they will end up in the emergency department of a public hospital, at far greater personal cost to themselves, because the medical intervention required will be greater, and at far greater cost to the state and Commonwealth taxpayer, again because the medical intervention will be greater and more expensive.

So across the board, everywhere you look, the effect of the government’s policies on health is to increase the burden on individuals that is at the heart of the unfair Medicare package—to shift the cost to a user pays system. That runs through every area of health policy, whether it is authorising increases in private health insurance premiums—despite having gone to the last election saying that their policies would see downward pressure on premiums and premiums would be re-
duced—whether it is whacking the sickest and poorest with a 30 per cent increase in the cost of essential medicines, whether it is reducing funding to the states to the tune of a billion dollars so far as hospitals are concerned or whether it is giving the green light to doctors to charge Australian families with incomes of over $32,300 more every time they visit a doctor. These are the great issues so far as health policy is concerned. The opposition’s views in these matters are summarised in the second reading amendment circulated in my name. Therefore, I move:

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

“whilst not opposing the Bill, the House condemns the Government for its health policy failures, including:

(a) the Howard Government’s withdrawal of $918 million from public hospitals over the next four years;

(b) the Howard Government’s unfair Medicare package which will result in bulk billing, in time, only being available to pensioners and concession card holders and families being left to pay more and more for their health care;

(c) the Howard Government’s decision to increase the cost of essential medicines by up to 30%, hitting the sickest and the poorest hardest; and

(d) the Howard Government’s refusal to review the $2.3 billion private health insurance rebate to ensure that it provides value for money for consumers and taxpayers.

These are the great issues of health care and health care policy before the Australian community. They are also the great issues which the Australian community will confront day in and day out from now until the next election. As I have made clear, both here and outside the House, so far as the government’s unfair Medicare legislation is concerned, we will fight those changes tooth and nail, because the only consequence of those measures will be to hit Australian families. The consequence of that will be that more and more Australians will be deprived of access to bulk-billing doctors, and the only consequence of that will be more and more people attending the emergency departments of our public hospitals at precisely the time that the government is ripping between $1 billion and $1½ billion of the funding of our health care agreements through the renegotiation process currently under way. Having formally moved the amendment circulated in my name, I ask my colleague the member for Gellibrand to second the amendment.

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

Ms Roxon—I second the amendment and reserve my right to speak.

Mr Lindsay (Herbert) (9.40 a.m.)—This morning we have heard the shadow minister for health and ageing indicate to the parliament that health will be the most significant issue until the next election. In this second reading debate on the Health Care (Appropriation) Amendment Bill 2003, which is designed to appropriate $42 billion to public hospitals—a massive increase in funding for our public hospitals—the shadow minister, who is making health the most significant issue until the next election, was able to speak to the parliament for only 22 of the 30 minutes allocated to him.

Mr Truss—And he had to pad that out, too.

Mr Lindsay—Minister, I agree with you; that says it all. What sort of importance does the Australian Labor Party place on the most significant increase in public hospital funding in the life of this parliament ever, when they can only speak for 22 minutes—and they oppose the government all the way? I guess the Australian public’s message to the Australian Labor Party is: be constructive or
move out of the way and let the government get on with the legislative agenda that it has so successfully been able to carry out over the last seven years.

I am very interested in the opposition’s amendment to this bill. The first part of it says that the opposition condemns the government for withdrawing $918 million from public hospitals over the next four years. If you listened to the shadow minister you would probably have some sympathy with what he was saying, but it is what he did not say that was most significant. I have heard Australian Labor Party state members around the country saying the same things, because I guess they have got to hang something on their scare campaign. What they do not say is that the federal government is offering a huge increase in real terms over the amount of money that public hospitals got this year, the year before and the year before that.

If you look at the amount of money that has gone to public hospitals this year, you will find that there is a significant real increase for next year—and the year after and the year after that and the year after that. But Labor’s story is that this government is cutting $918 million from public hospitals. Both statements cannot be right, and I invite anybody who is listening or watching today to have a look at the figures. They are in black and white, they are in the budget papers, and they indicate that the Commonwealth is making significant real increases over and above inflation every year for the next five years to public hospitals.

I see also that the amendment condemns the Howard government’s unfair Medicare package. But look at what the opposition has proposed; look at what Simon Crean proposed in his budget reply. I will tell you what he proposed for regional Queensland and rural Queensland. He proposed that we should be second-class citizens when it comes to Medicare. Why is that? The reason is that, under Labor’s policy, doctors in capital cities will get an incentive payment provided they bulk-bill 80 per cent of their patients. But what is the percentage figure for regional cities such as Townsville? Doctors have to bulk-bill only 75 per cent of their patients. And for rural Australia it is only 70 per cent. What Labor is saying is, ‘We don’t care about the regions; we don’t care about cities like Townsville and the people there. We care about the major metropolitan cities. We want more people bulk-billed in major metropolitan cities than in rural and regional Australia, and we’re going to provide an incentive so more people are bulk-billed.’ What kind of a policy is that, when the Australian Labor Party says to rural and regional Australia, ‘You are second-class citizens’? I for one am not going to stand for that, and I will tell everybody that I can get to hear me that that is the policy of the Australian Labor Party. It cannot be allowed to continue. It will be rejected by the people of Australia, and it just shows the hypocrisy of this amendment that has been made to the bill today.

The third amendment proposed condemns the Howard government’s decision to increase the cost of essential medicines by up to 30 per cent. On the face of it, you would say that, if that is true, that is pretty rough. But you cannot trust the Australian Labor Party. You have to look behind what they are saying. They are saying that we are asking pensioners, for example, who are now paying $3.60 for a prescription to pay an extra $1. But we are capping that at 52 prescriptions, so the most that can be paid is an extra $52. Pensions consume tens of thousands of dollars worth of medicines every year, paid for by the Commonwealth of Australia, and the federal government is asking pensioners to pay just another $1 per prescription. Why are we doing that? The Labor Party think,
‘Golly, we are on a winner here: we have saved the pensioners from paying an extra $1.’ Do you know what they have actually done by blocking this in the Senate? And it makes me extraordinarily angry. I want all the pensioners in Australia to know that, by blocking this in the Senate, the Labor Party are denying low-income earners the ability to have access to the most up-to-date medicines. People who are not in the low-income category can afford to pay for the medicines themselves, so they are okay. By blocking this in the Senate, the Labor Party have not hurt the people who are better off; they have hurt the people who are less well off. What sort of a policy is that from the Australian Labor Party, who purport to represent the battlers of this country? Effectively, they are saying, ‘We are going to do you in the eye, and we are going to claim credit for it. Aren’t we good? We have saved you having to pay $1.’ Yes they have, but they have stopped them from getting the most up-to-date medicines. I think that is a pretty rough deal for pensioners.

The fourth amendment proposed refers to the government’s refusal to review the $2.3 billion private health insurance rebate. The private health insurance rebate has worked magnificently. I heard the shadow minister saying that more and more people are being forced back into emergency departments and that public hospitals are groaning. The truth is that they are not. In Townsville, the hospital’s emergency department is seeing fewer people than it saw previously and the hospital has fewer beds occupied than it did previously. The private hospital system is taking a significant part of the load now. Nationally, I think the figures are something like private hospitals 48 per cent and public hospitals 43 per cent, but I would stand to be corrected on that. The figures do show that the private hospitals are taking their fair share and more, and doing it very efficiently indeed. That is the benefit of the private health insurance rebate.

Labor do not seem to understand that there is a benefit in taking the pressure off the public hospitals. But, more than that, it encourages people to contribute to the cost of their own health care. The private health insurance funds do not just get the $2.3 billion; they get the contribution from those who are insured. That is money that the hospital system would not otherwise have had, and it is a very significant amount of money going into our hospital system. It makes me quite angry to think that the Labor Party would even consider withdrawing private health insurance, because that would just thrust all of those people back on to the public system and it could not cope. What’s more, it would see the loss of the contribution that people make to the cost of their own health care. The country could not stand it. I utterly reject the amendments to this bill proposed by the opposition, and I will certainly be very direct in standing up and voting against them when the motion is put.

This $42 billion that we are moving to appropriate brings with it some concerns with the Labor state governments. What the Health Care (Appropriation) Amendment Bill 2003 is doing for the first time—and I think it is fabulous, and I commend the Minister for Health and Ageing and her people for bringing this bill to the parliament—is saying to the states, ‘We’ll sign, provided you sign and you guarantee to match in full the Commonwealth’s rate of growth year by year.’ We are asking the state governments, who run the public hospitals in this country, to match the Commonwealth’s increases. What could be fairer than that? And who is opposed to it? The Labor state governments. Why are they opposed to it? I guess you have to look at their budgetary record.
As the Treasurer correctly pointed out, you have to look at the fact that the state governments have been extraordinarily good at introducing new taxes year by year and running deficit budgets—a far cry from what the coalition government does federally. We are funding unexpected military operations, massive increases in homeland security and massive increases in health and education, yet we are giving tax cuts and ending up with a surplus. How good is that? But look at the state governments: they cannot afford to match the Commonwealth’s real increases in health expenditure for public hospitals. What is wrong with their budgeting system? In Queensland, the Beattie government is now raiding all the statutory corporations to get money. That is an extraordinary move to prop up the budget. At some stage, the Queensland government is going to come to a crashing end. You cannot just go on raiding hollow logs year after year, because they will end up with nothing in them.

We are also asking the state governments to be accountable for the money they spend in the public hospital system. In the past we have seen that, when the Commonwealth provides an increase, some state governments siphon off that money and there is no way of telling that it was siphoned off; it gets spent in some other area of the state budget. The states have been taking Commonwealth money and spending it for purposes other than the public hospital systems. Is it not eminently sensible and reasonable that the Commonwealth require the states, as a condition of the health care agreement, to sign up to being open and transparent about where they spend their money? Surely that is reasonable and sensible. So we have two conditions on this $42 billion available to the states now for public hospital funding over the next five years: the states have to match the Commonwealth’s increase and they have to be open and transparent.

What does Queensland do? The first thing they do is say, ‘We utterly reject these new conditions,’ and they will not sign. For the people of Queensland, if the state government do not sign, the result will be that Queensland public hospitals will lose $851 million. We will probably see the Beattie government stand up and very proudly say, ‘We are not going to accept dictatorship from the federal government,’ but they will not mention that Queensland has lost $851 million. How sad is that? All we ask Queensland to do is just confirm to us that they have spent the money on hospitals and match our increases. It is an extraordinarily reasonable request, but Labor in Queensland are just rejecting the federal government’s very generous offer.

What is that going to do to my patch in Townsville and the Townsville General Hospital? Do you know what is happening at the moment? Last Saturday, I had a husband ring me really distressed. He said to me, ‘I am just beside myself; I do not know what to do. My wife has a very serious form of breast cancer. I have been to the Townsville hospital and they have said: ‘We are sorry, we cannot accept you. Go somewhere else.’ The reason they could not accept that particular patient—and I think we all know how distressing that is, particularly in the case of breast cancer in a woman—is that the hospital system is not properly managed in Queensland. In fact, it is appalling. It is turning people away. In Townsville, we have a level 6 hospital—the best in the world basically. It is the newest in the state. The facilities are fabulous and the staff are wonderful and caring, but they are turning the patients away. Hello? Have we forgotten why hospitals are there? Hospitals are there for patients and we turn them away. How could that be? This is the state government and a public hospital turning patients away.
Mr Truss—And withdrawing their funding.

Mr Lindsay—And they are withdrawing their funding. Do you know what else is happening in the Townsville hospital? These things are happening across the hospital; there is story after story. The staff have laptop computers and the hospital management are withdrawing 150 laptop computers from the hospital to save on the maintenance charges. The staff at the hospital use modern technology because all the imaging is now on the network. If you do an X-ray somewhere—you do not even have to do it at the Townsville hospital—the doctor, nurse or whoever needs to call it up can do so. As a cost-cutting measure they are withdrawing 150 laptops; I cannot believe it. At a time when everybody is increasing their use of technology, the Townsville hospital is withdrawing it. Surely, Mr Beattie, that is a reason why you should be accepting the Commonwealth offer. You should be rushing to the Commonwealth government saying, ‘A 17 per cent increase over and above inflation in funding for our public hospitals is a great deal.’ I just ask Mr Beattie if he would please reconsider.

Dr Southcott—He doesn’t have to.

Mr Lindsay—He doesn’t have to; you are right. In the last five years of the agreement prior to the one that we are debating now, Queensland got a total of $5.9 billion. In the new agreement that is proposed to the parliament Queensland will get, if it accepts the Commonwealth’s offer in full, an extra $2.1 billion—taking it up to $8 billion. So they will get an increase from $5.9 billion to $8.02 billion. That is a great deal for Queensland public hospitals, but the Labor Party in Queensland says, ‘No.’ I cannot believe that that would be the situation. I see that the emergency waiting times at the Townsville hospital—parliament might be interested in this—

Dr Emerson—They would be pretty bad—

Mr Lindsay—They are bad; they are awful.

Dr Emerson—because bulk-billing patients are flooding into the public system.

Mr Lindsay—No. I remind the member for Rankin of standing order 55.

The Deputy Speaker (Mr Jenkins)—The honourable member for Rankin will cease interjecting, the honourable member for Herbert will ignore the interjections and the minister will help the chair.

Mr Lindsay—I thank the Deputy Speaker. The member for Rankin should look at the figures for patients going to the emergency department of Townsville hospital. They have fallen, not risen. But if you look at the performance of the emergency department—these figures were published in the last couple of months—less than three-quarters of category 2 emergency patients were attended to within the required time of 10 minutes. They are just not meeting their time targets. However, the most disturbing figures were for those category 3 patients who were deemed to be urgent and must be seen within 30 minutes. Only 50 per cent of those patients were seen within the required time. The public hospital in Townsville is in crisis and it is in crisis because the state government will not provide the necessary financial resources to provide services to patients. The patient has been forgotten in all this. That is appalling and I am not going to stand for it. I note that a local Labor member in my electorate, the member for Mundingburra, was very critical of me in the state parliament. I am happy to take that on board. 

(Time expired)
Dr EMERSON (Rankin) (10.00 a.m.)—The Health Care (Appropriation) Amendment Bill 2003 appropriates funds for a new five-year funding offer to the states for public hospitals. But the budget papers confirm that the offer constitutes a withdrawal of $918 million over four years and well over a billion dollars over five years. Some offer! It is an offer to withdraw funds from public hospitals. But we should not be surprised by it, because it is the Liberal way. This is a Liberal government and this budget is definitely the most Liberal budget that has been brought down, because it gives full expression to the Liberal philosophy; that is, those people who do not have the resources to look after themselves—who previously, under Labor governments, have been protected—are now left to fend for themselves. This is a government that does practice social Darwinism—survival of the fittest—in this country.

I see that the shadow minister for workplace relations has just walked into the chamber. Survival of the fittest is expressed right throughout this budget and throughout the legislation that has been brought into this parliament with respect to workplace relations. The government has brought into this parliament legislation that would tear away the basic protections for the lowest paid workers in this country so that they are left to survive if they can, if they are fit enough. If they are not then they do not survive. That is the Liberal way. That is social Darwinism. It is practised day in and day out in this parliament and most recently with this legislation, where the government is making some offer—an offer to withdraw $918 million over four years from our public hospital system.

It is not as if Labor failed to see this coming. Speech after speech was made by Labor MPs when the GST was first being mooted, and when the legislation was finally brought into this parliament, in which we said that it was only a matter of time before the government started trimming back the tied grants to the states. This government’s plan was to withdraw funding to the states for the tied grants and say, ‘You can pay for it yourselves because you have got the revenue from the GST.’ We warned about that and, from the very early days, funding for health was treated in that way when the government sought to reduce the value of that funding in real terms by holding it, in dollars of the day, at the same level and allowing inflation to erode it away.

At the time that the GST was introduced, members on the government side conveniently neglected to recognise that untied grants to the states totalling $18 billion were abolished on that same day. The tied grants were maintained, but Labor warned that they would be allowed to erode over time. And that is exactly what is happening here. On such a fundamental issue as the funding of our public hospitals over the next five years, the government is allowing the real value of those payments to be eroded over time such that the impact is a withdrawal, over four years, of $918 million and, over five years, of well in excess of a billion dollars.

The cuts to public hospitals over four years of $918 million almost exactly match the $917 million Medicare package that the government unveiled formally in the budget. A Medicare package? It was a plan to destroy Medicare. That has been the aspiration of this government, not just since the proposal to introduce the GST in the 1998 election but way back in 1987 when John Howard, then the Leader of the Opposition, made very clear to the public what his plans for Medicare were. One thing you have to say about John Howard is that when he has an idea in his mind it tends to stick there and it stays and stays.

I again bring a matter to the attention of my colleague the shadow minister for work-
place relations. When John Howard was opposition leader, on the issue of workplace relations, he said, ‘We will bust the unions. We will fundamentally overturn our system of fair bargaining in this country.’ Legislation comes into this parliament almost on a daily basis to do exactly that. Way back then, when he was opposition leader, he was a supporter of the GST. And he got his GST into the parliament courtesy of the Democrats. Way back then, in 1987, the then opposition leader, now Prime Minister of Australia, told the Australian people very clearly, very frankly, what he thought about Medicare and what he planned to do with Medicare if he became Prime Minister after 11 July 1987. His promises were to tear Medicare right apart, to pull Medicare apart and, he said, without wanting to put too much of a pun on it, to take a scalpel to Medicare. He described bulk-billing as a rort. He said he would get rid of bulk-billing for everyone but pensioners. That is exactly what this plan would do. So we should not be surprised that this is the agenda, because it has been John Howard’s agenda since at least before the 1987 election.

The current Prime Minister does have a bit of perseverance: he lost that election, but he learned his lesson. He thought, ‘Well, if I keep saying what I want to do—which is to destroy Medicare, to take a scalpel to Medicare, to tear Medicare right apart, to get rid of bulk-billing for everyone but pensioners—I won’t become Prime Minister, because the Australian people don’t want that.’ They told him that emphatically in 1987 when the then Labor government picked up a total of four new seats, very much because of the now Prime Minister’s publicly stated plan to destroy Medicare. So he went underground—very cunning, our Prime Minister. He stopped saying that he was going to destroy Medicare. In fact, as opposition leader going into the 1996 election, he said, ‘We love Medicare. It is a health system for all, not just a few; Medicare for all, not just a few.’ But his mind had never changed. He always had the view that Medicare should be destroyed, because that is the Liberal way.

The way to destroy Medicare without saying you are destroying Medicare is twofold. Firstly, you run down funding for the public hospital system—hence this bill before the parliament today—and, secondly, you preside over a reduction, year in and year out, in bulk-billing. Bulk-billing is the cornerstone of Medicare. If bulk-billing collapses, community support for Medicare will collapse. Then the Prime Minister will be in a position to formally dismantle Medicare, but he would say in those circumstances that it was the will of the people. Very cunningly, he set out from 1996 onwards to ensure that bulk-billing fell consistently, and he succeeded. In each and every year of the present government, under the prime ministership of Mr John Howard, the rate of bulk-billing has fallen, yet in each and every year of the previous Labor government the rate of bulk-billing rose.

The Prime Minister’s plan was working. Community support for Medicare—not for the Medicare that Labor created but for the Medicare that the Prime Minister is presiding over—is shaken, because by stealth, year in and year out, he has been destroying Medicare. But this budget brings it all out in the open again. It brings out his long-cherished aspiration to destroy Medicare, because it actually provides funding that would create incentives to bulk-bill only concession card holders, leaving doctors free to apply whatever fee they want to the 14 million other patients in this country. Doctors would be free to charge whatever they believe the market will bear.

There it is, the Liberal philosophy: charge whatever the market will bear. That is what
the package does. It provides for patients to walk into their GP’s surgery with two cards. One card is the Medicare card. There is a device there, and you swipe the Medicare card. Then there is another device, called an EFTPOS machine. Out comes a credit card, and you swipe that card, because under John Howard’s system, unless you are a health card holder, you need two cards: the Medicare card and the credit card. The most important of those two cards, over time, will be the credit card. Why? Because under the system that the government wants to implement doctors can charge whatever they want.

In my electorate of Rankin, doctors who are not bulk-billing tend to charge around $15. But there is no limit on it. If this legislation were ever to get through the Senate, then that $15 would go up and up and up to whatever the market would bear and not according to capacity to pay.

Dr Southcott—Mr Deputy Speaker, I rise on a point of order under standing order 81. We are discussing funding to public hospitals. The member for Rankin appears to be unaware of that. He mentioned the legislation—

The DEPUTY SPEAKER (Mr Jenkins)—I know the honourable member for Rankin is well aware of the need to be relevant. As I understand it, he is aware that he needs to relate his remarks to the bill and to the second reading amendment that is before the chair.

Dr Emerson—For the benefit of the member for Boothby: there are two components to the destruction of the public health system in this country. The first component is cutting funding to public hospitals through the Health Care (Appropriation) Amendment Bill 2003 which is in front of us here and now. The second component is a reduction in bulk-billing which is in the budget announced by your Prime Minister. It is worth having a good look at it—at the demise of Medicare, the destruction of Medicare, under this government. You would be well advised to have a good look at what the Prime Minister is doing instead of picking up a few speech notes produced by the Prime Minister’s office or the health minister’s office and coming in here and parroting a whole lot of rubbish about how you are saving Medicare. Make no mistake: this government is destroying Medicare in a two-pronged attack by, firstly, starving public hospitals of funding and, secondly, presiding over the destruction of bulk-billing, the collapse of bulk-billing. There you have it: the destruction of Medicare, with the Prime Minister’s plan implemented in full.

The credit card will be more important than the Medicare card, because that up-front fee—of around $15 in my area—will go up and up and up. Since Medicare was first introduced, doctors have never been allowed to bill Medicare as well as charge patients directly for the same service, and that is what has helped to maintain bulk-billing and to keep doctors’ fees reasonable. The fact that the government’s package includes a new safety net for concession card holders and a new capacity for others to insure privately for medical expenses over $1,000 is a clear admission that costs will rise.

This new capacity to privately insure against doctors’ fees is the next step in the Americanisation of our health system. That is where we are headed in this budget, through the appropriations and the measures provided for in relation to Medicare. We are headed straight down the track of the Americanisation of our health system to a situation where those who do not have the capacity to pay are confronted with a second-class health system. This would be a disgrace in Australia. We do have, in Australia, a sense of a fair go. We do have an egalitarian streak. We do have a sense that not every behaviour
and every service to every Australian should be based on capacity to pay. We do have a sense in Australia that it should be based on need so that we do not have a two-tier health system in this country, as exists in the United States.

John Howard does want to Americanise the health system in this country. Labor say: ‘No. We will save Medicare.’ Labor built Medicare; only Labor will save Medicare. Labor will not only save Medicare but also improve Medicare. We will lift the Medicare rebate ultimately to 100 per cent of the scheduled fee, thereby providing greater incentives for doctors to bulk-bill. Doctors will receive incentive payments for achieving specific bulk-billing targets. In my area of outer metropolitan Brisbane, the target is 75 per cent and doctors will receive incentives for exceeding that target. Here is a comprehensive plan to save Medicare and to make Medicare even better. We do not and will not accept the government’s plan to destroy Medicare through running down funding for our public hospitals and running down rates of bulk-billing.

In my own electorate there is a controversy about the very existence of the one remaining Medicare office. That Medicare office is in Logan Central. I received information that that Medicare office was going to close, and I checked that information by writing to the health minister. The health minister’s parliamentary secretary replied, saying in part:

I am further advised that the Woodridge Medicare office does not meet HIC facility standards or locational criteria. The expiry of the lease on the existing premises has provided an opportunity to review the viability of the location of the office. Submissions have been called for from potential lessors in the identified customer catchment area and are currently under consideration.

That says the Medicare office at Woodridge will close. When I revealed the existence of this letter to local federal Liberal members the member for Forde and the member for Fadden, they said, ‘That is incorrect; the Woodridge Medicare office will remain open.’ We checked back with the parliamentary secretary’s office, who told us that they would not have said this unless it was authorised by the health minister. We checked with the health minister’s office. Weeks and weeks ago we asked the Medicare adviser in the health minister’s office to return our phone calls. We are still waiting. Nevertheless, the member for Forde and the member for Fadden are saying: ‘It’s fine. That office will not close.’ I have written to them and asked them to confirm in writing that the Woodridge Medicare office will not close. I am awaiting replies to that letter.

Mr McClelland—They’ve closed one of mine.

Dr Emerson—They have closed a Medicare office in the electorate of Barton. There is example after example of the destruction of Medicare under this government. There is one point I will concede to the government: under its plan to destroy Medicare there will be no need for a Medicare office, because there will be no refund. There will be no place to go for a refund because you will not need a refund. After you swipe your Medicare card, you will have to pay the balance—the up-front fee. Most visitors to doctors would think, ‘When I’ve paid the second amount, I will go and get a refund.’ No. There will be no refund. It will be all up front and it will all go up and up. So there will not be any need for a Medicare office under the Liberal plan. Why don’t the member for Forde and the member for Fadden come clean, come into the parliament during this debate and confirm that the Woodridge Medicare office indeed will close? Why will it close? Because there is no place for the Woodridge Medicare office under John Howard’s plan to destroy Medicare. That is
because you will pay up front and it will go up and up, and there will be no refund.

It is a terribly sad day when legislation has been introduced in this parliament to not only cut funding for public hospitals by $918 million but also destroy Medicare. We will fight tooth and nail. We will do everything we can on behalf of struggling Australian families to stop the destruction of Medicare, and when we get into government we will save Medicare. Labor built Medicare and only Labor will save Medicare.

Dr SOUTHCOTT (Boothby) (10.20 a.m.)—I rise to speak on the Health Care (Appropriation) Amendment Bill 2003. The three cornerstones of Medicare have always been free access to public hospitals, the Pharmaceutical Benefits Scheme and a universal Medicare rebate. In looking back to the early speeches of Dr Blewett, Brian Howe and so on, you see that the notion that we would have universal bulk-billing was never part of the original Medicare. If you look back to the whole period of the 1980s, when the rate of bulk-billing was at 50 per cent, 60 per cent and so on, it was thought that that was a pretty good rate. At least 32 per cent of services are not bulk-billed, which means that probably a much greater percentage of the population is not being bulk-billed. Because of an ideological obsession, the Labor Party are insisting that these people not being bulk-billed spend their time filling out forms, carrying around their receipt in their wallets and visiting Medicare offices. It would be much more convenient—for that group, at least—to be able to pay the difference with nothing more to do and nothing more to pay.

It seems to me that the Labor Party always want to have it both ways. We have seen that they want to spend more, tax less and create bigger surpluses. We have seen that in a lot of the rhetoric. When the Leader of the Opposition was talking about a $1 increase in the copayment for the Pharmaceutical Benefits Scheme, he was not talking about a $1 increase but a 30 per cent increase. It was a massive increase! But a $4 a week tax cut—that is, $208 a year—was so small as to be laughed away.

We see it in this debate as well. The essence of the argument from the Labor state premiers and health ministers is that this is a cut in funding. They are saying that because it is less than the amount that appeared in the forward estimates. The problem is that you cannot have it both ways. When we came to office in 1996, the Labor Party had left zero in the forward estimates for the Commonwealth dental health scheme—zero. When we abolished that scheme, that was a ‘cut’ to the scheme. If we are going to base these agreements on what is in the forward estimates, why have an agreement at all? Why not leave it up to Treasury and its projections? But we do have agreements: we have agreements between the Commonwealth and the states. This is a very simple bill. Over the last five years the Commonwealth gave $32 billion to the states to run their public hospitals. For the next five years, this bill will give them $42 billion. That is a $10 billion increase—a 17 per cent increase in real terms.

I will deal with the argument of the Labor health ministers. When Senator Kay Patterson met with them all on Friday, 2 May, they all parroted the same line—Kucera in Western Australia, Bronwyn Pike in Victoria, Lea Stevens in South Australia—by saying it is a $1 billion cut. The ABC ran this line uncritically throughout the day. In actual fact, as I have said, it is a $10 billion increase. The reason the states are not getting as much as was projected in the forward estimates is, quite simply, that the usage of public hospitals has not been increasing at the same rate, after you take out demographic changes. The reason for that is the much greater usage of
private health insurance. When the last agreements were negotiated in 1998, private health insurance coverage was about 30 per cent. Now it is about 45 per cent. We have seen the levels of usage of private hospitals increasing dramatically. That is why you are not seeing the increase in usage of the public hospitals.

In this debate there are some very simple figures to remember: $32 billion is what the states are getting now; $42 billion is what we are proposing to give them for the next five years. It is a $10 billion increase, and a 17 per cent increase in real terms. We also need to look at some figures from the Australian Institute of Health and Welfare. They show that the Commonwealth’s share of public hospital funding was 45.2 per cent in 1997-98 and it increased to 48 per cent from 1998 onwards. Meanwhile, the states’ share, which was about the same at 45.4 per cent in 1998-99, has declined to 43.4 per cent in 2000-01. We can see that the Commonwealth’s share of public hospital funding is increasing while the states’ contribution has been declining.

There are conditions in the proposed agreement that relate to transparency, reporting and so on. The states will be required to declare the level of funding that they intend to provide for public hospitals, which is what we do. This has been a notoriously murky area, where it is difficult to work out exactly how much of their own revenue the state governments are putting into their public hospitals. They will be required to have an improved performance reporting network. This is essential, because around Australia we have a number of Labor state governments that came to office promising, with hand on heart, that they would make health and education a priority. In my own state of South Australia, the Liberal state government was already spending about 67 per cent of its outlays on health and education, but still Mike Rann said, ‘We will make health and education a priority.’ It seems the states are proposing to do it with federal government money—they are not prepared to put their own money in.

As well as the state governments stating exactly how much of their own revenue they propose to put into the public hospitals, they need to commit to matching the funding increase by the Commonwealth government. If they do not do that, they will only get 96 per cent of what is on offer. We have put our money on the table, and it is an extra $10 billion. What we want is an assurance from the states that there will not be any black holes in hospital funding. In the state of Queensland, if they do not match the Commonwealth’s growth in funding they will lose $323 million. If they do not sign up to an agreement, they will lose $851 million. This is a state that, from 1 July will be—

Mr Slipper—Better off!

Dr SOUTHcott—better off under the GST. It is a state which is receiving about $6,000 million in GST revenue. It is only fair that the states do as the Commonwealth has always done and publicly state how much they are prepared to put into public hospitals. In addressing some of the previous remarks, I note there is a notion that the way will be open for doctors to increase fees. Let us say you have a copayment of $12, which is about the average. As far as I can work out, the argument is that if the fee is $37 it will be much harder to increase it than if it is $12. But everyone knows that effectively all they are paying is $12, and they have to go to the nuisance of either going to a Medicare office or sending off the form and waiting for a cheque. I do not quite understand how it will be easier to raise it if it is $37 and you get $25 back than if it is $12.

I also wonder if the Labor Party are suggesting that they would cap doctors’ fees. This is something that Neal Blewett never
did. Neal Blewett stated many times publicly that doctors’ billing procedures were a matter for them. Brian Howe did just the same when in 1991 the Hawke government proposed to introduce a copayment and decrease the Medicare rebate by $3.50, with another $1.50 to come. At that time, Brian Howe said, ‘No, I don’t expect it to affect bulk-billing; doctors’ fees are a matter for them.’ In essence, doctors remain free to bulk-bill all Australians, but those decisions are a matter for them.

In the budget measures, we have for the first time a guarantee that card holders will be bulk-billed. We also have increased convenience for those people who are not being bulk-billed. If you look around Australia, outside of the capital cities the majority of the population is not being bulk-billed. I am sure these people would like the increased convenience of having one out-of-pocket expense with nothing more to do and nothing more to pay. The private health funds have done this in the area of dental, physio and all of the extras, and they have done it because people want it. This is something that would make Medicare much more convenient.

The Commonwealth is offering the state of South Australia $3.5 billion to run their public hospitals—and Mike Rann and Lea Stevens have had a bit to say on this. That is an $800 million increase in the current agreement. This year it will already be a $33 million increase. That is a significant increase compared to last year’s $25 million increase, but it does require the state government to match our increase in funding. One of the problems is that, under the same Rann government which was elected to make health and education a priority, less surgery has been done over the last six months than was done in the previous six months. While the Commonwealth government is paying the state government more money, they are doing less surgery. It does not make sense.

There is also the issue of GST revenue, which the state governments are now receiving. The important thing about GST revenue is that since 1 July 2000 many of the states have been better off. As the House would be aware, it was the Howard government that did the heavy lifting on the GST. We did the heavy lifting on tax reform, and it was opposed in the House and in the Senate by the Australian Labor Party. But every month the Labor treasurers line up and receive their cheques of GST revenue. Many of the larger states have been better off since 1 July 2000.

This is a very simple bill. It is not a cut; it is an increase. It is an increase of $10 billion, from $32 billion to $42 billion. It requires the state governments to meet reporting standards so that we know exactly how much of their own money they are prepared to put into their public hospitals. If they match our increase in funding, they will receive 100 per cent of what is on offer. If they report transparently, clearly and so on, they will receive 100 per cent of what is on offer. This notion that it is actually a decrease in funding is rubbish—it is garbage. It relates to the forward estimates which were projected on past growth trends. They have not eventuated because private health insurance has risen from 30 per cent of the population to 45 per cent of the population, and people are using private hospitals much more. We have not seen the expected growth in public hospitals, but we do have these agreements. It is an increase in funding.

Over the last five years, while the Commonwealth’s contribution to state public hospitals has increased, the state contribution has declined. There is no way that the state governments, the state premiers or the state health ministers can get away from this. Look at the Australian Institute of Health and Welfare statistics which show the Commonwealth share increasing and the state share declining. The fundamental three parts of
Medicare have always been the Pharmaceutical Benefits Scheme, a universal Medicare rebate and free access to public hospitals. The Liberal Party ran in the 1996, 1998 and 2001 elections saying, ‘We are committed to Medicare, we are committed to bulk-billing and we are committed to community rating for private health insurance.’ Yet the ALP argue that in some way we are committed to the destruction of Medicare. They said this about the GST. We heard all sorts of doomsday scenarios about Iraq. The Australian public have heard this before from the opposition. It has not come true. It is important legislation which makes this offer to the state governments. The state governments need to take it up. As far as I am concerned, it should be non-negotiable. I think it is scandalous that the state governments are not more transparent about the exact amount of their own money they spend in this area. I commend this bill to the House.

Ms GEORGE (Throsby) (10.37 a.m.)—I rise to speak on the Health Care ( Appropriation) Amendment Bill 2003. I found it amazing, when I read the background material to this bill, that the Parliamentary Secretary to the Minister for Health and Ageing, in her second reading speech used these words: This bill delivers on the government’s strong commitment to the principle of universality under Medicare.

She could not be serious, surely, because we know exactly what this bill is intent on doing—that is, cutting almost $1 billion from the government’s forward estimates for health care in the public hospital system. On top of that, as the community well understands, the money that will be taken out of the hospital system will be diverted to fund the so-called A Fairer Medicare package. As anybody who follows the debate on this issue will know, that money will target a program that will be the beginning of the end of Medicare as we know it and the beginning of the end of universality. Talk about double-speak! The parliamentary secretary comes into this chamber and professes that this bill delivers on the government’s strong commitment to the principle of universality under Medicare when people out there in the community know very well what the agenda of this government is all about. We cannot pretend that this is not a cut because the forward estimates provide $43 billion over five years but, as we know, the offer to the states under the health care agreement is $42 billion. Interestingly enough, as I said earlier, the cut of $918 million from the hospital system is almost exactly the same amount as that allocated to the new Medicare package. As we all know, far from adhering to the principle of universality, that will set about destroying that very fundamental principle.

I find it amazing that the member for Boothby and others in this debate can rationalise and pretend that a cut is not a cut when the Prime Minister, at a press conference on 28 April, said: … the figure in the forward estimates was based upon different utilisation rates, and the figure that we have offered is based upon the utilisation rates that have been revealed through the significant increase in private health insurance…

So the Prime Minister himself acknowledges the cut. But what is behind the statements he has made—and behind the statements just made in the chamber by the member for Boothby—is the inference that the states are getting less money because fewer people are using public hospitals. We all know that simply does not stack up. In responding to the federal government’s proposals, the Victorian Minister for Health, who surely knows more about her health system than does the member for Boothby, in her press release, said:

The Victorian health system treated around 50,000 extra patients in the year 2002. Increases
in emergency admissions are shooting upwards by around eight per cent per year.

Similarly, the New South Wales Minister for Health, in his press release, said:

Emergency department attendances in New South Wales topped 2 million for the first time last year (2002).

Although we are hearing this defence that the private health system is taking the pressure off the public hospital system and that that justifies a cut of almost $1 billion from forward estimates, the reality, as is known by all members of parliament, who deal with these issues on the ground, is different. The statements from the health ministers who are responsible for these systems tell quite a different story. These cuts can only place further pressure on our public hospital system. They will be compounded—make no mistake about it—should the government get its way and introduce its Medicare changes. The community understands that these changes will mean a two-tier, user-pays system, where the low-income earners in our community will increasingly be forced to avail themselves of access to services in our emergency hospital departments.

Far from this bill doing what the parliamentary secretary claimed it would do when she introduced it, the bill will in fact help to deliver Australian families a double whammy, courtesy of the Howard government. On top of the Medicare announcements that will destroy the universality of Medicare—an argument that has been very comprehensively put in the submissions by our shadow minister—people understand that the government is going to fund the demolition of Medicare by short-changing public hospitals. It is a double whammy, and people understand that. The cuts to the hospitals will increase the pressure on our emergency departments. The cuts will also mean fewer nurses and less opportunity to deal with the shortfall in the number of nurses in many of our hospitals. They will mean fewer operations, they will mean longer waiting lists for elective surgery and they will mean more pressure on our emergency departments. Any member of parliament will tell you that people, when they go to their local hospital, can wait there for hours and hours for treatment, particularly in areas where bulk-billing is going through the floor and where it is difficult to access medical care after hours. So this is certainly a double whammy that the Australian community will be hit with if the Howard government has its way. The double whammy will mean that the money from the cuts to the public hospital system will be reallocated to the so-called ‘A Fairer Medicare package’—more doublespeak. The package is, as people out there in the community know, the beginning of the end of Medicare.

The government should be condemned for this bill. It should be soundly and resoundingly condemned for its attempt to put into practice a longstanding belief by the Prime Minister that Medicare should have only ever been a residual safety net—a second-rate system for the poor, the pensioners and the disadvantaged—and that everybody else should be slugged again, under the user-pays philosophy, for access to basic medical attention. The government’s health policy failures are manifest not only because of their implications for the nation but also because of their failure to deal with matters in my electorate that I have brought to the minister’s attention on several occasions. I raise these issues in this House because, in my opinion, the matters of concern to my electorate have not been reasonably or properly addressed. Where they have been addressed, I fail to see a rational explanation for not agreeing to the requests that have been made of the government, other than an explanation that any request that is made by me on behalf of my people gets rejected because I happen to rep-
resent a seat that has historically been a strong Labor area. If that is not the reason, I want the minister to be more forthright and open in the reasons why the health needs of my electorate are not being adequately considered and responded to.

The first issue is that we have made repeated requests for a Medicare licence for the MRI machine that the state government has committed to install at the Wollongong Hospital. The Illawarra is a large and growing region. The people I represent and the regional generally find it absolutely amazing that, despite the fact that the New South Wales government has listed Wollongong Hospital as a priority area, the federal government will not provide a Medicare licence for that machine to function at our local hospital. The second issue is the failure of this government to address in any meaningful way the growing and severe problem of doctor shortages in nearly every suburb in the electorate of Throsby. I have worked with the Illawarra Division of General Practice to get some idea of the equivalent numbers of doctors per head of population in my electorate. The best estimate I can come to, based on material from the Illawarra Division of General Practice and from local media accounts, is that the electorate of Throsby has one doctor per 1,362 people. Compare that with the national average of one per 908 and the even better average in New South Wales, my state, of one per 864. So Throsby has a really severe problem. The suburb of Port Kembla, in my electorate, has only one GP per 4,581 people, yet this government will not classify the area that I represent as a district of work force shortage. There is one GP per 4½ thousand people at Port Kembla, and I cannot get this minister to acknowledge that we have a problem.

I took up the case recently of Dr Peker, a doctor from Russia with overseas qualifications. The minister’s response was totally unacceptable. The New South Wales Medical Board has approved Dr Peker’s conditional registration under the area of needs program. She was offered a position at a surgery in Berkeley, a suburb of Throsby, that has one doctor per 1,732 people, but this minister and this government denied her a Medicare provider number despite the fact that she had been offered a position in a surgery in an area that has a patient to doctor ratio that is almost double the national average. Where is the fairness and justice in that response? There is none at all. I ask: am I being denied reasonable responses to representations that are made on behalf of my electorate for reasons other than those that should appear logical and based on fact? The health policy failures continue in my electorate. Constituents tell me that they have waited five, six and sometimes even seven years for dentures, yet this government has done nothing to reinstitute a very important program that was there under Labor that provided low-income earners with access to dental health care.

Before we go on to consider the regressive impacts of the so-called ‘A Fairer Medicare package’, let me say what my constituents are already telling me. In a response to a recent electorate survey, 60 per cent said it is becoming harder to get an appointment with their local doctor. No wonder, when in some suburbs we have double the national rate. This government will not even provide doctors who are willing to take up practice with a Medicare provider number. Fifty-nine per cent said their local specialist does not bulk-bill, 48 per cent said it is harder to find a doctor that bulk-bills, 46 per cent said it is difficult to find a doctor that bulk-bills after hours, 41 per cent said the cost of visiting a GP had risen, 36 per cent said they had not sought medical attention on occasions because of the cost of visiting a doctor and 27 per cent said their doctor had stopped bulk-
billing. I am lucky in Throsby in that our rates of bulk-billing are pretty high, at 92 per cent, but with the increase in doctor shortages the pressure is there to maintain the bulk-billing services. In that kind of restricted market it is no surprise that some doctors who had traditionally bulk-billed are now charging for the costs of medical attention.

The same survey asked the people I represent what their views were about private health insurance. On the latest figures that I had, I think about a third of my electorate are in some form of private health insurance and two-thirds rely on the Medicare system. But, of those who have private health insurance, a very high 62 per cent believe they are not receiving value for money from their private health insurer. Again, this is another serious public policy failure on the part of this government. They talk a lot about the additional numbers of people that have taken private health insurance, but they do not talk about the other part of the equation—that is, a lot of the people who took it up believed the government when they said that there would be downward pressure on the cost of private health insurance and that, in the beginning at least, private health insurance was not going to rise above the rate of inflation. So 62 per cent of my constituents said they are not receiving value for money from their private health insurer. One of them wrote to me recently—and I will just quote his example, as one of many—and said that he wanted me to take up:

... my complaints about my Health Insurance increase of 14.84% with “Lysaght Peoplecare”! ... I hope you can take it up with the Minister for Health and Aging ... and ... find out why it is so!

The Federal Minister of Health and Aging, Kay Patterson, always talked about an increase of 7% or 7.4%, never more then that!

Now I received a letter for Lysaght that my contribution will increase by $56.45 a Quarter, from $380.35 to a sum of $436.80 from the first of April.

I complained to them about the massive increase and I received a letter back ... informing me that ... the ... 14.84% was approved by K. Patterson ...

A while ago, I complained to the Lysaght club about the name change, from “Hospital and Medical” to “Peoplecare”? The previous name explained all there was to know about the medical insurance but Peoplecare could be anything!

It was explained in a letter to me, with a lot of gobbledygook. The cost of changing a name on all the stationary, advertisement and so must be massive. Maybe that is why the increase in contribution is so steep.

He goes on to end his letter:

I’m ... a Pensioner and have a Family of 5 Girls and 2 Boys, 17 grandchildren and 8 great grand children and it was not easy to bring them up and be in a private Health Insurance as well! I found it objectionable from the spokesman of private insurance, Mr. Schneider to say , the increase is not even the cost of a hamburger in a week, must be a very large one!

Mr Günter Leimbach is one of the 62 per cent of my constituents who in a recent response to a survey said to me that they are not receiving value for money and asked me if I could get an explanation from this government as to why that is so. Of course I cannot. On the one hand, the government said there would be downward pressure on the cost of private health insurance; on the other hand, just recently, for one of the health funds in my area, this same government approved an increase of almost 15 per cent—well and truly beyond the rate of inflation—with no explanation, because there is a lack of accountability, regulation and monitoring as to what the private health insurance funds are up to.

In my view, on behalf of the people I represent, this government stands condemned for not responding to the genuine requests that I have made to improve the lot of people
in the electorate of Throsby. In particular, I want to know why our region cannot be classified as an area of work force shortage and why there cannot be a greater degree of empathy and sympathy as far as the patient-doctor ratios are concerned, translated into the provision of provider numbers for people who are willing to work to address this local shortage.

I want to end by again quoting the words of the Parliamentary Secretary when she introduced this bill, because the hypocrisy is so obvious. She said:

... I confirm the government’s strong commitment to the principle of universality under Medicare. I think this government stands condemned and exposed for its health failings, because the Australian community understand very well that there are already existing problems that are not being addressed, particularly in my area. They understand that the government’s package is the beginning of the end of Medicare as a universal system. They understand that that package, as regressive as it is, is being funded directly by the cuts that have been taken out of a hospital system that more than ever needs additional commitment and additional resources to meet the needs of our communities. (Time expired)

Mr BARTLETT (Macquarie) (10.57 a.m.)—The Health Care (Appropriation) Amendment Bill 2003 provides for Commonwealth funding to states and territories for their public hospitals—that is $42 thousand million over the next five years, which is an increase of $10 billion and an increase of 17 per cent in real, post-inflation terms. This funding increase takes account of population increases, it takes account of the impact of inflation, it takes account of the impact of ageing and it takes account of the impact of utilisation rates of demand for public hospitals. As a digression, a misunderstanding of that key point is the reason that members opposite—assisted by some in the media—have chosen to run this line about a cut of $1 billion out of the forward estimates. The point is that those forward estimates were based on projected utilisation rates in public hospitals. This five-year agreement is based on the new projected rates of utilisation in public hospitals.

The fact is, since the last five-year Medicare agreement was signed up the rate of increase of utilisation of public hospitals fell below what was anticipated. The reason for that was that most of the increases in hospital admissions over the past five years have gone into private hospitals, not into public hospitals. In fact, looking at increases in admissions, four out of five of those increased patient numbers have actually gone into private hospitals, taking the pressure off the public hospital system. So this is not a cut; it is an absolute nonsense to say it is a cut of $1 billion from the forward estimates. This package represents an increase of $10 billion. How, in all honesty, unless they totally misunderstand the basis of the calculation of these figures, can anyone possibly argue that a $10 billion increase is a cut in funding? This is an increase of 17 per cent in real terms in Commonwealth funding to state and territory governments, to assist with their public hospitals.

The Howard coalition government is serious about its commitment to health in this
country and a look at the record makes that very evident. Since this government came to office in 1996, Commonwealth spending on health has increased by 65 per cent. We have increased health funding in this country by 65 per cent. To break that down, under the Australian health care agreements we have had two increases, counting those in this current bill, in funding for public hospitals. The first increase, five years ago, raised the Australian health care agreement from $24 billion that it was under the former agreement—that is, under the last Labor government—to $32 billion, which was an increase of 28 per cent in real terms. Now, on top of that very large increase, we have increased it again by another $10 billion. So, in fact, over the life of the last two five-year agreements, the Commonwealth government’s commitment to public hospital spending will have risen from $24 billion to $42 billion, an increase of 75 per cent.

This government has been serious about delivering extra funding for public health in this country. We could also refer to the increased funding that we have seen under Medicare and the proposed further increase in this budget of an extra $917 million for Medicare in this country. We could add to that the extra funding that has gone to health under the private health insurance rebate, to assist people who want private health insurance, to encourage greater membership in private health insurance and to take the pressure off the public hospital system. That has happened. Over the term of this government, membership in private health insurance has increased from 30 per cent to 44 per cent, an increase of 14 per cent, taking substantial pressure off the public hospital system and saving the public hospital system hundreds of millions of dollars that it would have had to spend had those people been accessing public hospitals.

Let us look at this bill a little more closely. As I have said, over the next five years there will be an increase of $10 billion—that is $10,000 million—to bring to $42 billion the total going to the states to assist them in administering their public hospitals. This bill also carries with it some obligations on the part of the states. There is no doubt that this is part of the reason the states have been kicking up a bit of a fuss. This bill requires the states to pull their weight. There is nothing unreasonable about that. If the Commonwealth government is committing substantially increased funds to the states for public hospitals, the states must also do their part. They cannot use this as an excuse to withdraw their own funding and let the Commonwealth carry the burden, as they have been trying to do in recent years.

The obligations as part of this agreement are as follows. Firstly, the Commonwealth must be provided by the states with independently verified details of public hospital expenditure over the five years of the current agreement—the agreement that is just coming to a close. We want to know where they have spent the money, and we want to see that verified independently. Secondly, we want to see a commitment from the states to specific levels of funding over the next five years. We want to be sure that the states will contribute the increased money that they need to spend, that they will in fact match the increase that the Commonwealth government is giving them. We want them to say, ‘Okay, the Commonwealth government is giving us a 17 per cent increase in real terms; we will match that and also give our hospitals a 17 per cent increase.’ We cannot allow the states to use the Commonwealth’s increase as an excuse for them to withdraw their funding, as they have in the past. So this agreement quite rightly requires that commitment from the state governments. Thirdly, it requires a commitment to a new
and more transparent reporting framework. It requires a recommitment from the states to the Medicare principles. It requires the states to provide the Commonwealth with the performance data required under the current five-year agreement so that we can see just how effectively they have spent their money.

These are quite reasonable, appropriate and necessary requirements. The Commonwealth government is giving the states billions of dollars—over the last five years it has given $32 billion and over the next five years it will give $42 billion—to help with their public hospitals. Australian taxpayers, who are funding this increased spending, need to know that that money is being spent appropriately. They need to know that the states are spending it on hospitals and they need to know that the states are willing to match the Commonwealth’s commitment with their own commitment to funding their hospitals. Taxpayers need to know that the state governments are carrying their share of the responsibility for public hospitals.

What have we had from the states? We have had feigned outrage, squealing, screaming and carrying on, with them saying that this is not fair. They say that it is not fair that they are asked to match our increase in funding and it is not fair that they are asked to be accountable. It is most fair, most reasonable and most necessary. It is little wonder that the states have responded this way: if we look back at the record over the past few years, the Australian Institute of Health and Welfare study shows that the states’ share of public health spending has in fact fallen over the past five years, from 47.2 per cent to 43.1 per cent. So in just the last five years the state governments have managed to shift about four per cent of the costs of public hospital spending from themselves onto the Commonwealth government. They have been quite happily playing this game, diverting their own funds elsewhere and not keeping up with their responsibilities to fund their public hospitals. The Commonwealth has been left carrying the can and picking up the bill for the failure of the state governments.

We can see that if we look at the position in New South Wales. This offer provides an increase in funding from the Commonwealth of $3.4 billion over the next five years, to increase Commonwealth funding to New South Wales public hospitals from $10.7 billion to $14.1 billion. This is an increase of 31 per cent. Look at the record, though, in New South Wales. The Commonwealth government has been contributing substantially. Over the last five years, the Commonwealth government has committed an extra 17.7 per cent to the New South Wales government. But what has been the response of the New South Wales government in funding its own hospitals? Has there been an increase of 17.7 per cent to match the Commonwealth’s commitment, or an increase of even half that—of eight or nine per cent? No. The New South Wales government has in fact reduced funding to its own hospitals. There has been a fall of 1.1 per cent over the past five years.

So the Commonwealth have been giving the New South Wales government a large increase in funding and the New South Wales government, far from even matching that and far from even keeping its funding static, has actually been reducing its funding and letting the Commonwealth carry most of the load for public hospitals in New South Wales. This is simply not good enough. The New South Wales government has not been carrying its share of the burden. It has been willing to see the Commonwealth take an increasing load. No wonder we need to see these measures of accountability in this legislation.

If we look at the evidence, at the indicators in New South Wales, we can see the
state of public hospitals because of the failure of the New South Wales government. Look at the growing lists for so-called elective surgery. It is not really elective surgery, because in many cases people are in severe pain and need to have that attended to. Voters in New South Wales will recall that back in 1995 Premier Carr promised that, if hospital waiting lists were not halved within his first term, he would resign. Far from being halved, those hospital waiting lists have grown.

Let us look at the growing number of days in New South Wales public hospitals where those hospitals are on code red—that is, where they cannot accept emergency patients, except those with life threatening conditions, and they have to turn away ambulances because they do not have the capacity within their emergency departments. It is alarming. Let me read a small part of the Sydney Morning Herald of 14 March this year. It said:

Sydney’s three main hospital emergency units, St Vincent’s, Prince of Wales and Royal Prince Alfred, were simultaneously in code red mode—unable to take non-life-threatening cases—on at least one occasion over the past two weeks ...

Three of Sydney’s main hospitals were all on code red at the same time. So what do we have? We have an ambulance coming to one, being sent to another and then on to another. We have three hospitals at the same time being unable to take emergency patients, except those with life threatening conditions. Ambulances were potentially being turned away. According to the doctor’s notes quoted in this article:

Patients had been treated in ambulances in car parks because there had been no beds available in emergency units.

This is a gross failure on the part of the New South Wales government to adequately look after patients in public hospitals. The article goes on to say:

Patients were regularly kept in emergency departments because no ward beds were available.

Cubicles in emergency wards equipped and staffed for one bed commonly had two, a ‘potentially life threatening’ situation.

This is simply not good enough. The New South Wales government has not been doing its part.

Closer to home, I might add, we have seen the same problem locally, with threats to our own public hospitals. Two years ago we had threats when consideration was given by the Wentworth Area Health Service to closing day surgery in our local hospital at Springwood. It was only the strong outrage from the local community that forced the government to back down on that and commit to keeping day surgery. Over the past years, we have had a slow attrition at the Blue Mountains Hospital at Katoomba, where we have had a gradual but steady withdrawal of specialist services. We have seen the removal of the haematologist, the kidney specialist and obstetricians, and we have seen the failure of the state government to bring enough anaesthetists to Katoomba hospital to adequately support the surgery that needs to occur there. Then 18 months ago we had the outrageous proposal by the New South Wales government to close the maternity services at Katoomba hospital. It was only because of the immediate and community wide protest and outrage that the government backed down on that and committed to restoring maternity services at Katoomba hospital, but still there is no guarantee that they will continue. Yes, they are okay temporarily, but, looking at their record, there is no guarantee that the government will deliver on that.

Look at Nepean hospital. We have recently heard in the news again of the cover-up of a case at Nepean hospital, which services a lot of my electorate. A woman died there tragically last year from meningococcal disease because she was not adequately at-
tended to when she turned up at the hospital for treatment. The report into that incident was completed in November last year but not released to the public until March this year. Coincidental, isn’t it? Not only has the New South Wales government failed to adequately fund hospital services in New South Wales; they have been happy to cover up problems and to make sure that such news does not leak out until after the state election.

I will go back to the situation of the red alert. We have had the same thing at Nepean hospital—again, appallingly, covered up by the New South Wales government. The New South Wales government’s officially released records on the number of hours of red alert at Nepean hospital for October and November last year showed 47 hours and 44 hours respectively. But, looking at the hospital’s own computer system, those figures are shown as being 290 and 230 hours for the months of October and November. So there has been a gross cover-up, a gross deception on the part of the New South Wales government, to match its gross failure to adequately fund hospitals in this state.

The New South Wales government has been failing the people of New South Wales and it has been trying to deceive the people of New South Wales at the same time. This appropriation bill provides for the New South Wales government an extra $3.4 billion over the next five years, but the New South Wales government must play their part. They have to turn around their failure and neglect of the last five years. They have to commit to matching this increased spending. People in New South Wales who can see the Commonwealth government giving increased funding want to see the New South Wales government carrying their burden and playing their part as well. If you look at it in a broader context—in the context of the burgeoning state taxes in New South Wales, the massive windfalls they have had from stamp duty and the fact that this year alone the New South Wales government will get $8.7 billion in GST revenue—in spite of all that extra funding going to the state government and in spite of the extra funding from the Commonwealth, they have still failed miserably to deliver public hospital services to the people of New South Wales.

I want to make a couple of comments about the Medicare commitment in this current budget. We have heard a lot from the other side about it. The Medicare commitment will give an increase in spending of $917 million over the next four years. We have had this nonsense from the other side that we are somehow trying to cut it. How could you possibly say that an increase in spending of $900 million plus could be somehow threatening Medicare? We have also had the nonsense from the other side about what they will do to supposedly restore bulk-billing rates. Remember that never under Labor did bulk-billing rates reach more than 80 per cent. In spite of their rhetoric, in spite of all the nonsense we are hearing and in spite of all these empty promises, Labor could never get bulk-billing rates to over 80 per cent. This latest proposal we have heard from them is not going to do anything to achieve that.

This government is at least committed to trying to restore bulk-billing rates for pensioners and concession card holders. The other side are promising lots of extra money. They are promising to do now what they could never do—and never came close to doing—in 13 years in government and, as well as that, they are leaving a large unfunded black hole. With the comments we have heard from the other side, it is pretty obvious where that money will be coming from. They will want to remove the private health insurance rebate, adding immediately something like $750 per annum to the cost of health insurance for some nine million Aus-
tralians and driving people out of private health insurance and back into the public hospital system which Labor will fail to adequately support.

The Health Care (Appropriation) Amendment Bill 2003 represents another aspect of the Commonwealth government’s commitment to public health in this country, with an increase of $10 billion over the next five years, and it requires the state governments to do their part. The state governments must match the Commonwealth’s increase and do their part in looking after the health of residents in this country. (Time expired)

Mr SNOWDON (Lingiari) (11.17 a.m.)—I am pleased to be able to participate in this debate. At a later point, I will make some observations about the contribution from the member for Macquarie, particularly as it relates to the question of the impact of private health insurance, on access to public hospitals and the supposition that the increase in private health insurance would put downward pressure on public hospitals. This is clearly not the case in my electorate or in the Northern Territory generally. I am surprised that we have these very generalised assertions being made by members of the government about the supposed impacts of government policy on health services to Australians.

The Health Care (Appropriation) Amendment Bill 2003 amends the Health Care Appropriation Act 1998. The amendments will allow the Commonwealth to discharge its financial responsibilities under the Australian health care agreements under which the Commonwealth provides financial assistance to the states and territories for the provision of public hospitals. The bill extends the period of operation of the act for a second five-year period, enabling the Commonwealth to negotiate a new agreement with the states and territories. The bill also makes technical amendments to the act. But, as others before me have pointed out, the bill cuts $1 billion from Commonwealth-state health care agreements, and I think there are significant issues that need to be confronted by the government in relation to this.

The current health care system—or, at least as it was; built by the Hawke government initially and followed on by the Keating government—is still one of the best systems in the world. It provides comparatively inexpensive health care to all Australians—well, not to all Australians, as I will point out shortly. It recognises the fact that every Australian has the right to adequate health care services, regardless of their medical need or personal wealth. It should, but it does not. It is clear that the Howard government is intent on destroying the current arrangements in favour of those where access to health care is determined by an individual’s personal wealth, creating a two-tiered system where there is top-quality care for those who can afford it and a substandard service for those who cannot. This just gives weight to the proposition that the Prime Minister has been advocating since the 1980s that bulk-billing should be restricted to the disadvantaged and doctors should be free to charge everyone else whatever the market will bear. However, it does not have to be like this; it does not have to be the way the government proposes. First-class health care is possible for all. In fact, I believe it is a citizenship right that we should all expect to have provided for us.

Commonwealth-state agreements on health funding have been in place for the last 20 years. They are the primary method through which states and territories are funded to administer the public health system, including public hospitals, mental and public health and also palliative care. These Commonwealth-state health care agreements are the cornerstone of the health care system,
but this government seems bent on destroying it. As I have said, this year’s budget figures demonstrate very clearly that the government is planning to slash $1 billion over four years from these agreements—and $1 billion over four years is a significant amount of money. In practical terms, it will mean fewer nurses, fewer operations and longer waiting lists for elective surgery. It will mean that, if states and territories want to maintain the same level of public health services that they currently provide, they will have to find the money from their own resources.

I have heard members opposite railing against state and territory governments for expressing their concern about these arrangements being proposed by the government, which say that they should be able to fund it from their own resources. Let me make a couple of observations about the propositions which have been put by the government. Firstly, I speak particularly of my electorate of Lingiari which, for the benefit of those who might be listening to this debate, comprises 1.34 million square kilometres—all of the Northern Territory except Darwin and Palmerston. There is no private hospital in the electorate of Lingiari. In fact, to my knowledge—apart from Cairns, Townsville, Mackay, perhaps one other venue on the central coast of Queensland and, I think, Kalgoorlie—there is not a private hospital anywhere in Northern Australia or in the remote part of Australia. If you live outside a major metropolitan area you will not have access to private health care in terms of a private hospital.

What does this mean? It means clearly that every citizen in those communities is dependent on public hospitals. Yet it is an issue for these citizens because, as for other Australians under this government, they are required to take out private health insurance. If they do not take out private health insurance and their income is above a certain level then they pay an extra one per cent for the Medicare levy to compensate for the fact that they do not take out private health insurance. But what benefit do they get? In effect, they are subsidising the private health systems of the major metropolitan centres and they are getting nothing in return. They are being hit with the situation where they do not have access to private hospitals, despite the claims which are being made by members opposite. What are the magnificent benefits that these Australians receive by being compelled to take out private health insurance? In my electorate it is nil. They know each week, fortnight or month when they receive their pay packet and they see the deductions which are taken out for private health insurance or for the Medicare levy that they are supporting someone else’s health. They are supporting the top end of town—the people who live in Rose Bay and, I might say, the people who live in the northern suburbs of Canberra. Yet these citizens are required to pay this contribution.

The government will say that they can attend their general practitioner, which they would do. But in the whole of the Northern Territory there is only one GP who bulk-bills and who will accept new patients into their practice. There are two other practices which bulk-bill, as I understand it, in the whole of the Northern Territory. In the town that I live in—Alice Springs—there is not one. What do we have for it? We have proposals by this government to cut $1 billion from the public hospital system; and, in the case of the Northern Territory, after the sleight of hand accounting tricks are teased out, there is significantly less money than in the previous agreement with the Commonwealth. The Commonwealth is offering the Northern Territory $16 million less over the next few years.
Let me go back to the issue of private practitioners. In the community in which I live, practices charge upfront fees anywhere between $40 and $60. There is a practice in Alice Springs where GPs charge $60. The market will bear it because the government has failed the Australians who live in this community in the provision of health care and access to bulk-billing. Remember, if they pay the 60 bucks, these Australians are paying an extra $35 on top of the rebate to attend a doctor. Their choice is to go to the public hospital. We are seeing that Australians who cannot afford to pay the $35 to this practice or to other practices who charge similar rates are forced into the public hospital system, even though they are also required to take out private health insurance. The benefit they get from this government for that is a reduction in the expenditure for public hospitals in the Northern Territory of $16 million. Is this fair?

You are a reasonable man, Mr Deputy Speaker Scott. I know the community in which you live. You will have the same problem that I have. This is a problem that is across Northern Australia, yet this government refuses to acknowledge its responsibilities to these Australians and dresses up these proposals for changes to Medicare in the budget proposals by saying that somehow or another doctors will be attracted to take up bulk-billing. I am prepared to wager that it is unlikely any practitioner in Central Australia will sign up for the proposals put forward by the government in relation to the budget measures. We will still be left in a position where people in Central Australia and, indeed, the whole of the Northern Territory—except for those people who have access to clinics, which are Aboriginal health services—will not have access to bulk-billing services.

If you have been listening to the debate, Mr Deputy Speaker—I am sure you have been—you will have heard the government tell us that we should be pleased with the benefits that we are to receive as a result of these changes brought about by the budget. There is no way that these budget proposals are either fair or reasonable for the people of the Northern Territory. Whilst it is okay for members opposite to rail against state and territory governments for objecting to the government’s proposals and to say to them that they should take up the slack, out of their own resources, this fails to take account of not only the level of reliance on the public health system by people living in remote Australia but also the narrow taxation base.

Where is the Northern Territory to get the revenue to compensate for the shortfall as a result of the reductions in funding from the Commonwealth? Eighty per cent of the Northern Territory’s budget revenue comes from Commonwealth sources. So what magic pudding are they supposed to use to deliver to the Northern Territory community additional health care expenditure to fund public health? Where is this magic pudding to come from? It is worth while knowing that, by comparison, other states and territories rely on the Commonwealth for about 40 per cent of their revenue. That is a significant difference. Leaving aside the logic of the position which the government adopts in relation to people living in remote Australia in particular, its argument in relation to where state and territory governments should get additional funds from fails to comprehend—certainly in the case of the Northern Territory—their ability to raise additional revenues to meet the shortfalls as a result of the Commonwealth-state agreements.

This matter is of great concern to the people in my communities. They are very concerned about the failure of this government in terms of health care. I can recall when there were a number of bulk-billing practices in the electorate. But now I understand that,
for some, there is no choice in the matter: costs have increased to the extent where many practices can no longer afford to bulk-bill. Others have made a commercial decision and are charging $60 for a consultation. That is not a health decision, it is a commercial decision. What it means is exactly what the government intends: those people who can afford to pay the $60 will get health care, those who cannot will go to the public hospital. I do not think that that is a fair or reasonable ask of the citizens of the Northern Territory or of the Northern Territory government, because of the failure of this government to come to terms with its responsibilities.

When we are having this debate in the community, as we will, I know what will happen. The community is going to say, as they should, ‘The doctors that we get service from, the medical practitioners we visit—whatever they might charge—do a very good job.’ But the bottom line is that, in the provision of medical services in Central Australia and in the Northern Territory generally, in terms of private health and private practitioners, there is no competition. As a result, we are seeing people pay $60 a consultation to visit a private practitioner. This is not fair, nor is it reasonable. What it shows very clearly is what the Americanisation of the Australian health care system will bring to Australians. They will be forced to pay what the market will bear, not what they ought to pay. The government has a responsibility here. Every Australian pays 1½ per cent of their income as tax for a Medicare levy. Those who do not buy private health insurance and whose income is above a certain level pay an extra one per cent. They expect for that decent public health care. They expect for that a Medicare system which works. Instead they get a fraudulent approach by the government which seeks to delude and mislead the Australian community about what they can expect for the provision of medical services in this country.

This whole debate shows how much of a misunderstanding this government has about its responsibilities. As I have already outlined: firstly, the Northern Territory government just does not have the capacity to fill the hole; secondly, Territorians—certainly those who live outside Darwin and Palmerston—do not have access to a private hospital system; and thirdly, we have got one of the poorest communities in Australia. Roughly 43 per cent of the people in my electorate are Indigenous Australians. These are the poorest Australians and the people who most rely on the public hospital system. They have a life expectancy which is very much lower than that of the rest of Australia. What does this agreement do for them? It says, as it does for other Territorians, that you can expect that the services available from the public hospital system will diminish over time because of the failure of the Australian government to provide adequate funds for these purposes to the Northern Territory community. So instead of addressing the terrible and awful health problems of these Australians who require hospital care, the government is making it more difficult. How are we to get better health outcomes for the dollars spent on public hospitals under these arrangements?

Whilst the opposition will be supporting the legislation, I commend to the House the amendments which have been proposed by the opposition, which outline our concerns with the government’s health policy failures.

Mr RANDALL (Canning) (11.37 a.m.)—I am very pleased to speak on the Health Care (Appropriation) Amendment Bill 2003, because at this stage we are going through the Commonwealth-state health care agreements which will be in place for the next five years. It is appropriate that we examine some
of the history, the existing situation and the need for such agreements. A previous speaker alluded to the fact that this has been going on for some 20 years. One of the things we will always find out from these Commonwealth-state health care agreements, which are negotiated every five years, is that no-one is ever happy. The states will never be happy, and the Commonwealth will not necessarily be happy with the way the states view them, so, ultimately, we have a Mexican stand-off every five years.

I will give you an example. There may be Labor state governments in every state of Australia at the moment, but when the previous agreement was negotiated in Western Australia there was a coalition government. I recall that the then state health minister, Kevin Prince, was decidedly upset with the deal he believed he was getting from the Commonwealth government. He endeavoured to negotiate with the then federal health minister, Dr Michael Wooldridge, and he also lobbied federal members and senators from Western Australia to try to get a better deal. I believe a better deal was put in place, but it can never be enough. From the states’ point of view, they will never ever get enough in these agreements.

An ideological battle goes on in this place between this side of the House and the other side of the House. The other side of the House accused us of trying to run down Medicare and the general health care agreements in this country. That is just not true, and I will demonstrate that shortly. We have a view on this side of the House that the previous Hawke-Keating government tried to run down the private health system in this country. In an endeavour to destroy the private health system, they put obstacles in its way, and the take-up rate of private health insurance in this country plummeted. The then health minister, Senator Richardson—who now works for Channel 9 and would probably agree with this—said that if private health insurance in this country fell below 30 per cent it would be unsustainable. It did fall below 30 per cent under a Labor government and it did become unsustainable. It was not until this government put in place a scheme to give tax relief to those paying for private health care that the uptake rate increased.

There are some very interesting statistics around the country, including from Western Australia, on the uptake of private health care. I hope these figures are right; I find them quite alarming, actually. The opposition spokesman in Western Australia has cited the fact that, on the introduction of the private health care rebate in conjunction with Lifetime Health Cover, the percentage of people signing on to private health care in Western Australia rose from 45 per cent to 62 per cent. That seems a remarkable statistic, but that was the upshot of the relief given by this government through the 30 per cent private health care rebate.

Yet we know from the other side—and this has not been denied—that the Australian Labor Party, if they were to ever have the opportunity to be on this side of the House, would do away with the 30 per cent health care rebate. There can only be one outcome of what Labor are intending to do with Medicare, and that is to get rid of the 30 per cent private health care rebate. Yet people were saying to us all the time, ‘Why can’t we return to the days when those who invested and paid their own hard-earned money towards health care got some sort of tax concession or relief?’ That is what we did, and the public health system in this country has received a good deal of relief because of the growth of the private health care sector.

In this new round of agreements, we are endeavouring to inject more funds into the states’ agreements, but with some commitments from the state governments. For ex-
ample, as the member for Boothby has stated, currently the federal government’s agreement is for $32 billion and an increase of $10 billion over the next five years—a 17 per cent increase. That is not a decrease. I do not know where the opposition get the information that it is being driven backwards; that is quite spurious. There is going to be—if the states sign on to this agreement—a $10 billion increase. That is the commitment that the federal government has made towards health care in this country.

We do have an unusual situation in that the federal government puts in funds but the states run the system and put in their own funds. It is a bit like the mishmash we have in education, with state governments providing funds for state schools and the federal government providing funds for non-government schools plus some to state schools as well. There is a mishmash of responsibility. In an ideal world, it would probably be better if one of the jurisdictions ran the whole lot. But I cannot see that ever happening.

The health minister in Western Australia is nicknamed ‘Hamburger’ Bob Kucera, for good reasons. I will tell you why. As a former policeman, he was the detective in charge of the Belmont police station when the infamous Mickelbergs were getting the tripe belted out of them. As a detective in the Belmont police station, Bob Kucera’s only interest in them while they were getting belted up was to stick his head around the corner and ask whether they wanted some hamburgers from across the road. Did they want pickles or sauce on their hamburgers? That is where he earned his dubious police reputation.

Mr Kucera is also a bit under question here. He has come out and said that he will not accept the new federal-state health agreement. In fact, Mr Kucera said that he would reject the Commonwealth’s $4.12 billion offer as a demonstration of his commitment to the principles of Medicare and to attaining a fair deal for Western Australia. He is happy to reject the deal for Western Australia, but the ramifications of that are quite outlandish—and I will give you the dollar figure in a moment. This is what the federal government over the life of this health care agreement wants to do for Western Australia: add an extra $4.12 billion over those five years.

Mr Kucera was caught out. He was asked in the state parliament how much Commonwealth funding provided under the pending health care agreement for 2003-08 was factored into the state health budget. Mr Kucera, the health minister, responded by saying that it was $733.9 million. So here he was in parliament—that is, he was required to not mislead the House and to be honest—saying that that is the figure. If that is the figure, then it is the figure for the first year, 2003-04, of the Commonwealth-state health agreement for Western Australia. If Western Australia agrees to sign and match the rate of growth in Commonwealth funding, the estimated figure for 2003-04 is $734.3 million. So much for his rejection of the package; he has actually factored it into the state budget. On one hand he is saying he is not going to take the money but on the other hand he is saying, ‘I’ll take the money, and to show I’m taking the money I have actually factored it in to this year’s state health budget.’ You cannot have it both ways.

However, if Mr Kucera wishes to deny Western Australia access to this money and agrees to sign but does not match the Commonwealth rate of growth in funding, over the five-year period of this health care agreement he will deny Western Australians $154 million. In fact, if he does not sign the agreement at all—and he is saying he will not, but as I said he has already put it into the
budget—over the five-year period Mr Kucera will deny Western Australians $404 million. How responsible is that? This comes from a minister who does not seem to understand his brief. I will demonstrate that from this point of view. In my electorate of Canning, I have the following general public hospitals: the Armadale-Kelmscott Memorial Hospital, the Murray District Hospital, the Waroona hospital and the Peel Health Campus in Mandurah. I share that large city with the member for Brand, and that hospital is actually in the member for Brand’s electorate—but we divide that city almost equally. That is the other major health care provider in that region.

When the state government came to power, Dr Gallop said, ‘We know the problems with health care in this state and we’re going to fix them.’ One of the biggest issues in the lead-up to the previous election, and a problem which Dr Gallop said he would fix, was ambulance bypasses. Ambulance bypasses became the largest issue from a health point of view that the then state Labor opposition attacked the then government on, because the number of them had grown. For those who do not know, an ambulance bypass occurs when an ambulance goes to one major hospital, like Royal Perth Hospital, and cannot get in, is told to go to Sir Charles Gairdner Hospital and cannot get in, and does the rounds until it goes to Fremantle Hospital and eventually finds an opportunity for the patient to be taken there.

What has happened since then? Not only has the rate of bypasses increased; they are into a curious little arrangement now called ramping. Ramping, for those who are not aware, is done when the ambulance cannot bypass any hospital because all the emergency departments are full. The ambulance is parked in front of the hospital and the doctors from the emergency department come out and look in the ambulance and ask, ‘What’s the matter with this person?’ The doctors examine them there. Because there is no room to park people on trolleys in emergency wards et cetera, people are left in ambulances parked in front of the hospital. This is going on in Western Australia at an increased rate.

The government do not even deny it now. What has Mr Kucera said? He has said: ‘We think it’s a good strategy. We’re using it as a strategy.’ That is the sort of health care the state government is administering in using our funds. In not signing on to this agreement, Mr Kucera is talking about potentially denying the state $404 million. What sort of health care commitment is that from a state health minister? These are the sorts of people we have to do business with. We are trying to make structural reforms to the Medicare arrangements in this country so people can get a better deal.

My area has a decreasing bulk-billing rate, and I will address that now. The bulk-billing rate, particularly around my electorate office in the Armadale-Kelmscott area, has gone from 69.9 per cent in December 2000 and 68 per cent in 2001 to 59.9 per cent—almost 60 per cent—at the end of December 2002. It is declining. Why is that? The decline in the bulk-billing rate is because there is a lack of doctors. It is not because doctors have an aversion to bulk-billing per se; it is a function of the lack of doctors in any one area. The Armadale-Kelmscott region in my electorate has the lowest ratio of GPs per capita of any outer metro area in Western Australia. I repeat that: it has the lowest bulk-billing rate of any outer urban area of Western Australia. Doctors do not necessarily want to go out into those areas that are a bit tough. If they do and there is not much competition, there is no competitive edge in bulk-billing, as there is in the leafy suburbs of Nedlands or Cottesloe or the inner city suburbs of Perth.
What we are doing? We are giving these GPs in the outer urban areas an opportunity. We are saying: ‘Look, we know that $25.05 is inadequate. If you will sign on to the new agreement we are offering you, we will pay you extra when you treat concession card holders, pensioners et cetera.’ We are also saying to them, ‘We will not only pay you extra; we will make it easier for those who go to your surgery to claim.’ You have heard this many times, but it is worth repeating. At the moment, the poor mother—who may be on a low income—who goes in to the doctor with her two sick kids, after having to get time off school for them and time off work for herself, gets both of them treated, gets the receipts and has to somehow find time to get down to the Medicare facility to claim the rebate. Sometime later she gets the rebate back, but she could have been up to $70 out of pocket.

We are going to make it easier for people. Inside the doctor’s surgery we will put in a facility, a bit like an EFTPOS machine, where people can swipe their health care card and they will only pay the difference. They will not be $70 out of pocket; they would be, on average, $12 out of pocket, or $24 for two consultations—but they will not have the mess of claiming and being out of pocket to the extent we have been talking about. This is what we are offering to attract doctors to sign on. It will not only make the system more fluid and workable but encourage more bulk-billing in the outer urban areas, particularly in the areas of need.

What else are we doing in the areas of need? The Serpentine-Jarrahdale Shire Council is in my electorate. It has been identified as an area of need—yet, again, it has been very difficult to attract doctors into that area. The head of the AMA in Western Australia, Dr Pearn-Rowe, made it quite clear yesterday, in an interview with Paul Murray—and I am also aware of this through talking to my colleagues—that in Western Australia we are creating an extra 100 places for medical students at the University of Western Australia and, hopefully, at the new Notre Dame Medical School. This will put more doctors into the area.

We are also bonding doctors into rural and outer urban areas. The people we need to send into these outer urban areas need to be special—they must have an affinity with the people in the region. They get close to the people because it is more rural. An excellent example in my electorate is Dr Peter Wallace, who was named the GP of the year in an Australia-wide competition. He works out of Pinjarra. Dr Peter Wallace should be congratulated because he is a tireless, hardworking doctor and there are not enough Dr Peter Wallaces out there. A special note should be made of him. I will also be awarding him a Centenary Medal shortly. I am going to be very proud to do that on behalf of the people who nominated him and the people of Australia. It is important that we recognise people like Dr Peter Wallace.

It is quite galling when you hear the bleating from the other side on this class warfare stuff. They would like to see a British system where medicine is basically nationalised. When Hillary Clinton came to this country on a visit several years ago she met with Dr Wooldridge. She could not believe Australia could run such an efficient dual system, with both private health care and a public system operating in tandem, that worked so well. We know what happens in America: if you get chronically ill, you basically have to sell your house to pay the medical fees. Australia has a marvellous health care system. If you get knocked down by a car walking out of here today, you will get treatment in an emergency ward of a hospital whether you have money or not.
That is the quality of health care in this country, but it is not sustainable unless there is structural reform. All the independent commentators, like the Paul Kellys of this world, will tell you that unless there is structural reform in Medicare and the health care system in this country it will be unsustainable—just as the PBS is unsustainable without support. What are we getting from the other side? The opposition is obstructing, obfuscating and trying to destroy it for political purposes. This is not an opposition that actually wants the best for the Australian people; this is an opposition that wants to score political points at the cost of the health care of those in this country who most need it. The opposition needs to get on and support the government’s initiatives in this area because they will continue to provide the world-class system that Australians are used to and entitled to. *(Time expired)*

Ms KIng *(Ballarat)* *(11.57 a.m.)*—It is great to hear the member for Canning, sensitive new age man that he is, giving sympathy to women with children and the difficulties they have in accessing Medicare offices. What he failed to acknowledge is that the woman he is speaking about will probably be paying far more to access a general practitioner under this government’s proposals than she is currently. If you ask women with small children what they are more worried about, driving to the Medicare office or paying more from the already tight family budget for general practitioner services, I can tell you where their concerns lie: their concerns are with this government’s proposal to undermine Medicare, not whether they are going to have trouble driving to a Medicare office. The member for Canning may want to talk to some of those women in his electorate about what this government’s proposals are really going to do.

I would like to turn my attention to the specific aspects of the Health Care (Appropriation) Amendment Bill 2003, which extends the period of operation of the Health Care (Appropriation) Act 1998 to allow the Commonwealth to enter into the next round of Australian health care agreements with the states and territories. The Australian health care agreements, which are negotiated bilaterally with each state and territory, essentially provide Commonwealth moneys to the states in exchange for ensuring the states continue to provide free hospital care. Over the past 15 years, the Commonwealth, states and territories have negotiated these health care agreements, and new agreements are about to be negotiated for the next five years.

The principles upon which the Australian health care agreements are based are enshrined in legislation. They are: that public hospital services must be provided free of charge to public patients; that access to these services must be on the basis of clinical need and within a clinically appropriate period; and that people should have equitable access to public hospital services, regardless of their geographical location. Those are principles that, in my view, are being broken by this government as it attempts to Americanise our health system. Specifically, the reduction in funding to public hospitals, which the level of funds appropriated by this bill represents, has the potential to undermine the hard work that has been done over the past few years to restore our public hospital system.

In Victoria, the Kennett government did enormous damage to our public hospital system with its overly zealous pursuit of cost cutting to social and health services. Even the head of its own Department of Human Services admitted that they got it wrong. Grudgingly, he said, ‘We cut too much from public hospitals.’ The damage is only just beginning to be repaired. But this year’s budget shows that the Howard government has no interest in saving public hospitals. It has no interest in restoring public hospital
systems to the levels at which they once were. It has no interest in working with state governments to actually improve public hospitals.

This year’s budget shows that the Howard government is withdrawing funding for public hospitals in the forward estimates. The member for Canning wondered where we got those figures from. We got those figures from the government’s budget papers. The emergency departments at our public hospitals are already under greater pressure because the Howard government has let bulk-billing run down by more than 12 per cent over the seven years it has been in government. Instead of recognising the pressure that the public hospital emergency departments are under, the Howard government is withdrawing a further $918 million over four years from our public hospitals.

In April, the Commonwealth Chief Medical Officer, Richard Smallwood, was reported in the *Age* as having told a health conference in London that Australia’s public hospitals were ‘in varying degrees of dilapidation’ and that morale amongst doctors and nurses was fragile. He was quoted as saying:

The results of our care and patient experiences of the health care system are too often less than ideal. Our public health care systems never seem to have enough resources. Access to care, while universal, is too often delayed. The medical workforce is undermanned, maldistributed, or both, and the shortage of nurses verges on the calamitous. In both professions, morale is fragile.

What is the Commonwealth’s response to this? What is the Commonwealth’s response to its obligations to make sure that we have universal access to public hospitals? It is to withdraw a further $918 million over four years from that very system. The withdrawal of $918 million in Commonwealth contributions from public hospitals means that fewer nurses will be able to be employed within that system, fewer operations will be undertaken and there will be longer waiting lists for elective surgery. This cut to public hospital funding precisely offsets the budgetary impact of the government’s $917 million Medicare package, which fundamentally changes the Medicare system, puts an end to bulk-billing for Australian families, places public hospital emergency systems under pressure and undermines the universality of health care in this country. Whichever way you look at it, this government seems to think that there should be one system for those that it likes to view as the ‘deserving poor’ and another for those that it thinks can afford to pay.

At the same time as attacking Medicare, the Howard government is attacking our public hospitals. The government’s proposed changes to Medicare cannot be separated out from the Australian health care agreements. The state health ministers have jointly issued a communiqué which outlines their concerns. The ministers said any discussion about funding for public hospitals could not be separated from the Commonwealth’s planned overhaul of Medicare. They said:

The Prime Minister’s plans for Medicare will cost families more and push those who can’t afford to pay into public hospital emergency departments. State and territory ministers detailed to the Commonwealth health minister the key principles they believe should underpin the Australian health care agreements. They included maintaining and developing Australia’s health care system based on the Medicare principles of universality, equity and access; maintaining and developing the key components of Australia’s health care system, including Medicare, sustainable public hospital related services, the Pharmaceutical Benefits Scheme, aged care services and the public health system in general; and recognising that the policy decisions of the Commonwealth do not exist in a vacuum and can have serious consequences for state and territory
based health services. Key areas that the ministers believe need to be addressed by the Commonwealth include not only the decline in bulk-billing and its impact on emergency departments but also the chronic underfunding by Canberra of nursing home places. They went on to say:

Clearly, this offer—that is, the offer by the Commonwealth—does not recognise that the Commonwealth’s planned changes to Medicare have the potential to place the States and Territories under even more financial pressure.

The Commonwealth health minister said that the government’s Medicare changes were for all Australians. It is a reminder of the 1996 election, when the Prime Minister had as his slogan ‘For all of us’. Over the course of this government we have learnt that what the Prime Minister is really saying is, ‘I’m only for some of us.’ These changes to Medicare can mean only one thing: a two-tiered, user-pays health system under which Australian families will pay more for doctor visits. Doctors will be given financial incentives to bulk-bill concession card holders, which is in fact a de facto means test, but they will be given the green light to charge higher fees for everyone else. Australian families with two kids who earn more than $32,300 a year are not eligible for a concession card. For them, bulk-billing will end and, when they visit their GP, bit by bit they will be asked to pay more.

The member for Parramatta said last week that this was a good thing. The people who expect governments to provide money for services make him want to throw up—they were his words. What an extraordinary attitude! Most people in my electorate do not expect something for nothing. They work hard; they pay taxes. They believe that they have a contract with this government through their Medicare levy for the provision of a free public hospital service and for access to bulk-billing doctors, no matter how much they earn and no matter where they live, whether it be in the town of Ballarat in my electorate or in the rural town of Halls Gap, where there is no access to bulk-billing doctors.

In my electorate bulk-billing has dropped to around 53 per cent, and it is dropping daily. The average family income is $33,000 a year. It is half that of the income in the Prime Minister’s electorate of Bennelong, yet the bulk-billing rates in his electorate are around 80 per cent. This government seems to have no understanding of what people are actually experiencing. People expect their government representatives to understand what their lives are like. They expect their elected representatives to understand the financial pressures that they are under and put in place policies that reflect those.

This government has broken the contract it has with the Australian people through the Medicare levy by withdrawing funding for public hospitals, as represented in this bill, and giving up on bulk-billing. This government taxes more and more and yet spends less and less on services and withdraws from those services continuously.

The fundamental principle underlying Medicare is that health services should be available according to medical need, not a patient’s capacity to pay. The Australian health care agreements are interlinked with universal access to bulk-billing. A decline in GP services means more people accessing emergency services in public hospitals. If Medicare is to be preserved and bulk-billing restored, Australians need a government that is committed to Medicare and to bulk-billing.

When Labor was last in power, bulk-billing by general practitioners was at a high of more than 80 per cent, and there is no reason why we cannot get back to that. Every
year since the election of this government has seen a decline in bulk-billing rates; a decline of over 12 per cent since its election. Announced in the Leader of the Opposition’s budget reply is a plan to save Medicare with a $1.9 billion package to reverse the collapse in bulk-billing by lifting the patient rebate for bulk-billing for all Australians, no matter where they live and how much they earn. It is a good policy, and it is one that is seen by the AMA as being a better policy than the one the government has on the table. It includes a proposal to immediately lift the Medicare rebate for all bulk-billed consultations to 95 per cent of the scheduled fee, an average increase of $3.35 per consultation, and to subsequently lift the Medicare patient rebate for all bulk-billed consultations to 100 per cent of the scheduled fee, an average increase of $5 per consultation. In addition, we will offer financial incentives to doctors to extend bulk-billing, especially in regional areas such as my electorate of Ballarat where the collapse of bulk-billing has been extremely noticeable. Doctors in outer metropolitan areas and major regional centres will receive an additional $15,000 each year for bulk-billing 75 per cent or more of their patients. Doctors in rural and regional areas will receive an additional $22,500 each year for bulk-billing 70 per cent or more of their patients.

Lifting the patient rebate and introducing financial incentives to bulk-bill will help to stem the current dramatic decline in bulk-billing and act to make bulk-billing available to more Australian families. There is nothing in the government’s Medicare reforms that will restore bulk-billing. Bulk-billing rose every year under Labor and has fallen every year under the Howard government. The decline in bulk-billing is denying families access to affordable health care, forcing them to pay more and more to see a doctor, despite the fact that Australians have paid for Medicare through their taxes for nearly 20 years. Under this Prime Minister, bulk-billing by GPs has declined in my electorate by more than 10 per cent, from a high of around 75 per cent to less than 53 per cent today.

When I asked the Minister for Transport and Regional Services during question time last week whether he was concerned about the decline of bulk-billing in electorates such as mine, he said he would rather talk about something more interesting. The minister may not be interested in the decline in bulk-billing in regional areas, but families in my electorate certainly are. They know that it is now more expensive to access a doctor and they know that something has to be done to increase the number of doctors who bulk-bill. They know that something has to be done to increase the number of doctors in my electorate as well. The minister may not be interested in the decline of bulk-billing in my electorate, but families under pressure certainly are. By offering GPs a significant increase in the Medicare rebate and powerful financial incentives to meet bulk-billing targets, Labor will restore bulk-billing to a better level. These measures are the first step towards Labor’s objective to restore the average national rate of bulk-billing to 80 per cent—or more.

In the few remaining minutes that I have, I want to talk particularly about the Australian health care agreements as a policy document versus a funding agreement. One of the most disappointing aspects of the Commonwealth’s decision to cut $918 million from public hospitals is that it undermines the potential of the Australian health care agreements. I co-authored a paper with Dr Vivian Lin about our experiences of negotiating the first round of public health outcome funding agreements with all states and territories. One of the biggest challenges was how, in the context of negotiating a funding agreement, you also jointly commit to policy re-
form. We managed to do that in public health because, firstly, we negotiated the funding separately and we were upfront about funding commitments that had been made and were determined to work to keep them—something that has been undermined in this agreement—and, secondly, we separated our agreement on policy through a separate memorandum of understanding and resourced it through a national public health partnership.

The Australian health care agreements, like the public health outcome funding agreements, are much more than just a transfer of money between the Commonwealth and the states. They have the potential to underpin an entire Australian health care policy, something that we do not currently have in this country. Much was anticipated from this round of negotiations. Many clinicians certainly had the hope that this round of negotiations would see a broader commitment to a national health care policy. The early discussions between the Commonwealth, state and territory ministers saw agreement that this round of Australian health care agreements should incorporate national objectives for the provision of improved care for all Australians. Michael Reid in the *Australian Medical Journal* argued:

… ACHAs will need to extend beyond public hospital issues to incorporate primary care. There will need to be discussion in the agreements on primary care, chronic care, mental health, Indigenous health, aged care, rural health, public health and, presumably, agreed quantifiable measures to assess achievement of these national objectives, while maintaining flexibility of resource allocation.

I note that the Audit Office has been fairly critical of the department in terms of its performance indicators and its development of performance information in the Australian health care agreements. I certainly hope that extensive work is under way to improve that system; certainly within public health we undertook quite an extensive process to do so. The dollar amount that would be required would be quite small compared to the amount within the Australian health care agreements. What is happening with the Australian health care agreement negotiations is that the Commonwealth’s offer, being $918 million less than anticipated in its own forward estimates, means that any hope of getting the sort of policy reform that was anticipated from this round has gone. Other areas—such as mental health, which is chronically underfunded—are also under pressure. I say to the public servants in the chamber today: I do not envy you at all. I think that you have been handed a poisoned chalice on this one.

If the last round of negotiations was any guide, the next agreement will be devoid of national health policy, contain poor performance indicators, be largely incomprehensible to anyone else but its authors and preserve the existing capacity and incentives to shift costs between the states and the Commonwealth, and vice versa. It will again represent a missed opportunity in this country. By presenting the states and territories with an ultimatum that represents a cut of almost $1 billion to public hospitals at the same time as pursuing a two-tiered system of access to bulk-billing by general practitioners, this government has undermined any goodwill that exists to get any real reform in health care. It is a missed opportunity. Whilst I wish the public servants well in their negotiations with the states and territories, I certainly think the government has undermined their capacity to negotiate good, solid health policy reform by cutting $918 million out of this round of the Australian health care agreements.

Mrs HULL (Riverina) (12.15 p.m.)—I rise today to speak in support of the Health Care (Appropriation) Amendment Bill 2003.
I would like to personally congratulate the government on its eighth budget. I welcome the many measures that are outlined in the budget that will be of benefit to the people in my electorate of Riverina and to the entire country. The 2003-04 budget outlines a number of areas that are aimed at encouraging general practitioners, medical students and specialists to practise in rural and regional areas. The programs that have been implemented by the government—including the regional health strategy, which supports medical students and offers incentives to attract young doctors to rural general practice—have helped stem the growing tide of doctors choosing to leave our regional areas in favour of metropolitan and coastal centres.

Over the past five years, there has been an 11.4 per cent increase in the general practitioner labour supply in some of our rural areas. By providing additional funding, training and support, these programs are encouraging our doctors, our nurses and other health workers to remain in rural Australia. Since 1996, the government has spent about $2 billion on targeted rural health and aged care to boost access in rural and remote areas to doctors, specialists and nurses. Rural scholarship schemes have been embraced by the medical community, with almost 2,400 scholarships for medicine, nursing and pharmacy awarded at the end of 2002-03. The Rural Australia Medical Undergraduate Scholarships scheme provides assistance of up to $10,000 a year until graduation to help students meet accommodation, living and travel costs incurred whilst studying for their medical degree. In 2003-04 the government expects to spend over $31 billion on health, which represents an increase in health spending of around 65 per cent since this government came to office.

Spending on public hospitals will also increase to record levels, with $42 billion to be provided to state and territory governments for public hospitals. This represents a growth of 29.5 per cent over five years. Under the Australian health care agreements, the federal government provides state and territory governments with substantial payments to fund public hospitals. It is up to those states to stop their cost shifting and start delivering services. The proposed new agreement offers $42 billion over five years, an increase of $10 billion or 17 per cent in real growth nationally. The funding offered to the states has been calculated to provide for inflation, population increases, ageing effects and growth in service utilisation. Nothing could be fairer in this allocation.

Due to the government’s policies to encourage and assist Australians to take out private health cover, the number of patients visiting public hospitals has fallen. The figures show that between 1999 and 2000, for the first time in the history of Medicare, public hospitals treated 4,500 fewer patients. However we still have this long waiting list for surgery. Operating theatre hours for our specialists and our proceduralists have been cut out completely. This I cannot understand. I cannot understand why fewer patients are going through public hospital systems—due to the private medical insurance measures put in place by the Commonwealth government—and more people are utilising private hospital systems yet there are more cuts in surgery operating theatre times for our local practitioners, our local surgeons and our local specialists. It has got to the point where I have lost some of my proceduralists from my country towns. Griffith has lost its only operating proceduralist, whose operating hours were cut completely. He wants to keep up his skills. He was travelling to Wagga Wagga and operating at a private hospital there so he could keep his skills up, because he could not get the hours that he needed. How is it that fewer people are going through the public hospital system and more people are go-
ing through the private hospital system, but we are still cutting the operating and theatre times that are available to our doctors, who need to keep their skills up in order to service the public, particularly in rural and regional areas?

Australian families are now more easily able to afford private health cover. More Australians are utilising this cover and receiving treatment in private hospitals. The number of private hospital patients increased in the same period that public hospital patients decreased. Private hospital patients have increased by 245,129. This is really good news for the public hospitals, which should have more resources available to them if more people are going to private hospitals. Public hospitals should be putting those resources into treating public patients. People think that is what should happen. If you cannot afford to buy private health cover, you need to know that places will be available for you as a public patient in the hospital system and that they will not be taken up by people who have private health insurance who refuse to take themselves into private hospitals and pay additional gaps et cetera.

If you can afford to pay for your treatment, you certainly should. It would open the access to treatment when they need it for those people who cannot afford to pay for it. Those people who have private health insurance should utilise private health facilities to free up further places and take the strain off the public hospital system, as is currently happening. The Commonwealth has put the measures in place, so why aren’t we seeing better outcomes in public hospital systems, particularly in rural and regional areas?

Under the proposed new agreement, New South Wales—the state that I come from—will receive $3.4 billion in additional funding, providing those public hospitals throughout the state with $14.1 billion from the federal government, to be matched by the states. Surely we should start to see some evidence of some added activity in those hospitals. Under the new agreement, the states will be expected to match the Commonwealth’s rate of growth year by year to receive 100 per cent of the available funding. I think it is perfectly sensible to do that. States that choose not to match the Commonwealth’s rate of growth will only receive 96 per cent of the available funding, and that is absolutely correct—so they should. It is obviously in the best interests of the states to match the Commonwealth and ensure greater funding for public hospitals, public patients, people in New South Wales and people across Australia.

If the New South Wales government choose not to abide by the conditions of this agreement, they will forfeit $1.1 billion in funds for public hospitals in New South Wales—which then, in turn, puts the onus on the New South Wales government. It means that, if they forfeit this and if they are not meeting these payments—which they should be able to do, remembering that they have fewer patients going through their systems at the moment, which should ultimately mean more money in their pocket—they are affecting local communities, which will lose valuable services and will not receive promised upgrading of services and, in particular, new hospitals, such as the one we need in Wagga Wagga. Now that we have a pre-election commitment from the Carr government, we are looking forward to the New South Wales government ensuring that they meet these Commonwealth grants and funding in order that we can capture some of this additional $3.4 billion to build the new, state-of-the-art, developed hospital in Wagga Wagga that they have been waiting for for some 25 years.
I congratulate the government on the amount of funding that it has offered to the states for public hospital systems. It is fair that we should expect the states to match this Commonwealth funding, because, as we are aware, the states are responsible for the primary funding of these hospitals. The Commonwealth government continues to provide a great deal of funding for the health care of all Australians, as recently announced. As the House is aware, I represent the rural and regional electorate of Riverina, which, like many other regions, has great difficulty in attracting general practitioners and specialist services. So it was with great pleasure that I listened to the Treasurer deliver this government’s eighth budget and recognised that there are many additional programs and funding announcements in it that will greatly benefit my constituents in Riverina into the future. Additional funding for health care centres in small rural communities will provide a range of health care services that are focused on primary care. More doctors will be provided where they are needed most, with 150 additional GP trainees and 234 additional medical school students—at a cost of around $232 million—absolutely targeted to rural and unfortunate outer metropolitan areas. They are areas that we sincerely have to recognise have difficulties as well.

I am proud of that work and I am proud of that funding because my electorate is the recipient of the University of New South Wales School of Rural Health, formerly the Greater Murray Clinical School, that was established in Wagga Wagga. It was the first of the clinical schools that was established. The roll-out of those schools was predicated on the success of that school in Wagga Wagga. We have achieved that. We have delivered success. We have delivered outcomes. We have delivered these students, who are now looking at their future careers being in rural and regional areas. After that original success, those clinical schools were rolled out right across Australia. I am very proud of the work that my community advisory board put in to ensure that this was a successful school. I am proud of the people who have made it successful, including Professor Khadra and Professor Sandy Reid and the GPs and procedural specialists, such as Associate Professor Gerard Carroll and Associate Professor Graeme Richardson, and the Albury practitioners and specialists and the Griffith people. Everyone has put in an enormous effort, over and above their commitment to practising medicine in rural and regional Australia, to ensure that we have a future—to ensure this school is successful and to ensure that the operation and the curriculum identified in the school brings about results and outcomes for rural and regional people. This we have done.

Just two weeks ago, I was able, with the Hon. Tim Fischer, former Deputy Prime Minister, to open Harvey House in Wagga Wagga and establish a conduit for our graduates and students to feel proud of the facility that they train in so that they can continue to offer their services when they finish their degree and are out in rural and regional Australia. Just last week, I opened a house in Griffith that is going to satisfy training requirements, putting our young doctors, trainees and students into a sensational form of accommodation. This will ensure that they have a quality of life experience whilst they are training and whilst they are practising in the hospitals and with the GPs in rural communities. They will have a quality of accommodation that makes their experience a complete and a quality of life experience so that they feel predisposed to coming back out into rural areas and becoming part of those regional communities.

Speaking to these students in the last few months in particular delivers to me a sense that, yes, this government has got it right.
Actions are finally being put in place to ensure that rural and regional areas and people are going to finally get the quality of doctors and health services that they are entitled to. This is the beginning of the future, of a move forward to re-establishing a quality of health system right across not only my electorate of Riverina but also Australia. I am enormously proud of that.

In addition, there are payments that will be provided to long-serving GPs in rural and remote areas, to encourage them to continue to practice in those areas. This assistance will help my local communities to retain and also to attract GPs to service our regional residents. There are a number of communities in the Riverina that face extreme challenges in order to keep a general practitioner, and the challenge is growing. If a community is forced to find a replacement, it is very difficult. This retention payment provides an incentive to enable GPs to stay in those communities to ensure delivery of a valuable service.

I want to mention Hay, which is the most amazing little town. It is a beautiful town, and I encourage anybody that wants to go there and have an experience to call in and look at what it has to offer, particularly with attractions such as the new Shear Outback, a testament to the shearers of Australia. Hay does it all on its own. It is isolated, and if the people of Hay want to make it happen they have to make it happen for themselves. In the last two years—not even that—Hay has had 22 locums. How can that community feel secure about their ongoing health issues and pregnancies, how can they feel secure in the knowledge that, if they develop a disease or a condition, they are going to have a continuing practising professional able to manage their treatment, their progress and their life? That situation is unacceptable. The types of payments that this government has put in place are the first group of initiatives ever put in place that are specifically targeted at and caring for rural and regional people—and they have been delivered by the Howard-Anderson government since 1996. We have become a meaningful race of people—country people have again started to matter—and that has only come about under this government since 1996.

The government’s Rural Retention Program, which was established in 1999, will continue to provide incentive payments. In 2003-04, approximately 2,400 doctors are expected to receive rural retention payments. That is a fantastic initiative to ensure that my people are getting the quality of health treatment that they deserve. Funding of $10.3 million is being provided over four years to subsidise the medical indemnity costs for rural obstetricians and gynaecologists. That will indeed assist us with the provision of valuable obstetric services. This issue is one with which I have been sincerely and personally involved. I had a very close shave when private hospital obstetric services nearly closed down in December of last year due to this one issue of medical indemnity. The government put its best foot forward and ensured that we were able to keep those services and obstetricians in Wagga Wagga to deliver services right across the Riverina.

Women living in rural and regional areas are also a priority for this government, which recognises the additional medical challenges that women can face. The rural women’s GP service provides access to female general practitioners. I note that Temora, one of my communities in the Riverina, is finally getting their first fly-in fly-out woman GP, to service the needs of women who cannot travel to another town, such as Wagga Wagga, to access a female GP. They are now going to have this service in Temora, and I welcome that.
In addition, the government will provide financial incentives for GPs to offer bulk-billing in rural and regional locations. It is dreamtime to think that bulk-billing is a major issue for country people, particularly those in the Riverina, where we suffer and have always suffered the lowest rate of bulk-billing. Bulk-billing is not an issue for them, because they do not get it. The opposition does not get it either: in the past, these people have not received bulk-billing. What they want is a doctor. They do not want access to bulk-billing; they want access to a doctor. That is their major priority. They do not want their health outlet and service to be 22 locums visiting in less than two years.

This debate about bulk-billing has been hijacked and completely distorted. It may be particularly prominent in city areas, but in country areas you are not used to getting bulk-billed and it does not matter. We have been fighting for a bulk-billing service in Wagga Wagga for over nine years, and it has never happened. Very few of our doctors provide bulk-billing. My constituents want a doctor when they need one. They want access to a Medicare rebate so that they are not out of pocket for three months or so, while they post it off and then have the cheque sent back and then have it cleared through the bank. They want to be able to go to the doctor and pay the difference if they need to—if they do not need to, that is terrific as well, but that is up to the doctor. They want a doctor—that is their issue—and they want to know that the health services available to them are as equitable as they are in city areas. The debate has been totally hijacked by bulk-billing. Bulk-billing is totally irrelevant at this point to country people, bearing in mind that my electorate has one of the lowest bulk-billing rates. Generally, bulk-billing is propped up by the smaller doctor who satisfies an isolated rural community, because generally he is the person who does the bulk-billing. This will only help to relieve the issues associated with those communities. (Time expired)

Mr ZAHRA (McMillan) (12.35 p.m.)—I rise to speak in this second reading debate on the Health Care (Appropriation) Amendment Bill 2003. Having a doctor is important in country districts, there is no doubt about that, and I agree with my colleague the member for Riverina in relation to that fact. But I just make the point to her and to other people in the House that there is no point in having a doctor in town if you cannot afford to see the doctor. That is why I take a different view from the one that my colleague has expressed in relation to the importance of bulk-billing to people who live in country districts. We do battle in country districts to get doctors to come and set up practices in our regions, towns and communities, but we always have, and there are many sociological and economic reasons for this. I suppose I could take up all my 20 minutes here making excuses for the medical profession and for those people who have had carriage of this responsibility within the federal and state departments of health over the course of the last 20 years or so. But I am not going to do that. The point that I want to make is how important bulk-billing is to country people. Hard though it is to get doctors to set up in country districts, that is only half the task. We must have services in country districts which country people can access.

I make the point to the member for Riverina and other country members of parliament in this place that there is no point having those doctors there in our towns and districts if they charge an amount of money for their services that is too much for local people to afford. In that circumstance, we will end up with some people in the town getting health care and some people not getting health care. People on the other side might say to me, ‘At least someone gets access to
that health care.’ But I make the point that, if our objective and our philosophy is to try to get health care for just some people, we will never hope to succeed in getting health care for everyone. We have to have an objective that those people who need health care can get it in this country, irrespective of how rich or poor they are or whether they live in the city or in the country.

In my electoral district we have a bulk-billing rate of about 58 per cent. It is about 58 per cent in the Gippsland region, if you take the electoral district of McMillan and the electoral district of Gippsland. That is a very low rate of bulk-billing when compared with a number of other federal electorates in this country, although it is not as low as the electorate of my colleague the member for Riverina. We do not want it ever to be as low as that. We want the direction of bulk-billing in the Gippsland region to go up, not down. This is why we in our region have taken the view that the No. 1 priority for the federal government needs to be to address the decline in bulk-billing. We have seen situations emerge where some of the services we always used to take for granted in health care are no longer there in the Gippsland region. I have been advised by a number of people that getting access to the public dental health service, which is administered in my electorate through the Latrobe Community Health Service, now involves your being placed on a waiting list, which, depending on the care that you are looking for, may involve a waiting period of 48 months. That is for work that is classified as non-emergency dental work. The waiting time can even be as much as seven years for a different category of dental health services, such as people having their teeth examined with a view to consideration of whether they should have braces fitted by an orthodontist.

So that is 48 months for one range of services and seven years for the other. It used to be possible to access these services much more readily, when the Commonwealth had the Commonwealth dental health plan, which was got rid of by this government in the 1996-97 budget. The point that I am making here is that in our region we do not want to be a part of an ongoing reduction of health services to our district. We have seen a reduction in the public dental health services that our district gets, and we are seeing a reduction in the bulk-billing services that our district gets. My view is that we need to be courageous in the way we approach dealing with Medicare and in particular we need to be courageous in the way we approach readdressing the problems that we have with bulk-billing.

I do not think it is good enough that there are large parts of the Gippsland region which have no bulk-billing doctor. I do not think it is a situation which can be readily understood by those people who do not represent country districts in this place. I have read the statistics showing what levels of bulk-billing different federal electorates have, and in the Gippsland region we are very envious of those federal electorates that have bulk-billing rates of more than 80 per cent—in some cases, more than 90 per cent, I think. We say to those people, ‘We want what you’ve got.’ I guess a lot of people who live in the city would never imagine a situation where people had no access at all to a bulk-billing doctor. Some people have said to me, ‘If the doctor they go to does not bulk-bill, why don’t they go somewhere else?’ The simple answer to that question is that often there is nowhere else. There are many towns—as you would know, Mr Deputy Speaker Causley, representing a country district yourself—that are lucky enough to have one doctor in the first place, and there may be a considerable geographic distance between that medical practice and the neighbouring one. So shopping around,
which is the usual bit of advice that people give in these circumstances, is not really a practicable or reasonable thing to ask people to do.

We are fortunate in my electorate to have a very good public health system. We have a number of outstanding public health institutions in our district. The Latrobe Regional Hospital provides outstanding care to people in the Latrobe Valley and in the broader Gippsland region. In Latrobe Regional Hospital, we have been fortunate to have had the strong leadership of Felix Pintado, and the rest of the staff and team there. They went through a difficult time when that hospital was privatised by the Kennett government. The Bracks government, upon coming to office, bought that hospital back for the people of the Latrobe Valley and brought certainty back to the services provided by the Latrobe Regional Hospital. It is a quality public health institution and provides an outstanding service to the people in the Latrobe Valley.

I am also fortunate to have the West Gippsland Health Care Group operating in my electorate, which provides services to the people in West Gippsland and the broader Gippsland region. We are lucky there as well to have that hospital ably led by Ormond Pearson and his staff. They do an outstanding job in providing services to people right across West Gippsland, including a growing range of services to people in the smaller rural districts that make up the West Gippsland region.

In the South Gippsland district, we are fortunate to have a range of small country hospitals that provide services to people who live in those particular localities. We have great hospitals in Wonthaggi, Leongatha, Foster and Korumburra. We are fortunate to have these hospitals. We rely on them heavily, particularly because of the limitations in our region for people to be able to access bulk-billing. I think it is generally understood in this place—even if it perhaps is not admitted by too many people on the other side—that, where you do not have bulk-billing doctors, more demand is placed on the public health service. In particular, it places more demand on accident and emergency units within regional public hospitals. That has certainly been our experience in the Gippsland region. It is another reason why it is important to have an adequate number of bulk-billing doctors available to everyone in country districts.

I was very concerned when the government announced that it intended to cut $918 million over four years from our public hospitals as part of its budget. A government that takes the view that it can provide more services to people by cutting funding to public hospitals is fooling itself. It is not being honest with itself and it is not being honest with the Australian people. A cut of $918 million will lead to only one thing—reduced services in those public hospitals. We know, because of what I mentioned before and because of what I think most people in this place accept to be true, that reduced bulk-billing in country districts will place more pressure on country hospitals.

This government has reduced bulk-billing, put more pressure on country hospitals and announced that there will be a $918 million reduction in funding for those same hospitals. I think that is a disgrace. I think it will lead to a substantial deterioration in the level of care and the level of health service that people in the country will be able to get from their local health services and hospitals. It is no coincidence that the amount of money that the government has allocated for its Medicare changes is almost exactly the same amount of money that they are taking out of public hospitals; the government is taking $918 million out and allocating $917 million
towards their so-called Medicare package. The government is cutting from the public health system and the public hospital system so that it can fund their initiative to weaken Medicare further and reduce bulk-billing. I think this will be a real double whammy for country districts. I think we will see bulk-billing rates further eroded and a lesser service provided by country hospitals because the amount of money provided to them by the Commonwealth government will be reduced.

People in the Gippsland region are very interested in having greater access to bulk-billing. They support Labor’s plan to save Medicare and restore bulk-billing. There is a commitment in Simon Crean’s budget reply speech to save Medicare with a $1.9 billion package to reverse the collapse in bulk-billing by lifting the patient rebate for bulk-billing for all Australians, no matter where they live or how much they earn. A Crean Labor government will immediately lift the Medicare patient rebate for all bulk-billed consultations to 95 per cent of the scheduled fee, an increase of $3.35 per consultation; and a Crean Labor government would subsequently lift the Medicare patient rebate for all bulk-billed consultations to 100 per cent of the scheduled fee, an average increase of $5 per consultation.

In addition, Labor will offer powerful financial incentives to doctors not only to keep treating their patients without additional cost but to extend bulk-billing, especially in outer-metropolitan and regional areas where the collapse in bulk-billing is hurting families the most.

Under Labor’s scheme, doctors in metropolitan areas will receive an additional $7,500 each year for bulk-billing 80 per cent or more of their patients; doctors in outer-metropolitan areas and major regional centres will receive an additional $15,000 each year for bulk-billing 75 per cent or more of their patients; and doctors in rural and regional areas will receive an additional $22,500 each year for bulk-billing 70 per cent or more of their patients.

These are Labor’s initiatives to turn around the massive fall-off in bulk-billing. When it comes to talking about people’s access to services, bulk-billing is a key part of any sensible approach to giving people from all walks of life access to quality health care. It is not all right to just talk about having doctors available in some communities and people paying if they can. There is no point in having the doctors in place if people cannot afford to see them. This is the point, and this is why I think bulk-billing is so important. This is why it had been a focal point in what Simon Crean, the Leader of the Opposition, has had to say in relation to this issue: bulk-billing is the thing.

I understand the argument that some people on the other side have run out: that it is important to have doctors in those towns, full stop. I understand that point; I know how hard it is to get doctors in those towns. We have been working very hard in the Gippsland region to try to make it a bit easier to get GPs to our district and to try to get people from our district into medical schools so that they can come back and practise in our region. We have tried that, we are doing that and we are busting a gut to try to make that a reality, but there is no point in having the service there unless people can afford to go to it.

In my mind, there is no point having a service there if only the people who live on the big properties who have a big black four-wheel drive can drive up to that service and get access. It is really not good enough that we could ever end up with a situation where some people can access a service and other people have to do without any service at
Mr BILLSON (Dunkley) (12.55 p.m.)—Today should be a celebration. We are seeing the three key legs of a strong, sturdy and robust health system celebrated today with a further interjection of federal funds. The health system is strong in Australia. It is stronger because of the Howard government. Today we are discussing the Health Care (Appropriation) Amendment bill 2003, which will inject more of the nation’s taxpayer funds into the public hospital system. This is one of the three legs of the Commonwealth’s approach to make sure that our nation’s hospitals and the care that is available to our citizens is affordable, appropriate and of an outstanding quality, and that people get the service that they are looking for, because people’s wellbeing is central to their happiness. It is pleasing to rise today to support what the Commonwealth is doing.

As I said, it is a three-pronged approach. The first leg, which is the centrepiece of this bill today, is further growth in the Commonwealth’s direct contribution to public hospitals. The Commonwealth has been contributing more and more money over time. Its
share of the funding towards state public hospitals has grown in the last few years from around 43 per cent to 48 per cent and it is terrific that today we see a further injection. So that is one central part of it.

The second leg is trying to encourage the states and territories to match the Commonwealth’s performance. You would have thought that that is not an unreasonable expectation as these are, at the end of the day, public health facilities which are owned, operated and managed by state and territory governments. It is not unreasonable that they match the rate of growth that the Commonwealth is putting into those facilities, but apparently the cabal of Labor premiers—operating as the nearest thing we have to organised crime in this country—has come together and said, ‘We are not going to do this. We are not going to support the Commonwealth’s efforts to strengthen public hospitals.’ That is the second leg of that very robust and sturdy stool.

The third leg is trying to make sure that the balance between public and private hospitals continues to be supported. It can simply be described as a load sharing initiative. We know that if people are prepared to invest some of their own funds into their health through the private health system that, where they make those contributions to their own health, some encouragement from the Commonwealth is appropriate. Why? Because they are making an investment which is relieving pressure on the public health system and will actually drive the Commonwealth and state dollar further for the public hospitals.

So those are the three legs of that robust, strong and hopefully strengthening hospital system that we will have as a Commonwealth over the next five years. But what is new and different about this proposal we are discussing today? It is not really that new. What is continuing is that there is more Commonwealth money. There is a proposition, which could be made possible through this legislation we are discussing today, to provide even more money to the states and territories for running the hospital system. You would have thought that that would be welcomed. I certainly welcome it and I think all Australian taxpayers welcome it, but apparently the states and territories do not.

We have before us the bill that provides for how funding will be made available when the current health care agreement expires on 30 June—not long from now. The Prime Minister wrote to all the premiers and chief ministers in late April outlining the Commonwealth’s funding offer. There are some new elements that accompany that funding offer; not only is there more money going in but there is a call to those state and territory leaders and the governments that they represent to match the performance of the Commonwealth. Those new things are an independent verification of the details of public hospital funding.

One of the great mysteries of Commonwealth-state relations—and I have had particular insight into this through the unmet needs work that I was involved with in support of the disability sector a number of years ago—concerns the fact that everyone says, ‘We need more money.’ Everyone wanted more money under the Commonwealth-state disability agreement. The only thing you could not find out was what the states were actually doing. You could not find out what their effort was; you could not find out whether pledges of lifting their game actually amounted to anything. Sadly, in terms of the unmet needs for the Commonwealth-state disability agreement, we still do not know to this day. Why? Because the states and territories collect data differently. They rebadge programs—they describe something as an apple one year and as a
piece of fruit the next—and there are a bunch of other activities. You have no idea what is going on; all you know is that the states and territories want more money and, boy, can they spend it.

Here is an example where the Commonwealth is expected by the states and territories not only to clearly articulate its funding contributions but to outline them for the next five years as well. That is five years in advance. Fortunately we have sound economic managers leading the Commonwealth government. The states and territories are demanding to know what it is that the Commonwealth will provide—and this bill actually responds to that demand—for the next five years. But what do we get from the states? We do not even know what they spent last year, and there is mystery, great confusion and doubt about the years prior to that.

What this piece of legislation seeks to implement as a complementary measure, with bucket loads of extra money, is a mutual commitment to public hospitals, because we do not have that now. We do not have a mutual commitment to public hospitals. We have the Commonwealth leading the way, writing bigger cheques, driving change and improving services, while the states complain and moan. They come out together and sing from the same page of the same hymn book—'We need more money; we need more money'—without ever answering the questions: what are you guys doing; what is your effort to ensure that the public hospital system is delivering better outcomes for Australians? We do not know, and that is one of the reasons why the Labor Party seems to oppose what is being put forward in this measure. We want the states to commit to specific levels of funding over the next five years. Surely that is not too much to ask. Surely, if they demand that of the Commonwealth, the states and territories should at least walk their own talk and give the Australian community an understanding of what their effort will be over the next five years.

What about some really novel ideas, like committing to a reporting system so that Australians and people living in different parts of the country can understand what is going on with our hospital system? You would have thought that that was pretty basic stuff and that, for the billions of dollars that go into public hospitals, you would at least have some reporting framework so that we could all measure which states and territories are serious about public hospitals, which ones are actually doing what they say they will do and which ones are just fudging the numbers and trying to deceive the taxpayers and the electors of their particular jurisdiction.

We also want the states and territories to recommit to the Medicare principles. You have heard about how the Commonwealth is prepared to continually put more money into the Medicare system, expand the range of services that are available, provide new MBS schedule fees for longer consultations for chronic illness, and manage people’s wellness as well as respond to their illness. That is what is going through the Commonwealth: making sure that Medicare is relevant and responsive to the health needs of Australia. And what do we run up against? Initially the Labor Party were saying: ‘Just leave it the way it is. Don’t touch it. You can’t possibly touch Medicare.’ Yet then you have members opposite from the ALP deriding the performance of Medicare. So what have we got? Juxtaposed against each other are the Labor Party saying, ‘Don’t touch Medicare; it is a sacred cow,’ and then coming in here and complaining about what it is delivering. What has the Commonwealth done? What has the Howard government done? It has looked at the reasons Medicare is not meeting some people’s expectations and where it can be enhanced.
You would have thought, from the arguments being put, that bulk-billing rates are testament to all things virtuous about Medicare. They never have been; they never were when Medicare was introduced. This is all some latter-day conversion by the ALP to be critical about a program that has been strengthened and enhanced under the Howard government. It is not just about the fees that are paid, either. You heard the previous speaker talk about schedule fees being the only game in town with Medicare and how the Labor Party will put in all this extra money should they come to government. Let us think about it: in the electorate that I represent, bulk-billing rates are below 50 per cent. Isn’t that interesting: in the area that I represent—the Greater Frankston and Mornington Peninsula area—they are below 50 per cent. But if you are on the North Shore of Sydney—a far healthier socioeconomic group than my community—you are 65 per cent more likely to get a bulk-billing consultation. What does that tell you? Are bulk-billing rates reflected in the socioeconomic wellbeing of a community? Clearly not. There is something else going on, and that is an issue about the work force.

In some of the university courses for medicine this year, none of the graduates are going into general practice; they are all going off into other specialisations. Why? Because they do not think that general practice is attractive. The task before this government, in terms of ensuring that Medicare is as strong and healthy as it can be, is to get the skills of the doctors in the places where they are needed. You do not do that by saying to doctors, ‘We’re going to pay you less for your skills.’ In the Labor Party proposal, they are saying, ‘We’d like you to bulk-bill and we’re going to make sure that, if you’re in the city, you bulk-bill 80 per cent of your patients.’ That has a direct implication for the doctor—for the doctor’s decision to practise in that area and for the doctor’s decision about how they price their skills and about the relationship they have with their patients.

The great irony is that no-one in the Labor Party, I am sure, believes that they could possibly deliver the outcome they are talking about. When you look at the billing practices of doctors—that is, the decisions they make about the price at which they provide services to their patients—the kinds of increases in Medicare rebates that the Labor Party are talking about do not go anywhere near what the actual behaviour is at the moment. It is a smoke and mirrors policy; it means nothing, and it is more of what the Labor Party does in the health sector. Contrast that with what the government has been doing, and contrast that with the offer that is on the table for the public hospital system.

A major feature of the agreement is that we want the states and territories to match the Commonwealth’s rate of growth year by year if they are to receive all the funds that are on the table. The idea is a simple one. This offer is for a 17½ per cent real increase in Commonwealth funding contributions. If the states and territories are for real, the offer is: ‘There are the funds; you match that effort. If you’re as committed to public hospitals as the Commonwealth, walk the talk. Match the effort of the Commonwealth, and the funds will be there.’ That is what this is about. For states that do not decide to match the Commonwealth’s rate of growth, the amount that they are eligible for will be 96 per cent of the funding that is being made available. The message there is simple: if the states and territories are not for real about their public hospitals, the Commonwealth’s contribution is reduced. It will still be growing, just not at as fast a rate.

So the measure before the parliament today on divvying up $42,000 million in funding—the $42 billion the Commonwealth is
providing to the states and territories over the five-year life of this agreement—says, ‘If you want all of it, states and territories, match the Commonwealth’s performance.’ In my home state of Victoria, that represents $10.1 billion over five years to run the state government’s hospitals. That is a handsome sum of money. That is a $2.4 billion increase on what is on the table now.

It is hard to compare that with what the state government has actually done over the life of the current health care agreement because nobody knows. No-one can nail that information down. What we do know, though, is that certain undertakings that the state government gave under the current health care agreement it has not fulfilled. Under the health care agreement that expires on 30 June, the Commonwealth government provided $7.7 billion to the state of Victoria, and in return the state of Victoria did not deliver on its commitments. It did not uphold the agreed number of hospital services, a benchmarked rate for hospital services based on the population of Victoria. It did not uphold that part of the agreement. It certainly did not uphold an undertaking to reduce elective surgery waiting times. They actually increased. They increased in 1999-2001 by 10 per cent. This is further evidence that the Commonwealth is for real but the state is not. If the state of Victoria and the Bracks government choose not to sign the agreement, they will place at risk $832 million of funding. If they are not as committed to public hospitals as the Commonwealth, the price is $832 million of funding.

You would understand, Mr Deputy Speaker, that it is very hard to believe what the Bracks government say. After the Scoresby Freeway bypass, after the backflip on tolls, after all the taxes going up and after their decision on Point Nepean, it is very hard to believe anything they say, but they tend to say that hospitals are important. That is their defence for blowing the legacy that the Kennett government left them. Here is a chance to perform and to see whether they are all windbags or whether they are genuinely committed to the public hospital system. I have to say that the early evidence is not encouraging; it is actually very discouraging. In the lead-up to the last state election we had the parliamentary secretary for health in the electorate of Dunkley promising a $20 million nonacute service hospital in Mornington. That was the headline in the Mornington Peninsula Leader; ‘ALP’s $20 million carrot’. It is actually the ALP’s $20 million deception. They just keep racking them up.

This project was promised by the parliamentary secretary, Matt Viney, who said, ‘The funding for the project will start in the 2003-04 state budget.’ This was not a long time ago, this was not ancient history; this election was only a handful of months ago. At that time the $20 million promise was written up in the Mornington Peninsula Leader. It said that the Bracks government had thrown a powerful last-minute election sweetener to peninsula voters with the promise of a $20 million, 60-bed public nursing home and hospital nonacute service. I will not go into the rest of the details. It was a $20 million sweetener. We know it was bun-kum; it was a bribe, it was deception. What is in the state budget recently announced by the Bracks government? What is on the health service and hospital waiting list? This $20 million project. What could possibly have changed in that handful of months? Nothing had changed. We know that the ALP will say anything in the lead-up to an election and hope to bribe people into voting for them. The people in the peninsula and the southern area of my electorate have been deceived. Is there any sign of that project in the 2003-04 budget? No, there is nothing. Is there any sign of it in the 2004-05 budget? No. In 2005-06? No. In 2006-07? No.
none of the out years in the budget that has been delivered by the Bracks government just weeks ago is this promise, this carrot—this $20 million bribe to vote for Labor—of the Mornington hospital nonacute facility for subacute rehabilitation. Is it anywhere? No.

So when the Commonwealth is putting $42,000 million on the table in the hope that the state and territory governments will be vaguely interested in living up to their rhetoric, you can understand why it is reasonable to ask for a framework of accountability that goes with that money. Where is the state and territory contribution? How much will it be? Will they report on these service requirements that they have failed to live up to in the last cycle of this Australian health care agreement? That is a perfectly reasonable thing to ask for. Why? Because they have failed in the past. In the last few months they have deceived people again and they have no hesitation in deceiving the Commonwealth and the taxpayers of Australia about the funding that is made available.

Let me go a bit further in looking at the current health care agreement that expires in a few short weeks. In that agreement you would be aware, Mr Deputy Speaker, that there is a clause to do with an increase in the private health insurance participation rate, supported by the 30 per cent rebate that the Labor Party so detests. It says that if the natural consequence of transferring some demand from public hospitals to private hospitals materialised there would be an opportunity to recover $2.5 billion of Commonwealth funding. What happened? Australians wanting to invest in their own health and wellbeing have taken up private health insurance in numbers that exceeded the signposts in the current health care agreement, enabling the Commonwealth to recover $2.5 billion of Commonwealth funding. Did the Commonwealth recover that money? No. It was perfectly entitled to under an agreement signed with the states and territories, but it has not recovered that $2.5 billion. That is another windfall to the states and territories in terms of funding for public hospitals.

So the states and territories complain about the conditions that come with $42,000 million of Commonwealth funding. I say to the states and territories, ‘If it was up to me, I would have gone further.’ For that money you would expect a reasonable distribution of services. We know that, in the area of home and community care in the state of Victoria, if you happen to be an ageing person in need of home based care you are worth far more in the eyes of the Bracks government in the inner metro area, where the Labor Party dominate in terms of parliamentary representation, than you are out in my area. Why is that? We have been battling it for years. They are really happy to look after their crowd in inner Melbourne while services are stretched in the outer metro areas.

The same happens in accident and emergency areas. The last time I spoke on the health care agreement I highlighted how the block funding allocation, with some discounted weighting for different types of patient categories, determines the amount of funding that goes to accident and emergency facilities around Victoria. The sad news is that, if you need an accident and emergency visit, you are far better off being in inner Melbourne because that is where the bucks go. The accident and emergency facilities in the outer metropolitan areas of Victoria—where they deal with more acute, increasingly complex, life-threatening cases—are underfunded. Under this agreement, where we have some conditions relating to the funding, we could have gone further. I look forward to seeing whether the states and territories live up to—(Time expired)
Mr FITZGIBBON (Hunter) (1.15 p.m.)—The member for Dunkley reminds us, once again, in terms of this debate, that the current Commonwealth government’s approach to all of these matters, where there are jurisdictional questions, is to set themselves into a position to simply blame the states. When everything goes wrong in health care, in education or in any sector you care to think about, the current Howard government’s strategy is to simply set the states up so that they take the blame for many of these issues.

What has been very sad about this debate is the extent to which people have been prepared to deceive their electorates. Someone sitting at home, listening to this debate on the radio, must be thinking, ‘My goodness, this is a complex debate,’ and wondering how it is that members from different sides of the chamber could have such different perspectives on what this bill means in terms of recurrent funding to the states for public hospitals. This is not a complex debate. This is a bill that simply gives the legislative underpinning for Commonwealth grants to the states for the running of their public hospitals. The critical question is whether the Commonwealth is going to be giving sufficient money to the states over the next five years to run those hospitals and to maintain universal access to those hospitals or, indeed, whether it is going to be giving insufficient money.

Someone sitting at home, if they had Budget Paper No. 2, would find it very difficult to learn any more about those questions by looking at the paper. They pick up Budget Paper No. 2 and they see that in the forward years the Commonwealth is cutting funding to public hospitals—in 2003-04 by $108 million, in 2004-05 by $172 million, and so on; in total $918 million over five years. If they look a bit further down, the government’s spiel is that they are increasingly funding by 17 per cent over that same period. Surely, that would cause the person sitting at home to scratch their head. How could the government be claiming to increase funding by 17 per cent when their own budget document shows that they are cutting it by $917 million? The answer is pretty simple: all things are relative in life.

That budget paper is telling us that the government proposes to spend much less on public hospitals over the next five years than it had originally proposed to spend. In other words, it is proposing to increase funding but by nowhere near as much as it had originally proposed. The person sitting at home might think, ‘At least they’re increasing it. This sounds like a good proposition. Maybe they’re increasing it by less than we would have liked, but surely they are increasing it and that is a good thing.’ That naturally depends upon the increasing demands on the public hospital system and whether that increasing funding will keep pace with that increasing demand.

With the ever-spiralling downward rates of bulk-billing in this country, of course demands on our public hospital system over the next five years are going to dramatically increase. The question of course becomes whether this additional funding is anywhere near sufficient to meet that additional burden. I suspect it is not and I think, with a close look at the propositions put in the budget, that most people at home in their lounge rooms would reach that very same conclusion.

This will have a significant impact on our public hospital system. It is time the government got serious about sufficiently funding growth in the system, but also doing something about the downward spiral in bulk-billing in this country. I have had a close look at the government’s most recent package for Medicare and I think it is a disgrace. As so many in this House have said
before me, Labor has always been the great builder of these schemes that provide universal access, and each time we do so the coalition government comes along and tears it apart. Whitlam did it in the seventies and Fraser tore it apart; Bob Hawke did it in the early eighties and the coalition government in this country is doing all it can to tear it apart once again.

This time they are doing it through the back door. We all recall the current Prime Minister making it very clear to the nation throughout the early nineties that he was opposed to Medicare, he wanted to dismantle it and he did not believe it to be fair. But he changed his tune just prior to the 1996 election, realising at last that to go into an election promising to dismantle Medicare was political death. So he deceived the Australian electorate; he promised that Medicare would remain and that it would remain strong, and yet over the course of the last seven years we have seen the slow but very deliberate and very effective dismantling of that system. We have seen it in the freezing of Medicare rebates, we have seen it in the cutback to university places for doctors and now we are seeing it again with the decision to produce what is effectively a two-tiered system.

Yes, it is a system that strives to take care of pensioners and those with concession cards, but it is also a system that sends a very clear message to GPs in this country that they have the imprimatur of the government to do away with bulk-billing for lower income families. The government is now saying that Medicare is a system for those with health care cards and those on benefits and pensions but it is not a system to provide universal access for lower to middle income families. I think that is a very great shame, and it marks the beginning of the end of the universal system we have enjoyed for so many years.

I want to spend a bit of time speaking about the GP situation in my electorate generally but I will start with Cessnock. The Cessnock local government area has a resident to doctor ratio of about 2½ thousand to one. I think the state average is about 1,200 residents for each doctor. In the Cessnock local government area, we are talking about not only the affordability of health care but also access to health care. In Cessnock at the moment it is very difficult to get access to a GP, particularly if you are not on the books of a current GP. Our GP numbers continue to decline. We have had some temporary relief, because we have had an influx of temporary overseas trained doctors and we have had, very fortuitously, a number of postgraduate students taking up temporary practice with other GPs in the local community. So there has been some temporary relief, but the structural problems remain—and will remain with us until the government gets serious about addressing these problems in rural and regional Australia.

The government has a number of programs designed to both attract and retain GPs in country areas. Unfortunately for the Cessnock local government area, the RAMA classification excludes us from many of those incentive programs. I have had discussions with the minister’s office and department on this issue. I will acknowledge that the minister’s office has been listening to our concerns and has made some commitment to looking at the situation to see whether or not we can provide Cessnock with access to some of those programs. It advises that changing the RAMA classification system is all too difficult because, once you change the boundaries onward another step, that provides anomalies elsewhere. I have been prepared to accept that on the condition that the minister’s department is able to be somewhat creative in terms of extending some of those pro-
visions to the Cessnock local government area.

I am very pleased with Labor’s plan for Medicare. I have done the sums on the government’s proposal, and I can assure the House that an extra $2.95 will not cause one additional doctor in the Cessnock LGA to bulk-bill. Not one doctor will decide to change their practice as a result of a lousy $2.95—and, of course, I do not need to repeat that this will do nothing for lower to middle income families in my electorate. By contrast, Labor’s plan will encourage more doctors to bulk-bill. I have done the numbers, and any GP in the Cessnock area who embraces Labor’s target for bulk-billing would indeed increase their income. At the same time, that would mean that there would be greater access to bulk-billing services for Cessnock families. That would be the case when you combine the reward for the target and the increased Medicare rebate they would get for each of those bulk-billing services. If additional money can be earned at the same time as being able to provide additional bulk-billing services, doctors might be more prepared to come to Cessnock.

It has always intrigued me that doctors are not flocking to Cessnock. It is a beautiful part of the world. It has as its heart wine country—Australia’s premium wine growing area—and it is within a two-hour drive, if not less, from Sydney. It is a perfect part of the world and it is a beautiful community, but for some reason doctors do not seem prepared to come to Cessnock. I suspect that that is largely because the pressures are too great, as doctor numbers are too small. Doctors do not want to come to Cessnock to lock themselves into a 20-hour day, 365 days a year—they are looking for an easier lifestyle than that. Doctors in Cessnock are also expected to make a commitment to the public hospital system and to be on a roster. Of course, the fewer doctors there are, the more difficult, onerous and burdensome that roster is—and, again, there is a downward spiral.

So it is a good thing that Labor’s package will encourage doctors to come to Cessnock, because that is at the heart of the bulk-billing issue. We can provide doctors with all the incentives we like to bulk-bill; the fact is that the taxpayer cannot afford to be giving sufficient money to doctors running bulk-billing services—or should we be excessively subsidising doctors so that they bulk-bill. We need to increase doctor numbers in country areas. At the end of the day, bulk-billing rates are a function of competition or the number of doctors you have in your local area. In places like the Prime Minister’s electorate, and indeed the electorate of the member for Werriwa, where you have a doctor on almost every corner, you have strong competition and a very strong incentive to bulk-bill. If I remember correctly, the bulk-billing rate in the Prime Minister’s electorate is around 85 per cent, and I think the bulk-billing rate in the member for Werriwa’s electorate might be in excess of 90 per cent.

Mr Latham—Yes, 95 per cent.

Mr FITZGIBBON—In my own electorate the bulk-billing rate is about 50.7 per cent. Again, that is a function of competition. So there are short-term, medium-term and long-term solutions to these problems. Labor has put up a proposal which will address them in the short and medium term. It includes incentives to bulk-bill and an increase to 95 per cent of the schedule fee for local GPs. At the end of the day, bulk-billing will only be saved by an influx of doctors to country areas. I acknowledge that the Commonwealth is doing a bit in this regard. It is providing more university places to students from the country—students who, one would hope, will return to the country after they have completed their training. I still think that not enough is being done. We need to
focus much more heavily on those university places and on getting kids from rural and regional Australia to study medical courses. They are the most likely people to return to and practise in those country areas.

There is no doubt in my mind that health will be a focal issue at the next federal election. I am very confident that Labor’s plan will be well received by the electorate. I am also very confident that the majority of the electorate will reject the Prime Minister’s plan. As I said earlier, it is a plan that is designed to dismantle the Medicare system. One of the scary things about the debate we are having today is that it again underscores the government’s approach to public policy in this country. We are moving away from a tax and spend approach—an approach of raising revenue to fund public services in the community—and towards a user-pays approach.

The Minister for Education, Science and Training stands here every day and says, ‘Seventy per cent of Australians do not go to university, so why should they have to pay?’ I think the Australian community accepts the logic in raising taxes to provide community facilities and public institutions. We fund museums, for example, and I think that many people in Australia will never walk into a museum. Certainly, people in electorates like mine, who do not have easy access to such cultural institutions, do not regularly visit museums. But that is not an argument to say that we should not publicly fund those institutions. That is just a silly argument. It is the sort of argument the minister is trying to run on education. Of course, he forgets the fact that education is a great and important investment in the future of this nation. If we want to be competitive in this global economy, we must adequately fund our university system and be prepared as taxpayers—

The DEPUTY SPEAKER (Mr Barresi)—The member for Hunter will be reminded of the bill that we are debating.

Mr FITZGIBBON—Yes, Mr Deputy Speaker. Even if as individuals we do not intend to use that facility ourselves, we must be mindful of the need to ensure that the system remains strong and that there is access for all those who want to use it. These are very important issues. I think the electorate will reject the Howard government’s approach to this new paradigm of user pays in this country. The role of government is to raise revenue, and fund facilities, institutions and programs that would not be funded if government was not in there playing a role. That is the role of government in this country, and it is one we should continue to perform. It is a shame that the intentions of the Health Care (Appropriation) Amendment Bill 2003 do not reflect the role we have always enjoyed and should retain but, instead, reflect the government’s new user-pays approach.

Ms GAMBARO (Petrie) (1.33 p.m.)—I rise to support the Health Care ( Appropriation) Amendment Bill 2003 and acknowledge the commitment the federal government has made to public hospitals and the thousands of people on hospital waiting lists in my home state of Queensland. The bill will amend the Health Care ( Appropriation) Act 1998 to enable the Commonwealth to enter into new Australian health care agreements with the states and territories. This is necessary because the current act only covers public hospital services up to 30 June 2003. The amendments contained in the bill will enable the Commonwealth to continue to fund the states for public hospital services for another five years. In effect, the bill appropriates some $42 billion for the purposes of the act to cover the period of five years from 1 July 2003.
Under the current arrangements the Queensland government have received a total of $5.9 billion over the period 1998 to 2003. This is a significant amount. The Queensland Premier, Peter Beattie, considered it so generous that he cut $20 million from his own state budget in 2001 because, obviously, it was not required. Try explaining to the 2,309 people who were on waiting lists for elective surgery in January 2001 the rationale for the Queensland government’s cut to funding to public hospitals. Progress that forward to the present day and consider the failure of the Queensland government to sign the new health care agreement, which would give them $8 billion over five years as long as they matched in percentage terms the growth rate in funding by the federal government. They will not commit to it. The Commonwealth have put their money on the table, but the Queensland state government are nowhere to be found.

We have committed an extra $10 billion—a total of $42 billion over the next five years—to the provision of free public hospitals Australia wide. How can you call that a cut, as members of the opposition and others have done? This $42 billion will provide for inflation, population increases, ageing effects and growth in service utilisation. We are committed to growing our investment in public hospitals by 17 per cent in terms of real increases over the next agreements. For Queensland that will mean $8 billion over the five-year life of this agreement—an increase of $2.1 billion over the previous five-year agreement.

A major feature of the new agreements is that the states will be expected to match in full the Commonwealth’s rate of growth year by year. As such, they will receive 100 per cent of the funding available to them. States that do not match the Commonwealth’s rate of growth will be eligible to receive a maximum of 96 per cent of the funding available to them. If Queensland does not publicly commit to matching the Commonwealth’s growth in funding, it stands to lose up to $323 million in Commonwealth funding. It stands to lose $851 million if it does not sign up to an agreement at all. That money is for use in public hospitals to service Queenslanders who are on surgery waiting lists and enable the efficient functioning of the public hospital system.

In Queensland, however, many hospitals are struggling to meet the increasing demands for elective surgery. At Redcliffe Hospital in my own electorate there were around 1,700 people on the waiting list for category 1, category 2 and category 3 patients as at January this year. The majority of overdue cases, around 640, relate to category 3 patients. A category 3 patient could include someone needing a knee reconstruction—a condition that is encountered by more and more elderly people—or something similar. I value the work and dedication of the staff at Redcliffe Hospital but I know that, like many other hospitals in Queensland, their resources are subject to the whim of the Queensland state government.

The population of my electorate of Petrie and, indeed, of the Redcliffe Peninsula, where the Redcliffe Hospital is located, has one of the highest percentages in Australia of people over the age of 65—over 20 per cent. As our society ages, the pressure on our health care budgets becomes stronger and stronger. In the next 20 years people turning 55 will outnumber those turning 15.

If you were a state Premier and the federal government were offering you additional funding to ensure the wellbeing of your constituents and your state, you would jump at that opportunity. But, unfortunately for millions of Queensland residents who rely on the public hospital system, the Queensland government has again let politics get in the
way and has turned its back on the Australian health care agreements between Queensland and the federal government. It is unfortunate that public health in Queensland has suffered so badly under this current administration. I dare say that the state budget, when it is revealed, will show an increasing deficit in the public hospital budget.

I regularly receive calls and letters from constituents who are concerned about the issue of cost shifting in the Queensland public hospital system. The number of phone calls is almost endless from people who have admitted themselves to hospital only to be turned away and told that they needed to go back to their GP for diagnostic tests; they occur each day.

A constituent recently sent me a five-page letter which sums up some of this. She had a horrific set of experiences at Prince Charles Hospital, Royal Brisbane Hospital and Redcliffe Hospital over a four-month period which she outlines case by case. Unfortunately she had to stay in three different hospitals over a four-month period, and what happened to her during those four months is absolutely appalling. She writes:

RBH: I have no recollection of the ICU staff. Coronary care staff were, all except one, agency nurses, and therefore didn’t even know where the equipment was kept.

She goes on, but I guess this really summarises it:

After four months of hospitalisation, with only a few days at home between admissions, I hope sincerely that I will never have to be admitted to either RBH or PCH again. Unfortunately, it is all too clear that nurses are at the coalface—on the wards—and are not being consulted, but administrators who know nothing about patient care are making decisions which directly affect the staff and the patients.

A manager or administrator may be excellent at business management—but not necessarily good with people—who are the patients.

She has had some terrible experiences. You would think that the Queensland government would accept this extra funding to help them with their hospital administration but, no, that is not the case.

All Australians do have access to free public health care. The Commonwealth recognises the importance of this. Not only is the government putting an extra $10 billion into public hospitals but also it is committing over $900 million in funding for out of hospital services in the A Fairer Medicare package. The Commonwealth continues to make a substantial commitment to ensuring access to affordable medical care for all Australians.

Some concerns have been expressed about the forward estimates in the budget papers. Indeed, the opposition seems to have focused on this issue very intently rather than looking at the facts in a much broader analysis of it all. The current forward estimates in the Commonwealth budget papers are merely a forward estimate of growth under the current arrangements. They make no allowance for the load being taken off public hospitals by the sharp growth in private hospital admissions or for the demographic changes that are occurring.

The budget paper shows a cut of $919 million against the Australian health care agreements. However, the Commonwealth’s contribution under the next agreement increases funding to the states by an additional $10 billion, a 17 per cent real increase in the Commonwealth’s commitment. The forward estimates are a prediction of future spending based on history. There is a 2.7 per cent difference between the forward estimates and what we are providing. The reason they are high for the Australian health agreements is the Commonwealth’s extremely high level of growth during the existing Australian health care agreement from 1998 to 2003.
That high level of Commonwealth growth needs to be compared to the very large amounts of money the states have taken out of hospitals over that same period. According to the latest figures from the Australian Institute of Health and Welfare, the share of the states and territories in total funding has fallen from 47.2 per cent in 1997-98 to 43.4 per cent in 2001. In effect, the Commonwealth’s share has risen from 45.2 per cent to 48.1 per cent over the same period.

Private hospitals are playing an ever-increasing role in this. Between 1999-2000 and 2000-01 the number of people receiving treatment in private hospitals grew by a massive 245,129. It is important to put this into context. More and more people are availing themselves of much cheaper forms of hospital care than admissions. The latest figures also indicate that only 71 per cent of public hospital costs relate to admitted patient costs. So people are having day surgery and that is resulting in costs for the public hospital system being reduced as well. These figures show that an increasing number of privately insured patients are choosing to receive treatment in private hospitals and are freeing up public hospitals for public patients.

The member for Hunter was saying before that all that has been happening is that the hospital waiting lists have been increasing. I want to give him some figures which relate to Queensland. For the first time since the history of Medicare, between 1999-2000 and 2000-01, public hospitals actually treated fewer patients—down 4,591. However in Queensland the waiting list for elective surgery in a public hospital has grown from 10,756 in January 2001 to 11,141 in January 2003. Over the same period the number of patients has actually declined from 38,797 in January 2001 to 37,607 in January 2003. So while the number of patients has been dropping, the number of people on the waiting list has grown. There are fewer people visiting Queensland public hospitals despite population increases, but the waiting list is growing. Queensland needs the funds that the Commonwealth is making available through the health care agreements, but they will not commit. Even if they commit but fail to honour the growth rate of 17 per cent, they will still receive 96 per cent of their funding. It seems a very big price to pay for the thousands on public hospital waiting lists in Queensland.

This bill before the House today honours our commitment to the wellbeing of this nation. It demonstrates our commitment as a federal government to a secure future for the 19 million plus Australians and it delivers to the thousands of Australians that have cause each year to use the public hospital system. I ask that the opposition seriously consider what they are denying the Australian public by opposing this legislation and that they explain that to the Queensland Premier and the thousands of Queenslanders who are on public hospital waiting lists. Perhaps they have not heard the anguish in their constituents when they have to wait, in considerable pain, for an operation. I have heard that anguish time and time again. I therefore ask the House to support this bill.

Mr MURPHY (Lowe) (1.46 p.m.)—In response to the previous speaker I want to make it quite clear that I am here to support the second reading amendment condemning the Howard government’s failures in its health policy as it relates to the Health Care (Appropriation) Amendment Bill 2003. I support those elements not affected by the amendment, which provide a legislative basis for grants of financial assistance under the Australian health care arrangements. But I certainly join with the member for Perth, the shadow minister for health, in lamenting the inexcusable lost opportunity that the 2003-08 health care agreement represents.
This bill has been introduced at a time when states, territories and the Howard government are at war over health care funding in Australia. We all witnessed the outcome of last month’s negotiations and it is of no surprise that every state and territory health minister in Australia has little or no confidence in the Minister for Health and Ageing, Senator Patterson. The state and territory ministers said they would continue to fight for the right of ordinary Australians to have affordable and accessible health care following the Howard government’s decision to dismember Medicare, gut bulk-billing and cut real funding to the states.

It seems to me that only those of us who sit on this side of the House understand that any discussion about funding for public hospitals cannot be separated from the government’s vicious attack on Medicare, particularly as it relates to its war on bulk-billing. The government’s decision to contribute $42 billion towards the agreement for 2003-08 only continues the funding arrangements already in place for public hospitals. So it is outrageous that, again, the government has done nothing to stop the damaging and at times absurd buck passing between the Commonwealth and the states on health funding. It is the kind of indolence that forces Australians to question the government’s commitment to health care in Australia.

Once every five years the Commonwealth has the opportunity to make structural changes to Australia’s health funding arrangements. Before the last election the opposition sat down with state and territory governments to put in place a new approach to health care funding. Australia desperately needs a new approach to these arrangements. Labor proposed a partnership between the Commonwealth government and state and territory governments to maintain Medicare and a universal health system providing for all Australians and an end to the wasteful bickering about money, which has always taken attention away from how best to integrate health care to meet the needs of Australian patients.

Under Labor’s proposals both levels of government would combine the agreed funds in joint accounts from which health spending would be drawn. Initially the proposal would have combined funding for hospitals, aged care, medical benefits and pharmaceuticals. Pooling funds in such a joint account would add transparency to the funding process and remove some of the barriers that prevent Commonwealth and state programs being flexible enough to meet patients’ needs. In my view it is scandalous that after seven years the Howard government continues to show no interest in the structural reforms needed to end cost shifting between the Commonwealth, state and territory governments.

What are the states and territories and all Australians left with? I will tell you: more funding cuts for public hospitals. Australians understand this makes no sense and it is poor administration to be robbing Peter to pay Paul. That is why today I support the second reading amendment moved by my colleague the member for Perth and shadow minister for health condemning the government for its health policy failures. They include—let us make no mistake about this—the withdrawal of $918 million from public hospitals; the shamefully inadequate Medicare package which will result in time in bulk-billing only being available to pensioners and concession card holders, and families left to pay more for their health care; the government’s decision to increase the cost of essential medicines by up to 30 per cent, hitting the sickest and the poorest; and, the government’s refusal to review the $2.3 billion private health insurance rebate to ensure it provides value for money for consumers and taxpayers.
I thought that when people paid their income tax—they certainly get slugged in Australia—plus a 1.5 per cent Medicare levy, they were guaranteed a universal health insurance system. That is what Labor stand for and that is what we are trying to protect. Why should people on $32,000 or more be expected to pay an additional $10, $15, $20 or $25 when they go to the doctor?

Mr McArthur interjecting—

Mr MURPHY—I hear the member for Corangamite interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—The honourable member for Corangamite, even though he is in his place, cannot interject. The member for Lowe will ignore the interjections.

Mr MURPHY—It is a bit hard. Although he is a nice chap and he lives in a nice part of the world, I cannot knock the interjection back, because he is a member of the government which is trying to dismember Medicare.

Mr McArthur—that is not true.

Mr MURPHY—You are. I can tell you about the feedback I have received in my electorate. In Lowe, where 93 per cent of doctors offer bulk-billing, overwhelmingly the people are telling me that they want bulk-billing to be preserved. You only have to go to the Central Coast—up into the member for Robertson’s electorate or the member for Dobell’s electorate—and you could fire a 12-gauge shotgun without hitting a doctor who offers bulk-billing. It is scandalous; it is outrageous. That, as you would recall, was at the heart of the Leader of the Opposition’s reply to the budget, when he made it quite plain that we would be putting in an extra $1 billion to preserve bulk-billing—

Mr McArthur interjecting—

Mr MURPHY—because Australians want bulk-billing. The member for Corangamite knows that in his heart. You will find that out at the next election when Simon Crean becomes the next Prime Minister of Australia.

Mr McArthur—Or Kim. Kim might be the leader.

Mr MURPHY—No, Kim will not be the leader. Simon Crean will lead the party to the next federal election. You can be sure of that.

Mr Tuckey interjecting—

Mr MURPHY—I have absolutely no doubt—I will give you an ironclad guarantee—that Simon Crean will be the Leader of the Opposition whenever the next federal election is called, which takes us up to, potentially, March or April 2005. And we will win the election, because the Labor Party stand for preserving bulk-billing and also oppose the outrageous attempt to increase HECS fees by 30 per cent. Australians do not want that. I had a demonstration in my electorate, on the Friday after the budget, in relation to Medicare, and people were falling over themselves in Burwood Road, Burwood, to sign the petition. They want the Labor Party, Simon Crean and Stephen Smith to save Medicare, and we will. You will find that out at the next federal election; make no mistake about it.

Mr McArthur—they want Kim, actually. They want Kim for leader.

Mr MURPHY—They will not have Kim. We all love Kim, and he has done a great job for the Labor Party. But he will not be the leader at the next federal election, whenever it is called. I can assure you of that. Simon Crean will be the leader, and—

The DEPUTY SPEAKER—Order! The honourable member for Lowe will not allow himself to be distracted and will get back to the matter before the chair.
Mr MURPHY—I cannot ignore those interjections, because I am the Leader of the Opposition’s parliamentary secretary.

Mr Crean—And a good one.

Mr MURPHY—I am very pleased to see that the Leader of the Opposition has come into the chamber, because you are looking at the next Prime Minister of Australia. Whenever that election is called, we will win it. We will win it on bulk-billing, on your outrageous attack on education and on your attempt to increase HECS by 30 per cent.

Mr Crean—And saving the Murray River.

Mr MURPHY—People are very concerned about the future of the Murray River. It is those areas—public health, public education and the environment—that will bring people back in droves to supporting the Labor Party at the next federal election. I have absolutely no doubt about that.

Mr Baldwin interjecting—

Mr MURPHY—I am trying to talk about the bill and about Medicare, which is at the heart of the budget reply speech given by the Leader of the Opposition. Saving Medicare will bring us back to government. I do not care when the election is. The Prime Minister can have a cynical election—

Government members interjecting—

Mr MURPHY—I am going to take the opportunity, because the people of Australia are not stupid. We know the hidden agenda of the commercial media proprietors; they will get right behind the Prime Minister if the Prime Minister and Senator Alston can get the Broadcasting Services Amendment (Media Ownership) Bill through the Senate. The people are not stupid, and they will not fall for that. Neither the Democrats nor the Independents will support that bill in a cynical attempt to re-elect the Howard government. Whether or not the media ownership bill is a double dissolution trigger, and whenever the Prime Minister wants to call a double dissolution election, you can be sure that we will win the election and Simon Crean will be elected the next Prime Minister of this country.

People will say thank you to Simon Crean for saving Medicare and for saving students from a mortgage-like debt to get an education in this country. The people who are concerned about the environment will say, ‘Thank you, Simon Crean, for saving the Murray,’ because if you do not have an environment you do not even have an economy. Make no mistake: Simon Crean will be the leader of the next government. He will be the next Prime Minister of this country, and I will be very proud to be his parliamentary secretary.

Mr Baldwin interjecting—

Mr MURPHY—you can laugh. The member for Paterson is bursting with laughter—

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

Mr MURPHY—Mr Speaker, I cannot ignore the interjections from the government.

The SPEAKER—The member for Lowe may have difficulty, but the standing orders oblige him not to respond to interjections. He may, however, address anyone in the chamber through the chair.

Mr MURPHY—Mr Speaker, I am very glad to see that you are in the chamber and I thank you for the protection that you are offering here today. I am just making the point that Simon Crean will win the next election. I note that the Prime Minister has just come into the chamber. Whenever the election is called, Prime Minister, I want to assure you that my leader will be the next Prime Minister of the country. We know—

Government members interjecting—
Mr MURPHY—I will not be having lunch with Maxine. But, if you think you can get elected to government by getting the two big commercial media moguls in Australia to support your Broadcasting Services Amendment (Media Ownership) Bill, we are alert to that—and so are the people of Australia, who do not think that a media proprietor should be able to own newspapers, television stations and radio stations in the one market. It is a very serious threat to the public interest and to the future of our democracy. Mr Speaker, I realise that we are getting close to two o’clock. I would like to talk about Sydney airport, Badgerys Creek and the state of health of former Senator Dr Malcolm Arthur Colston, but I realise I have to stop and I want to hand you over to the future Prime Minister of Australia.

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

QUESTIONS WITHOUT NOTICE
Prime Minister: Travel Costs

Mr SWAN (2.00 p.m.)—My question without notice is directed to the Prime Minister. Can the Prime Minister explain why taxpayers have to hand over $43,000 for his four nights accommodation in the St Regis Grand Hotel in Rome? How can the Prime Minister justify such an extravagant taxpayer funded visit to Rome?

Mr HOWARD—I inform the honourable member that the standard of hotel chosen for that visit to Rome was no different from that of previous Prime Ministers. The St Regis hotel was recommended by the post in Rome due to security factors and the hotel’s experience with similar delegations, and the Italian government has contributed to the cost of the accommodation for four nights. I would be very interested to see what the figures were in 1994 when Prime Minister Keating and a party of 18 stayed four nights at the Hôtel de Crillon in Paris, which was then the premier hotel in Paris. If this is the level of intellect and thrust in the opposition, I think Lindsay Tanner was absolutely right when he had lunch with Maxine McKew.

Middle East

Mr McARTHUR (2.02 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister update the House on recent developments in the Middle East regarding the peace process with respect to Israel and its neighbours? Would the Prime Minister also advise the House of the government’s position on the most recent developments regarding the road map for peace?

Mr HOWARD—I thank the member for Corio for a question which touches upon the—

Mr Tuckey—Corangamite!

Mr HOWARD—Corangamite—I am sorry. I apologise to you, Stewart. I thank the member for Corio for—

The SPEAKER—Corangamite! Prime Minister, can I reassure the House that there is regularly an exchange in the parliament between the members for Corio and Corangamite.

Mr HOWARD—I thank Stewart McArthur for that question. It does give me an opportunity to say that for the first time in many years there is genuine hope of progress being made towards a peace settlement in the Middle East. On behalf—I hope—of every member in this House, I welcome the response of the leader of Israel, Prime Minister Ariel Sharon, and the newly appointed Prime Minister of the Palestinian council, Abu Mazen, and the contributions both of them have made through their in-principle acceptance of the road map for peace in the Mid-
Mr CHIARELLI—The road map was developed jointly by the United States, the Russians, the United Nations and the European Union. The statements made recently by the Prime Minister of Israel represent a position that many people would not have thought possible a few short weeks ago, let alone a few months ago. He is to be congratulated on the stance that he has taken, and the commitment he has made to the peace process ought to be warmly applauded.

Australia—a very long and faithful friend of the state of Israel over a long period of time—will never abandon its support for the right of Israel to exist secure behind internationally recognised and defensible boundaries, but for some years now the government has supported the emergence of an independent Palestinian state. The decision of the Israeli cabinet a few days ago in relation to the recognition of the possible emergence of an independent Palestinian state is also a major landmark upon the hard march to a peaceful settlement in the Middle East.

Nobody in this House should underestimate the commitment of the President of the United States to securing a peace settlement in the Middle East. The most enduring message I received in my recent lengthy discussions with him was of his very strong commitment to a peace settlement in the Middle East. Equally, nobody should underestimate the contribution that has been made by the successful coalition operation in Iraq to the progress now being made towards a peace settlement. I said in my address to the House the week before last that the remark made by the British author William Shawcross that the road to a Middle East peace settlement lay through Baghdad could well prove to be one of the most prophetic remarks in relation to the current affairs of this time.

The Palestinian-Israeli dispute has been bloody, protracted, tragic and bitter, and the world lives in hope that we can continue to make progress. We should not assume that that progress will be easy and we should not assume that a settlement will be easy to achieve, but we are entitled to be pleased that for the first time in a long time there is a serious attempt being made by both sides at progress. That is no doubt in response to the very admirable and effective pressure being applied by the United States; let us not underestimate the contribution being made by the leadership of President Bush in relation to this. I think we are beginning to see some light at the end of the tunnel. It is a very long tunnel, but I hope it is a journey that everybody will encourage the participants to continue to take in the interests of achieving a lasting settlement to this terrible, historical and disastrous dispute.

Prime Minister: Travel Costs

Ms CROSIO (2.07 p.m.)—My question today is addressed to the Prime Minister, and it follows revelations of the $43,000 bill for his four-night stay at the St Regis Grand Hotel in Rome. Is the Prime Minister aware that the hotel worker I referred to in my question to him yesterday would have to work more than three years in her Australian hotel in order to earn what the Prime Minister spent in four days at his Roman hotel? How can the Prime Minister justify such an extravagant taxpayer funded Rome visit when Australians like the hotel worker are doing it so tough?

Mr HOWARD—Can I say in reply to the honourable member for Prospect that it is always, of course, possible to make those sorts of comparisons, no matter who the Prime Minister is and no matter what the circumstances are. But there is another comparison you can make, and that is the comparison between the movement in the real incomes of battlers under Labor and the movement in the real incomes of people un-
der this government. No matter who the Prime Minister of Australia is, he or she will travel overseas, and properly so, to represent this country—no matter who the Prime Minister is. Let us face it, nothing is going to be dramatically different in relation to that, if we are all perfectly honest and do not engage in games.

What can be different are the economic conditions that you create. I remind you, as the Minister for Employment and Workplace Relations reminded you yesterday, that the sort of person you referred to has fared far better under our government than they did under your former administration. The former government used to boast about how they had reduced wages. I can remember the former Prime Minister standing up here and saying, ‘We have reduced wages during our term in office.’ They used to boast about it. They did not boast about the fact that they increased interest rates. They did not boast about the fact that unemployment went to 11 per cent. I would say to the member for Prospect, and any others on the other side who are seeking to make comparisons, that I am happy to make comparisons—comparisons between the treatment of average workers in Australia under my government, which has been far superior, and their treatment under former Labor administrations.

National Security: Terrorism

Mr SOMLYAY (2.10 p.m.)—My question is to the Attorney-General. Would the Attorney provide further information to the House on what the government is doing about identifying groups that pose a potential terrorist threat to Australia?

Mr WILLIAMS—I thank the member for Fairfax for the question and for his interest in the subject of it. As I advised the House yesterday, Australia is currently in the absurd situation that we cannot act independently of the United Nations to list a terrorist organisation posing a threat to Australia and Australian interests. Other countries can decide for themselves which terrorist organisations pose a threat to their citizens and to their interests and they can act accordingly. In fact, we know of no other country whose power to list terrorist organisations is linked to the United Nations. But, thanks to the opposition, Australia cannot act independently of the Security Council. We cannot list the terrorist wing of Hezbollah because it has not been formally identified as a terrorist organisation by the Security Council—this is despite advice from ASIO that there is evidence this organisation engages in terrorist activity and has the capacity to do so globally. This is also despite the fact that the United States, the United Kingdom and Canada have all proscribed the terrorist wing of Hezbollah. To address this plainly unsatisfactory situation, as I indicated yesterday, the government will introduce a bill to remove Australia’s reliance on the Security Council.

There have been claims that this is a bid to give sweeping powers to the Attorney-General. In fact, the Attorney-General already has power to list terrorist organisations that meet strict legislative criteria. These decisions are disallowable by the parliament and are also subject to judicial review. Under our bill there would be no difference to the scrutiny of the Attorney-General’s decision. The only difference would be the removal of the reliance on the Security Council which, under current restrictions, cannot list Hezbollah. Australia will be able to make its own decisions about our national security.

The opposition, by acknowledging the inability to list the terrorist wing of Hezbollah, has admitted that its United Nations listing process is flawed but it has still made it clear it will not support a move to make us independent of the United Nations Security Council. In an attempt to cover up its mis-
take, the Leader of the Opposition has announced his intention to introduce legislation specifically listing Hezbollah as a terrorist organisation directly in the legislation. This is despite knowing that the so-called solution is constitutionally uncertain, to say the least. Legal advice from the Chief General Counsel of the Australian Government Solicitor is that the opposition’s proposal gives rise to constitutional uncertainty, which should clearly be avoided in this important legislation.

Singling out organisations by name in legislation, without mechanisms to overcome constitutional concerns, could invite challenges to validity on potentially wider grounds than simply lack of power. This constitutional uncertainty could undermine future prosecutions of terrorists, and that is something that the government will simply not accept. We have made our concerns known to the opposition but they seem determined to press ahead with their bill. The opposition’s so-called solution also ignores the longer term problem that we will not be able to act quickly or effectively if other terrorist organisations come to light that pose a potential threat to Australia but have not been listed by the United Nations Security Council.

While the opposition does not have a solution to these problems, we do. The government will introduce a second bill that will allow the terrorist wing of Hezbollah to be listed in regulations with immediate effect, provided the statutory criteria for listing are met. We are introducing this second bill as we recognise the need to take swift action. That is why we proposed amendments to the opposition and the states and territories some two months ago. We are not prepared to wait for the opposition to wake up to the problems they created and support our first bill, and we are not prepared to risk the constitutional uncertainty of the opposition’s proposal.

Mr Kelvin Thomson—Mr Speaker, I rise on a point of order. The Attorney-General is seeking to anticipate debate on legislation. If he wants a debate, he should allow the House to debate it.

The SPEAKER—Order! The member for Wills has no point of order. It is an abuse of the standing orders.

Mr Williams—We are not prepared to wait for the opposition to wake up to the problems they created and support our first bill, and we are not prepared to risk the constitutional uncertainty of the opposition’s proposal. Our legal advice is to the effect that our second bill will not give rise to the same constitutional uncertainties that plague the opposition’s proposal. The second bill does not solve the longer term problem created by the opposition’s UN-linked listing provisions. That is why we are forced to proceed with two bills. This is a serious matter of national security. The government will not allow the opposition’s obstinacy and obstruction to paralyse us and prevent us from doing what must be done to ensure the safety and security of Australians. I call on the opposition to put politics aside and support both government bills in the interests of security.

Immigration: Visa Approvals

Mr Laurie Ferguson (2.16 p.m.)—My question is directed to the Minister for Immigration and Multicultural and Indigenous Affairs. Does the minister recall using his ministerial discretion to grant permanent residence to Mr Bedweny Hbeiche, N96-003378, from 24 January 2002? Minister, isn’t it a fact that this case had been rejected four times previously: once by the department, once by the Refugee Review Tribunal and twice by the minister himself, despite submissions from the member for Par-
ramatta? Does the minister recall writing on 31 August 2001:

This case ... still does not fall within my guidelines.

Did the minister finally approve the visa following a $3,000 donation on behalf of Mr Bedweny Hbeiche at a Liberal Party fundraiser attended by the minister and the members for Parramatta and Mitchell at Romeo’s Restaurant, Cowper Street, Parramatta, in October 2001?

Mr Bevis interjecting—

The SPEAKER—Member for Brisbane! The member for Brisbane was granted a great deal of tolerance yesterday. I point out to the member for Reid that the latter part of his question distinctly imputes improper motives to the minister and falls outside the guidelines of standing order 144. I will allow the question to stand, but the latter part of the question is quite out of order.

Mr Swan—Mr Speaker, on a point of order: I have great difficulty with your ruling on the latter part of the question. It is a perfectly legitimate question. It goes directly to the minister’s responsibilities for his portfolio. It is entirely in order for us to hold this minister accountable for the decisions that he took and the circumstances relating to them.

The SPEAKER—I have not for a moment suggested that question time should not be used to hold members of the executive to account. I draw the member for Lilley’s attention and the House’s attention to standing order 144, which states: The following general rules shall apply to questions:

Questions should not contain—

(a) statements of facts or names of persons unless they are strictly necessary to render the question intelligible and can be authenticated;
(b) arguments;
(c) inferences;
(d) imputations ...

In (d) there is distinctly the term ‘imputations’. There is no way that question did not contain a distinct imputation. There is no way I will allow the latter part of the question to stand.

Mr Martin Ferguson interjecting—

The SPEAKER—Member for Batman! The member for Batman will lose the opportunity to ask questions if he continues to interject. I have not ruled the question out of order; I have ruled the latter part of the question out of order. I have no choice under the standing orders.

Mr RUDDOCK—There is provision in the Migration Act for the minister to consider applications which have been rejected and have been the subject of an appeal to the Refugee Review Tribunal or the Immigration Review Tribunal. It is within his absolute discretion, in the public interest, to consider whether or not a visa should be granted. When that happens, I am required to table certain statements in the parliament, which are available for all to see. The discretion is non-compellable, but there is a requirement that it be exercised in the public interest. I have made it clear over a period of time to members of the parliament generally that, unlike the first minister who had the opportunity to consider these matters, where no exceptional circumstances were ever considered—and unlike his successor, who I think considered about 14 cases, and his successor, who I think considered in excess of 100—over the seven or eight years that I have been minister I have been more interventionist. That occurs probably in the order of 1,000—

Mr Laurie Ferguson—No, well over that!

Mr RUDDOCK—It could well be. I would have to say that I have probably intervened in more cases that have been raised by
members of the opposition than have ever been raised by members on this side of the parliament. Let me just say that, on many occasions, I have been invited to look at matters by members of the opposition after I have refused intervention. The reason they come to me about those matters is that they believe that there are some other factors that may have changed or may have warranted reconsideration. I think that is a proper basis upon which those matters might be considered. I have no knowledge of the particular matter raised by the member.

Opposition member interjecting—You have!

Mr RUDDOCK—No, I have no knowledge. I do not remember every case that has been raised with me, and I think it would be unreasonable to expect that I would, in view of the fact that you are asserting that it is probably more than 1,000. I will look at the background to it and assess what the situation was. Finally, let me say that I attend many functions which people pay to enter and where people are involved in fundraising activities. I have no knowledge of the nature of those fundraising activities, I never seek to inquire, and I certainly have no knowledge of the sorts of claims that are being made by the honourable member.

Iraq

Mrs MOYLAN (2.23 p.m.)—My question is to the Minister for Foreign Affairs. Would the minister advise the House what Australia and its allies are doing to restore stability in Iraq?

Mr Howard—Welcome back. Well done.

Mr DOWNER—First, can I thank the honourable member for Pearce—and I thank the Prime Minister for his welcome back—and say that I was in Baghdad, as was the member for Pearce, on 23 and 24 May. This was a very good opportunity to make a first-hand assessment of the situation on the ground in Iraq and also to speak with American leaders and other coalition leaders, as well as Iraqi representatives, in Baghdad. It is clear that in Baghdad there is a continuing security problem, as well as a law and order problem, and I separate the two. The security problem is that there are still some Baathist and Fedayeen elements who are launching sporadic attacks against coalition forces. In addition to that there are, from time to time, attacks by Iraqis on Iraqis and more general law and order problems, such as robbery, looting and the like.

I met with Ambassador Bremer, who is the Head of the Coalition Provisional Authority in Baghdad, and emphasised to him the priority that we place on these particular issues being successfully addressed. I can only tell the House that I was impressed with his response about how American military deployments are going to be improved and cooperation with former Iraqi police enhanced. There are now, I understand, some 17,000 or 18,000 former Iraqi police back at work as police and slightly less than half of those police are in Baghdad itself, so this at least is a start. But, of course, I have no illusions about how far there is still to go in terms of both dealing with the security problems and restoring law and order.

The second point I make is that I did take the opportunity of meeting with six of the seven leaders of the so-called Iraqi Supreme Leadership Council. Honourable members, particularly on this side of the House, will be pleased to know that the Iraqi members of the so-called Supreme Leadership Council went out of their way to thank Australia for its active support in the overthrow of the regime of Saddam Hussein and the liberation of Iraq. They underlined the importance they placed on coalition efforts to remove the Baath Party’s influence in Iraq. Understandably, these Iraqi leaders are enthusiastic to see a transfer of power to Iraqis them-
selves, and I can entirely understand and identify with that aspiration. We hope that it will not take too long to identify appropriate senior Iraqis who can form an Iraqi interim administration to work alongside the coalition provisional administration and move towards what certainly the Iraqi leadership council want in the end: elections for a provisional assembly, which would elect in time a provisional government.

Let me say in conclusion that I also took the opportunity of discussing the domestic situation in Iraq with leaders in Saudi Arabia, Jordan and Kuwait and also in Iran. In every single case in these countries—which all border Iraq, of course, as some honourable members will know—I made the point that we understood that those countries had a vested interest in stability in Iraq, and I made the point that we hoped they would use their influence to ensure that Iraq was able to develop an inclusive government; inclusive of the major groupings of the country—the Kurds, the Sunni Muslims, the Shiah Muslims and, indeed, other groups. I can tell the House that I was very pleased that in every case—including, by the way, in the case of Iran—the leaders of those countries made it clear that they did want to see an inclusive and stable administration, covering all significant points of view, emerge in Iraq.

Honourable members, particularly those on this side of the House, will be interested to know that in each of these countries that I visited—Saudi Arabia, Jordan, Kuwait and Iran—they were delighted that the regime of Saddam Hussein had been overthrown. It is a major mistake for people to think that in the Middle East there is somehow a sense of regret about the passage of one of the world’s most brutal dictatorships—the dictatorship of Saddam Hussein. Everywhere you go, people begin their conversations by telling you how pleased they are that Saddam Hussein is gone. I think in terms of the domestic debate about the situation in the Middle East it is very important to understand this point: that in the Middle East—it may not be true all over the world; it may not even be true all over Australia—people are delighted to see the end of Saddam Hussein and his Baathist regime. I was proud, as the foreign minister of Australia, to be standing and sitting with these people as a contributor to that laudable objective. As I said, I am very pleased that those governments, at least in discussions with me, have committed themselves to playing a positive role in helping Iraq into a more democratic, a more reasonable and a more balanced future.

DISTINGUISHED VISITORS

The SPEAKER (2.29 p.m.)—This may be an appropriate time at which to inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Majles of the Islamic Republic of Iran. On behalf of the House I extend a very warm welcome to our visitors. Along with our delegates from Iran, who I am very pleased to welcome on behalf of the House, we also have the Rt Hon. John Speller, the Minister of State for Transport in the British parliament, who is accompanied by an officer from the British High Commission. I notice in the gallery the Hon. Gary Johns, a former minister. I welcome him as well.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Immigration: Visa Approvals

Mr LAURIE FERGUSON (2.30 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. I refer to the minister’s claim to have no knowledge of the matter raised in my last question. Isn’t it a fact that the minister attended a Liberal Party fundraiser at Romeo’s Restaurant in Parramatta in 2001? Isn’t it a
The SPEAKER—The member for Reid will address his remarks through the chair.

Mr LAURIE FERGUSON—In the minister’s presence, $3,000 was donated on behalf of a person seeking the use of ministerial discretion for the granting of a permanent residence visa. Isn’t it a fact that, prior to the Liberal Party fundraiser in October 2001, the minister had twice rejected the person’s application? Isn’t it a fact that, following the fundraiser and the $3,000 donation, the applicant received a visa—

The SPEAKER—The member for Reid must take particular care not to impute any improper motive.

Mr Crean—He is asking a question!

Mr LAURIE FERGUSON—Isn’t it a fact that, following the fundraiser and the donation of $3,000, the applicant received a visa from the minister?

Honourable members interjecting—

The SPEAKER—The member for Reid will resume his seat. I have an obligation as the occupier of the chair to apply the standing orders and to apply them equitably. I had done nothing more than remind the member for Reid of his obligations. I have not as yet ruled his question out of order. I do not expect the sort of gratuitous advice that has come from the floor of the chamber.

Mr LAURIE FERGUSON—Does the minister actually expect the Australian public to believe that this donation did not affect his decision?

The SPEAKER—The member for Reid must be aware of the fact that his question was in order until the latter sentence, in which he once again imputed motives to the minister.

Mr Abbott—Mr Speaker, I rise on a point of order. The question, until the latter sentence, which was an outrageous smear delivered by an opposition that has obviously decided that this is Thursday—

Mrs Irwin interjecting—

The SPEAKER—The member for Fowler is warned!

Mr Abbott—Prior to the objectionable last sentence, the question was precisely the same as the previous question. A question fully answered cannot be repeated.

Mr Martin Ferguson interjecting—

The SPEAKER—I warn the member for Batman! I had allowed the question to stand because I did not deem it to be precisely the same as the former question. I was not, however, as the member for Reid is aware, prepared to tolerate any imputation of improper motives to the minister.

Mr RUDDOCK—I made the point earlier that I will seek to refresh my memory in relation to the matters that have been raised, because the number of interventions that I am involved in are many and the circumstances in which people approach me are various. I remember being approached—although I do not remember the detail, I will refresh my memory on those as well—by the honourable member for Reid about matters from time to time. I have never asked the member for Reid as to whether those whose claims he was pursuing were members of the Labor Party, whether they had donated money to the Labor Party or whether they had been to fundraising functions for the Labor Party that he had attended. I have never asked those questions. I have assumed that, if the arguments on their merits warranted intervention by me—

Ms Rudd interjecting—

The SPEAKER—The member for Fowler is warned!
Mr RUDDOCK—they would be put, properly considered and dealt with. That is the approach I take with any member.

Economy: Building Activity

Mr RANDALL (2.35 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the results of the building activity and engineering construction surveys released by the Australian Bureau of Statistics this morning? What are the prospects for Australia’s building and construction sector?

Mr COSTELLO—I thank the honourable member for Canning for his question. It was a great pleasure to see him recently at the 500 Club lunch in Perth. It was a very successful function. I can inform the House that the Australian Bureau of Statistics survey on construction work, which came out today, showed that building work for the quarter had increased by 2.1 per cent and was up by 16.6 per cent over the year. Although residential building work had moderated somewhat, non-residential was very strong, increasing by 6.3 per cent in the quarter. In addition to that, engineering work showed very strong increases of two per cent through the quarter or 12.7 per cent through the year. In the year to the March quarter of 2003, 58,800 new jobs were created in the construction sector.

Mr Abbott interjecting—

Mr COSTELLO—As the Minister for Employment and Workplace Relations reminds me, if the activity of the CFMEU were brought within the law, Australia’s construction industry would be so much stronger and would be a great source of job growth and employment.

Why is building and construction strong in this country? First of all, interest rates are low. Interest rates are now at 30-year lows, which are supporting and underpinning construction and engineering. Secondly, in relation to the residential sector, this government introduced the First Home Owners Scheme—and it is worth reminding people—which has given grants to 450,000 Australians to get into their first homes, which, of course, is something that is very welcome. Thirdly, one of the things that is now underpinning engineering work and commercial construction is that this government took all embedded taxes off business so that, in relation to investment, business can claim back as a refund or an input tax credit all taxes from GST.

Obviously, if the Labor Party had had their way—if they had been successful in defeating the government’s plan to balance the budget—interest rates would be higher. Interest rates were higher under the Labor Party, getting as high as 17 per cent back in the late 1980s and early 1990s. Obviously, if the Labor Party had had their way and they had defeated the new tax system, there would be no First Home Owners Scheme underpinning residential buying. Of course, if the Labor Party had had their way, business would not be getting input tax credits either, because the Labor Party devoted themselves in the last parliament—and no-one more than the member for Hotham—to defeating the modernisation of Australia’s taxation system. I was thinking about this this morning. In this world, there are drivers and there are mechanics—

Mr Latham—Mr Speaker, I rise on a point of order on relevance. The question was very clearly about the housing—

The SPEAKER—The member for Werriwa will resume his seat. The member for Werriwa does make a valid point, and I do think the Treasurer could come back to the comments about the building industry. I can appreciate the link that he was making but, in the latter part, I thought he could return to the building industry.
Mr COSTELLO—Mr Speaker, I am talking about the policy changes which underpin strong construction and engineering work.

The SPEAKER—I appreciate the link being made.

Mr COSTELLO—They, of course, are the interest rate environment, our tax system and our First Home Owners Scheme—

Mr Tanner—Just write the question better next time, Pete.

The SPEAKER—The member for Melbourne!

Mr Tanner—Write a better question next time.

The SPEAKER—I warn the member for Melbourne! Clearly no other language is understood by him.

Mr COSTELLO—One of the drivers interjects. According to the member for Melbourne, there are drivers and there are mechanics in this world. He is a driver; the member for Hotham is a mechanic.

Mr Latham—Mr Speaker, I rise on a point of order.

The SPEAKER—I will deal with the matter of relevance, if that is the point being raised. The Treasurer has the call; the Treasurer will return to the question.

Mr COSTELLO—If it had not been for this government driving change in this country, we would not have put in place any of the things which are now supporting construction. One might ponder what kind of mechanics the Leader of the Opposition engages in: he specialises in putting a spanner in the works. They are his mechanics, but he will never drive a policy change—

Mr Swan—Mr Speaker, I rise on a point of order. The Treasurer defied your ruling on two occasions—

The SPEAKER—The member for Lilley will resume his seat. The member for Lilley must know that nothing would suit the chair better than to in fact demand that the standing orders be abided by literally, as they are written. A great deal of tolerance is exercised on both sides of the House but normally only recognised on one side at a time.

Education: Higher Education

Ms MACKLIN (2.42 p.m.)—My question is to the Minister for Education, Science and Training. Why do the government’s unfair university changes mean that up to half of all university places can be reserved for Australians who can buy a place at one of our universities? Minister, don’t all Australians belong to our community and contribute to our nation in many ways, including taxes? Minister, shouldn’t being a citizen guarantee that all Australians are treated on the basis of ability when it comes to getting a university place and that no Australian is given preference simply because they can pay more? Minister, isn’t this what a ‘fair go’ means?

Dr NELSON—I thank the member for Jagajaga for her question and new found interest in higher education policy. The government announced on budget night a range of reforms for Australian higher education, to put it on a sound footing for the 21st century. There are three principal platforms of the reforms. The first platform is that the Commonwealth will commit $1.5 billion extra over the next four years, $870 million per year recurrent extra funding from 2007 and $10.6 billion extra additional investment over the first 10 years. The second platform is to change the governance, administration and regulation of Australian higher education, at the same time as expanding the number of places in Australian universities, converting at a cost of $347 million the 325,000 marginally funded over-enrolled places in
Australian universities and then adding to that yet another 6,500 fully funded HECS places in the first five years. One of the key priorities that was put to the government—to me as the minister—by the leadership of Australian universities through the process of reform and thinking about the future was that flexibility in terms of HECS charges for students who go into HECS places was one of the things that was critically important to make sure that Australian universities could meet the increasingly high international benchmarks against which they are being judged.

It ought to be known by the parliament that there are 531,000 undergraduates in Australian universities. Of those, 98.3 per cent are in government subsidised HECS places where the Commonwealth taxpayer pays for three-quarters of the cost of university education and the student who achieves a HECS place on a merit basis, as it must be, then contributes about a quarter of the cost of their university education, not paying any of it back until—under these arrangements—they are earning $30,000 a year or more. There are 784 courses offered in Australian universities—by 23 of the 40 mainstream publicly funded institutions—and 13 of those courses have fees approximating $100,000 or more. These are full fee paying places which are offered to Australian students once all the expanded HECS places have been allocated. What the member for Jagajaga and the crippling ideologues of the Labor frontbench are arguing is that, if you go to Frankston High School in Victoria and you get 99.4 for your VCE, you will get into law at Melbourne University, but an Australian student—in the same suburb, sitting behind that student at school—who gets 99.3 will not get a HECS place. What the universities do for those students is offer them a full fee paying place that does not have a government subsidy attached to it. I challenge the Australian Labor Party to say that those students are less academically capable than those that get 99.4. For the first time, this government is proposing to offer those students a loan so that they do not have to refuse to take up that place simply because either they cannot access the resources or their families do not have them. It is unfair, it is a kind of reverse elitism, that the Labor Party and the member for Jagajaga are saying. ‘Oh, I am at Frankston High School, I get 99.4; don’t let this kid behind me in, they only got 99.3.’ Even though that student wants to subsidise his entire place, they won’t let them.

We love Wednesdays on this side of the house. We look forward to finding out who has been lining up for lunch with Maxine McKew at the Bulletin, and on this university issue I quote directly from Mr Tanner, the member for Melbourne. He: speaks to an ambitious agenda. As he says “to drive forward on ideas ...

However his: left-wing factional colleague, Jenny Macklin, whose policy responsibility it is, can hardly be put in the “driver” category. Nelson’s Crossroads paper has been discussed and argued over for close to a year but Macklin has produced nothing of her own.

Where on Earth is Labor’s blueprint for universities? “I don’t know,” says Tanner.

Foreign Affairs: Terrorism

Mr CAUSLEY (2.48 p.m.)—My question is directed to the Minister for Foreign Affairs. Would the minister update the House on his recent discussions regarding cooperation in the global fight against terrorism?

Mr DOWNER—I thank the member for Page for his question. I know this is an issue that concerns him, his constituents and, indeed, most Australians. The government is very active in making a strong contribution to the war against terrorism, and this was a considerable focus of my recent visit to the
Middle East. While I was in Saudi Arabia, I took the opportunity of focusing my visit very substantially on the need to take decisive action against al-Qaeda. I was, of course, in Riyadh just a few days after the al-Qaeda bombing had taken place in which quite a number of people were killed, including, I note, one Australian—and another Australian was injured. I was interested in the response of the Saudi government to this particular incident because not only is Saudi Arabia now taking more decisive and energetic action to counter al-Qaeda but the Saudi foreign minister made it clear to me that the al-Qaeda attack in Riyadh had had a decisive effect on public opinion in Saudi Arabia, turning that public opinion very strongly against al-Qaeda.

It is not a secret that there has been quite a lot of sympathy for al-Qaeda in many parts of Saudi Arabia. Honourable members will recall that most of those involved in the September 11 attacks were Saudi citizens, and Osama bin Laden himself, although he is not any longer, has been a Saudi citizen. The fact that the bombing in Riyadh had such a decisive effect on public opinion, turning it against al-Qaeda, I think it has to be said was one positive outcome from a dreadful act. The Saudis are continuing to focus very much on issues that I think are very important such as the financing of terrorism more generally and, to be specific, the use of financing of Islamic charities and Islamic schools in different parts of the world as a front for funding terrorist training and al-Qaeda and al-Qaeda related organisations.

There has been much speculation, including, of course, that coming from the United States, about the presence of al-Qaeda people in Iran. During my visit to Iran, in my conversations with all those I met there—with President Khatami, with the head of the Expediency Council, Rafsanjani, with the Foreign Minister and the Supreme National Security Council head, Rowhani, I made the point that the Iranians should never underestimate the strength of feeling and the strength of passion in the broader international community to destroy al-Qaeda. I reminded the Iranians that Australians had been killed on September 11, Australians had been killed in Bali and an Australian was killed in Riyadh, and that this was not just an American obsession, this campaign against terrorism, it was something shared in just about every corner of the earth. It would be a matter of enormous and profound concern to the Americans but also to us if the Iranians did not take decisive action against an al-Qaeda presence in Iran.

The Iranians told me that it was their view that al-Qaeda people could get across the border, because Iran has a very large border. But they insisted that al-Qaeda was an enemy of the Iranian regime and the Iranian regime was al-Qaeda’s enemy and that they were doing what they could to apprehend and to deport to their countries of origin al-Qaeda people within Iran. So I emphasised to the Iranian government also—

Mr Rudd interjecting—

The SPEAKER—I warn the member for Griffith!

Mr DOWNER—that the Americans have concerns that al-Qaeda personnel in Iran had knowledge of the Riyadh bombing before it took place and that this was another illustration of the global concern about a possible al-Qaeda presence in Iran. In every case, the people I spoke to said that Iran was determined to take action against al-Qaeda. I am pleased to report to the House that very soon after I left Iran the Iranian government arrested a further, I think, nine—but several, anyway—al-Qaeda people in Iran, and, if I may say so, that is a good sign. But, of course, we will just have to wait and see over
time how effective the Iranians are in dealing with al-Qaeda.

I took the opportunity this morning on my return to Australia to telephone Secretary of State Colin Powell, to discuss with him this whole question of the efficacy of Iran’s efforts to deal with al-Qaeda. I know that the United States, the United Kingdom and many other countries appreciate the very significant role Australia plays throughout the world in the war against terrorism and the influence Australia was able to bring to bear on a country like Iran, in encouraging Iran to be a good deal more decisive in the action it takes against al-Qaeda than has been the case in the past.

Education: Funding

*Ms MACKLIN (2.54 p.m.)*—My question is to the Minister for Education, Science and Training. Why is the minister obsessed with factory workers’ taxes supporting public universities that 45 per cent of the population will attend but never says a word about the $100 million of taxpayers’ money that goes, every year, to elite private schools like Kings and Scotch College, attended by less than two per cent of Australian children?

*Dr NELSON*—I thank the member for Jagajaga for her question. There are a number of issues which are entwined within the question. The first is the issue of who actually funds Australian university education, who goes there and why they go there. In answer to that question, firstly, about 30 per cent of our children go immediately from school to university and now the lifetime chance of participation in higher education in Australia is approaching 50 per cent. That is due in no small way to the introduction of HECS in 1988-89, which was opposed by the same sorts of people—like those in the Labor Party—who are now seeming to oppose what this government is doing for Australian higher education.

*Mr Crean interjecting—*

*Dr NELSON*—We have a seat here for Gary Johns, too. The second point which ought to be made is that 75 per cent of the cost of Australian higher education is funded by everyday men and women, many of whom have never seen the inside of a university.

*Mr Albanese interjecting—*

*The SPEAKER*—The member for Grayndler is warned!

*Dr NELSON*—They support and in no way resent the investment in higher education but strongly believe that it is fair that a student who goes to university—and then receives an income on average $622,000 more, as a male, than a person who has not been to university and has a lifetime unemployment rate that is a quarter that of a person who has not been to university and finds, in 91 per cent of cases, employment within four months of graduation—should pay their quarter. I think most Australians accept the fact that they should pay, only when they are working and earning in excess of $30,000 a year, about their quarter share.

The second issue, which I think is embedded in both the things raised by the member for Jagajaga, is the question of who goes to university. I think one of the real challenges we face is that we are living in a society where many people—and I include many on the front bench of the other side—are basically saying to young people, ‘If you don’t go to university, you’re not as good as someone who does.’ What is critically important to this government’s vision of education is that we want young people to find and be their best. We want them to understand that university is an important part of their life horizon and so is doing the best that they can academically. But we are determined that young people will know that they have choices available to them that are valued—in
apprenticeships and in training. For some young people just getting from school to the workplace emotionally intact is an enormous achievement.

The third issue which is evident throughout the question is the decision as to where a parent sends his or her child to school. This government strongly believes that all Australians, through their Commonwealth and state taxes, should support well-resourced government schools. Having done that, if Australians then choose to send their children to Catholic, Anglican, Christian, Jewish, Islamic, Aboriginal community or any other independent schools—and the families of one million students, making up 32 per cent of those in the education system, do make that choice—they will be supported by this government in making that decision. What ought to be remembered in the criticisms—the so-called class war which is run by the Australian Labor Party—is that the average student in a government state primary school attracts $6,841 in public funding. The sons and daughters of the men and women who send their children to the schools to which you refer receive $775. In other words, every child from every family that attends a non-government school in this country receives less money than they would if they were educated in a government school. The kids from the poorest families get 30 per cent less and the kids from the wealthiest families get 87 per cent less. It does not matter to us on this side whether you send your child to King Abdul Aziz Islamic College in Rooty Hill or to The King’s School in Parramatta. We do not take the view that some Australians and their children are less equal than others. They will receive support. The Labor Party view is that, if you send your child to some schools, you should not get any support.

Ms Macklin interjecting—

The SPEAKER—I warn the member for Jagajaga.

Mr Snowdon interjecting—

The SPEAKER—I warn the member for Lingiari.

Aviation: Reform

Ms LEY (3.00 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the minister update the House on recent developments in the advancement of airspace reform?

Mr Zahra interjecting—

The SPEAKER—I warn the member for McMillan.

Mr ANDERSON—I thank the honourable member for her question and acknowledge her very real interest in aviation. She is herself a pilot and has a great interest in this very important sector in Australia. As a government, we have moved to reform low-level airspace in Australia, because we believe real savings can be made at the same time as we move to improve safety. We believe those savings will encourage the development and growth of general aviation in Australia, the smaller end of the aviation industry in particular, at the same time as they will help us to build a bigger place in the sun for Australian educational exports—specifically in this case, the training of airline pilots and aviation pilots in general—and, if we can reform the environment in which they operate, to continue the growth of the manufacturing sector and the technical sector in this country.

With the need for major reform of low-level airspace in Australia to harmonise with best practice internationally—and after considerable consultation, including with my good friend Dick Smith—we decided to move to the adaptation of a broadly based American national airspace system, or NAS,
as it is known. Stage 1 of three stages has been completed. It is now locked in. After decades of trying to reform airspace in Australia stage 1 of the three stages is now locked in, which leaves two stages to go.

In talking to the people who are progressing this and who believe in it, as I do and as the government does, we realised a while ago that there were still some who needed to be persuaded of the benefits. As we sought to take people with us, to consult widely and to train widely, we recognised that we needed to again remind people that real savings can be made at the same time as safety is improved. To that end, we took on Wes Willoughby and Associates to do a review of NAS and the competition for airport related services. They have issued a report which I would like to table here today. It emphasises the value of the reforms that the government is undertaking—in particular, the financial savings which will be of great interest to everyone who wants to build light aviation in Australia—and it also recognises the real value of reform, in that it will ensure that we achieve our destiny as a major supplier of aviation training around the world. That can only benefit Australia in economic terms and in terms of the future of aviation in this country. I table the report.

**Education: University Fees**

**Mrs IRWIN** (3.04 p.m.)—My question is to the Minister for Education, Science and Training.

**Mr Downer interjecting—**

**Mrs IRWIN**—Calm down, Alexander; keep your hands on your head!

**The SPEAKER**—The member for Fowler will resume her seat. May I point out to the member for Fowler that I was about to ask her to resume her seat in order to allow me to both admonish the Minister for Foreign Affairs and her for the exchange. If I were to apply the standing orders as equitably as some would want them applied, she must be aware that she would now find herself, having been warned, out of the chamber without asking her question.

**Mr Edwards interjecting—**

Mrs Crosio interjecting—

**The SPEAKER**—Let me also remind the member for Cowan and the member for Prospect, so anxious to offer me gratuitous advice, that the minister at that stage had not been warned, but the member for Fowler had. The member for Fowler has the call.

**Mrs IRWIN**—My question is addressed to the Minister for Education, Science and Training. Minister, don’t the proposed unfair university changes require all students to pay back their HECS debt before repaying any of their full fee loan at a six per cent interest rate? Minister, doesn’t that mean that a full fee loan would balloon if it takes a student 10 years to pay off their HECS debt? Minister, wouldn’t a nurse who borrowed full fees for postgraduate midwifery be facing a student debt of $37,800, including $4,300 in additional interest as a result of your changes? Why are you, minister—

**The SPEAKER**—‘Why does the minister—’

**Mrs IRWIN**—Why does the minister burden middle-income Australians with this massive debt?

**Dr NELSON**—I thank the member for Fowler for her question. The Treasurer did a great job on budget night presenting the higher education package. I also present to the parliament a package of the policy changes and what they actually mean. I would be very happy to make officials from my office available to speak to the member for Fowler. What you need to do—

**The SPEAKER**—‘What the member for Fowler needs to do.’
Dr NELSON—The member for Fowler needs to look at the postgraduate arrangements for nursing and teaching. One of the things that is very important, which the member for Fowler has picked up on, is that we are expanding the number of places that are available in Australian universities—31,600 in fact over the first five years including the 25,000 marginally funded over enrolled. Another point that she has picked up on, unlike the so-called drivers on the front-bench, is that the graduates—the students—do not pay a cent. They do not pay one cent until they have graduated and are working and earning more than $30,000 a year.

The other message that the member for Fowler has picked up on is that for the first time the government is saying to those Australian students, in the same way as is said to young people who come from Beijing and Jakarta, that we will make a loan available to you. If you miss out on the expanded number of HECS funded public places we will make a loan available to you for which, again, you do not need a guarantor.

The SPEAKER—The Minister must address his remarks through the chair.

Dr NELSON—Mr Speaker, I would be saying to the member of Fowler if I were speaking to her directly that you can get a loan, that the member for Fowler or anyone she is concerned about will not have to go to any of the commercial ventures and that the Commonwealth taxpayers will make a loan available. It will be at 3½ per cent, capped at 10 years, plus the consumer price index. You do not have to pay a cent back until you are earning at least $30,000 a year. If the member for Fowler never earns that much, she would not have to pay it back.

There is another thing that is very important. Do you know what these students are doing today? They are going along to commercial lenders, who are saying to them that, if they make the loan available, they will lend them between $2,000 and $20,000 at 11½ per cent. They will only lend for some courses and, in some cases, only in the final year of that course. In many cases you have to commence repayments within four months. Of course, if you are not making the repayments you are in serious trouble. This is a tremendous arrangement to expand opportunities.

Trade: Exports

Mrs HULL (3.09 p.m.)—My question is addressed to the Minister for Trade. Would the Minister inform the House how the government strategy to double the number of exporters by 2006 is contributing to economic growth and job creation in the Riverina and in the Australian community?

Mr VAILE—I thank the honourable member for Riverina for her question, particularly with regard to small business exporters that are growing in number, of which a number are from her electorate of Riverina. In 2001, the coalition set a target to double the number of exporters by 2006, particularly targeting the small business sector. As the minister for small business indicated yesterday, small business in the Australian economy is the driver of the Australian economy. Of course, they are also the drivers of export growth, delivering many extra jobs across the Australian economy, particularly in the regional Australian economy. As you would be well aware, in the regional economy in Victoria and South Australia, as well as in New South Wales and the other states, exports are delivering jobs at a rate of one in four. By targeting growth in the number of exporters, and particularly as far as small business exporters are concerned, that will deliver significant economic and social benefits across the Australian economy.

Over our term of office, our government has continued to deliver a process of reform
that has created an environment that not only is very conducive to the activities of small business domestically within the Australian economy but, most importantly, makes them more competitive in the international marketplace. These are reforms such as taxation reform, where we have removed all taxes from our exports going out of Australia, and labour market reforms, which have meant that our exports can get across the waterfront much more efficiently. The sound economic management that our government has delivered to the Australian economy has resulted in a circumstance of stability as far as the cost of capital and interest rates in the Australian economy are concerned. All this equals an opportunity to create more jobs to deliver more opportunities across Australia.

Dr Emerson interjecting—

The SPEAKER—The member for Rankin.

Mr VAILE—With exports forecast to grow out of the budget in 2003-04, we are assisting in getting more small businesses prepared to export into the markets of the world with programs like the TradeStart program, with 49 offices across Australia, and the Export Market Development Grants Scheme—the EMDG program—with which we are finetuning the focus on small business. We are focusing the EMDG’s $150 million a year on helping new exporters get into the international marketplace. The results are already there.

The SPEAKER—It seems that if I merely draw the member for Rankin’s attention to the obligations he faces, he takes no notice at all of the chair. I am warning him.

Mr VAILE—I am sure all members in the House will be pleased to note that those programs that were targeting the development of the export base in Australia last year were quite successful. We saw an increase from 25,000 to 31,450 exporting companies in Australia. There were 6,500 new exporters. Some of those new exporters are very small businesses that hitherto had probably not recognised the opportunities that presented themselves.

These are businesses such as Green Bros, a business in the seat of Port Adelaide that I am sure the member for Port Adelaide would be aware of, which is now signing a joint venture that will enable it to export automotive components to China. And companies like Peplin Biotech in the seat of Brisbane—I am sure the member for Brisbane recognises that business—which has just secured a $42.5 million licensing deal to sell new skin cancer treatments to the United States. In the member for Riverina’s electorate, there is business by the name of Green Grove Organics which, with the assistance of TradeStart, has recently begun exporting organic licorice to New York. Following in the great success of Yellowtail wine from Griffith exporting to New York, these are small businesses that have taken advantage of government programs to move from being just a domestic producer and seller to being a seller in the export marketplace.

It is important to note that the policies that we have put in place are delivering for small exporters. The examples that I have given and other companies like them are going to be critical to the future growth of our economy and our exporters. We as a government will continue to provide a sound economic environment in Australia from which they can export and compete internationally. We will continue our reform program to ensure that they have opportunities to achieve their goals and we will certainly continue to pursue our aggressive trade strategy of competitive liberalisation across the world to provide better access into more markets across the world for Australian small businesses.
Health: Complementary Medicines

Mr ANDREN (3.15 p.m.)—I would like to pose a question to the Minister representing the Minister for Health and Ageing. Could he explain to my constituents Danielle and Christopher Kittler of Canobolas Pure Health why there have as yet been no tests on the 40 per cent of products they have had to remove from their shelves—

The SPEAKER—I interrupt the member for Calare to indicate that yesterday I raised this matter on a number of occasions. The member for Prospect brought it to my attention at the conclusion of question time. The standing orders clearly provide that it is in fact improper to identify people in a question unless it is strictly necessary to authenticate the question. I would have thought the nomination of the business name would have been sufficient in this instance. I allow the question to stand, but I indicate that the identification of people is outside the standing orders unless necessary to authenticate a question.

Mr ANDREN—I understand that, Mr Speaker. I had contacted them beforehand.

The SPEAKER—I interrupt to indicate that it is not a matter of whether it is done with or without their approval. The standing orders do not take that into account.

Mr ANDREN—Thank you. Could the minister explain to my constituents of Canobolas Pure Health why there have as yet been no tests on the 40 per cent of products they have had to remove from their shelves after the Pan Pharmaceuticals recall? What compensation or assistance is possible for the loss of income for the small health shop operators given the couple’s income has dropped by half? What happens regarding GST paid on products now returned and refunded at retail rates when the best they could expect is a possible wholesale price refund?

Mr ANDREWS—I thank the honourable member for Calare for his question about this matter. As to the precise details of the matter, I will take it up with the Minister for Health and Ageing and get back to him.

Education: Funding

Mr ANTHONY SMITH (3.17 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House of the increase in funding for state government schools throughout Australia, particularly those schools in my electorate of Casey in the state of Victoria?

Dr NELSON—I thank the member for Casey for his question and in particular his very strong advocacy for Ruskin Park Primary School in Croydon and Wandin Yallock Primary School in Wandin. In Australia 68 per cent of all Australian students attend government state schools; that is 2.27 million students. The other 32 per cent attend non-government schools. Under section 96 of the Constitution, state governments are responsible for regulating, administering and primarily funding their state government schools. The Commonwealth’s role, for some 30 years or more, has been to supplement the state and territory governments in funding their state government schools. This year, for example, in the Commonwealth budget the government announced that it would increase government school funding by 5½ per cent, taking it to $2.5 billion, which would be added to the $12.5 billion contributed by state and territory governments.

In its budget delivered on 6 May, the Victorian state government increased funding to its state government schools by 2.3 per cent. The Commonwealth increase for Victorian state government schools was 6.1 per cent. This is in a year when we are forecasting enrolment growth to increase by 0.2 per cent in the state of Victoria. The Commonwealth
government, over the last seven years, has increased its funding to Victorian state government schools by 59.1 per cent when enrolments in the government sector in the state of Victoria increased by 3.6 per cent. If the Victorian government in its budget on 6 May had increased funding to its Victorian state government schools by 6.1 per cent, there would have been another $178 million available for the students in Victorian state schools and their families. As the member for Canning would well know, in the state of Western Australia we had the same experience. The Commonwealth has increased funding by 5.1 per cent; the West Australian government by 2.3 per cent. There are 53 missing millions in the state of Western Australia.

What needs to be understood by Australians is that state and territory governments have underfunded schools. The Victorian government this year, with some $6.65 billion available to it in GST revenues—up 4½ per cent—has still seriously underfunded Victorian state government schools. For every parent that has their child in a state government school and who wants to send them to a well-funded state government school, the Commonwealth’s challenge to state and territory governments is to index their funding to state government schools in line with the Commonwealth.

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

Mr Swan interjecting—

Mr Howard—Well, you are not treating it seriously. You are wandering around.

The SPEAKER—The Prime Minister has indicated that further questions be placed on the Notice Paper. I would point out that under standing order 58 there is an obligation on members not to conference in the gangways and currently I have that happening on both sides of the House. I had not drawn the House’s attention to it earlier, as would have been appropriate, because I was frankly fumbling to find the right standing order. Under standing order 58 it is appropriate that members not conference in the gangways.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Immigration: Visa Approvals

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation) (3.22 p.m.)—Mr Speaker, the honourable member for Reid asked me two questions at question time. There was an imputation, clearly, in one of those questions—

The SPEAKER—Is the minister seeking to add to an answer?

Mr RUDDOCK—Yes, I am, Mr Speaker.

The SPEAKER—The minister may proceed.

Mr RUDDOCK—Let me just say that I have never exercised my personal discretion in return for a donation. The second point I wish to make is that I do work with members of parliament quite frequently in relation to the consideration of matters that they wish to raise with me. The member for Reid has approached me on something like 61 occasions.

Honourable members interjecting—

Mr RUDDOCK—Sometimes I accept their word and then find—disappointingly, after certain assurances have been given—that the facts are not always as they first appeared. The matter raised by the honourable member for Reid is a matter in which I personally intervened. It is a matter on which I was approached by the honourable member for Parramatta, Mr Ross Cameron. In fact, I was approached by him before the function that it is alleged I attended. I understand I attended it with other members of parliament, including another minister. I might say,
having checked my recollection and the other minister’s recollection, that neither of us have any knowledge of donations being made at that particular function. Let me make a further point which I think is particularly germane. I received no further approach by Mr Ross Cameron after the approach in July. There was no further approach by Mr Ross Cameron after the function which it is alleged that I attended.

It was the case that I received community representations after that, including an approach by a bishop in New South Wales. The issues that I considered relevant in this particular case were the claims that the young man had been the subject of a protection claim which had been rejected because it was not for a convention reason. The claims that were made were quite significant in terms of the impact upon the young man and his family. They arose because he rescued a girl who had been sexually assaulted by two Syrian workers in Lebanon. He had been accused of causing civil unrest and conducting anti-Syrian activities. He claims that, following that incident, he was arrested, his house was damaged and his car was burnt by Syrian forces. He claims that he was held in captivity for 45 days without trial, interrogated and badly mistreated.

The point I make is that the RRT accepted that the applicant had been detained and mistreated by the Syrians. In addition, the man had substantial Australian connections. In other words, he had a number of relatives who were permanent residents and citizens of Australia. I weighed those matters up and determined that an intervention was appropriate.

An opposition member—You rejected him twice.

Mr RUDDOCK—Yes, initially I did. But I weighed it up after a further approach by community representatives and after the bishop outlined those circumstances.

Mr Crean interjecting—

The SPEAKER—The Leader of the Opposition!

Mr RUDDOCK—I simply make the point that this is the very basis upon which I am intervening at the moment in a large number of cases where representations have been made by members of parliament in relation to East Timorese people who have been in Australia for some time. These people are rejected asylum seekers because, for a convention reason, asylum does not apply, but they have substantial linkages with the Australian community. It seems to me—

Mr Latham—Mr Speaker, I rise on a point of order. The minister was given permission to add to an answer. The question was about a particular case and a particular circumstance, and it did not relate to the East Timorese.

The SPEAKER—There is absolutely no way any occupier of this chair in the 20 years I have been in the parliament would have deemed the minister’s comments to be other than relevant.

Mr RUDDOCK—I wish to make one further point, which is directly relevant to the information I was giving to the House. The approach I took in this matter was exactly the same sort of approach that I take in considering other matters where there are a range of issues, including substantial claims of persecution, although not for a convention reason, and significant linkages with Australia. It is the sort of case in which I frequently do intervene.

Mr Downer interjecting—

Mr Crean—You mustn’t be much of a member, Ross; $3,000—you’ve just got the price—
Mr Abbott—Mr Speaker, I rise on a point of order under the standing orders. I distinctly heard the Leader of the Opposition make a grossly offensive smear on the member for Parramatta, and he should withdraw it.

Mr Latham—On the point of order, Mr Speaker—

The SPEAKER—The member for Werriwa.

Mr Latham—he was responding to the interjection from Downer.

The SPEAKER—The member for Werriwa will resume his seat. Let me relay to the House precisely the events of the last 15 seconds. While I was seated in my seat, the member for Werriwa came to the dispatch box and I said, ‘The member for Werriwa,’ Did he take the call? No. He promptly started to argue with me. The member for Werriwa.

Mr Latham—Could I just clarify that? When you call, ‘The member for Werriwa,’ does that mean I have the call? I had the call and I said, ‘On the point of order.’

The SPEAKER—The member for Werriwa will find himself out of the chamber! Let me make this perfectly clear. This is a case of absurdity. I have never known an instance in which any chair has not found it obligatory to have people who treat the chair in that manner excluded from the chamber. I did not hear a remark from the Leader of the Opposition. If the Leader of the Opposition made a remark that he believes is inappropriate, I invite him to withdraw it—but I did not hear that remark.

Mr Crean—I made no remark I consider inappropriate, Mr Speaker.

Mr Abbott—Mr Speaker—

The SPEAKER—One moment! I have not as yet recognised—

Mr Martin Ferguson—Mr Speaker—

The SPEAKER—The member for Batman will resume his seat. I remind the Minister for Foreign Affairs that I had earlier alerted the House to the fact that conferencing in the corridors was inappropriate.

Ms George—Mr Speaker, I rise on a point of order. I am concerned about the double standards that seem to apply—

The SPEAKER—The member for Throsby will find herself in the same situation—

Honourable members interjecting—

The SPEAKER—The member for Throsby will resume her seat. Standing order 58 was appropriately used when it was clear that there were a number of people conferencing in the chamber. It is perfectly fair to say that people ought not to confer in the chamber. If it were applied equitably
every day, most of the occupiers of seats in the chamber would find themselves outside. I ask members to desist from conferencing in the chamber, but conversations along the front bench frequently occur. Whips in my time in this place have in fact never been called to account under standing order 58, because of the obligation they have to convey messages to members on both sides of the House. Let us keep just a little balance in the way in which we go about this present exercise.

Mr Abbott—Mr Speaker, on my point of order—

The SPEAKER—No, no! My fundamental point, the point I made five years ago when I first occupied the chair, is that you get the call on recognition. The Minister for Employment and Workplace Relations, Leader of the House.

Mr Abbott—Thanks, Mr Speaker. On the point of order, the Leader of the Opposition may think it is appropriate to mention the member for Parramatta, an amount of money and a favour, but it is offensive and it should be withdrawn under the standing orders.

The SPEAKER—I do not know what remark the Leader of the Opposition made. I will check the Hansard record and revisit the issue, unless there is anything the Leader of the Opposition wants to do at this stage. The Leader of the Opposition.

Mr Crean—Mr Speaker, I made no comment directed to the member for Parramatta in relation to payment. Indeed, the very point being made was that his representations were rejected by the minister and I asked what changed apart from the money, not—

The SPEAKER—The Leader of the Opposition has made his point and will resume his seat.
was predicated only on the successful passage of the Podger report. Should that report not be adopted by the parliament, I would expect that the funding savings that were anticipated from it would be reimbursed by the Department of Finance and Administration or the Department of the Treasury as appropriate. My enthusiasm for the adoption of the Podger report mirrors the enthusiasm shown by former Speakers Macleay, Martin, Child and a number of other Speakers going almost back to 1912. This is a reform that needs to happen. The reform needs to happen whether or not any money is saved. If money is saved by the adoption of the Podger report then some of the concerns raised by Mr Templeton would, I believe, not eventuate.

Mr Kerr—I would ask a supplementary question, if that is convenient, as a follow-up. Mr Speaker, given your indication that the current budgetary circumstances are not likely to effect any changes, and given the significance of these services to the House, I wonder—and I imagine it would be straightforward—whether, if any circumstances are anticipated whereby these services are going to be affected, we could have a report to the House as soon as possible. This would be a matter beyond the normal arrangements within your administrative responsibilities, which I am sure the whole House would have very strong views about.

The Speaker—I will be happy to report to the House. It is a matter that has been of concern to me because, I believe, would members on both sides of the House. If there is something of which Mr Templeton, as departmental head, is aware that I am unaware of, I will report that back to the House as well. The assurance was given from the memory I have of events at this stage.

Question Time

Mr Swan (3.40 p.m.)—Mr Speaker, my question to you concerns today’s question time and it concerns the number of calls, warnings and suspensions and their distribution across the chamber. Could I ask you to review the Hansard from today and report back as to whether you believe that it is accurate to chart the events in this question time when we had something like 15 people called, some on multiple occasions on our side of the House—

The Speaker—The member for Lilley will resume his seat.

Mrs Bronwyn Bishop—Mr Speaker, I raise a point of order. Standing orders prevent members from reflecting on rulings of the chair, and implicit in that question is a reflection on your rulings and therefore it should be ruled out of order.

The Speaker—The member for Mackellar will resume her seat. The Manager of Opposition Business has asked a question that I deem to be in order. He and I have discussed these things before and he knows the point at which it would not be reasonable for the question to stand.

Mr Swan—Mr Speaker, I am not seeking to reflect on the chair; I am seeking to assist the chair for future question times. Part of the problem is that there is a feeling that some on the other side are not necessarily called or warned as frequently as those on this side. As you are well aware, there has been a barrage from both sides of the parliament today, but I do not think the call sheet reflects that.

The Speaker—The member for Lilley and members on both sides of the House may be amused, even critical of me, when they discover that one of the things I have been doing in up weeks is looking at tapes of question time under not only my regime but the regimes of previous Speakers in the time that I have been in the parliament.

Dr Emerson—We’re not arguing for regime change!
The SPEAKER—I thank the member for Rankin for that assurance. Let me reassure the member for Lilley that, while there may be further improvements appropriate, it is fair to say that the number of people warned proportionately on both sides of the House over the last 20 years has in fact moved only one way—that is, there has been a greater balance rather than a greater imbalance. That is characteristic—I say that not as a criticism—of the different roles on both sides of the House. I can reassure the member for Lilley that I came out of the last non-sitting week feeling much better than I was feeling when I went into the last non-sitting week. If the member for Lilley wishes, I will draw a mathematical table of the process over the last 20 years, but I am generally not about to change my approach. It is self-evident that there has never been as many government members removed from the House as there have been in the last—seven or eight years, thanks to the facility of standing order 304A.

Standing Orders 76 and 77

Mr PYNE (3.43 p.m.)—Mr Speaker, my question to you concerns the operations of standing orders 76 and 77. Standing order 77 says:

When any offensive or disorderly words are used, whether by a Member who is addressing the Chair or by a Member who is present, the Speaker shall intervene.

Standing order 76 says:

All imputations of improper motives and all personal reflections on Members shall be considered highly disorderly.

The words ‘highly disorderly’ are used in both standing order 76 and standing order 77. My question to you is: is it appropriate for a question to be asked which contains improper motives and imputations being suggested upon a member and for the question to be allowed to be completed so that the objective of the question is achieved—which is to make the improper imputation in the question—and for the Speaker only then to intervene to point that out? Is it not more appropriate for the Speaker—

Opposition members interjecting—

Mr Griffin—We will send him the questions in advance!

Mr PYNE—I am asking the question of the Speaker. I am not asking you the question—you will never get the chance to be the Speaker.

The SPEAKER—The member for Sturt will resume his seat. In his absence, could I remind the member for Lilley of what I thought was rather self-evident in the last 30 seconds and invite the member for Sturt, if he wishes to be heard, to address his remarks through the chair, though I would have thought I had already gleaned much of the basis of his question.

Mr PYNE—I am sure you had, Mr Speaker. The only thing I was going to ask at the end was whether you might consider intervening during a question which is suggesting improper motives to stop the improper motives being placed on the Hansard record, which is the objective of the question.

Mr McMullan—Mr Speaker, on a point of order: I had intended to raise a matter similar to that raised by the member for Sturt and related to it, so I thought it might facilitate things if I did so before you responded to his question, although I am happy to wait if you prefer. I was going to ask you to review your ruling on the first question asked by the member for Reid in question time today. I hope this does not bring on another spate of masochism, such as that to which you just confessed, with another lot of watching these terrible tapes. Let me use an actual example, but not one from this parliament, of what a literal application of the ruling which you have given would mean. If a minister for
prisons were taking money for the release of prisoners, that would be a matter that could not be raised in question time under your ruling.

Mrs Bronwyn Bishop—That was under Neville Wran!

Mr McMullan—You have the capacity to lower the tone of everything you touch. I am aware of the circumstance, and I can use examples of previous Western Australian Liberal premiers if you wish, but I was trying to be non-provocative.

The SPEAKER—The member for Fraser must be well aware that that was a provocative remark when the Speaker had made no comment that justified in any way any remark or suggestion that I had made it.

Mr McMullan—It obviously was not directed at you, Mr Speaker.

The SPEAKER—But it could have been read that way, as the member for Fraser must be aware.

Mr McMullan—I am sorry. I was directing my remarks through the chair. The concern is that none of the matters relating to Western Australian Liberal Party premiers or New South Wales Labor ministers could be raised under the ruling that you have given. I understand the point made by the member for Sturt, and there is some merit in that as well. I am not trying to say that we should have open season on allegations, but it is also important—

Mr Abbott interjecting—

Mr McMullan—You don’t think this matters? Mr Speaker, it is imperative that, if members believe there is corruption, they have the opportunity to raise the matter. A literal application of your ruling would not allow that to occur. I ask you to remember that.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. Quite clearly, the point that has just been raised by the member opposite is that if there are such allegations to be made they are required by the standing orders to be made by way of substantive motion. Further, on standing orders 76 and 77, requiring your intervention where there is disorderly conduct, standing orders 303 and 304A provide for the remedy—that is, the removal or naming of the member who engages in that disorderly conduct. To allow question time to be, in the words of the member opposite, abused in that way would be to abuse the standing orders. If he has allegations to be made, the proper way is by way of substantive motion, as he well knows.

The SPEAKER—Let me deal with this issue as best I can. First, those who wish to access the tapes in my office may do so, and they would be proud of the general standard of parliament, which reflects well on all members. Of course, there are occasions in question time when it is self-evident that I feel the standard could be raised, but as a general rule this parliament—thanks to the operations of the Prime Minister, the Leader of the Opposition and, I hope, all members—has been more civilised in its exchanges than many that have been witnessed.

So far as the matter raised by the member for Fraser is concerned, the member for Fraser said on a number of occasions that my ruling was going to in some way unreasonably constrain the House. I must point out to the member for Fraser that nothing that I did from the chair today in any way made it difficult for the member for Reid to ask a question under the existing standing orders. No ruling made today in any way frustrated the member for Reid, and if it did it was only in that his question was stepping outside the existing standing orders. The member for Sturt, the member for Mackellar and the member for Fraser almost answer for me the question they themselves have posed. Of course I cannot sit someone down until I
have heard the statement that falls outside the standing orders, otherwise there would be no reason to sit them down, to state the painfully obvious. The member for Sturt reasonably makes the point that to allow someone to continue to make an allegation is equally inappropriate. All that is asked is that imputations of improper motive only be aired in the House in the way in which the standing orders provide, which, as indicated, is normally by a substantive motion. Nothing that happened today made that in any way difficult. In fact, a great deal more tolerance was exercised than would normally be the case.

PERSONAL EXPLANATIONS

Mr ALBANESE (Grayndler) (3.51 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr ALBANESE—I do.

The SPEAKER—Please proceed.

Mr ALBANESE—Yesterday in the parliament the Minister for Employment Services suggested that I had used incorrect figures to show that ‘long-term unemployment numbers have increased under this government’. The figures I used were from the Department of Family and Community Services and show that the long-term unemployment figure was 361,000 in March 1996 and is now 382,176 under this government.

Dr NELSON (Bradfield—Minister for Education, Science and Training) (3.52 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the minister claim to have been misrepresented?

Dr NELSON—Yes, I do, Mr Speaker.

The SPEAKER—The minister may proceed.

Dr NELSON—Last night in the chamber, the member for Jagajaga said:

The Minister for Education, Science and Training is fond of saying that it is not fair that factory workers are forced to help fund higher education when most of them will never see the inside of a university.

…

The minister says that these hardworking Australians should resent their taxes being spent on universities.

I have never said any such thing, nor will I ever. What I have said is that the majority of Australians who fund 75 per cent of what happens in universities will never ever see the inside of one.

Opposition members interjecting—

The SPEAKER—The member for Throsby, the member for Prospect and the member for Batman!

Dr NELSON—I have never said that they resent their investment in higher education.

The SPEAKER—Can I once again point out to those on my left that I had three occasions to call people’s attention to the standing orders, and for some reason the Manager of Opposition Business thinks the process is weighted unfairly!

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (3.53 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:

That the House take note of the following paper:


Debate (on motion by Mr McMullan) adjourned.
MATTERS OF PUBLIC IMPORTANCE

Tourism Industry

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

The failure of the Government to deliver a Green Paper and 10 year industry plan for Australia’s tourism industry.

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

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

Mr GAVAN O’CONNOR (Corio) (3.54 p.m.)—Australia’s great tourism industry in recent years has been hit by a succession of major shocks and setbacks—September 11, the Ansett collapse, an economic downturn overseas, the impact of bushfires and drought, the Bali bombings, the Iraq war and now the SARS outbreak. The last thing this industry needs is another dud, underperforming, incompetent, Liberal tourism minister but, sadly, that is what they now have. Time has run out now for the minister at the table, the Minister for Small Business and Tourism. He should be sacked by the Prime Minister for his failure to deliver to Australian tourism the green paper and the 10-year plan he promised the industry in February 2002. He said he would deliver it in December of that year. In his failure, he has lost the confidence of the tourism industry and he has lost the confidence of his colleagues. On his own criteria, he should be removed immediately.

Australian tourism deserves more than a hot-air minister. The tourism satellite accounts of 2000-01 document the importance of tourism to the Australian economy. Tourism accounted for $31.8 billion of total GDP in 2001-02 and 4.7 per cent of GDP. It employs 551,000 people in this country and it has high employment growth. Its exports stand at $17.1 billion in excess of some other sectors of the Australian economy. It is a significant industry to the regional economies of this nation and to the national economy, and one would have thought it would have been treated more seriously than it has been by this government. The government can rush to give assistance to the rural sector, it can give over a billion to the dairy industry, it can give hundreds of millions to the sugar industry and it can develop extensive plans for cars and textiles, but it cannot deliver on a plan for Australian tourism.

The industry is concerned on three levels about this minister’s performance: the promise that he made, the expectations in the industry that he raised and his failure to deliver. He has broken the promise that he made, he has raised expectations at a time of industry crisis and he has failed to deliver on what he said he would deliver to the industry. He made a promise and, like so many other promises of this government, it has fallen by the wayside. I refer to the press release of the minister at the table of 11 February 2002 in which he outlined his pursuit of a 10-year plan; a policy process—a discussion paper, a green paper-white paper process—culminating in the resourcing of a 10-year plan for the industry. He said that the tourism strategy was a top priority and it would be presented to the Prime Minister by December 2002.

He went on to say:

I want to ensure Australian tourism has a five-star future.

You cannot have a five-star future with a one-star minister. You cannot have a five-star future with a one-star, lone-star, minister. He raised the expectations of the industry that he would deliver. His incompetence in this matter is clearly demonstrated in the speeches
that he has made and in the undertakings he has given to this industry. I would like to go to a copy of the Australian Tourism Exporter. Members on this side of the House will see in this publication a photo of the minister at the ATEC conference—and a very good photo it is—and an article in which he says that he is passionate about the plan. ‘I accept responsibility for this document,’ he said, and, ‘I will be accountable.’

We are now calling you to account on the floor of this parliament for what you promised. In the speech that he gave to ATEC, this is what he said:

I never get tired of saying that Australia is one of the best tourism destinations in the world. In fact, I like to describe it as ‘Platinum Australia’.

But, by definition, a platinum destination must meet platinum standards. And that applies to everything across the industry.

That platinum standard applies to the minister and to the commitments the minister has given the industry. You are not a platinum minister; you are a dead lead weight on this industry. Let me refer to the same speech that the minister made. He said:

Where do we want our tourism industry to be in 10 years? What is stopping us from getting there? There is a simple answer: the minister. He proposed to deliver a 10-year plan—a green paper, a white paper, a plan—but he has not delivered it yet. The minister went to the Australian Hotels Association at the National Accommodation Forum in February 2002, and he had this to say:

Unlike some of the plans which have been developed in the past, the strategy must set clear unequivocal targets and have a time frame and process for implementation of the strategy by all stakeholders.

I want to know about your timetable that you announced—you said you would deliver a green paper.

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Corio will address his comments through the chair.

Mr GAVAN O’CONNOR—The minister said he would deliver a green paper in December 2002. He said:

In reviewing past Commonwealth approaches to tourism, I have seen a number of reports and strategies. Some were shelved, others were broad and strategic ... none provided industry and government with clear targets and timetables for achieving those targets. This won’t happen on my watch.

He gave us a target timetable: ‘This won’t happen on my watch.’ He is yet to deliver. We now know some of the internal processes in the Howard government around this particular issue. Members will know that the minister did front with a plan, five months late, to the cabinet. It was an interesting experience. We all know the machinations in the Liberal cabinet. You can tell by the leaks that happen when a cabinet submission goes to the cabinet table and gets thrown out. After 17 months of preparing this grand plan and strategy for the Australian tourism industry, this is what the government’s advisers had to say about it:

A presentation last week by Mr Hockey was largely rejected by several senior ministers because it contained insufficient details about how to fix the $17 billion industry.

After 17 months, he put a submission up that had insufficient detail. But the criticism went on. The guts of the criticism was that the plan was too messy. Pages and pages of submission proposed a grab bag of ideas, with no bottom line costing. This document goes on to say, and this is a good one:

The minister has his own personal style and he likes to put on a show, but at the end of the day you have to say clearly and simply what you want to do, and he did not even come close.
We have a show-pony minister, a hot-air minister, who gets bagged when he puts a late proposal on the cabinet table.

Mr Crean—He’s a shooting star.

Mr GAVAN O’CONNOR—We know he is a shooting star. I will enlighten the House as to how this particular minister blames everybody in the industry for its ills and woes. I have listed no fewer than six major impacts that have adversely affected this particular industry. The minister blames state and territory governments for setting high admission prices for key tourism attractions like Kakadu National Park. The only problem is that it is in your own jurisdiction! Then he blames Australian workers for not taking enough holidays. He ignores the fact that they cannot afford them because of the policies of his government. Then he blames the states and territories because they have wasted valuable resources on creating tourism white elephants such as halls of fame. But who has been financing the halls of fame? The Howard government. He blamed local government because the roads are run down and the tourists will not drive on them. He did not tell us that he sucked $100 million out of road funding to local councils. Now he has given it in the neck to households. He is blaming them for putting extensions on their houses and not taking holidays.

And then—the grandaddy of them all—he sunk the boot into Harvey Norman. He said: ‘It’s all the retailers’ fault. The problems in the tourism industry are all their fault.’ You can play the blame game, Minister, but you have now joined the pantheon of failed Liberal tourism ministers. First we had Andrew ‘I just want to study in America’ Thomson. Then we had Jackie ‘The Ansett collapse is just a blip’ Kelly. Now we have member for North Sydney and Minister for Small Business and Tourism Joe ‘There is no SARS crisis’ Hockey. He is now the new Jackie Kelly of Australian tourism. He neither understands the process of policy development that he has initiated nor understands the industry and what is happening to it.

The minister has a history of having his finger in terrible policy collapses. It would be remiss of me if I did not remind the House of the HIH collapse and the public liability fiasco, because there has been no single issue that has damaged tourism operators more than the high premiums that they have had to pay because of this. Events and adventure tour operators have seen their premiums go up 5,000 per cent courtesy of your negligence. The soft adventure operators and the camping ground, accommodation and transport operators and attractions have seen their premiums go up 300 per cent to 700 per cent.

The Australian Hoteliers Association have seen some of their members’ public liability premiums go up from $11,000 to $31,000, and COSBOA’s members have seen their premiums rise by 200 to 500 per cent. But it does not stop there; there is more—it is like Demtel. He sinks his boot into Harvey Norman and there is the public liability fiasco but, to give you the Demtel, there’s more. There was the Ansett collapse. He was at the ministerial table when that happened, and no other event—

Mr Hockey interjecting—

Mr GAVAN O’CONNOR—If you were not at the table, you were part of the government that presided over the Ansett collapse, which has done enormous damage to Australian tourism. You are the Sergeant Schultz of Australian tourism: ‘I know nothing, I see nothing; I hear no evil, see no evil and speak no evil!’ But you were an avid proponent of the Iraq war, and that particular event has damaged Australian tourism very badly. The member for North Sydney—the
‘gonna’ minister—was a proponent of that war, which of course had great ramifications for the industry.

Mr Hockey—Have you lost your place in your notes?

Mr Gavan O’Connor—No, I have not lost my place; my time is running out. I would move that I be granted an extension of time—but, no, we will get her to bed. Let me conclude on this: if the 10-year plan were in place, the industry would be in a far better position to weather the SARS storm. What the minister has promised he has not delivered. What the industry wanted was a real tourism minister; what they got was a tourist. He has joined the pantheon of failed Liberal tourism ministers. He has taken advantage of this industry and he has played on their hopes for a new deal for the industry. His green paper is green all right. (Time expired)

Mr Hockey (North Sydney—Minister for Small Business and Tourism) (4.09 p.m.)—In the great tradition of Nicolas Baudin, who discovered the west coast of Australia, Matthew Flinders, who discovered part of the coast of Australia, and James Cook, who also discovered part of Australia, we have found today that the Labor Party has discovered tourism in Australia! And we are very grateful for that, because I have not received one question in 18 months from the Labor Party about tourism. Today we heard the member for Corio talk about all the challenges that the tourism industry has had over the last 18 months—challenges fully recognised by this government. The amazing thing is that it has taken 18 months for the opposition to raise the matter in this parliament. Isn’t that shameful? It shows the ‘copy me’ attitude of the Labor Party. There was no new idea that came forward from the member for Corio. I have been waiting with bated breath, as have my colleagues, for the policy suggestion or the initiative in relation to tourism in Australia that would come from the lips of the Labor Party. We are still waiting. When we received 276 submissions in relation to the tourism discussion paper, I leafed through all of them, searching for the one from the Labor Party. ‘The next one must be from the Labor Party,’ I thought, ‘Or the next one or the next one.’ There were 276 submissions and not one from the Labor Party.

This government takes tourism very seriously. This government believes that tourism is one of the sunrise industries of Australia. It holds enormous potential for the growth of jobs, particularly in regional Australia, but, significantly, it is also a great employer of Australians. The facts that the member for Corio mentioned at the beginning of his speech were accurate. It is a shame that I never heard him mention them before he became shadow minister for tourism. I have never heard the Labor Party mention them, nor have I ever, for that matter, heard the member for Hotham, the Leader of the Opposition, talk about tourism—not once. If you ever want to compare and contrast the Labor Party on tourism with the coalition on tourism, the difference could not have been starker than at the recent ATEC—the Australian Tourism Export Council—conference in Perth. There were 700 delegates—all of them doing it pretty tough, because of the recent impact of SARS, in particular—and the Premier of Western Australia cancelled with one hour’s notice his attendance at that conference. When the Prime Minister heard about it, he changed his arrangements in Perth and on short notice went to the 700 delegates and thanked them for what they were doing at this important time. That is the compare and contrast between the attitudes towards tourism of the Labor Party and of the coalition. From the Labor Party, it is no questions for 18 months and a Labor Party leader cancelling with one hour’s notice his attendance at a conference of an industry that is hurting.
The coalition not only has committed additional funds to the tourism industry over the last few months—in particular, the expansion in the marketing campaign for domestic tourism—but, furthermore, is going to deliver over the next few days a blueprint for the future of the tourism industry. That is something that the Labor Party has not even thought of.

The Labor Party never put in place a plan for the future of the tourism industry. The only solution from the Labor Party to the cries of the tourism industry for some leadership and direction was to throw some marketing money at it in 1985. That is the only solution that the Labor Party has ever had. When I became tourism minister, I got a very clear message from the industry. This is an industry that represents a quarter of a million businesses; an industry that represents more than half a million jobs; an industry that represents $17 billion in exports; and an industry that provides opportunities for young people to enter the workforce—in many cases, for the first time—and for older Australians to re-enter the workforce.

The message I got from the tourism industry was: ‘We want to be taken seriously. We don’t want to be consigned to the back lot; we don’t want to be left behind when there is a discussion at the cabinet table about a whole range of issues covering automotive manufacturing or textiles and clothing. We don’t want to be left behind.’ The government have not left it behind, because not only have we put in place a whole range of initiatives over the last 18 months that help the industry to go through the significant challenges that it faces from time to time but, significantly, we have also been working with industry on the plan that is going to help the industry to be better understood by most Australians.

Our commitment was unequivocal. We said that we wanted to have a plan that was going to put in place infrastructure that was going to help the industry to live through the volatility that is going to occur over the next few months and possibly years. The fact is that the Australian tourism industry has never had the sorts of hits it has had over the last 18 months. The Prime Minister has said that, my colleagues here have said that and I have said that, but we have not heard a lot from the Labor Party about it. The Labor Party has never put forward a proposal. The Labor Party has never put forward advice. The Labor Party has never, in fact, made any attempt to contribute to some of the fundamental infrastructure challenges facing the tourism industry. When the member for Cook set up Friends of Tourism—

Mr Gavan O’Connor—He’s a good bloke.

Mr HOCKEY—He is a good bloke—that is exactly right. When the member for Cook set up Friends of Tourism as a way of harnessing the support amongst coalition members for the tourism industry, it became the biggest backbench committee in the government, with 40 members. When the tourism industry was then provided with regular opportunities to explain how it operates, what it does and how it contributes to the Australian community, face to face with 40 members of the coalition every sitting week, there was a general sense of relief amongst the tourism industry because, all of a sudden, they were being taken seriously.

I admired the predecessor of the member for Corio, the former member for Cunningham, Stephen Martin. Stephen Martin was somebody who understood tourism. He was someone who made an effort to go to the tourism industry events and conferences. He was prepared to come over to me and say, ‘Listen, Joe, I want to work with you on the
development of a 10-year plan for the future of the tourism industry.’ He said, ‘I understand the structural challenges that the industry has.’ Stephen Martin said, ‘We are fully aware that now is the time to move forward on a major structural change program for up to five per cent of the Australian economy,’ which tourism is.

When Stephen Martin left this parliament, I did not hear anything. I was sitting by the phone and it never rang; I was opening the mail and never got a letter. I have been trying to run into the member for Corio from time to time—I have not heard from him. I am waiting for the member for Corio to call. There must be some impediment to picking up the phone on the Labor Party side of politics. They do not like picking up the phone. They will not pick up the phone to their leader, let alone pick up the phone to me, so maybe I am being overly hopeful. I am waiting for the member for Corio to make a real contribution to the debate about the future of the tourism industry.

He just spoke for 20 minutes. Not once did he mention the challenge for the tourism industry in relation to statistics and research. Not once did he mention the challenge for the tourism industry in relation to events coordination. Not once did he mention the challenge for the tourism industry in relation to workplace relations. Not once did he mention the challenges for the tourism industry in relation to aviation access. Not once did he mention the challenges for the tourism industry from issues like SARS, from the South-East Asia perspective, or war and the threat of terrorism in relation to other destinations. Not once did he mention the fact that the tourism industry has been working closely, and has been prepared to work closely, with the government in relation to structural change. Not once did he mention the fact that we have offered to work in a bipartisan way to get through structural change, which is not going to be easy for the tourism industry but is vital for the tourism industry, and, most significantly, the tourism industry understands that.

On an issue such as tourism it is easy to play partisan politics. We want the Labor Party to contribute. I think that is what the industry wants. I place on record in this House the fact that the state Labor tourism ministers have never hesitated to pick up the phone to me and say, ‘Joe, we want to work with you on this issue.’ I thank the state tourism ministers for their constructive contribution, particularly in relation to how we manage the perceptions of Australia following the impact of SARS. The ministers have been very constructive. They have worked with us on the See Australia campaign. When we put $2 million of new funds on the table in relation to domestic tourism, the states said, ‘We want to contribute as well.’ That is a new-found way of doing things, isn’t it? It is constructive, impartial and focused on results. That is something that we are focused on, that is something the green paper is focused on, but unfortunately it is not something that the Labor Party is focused on.

We welcome the fact that the Labor Party are now taking some interest in tourism. It has taken so long for them to do so at the federal level. It is no surprise that, when the member for Corio rose to his feet, three-quarters of his colleagues left the chamber—they automatically walked out. It is no surprise at all that the member for Corio even now, as he is sitting here in this chamber, finds that his only friend in the whole world is someone from the Northern Territory who has only a passing interest in tourism. It must be lonely being interested in tourism on the Labor Party side. Why? Because they have never taken it seriously. The member for Hotham was laughing through most of the member for Corio’s speech. Why? Because the attitude is: ‘We consign tourism to the
back lot of policy development in the Labor Party. The Labor Party have never had a real tourism policy. The Labor Party have never had a policy that has real content, real solutions and real funding.

The only time I ever hear the member for Corio mention tourism is when he is complaining about the Ansett levy. And you know what? He is in good company, because we complain about the Ansett levy as well. We want the Ansett levy to go. But there is one small impediment, and that is the legal claim made by the trustees of the union’s superannuation fund. The fact is that the trustees are made up of the member for Corio’s mates in the union movement. The Australian Services Union, as I understand it, represents 50 per cent of the votes of the trustees. On that basis, if the member for Corio is really upset about the Ansett levy, the best way he can solve this is to pick up the phone and call his union mates and say, ‘Hey, fellas, lay off; let’s try to get rid of this Ansett levy. Let’s not leave it to the taxpayers of Australia to try to fund this. Let’s not go on this litigious path in order to make some political point. Why don’t we work together to make sure the Ansett levy comes off?’

On this side of the House we are prepared to do that. The reason that we are prepared to do that is that we have members, such as those behind me today, who are dedicated to standing up for the tourism industry. We are focused on results. When the Labor Party is absent in both thought and initiative and when it just plays lip-service to tourism, not only is it who see through that but also, significantly, the Australian tourism industry sees through that. We believe that the tourism industry is a sunrise industry for Australia. Unfortunately, the Labor Party believes it is a sunset industry, and that is indicated most clearly by the fact that it has taken 18 months for the member for Corio to raise in this place the issue of tourism. Shame on you!

Mr SNOWDON (Lingiari) (4.24 p.m.)—What a colourful performance from the Minister for Small Business and Tourism! I will go to the quote that my colleague the member for Corio used in his contribution—that is, ‘Cabinet rejects Hockey’s tourism rescue plan.’ We want to know, Minister: where is the plan? Instead of the fluff and bubble, give us a bit of detail. What plan have you got for the Australian tourism industry? How can the minister say that the tourism industry support him when it is very clear that they regard him as incompetent and incapable? He is incompetent because he is not able to do it and he is incapable because he cannot get anything through his cabinet colleagues. It is very clear that he has no push with the government frontbenchers.

Do you know what people are calling his 10-year tourism plan? It is perhaps best summarised by the Chairman of the Victorian Tourism Industry Council, John Button. He said:

Hockey’s 10-year tourism plan has been so long coming it’s now called the 8½-year plan for tourism.

No 10-year plan for tourism; it is the 8½-year plan for tourism. I listened carefully for some detail from the minister. What are you actually doing for the tourism industry, Minister? What are you doing about this plan, Minister? What are you doing about the green paper, Minister? The answer is: absolutely naught. But he wants us to believe that somehow or other his government—the government he is part of—is serious about the tourism industry.

We already know of the shocks the tourism industry has had. Let me just talk about Ansett for a moment. I live in a part of Australia where, as a result of the collapse of Ansett, half our daily flights into Central
Australia were cut off. What sort of impact do you think that had on the tourism industry, Minister? What have you done about it? The answer is: absolutely naught. I note that we have the member for Leichhardt here in the chamber. Perhaps he would like to know what tourism operators in North Queensland think of Mr Hockey, the Minister for Small Business and Tourism.

Mr Entsch—I know.

Mr SNOWDON—You do, do you?

Mr Entsch—They think he is an outstanding minister.

Mr SNOWDON—An outstanding minister?

Mr Gavan O’Connor—That’s not what they told me last week.

Mr SNOWDON—On claims by the minister that the industry was not in crisis, the Australian Financial Review on 30 April reported a North Queensland tourism operator as saying:

If it’s not a bloody crisis, what is it?

Here we have a minister who believes that somehow or other he is fooling the tourism industry. He is fooling no-one. He might be fooling a few people on the back bench, but he is not fooling us and he is not fooling the tourism industry. They know their industry is in crisis. They are feeling the direct impacts of the Bali bombing, September 11 and now SARS. The minister has had 18 months to assess and assist regional tourism as a result of these events. What has he done? Apart from the bluff and bluster, he has done absolutely nothing.

In this current budget the government has cut funding to the Australian Tourist Commission from $112.7 million last year to $90 million this year. What influence does this minister have in the cabinet? What influence does this minister have in his shadow ministry—on the ministry, I should say.

Mr Hockey—Shadow ministry?

Mr SNOWDON—That is where you will be shortly, comrade—don’t worry. Let me just talk about the SARS crisis for a moment. Every other country in Australia’s region is launching a massive marketing campaign to boost their tourism industries. As part of a $2.5 billion SARS rescue package, Hong Kong has increased its tourism marketing campaign by $200 million. What have we done, Minister? Singapore has increased tourism marketing by $200 million. What have we done, Minister? Malaysia and Thailand have also increased their marketing budgets. Malaysia’s campaign is now estimated to be worth $430 million this year, while Thailand’s is approximately $280 million. What have we done, Minister? What plan do you have for this industry, Minister?

Governments across the world are being proactive and are intervening to assist the industry hit by the SARS outbreak, the war in Iraq and the increased threat of terrorism that is a result of it. What have we done here? The government has cut the budget of the Australian Tourist Commission by almost $22.7 million. Minister, is that a responsible way to treat an industry that is in crisis, that is wanting some leadership from you as the minister? The minister is leaving the chamber. Go on: leave the chamber, Minister, because that is what you have done to the tourism industry—you have left them. They regard you as irrelevant. You have not done anything to assist them in this time of crisis. You have not produced any new ideas. Where is the long-awaited green paper? It is six months overdue. The minister has been working on it for 17 months—and it goes on and on and on. There is vacillation. The government says to the tourism industry, ‘You’ve got to do more yourselves,’ while at the very same time—

Mr Gavan O’Connor interjecting—
Mr SNOWDON—As my colleague the member for Corio says, the minister blames the Kakadu National Park for its tourism issues. Of course, the entry fees for Kakadu National Park and Uluru, as I know only too well, are set by the Commonwealth. I would like you to know that, for the benefit of the minister, they are contemplating an increase in the fees. Perhaps the minister might like to put his weight behind the view that the budget required to run these parks should be got elsewhere from the outlays of the Commonwealth, because he has done nothing about it. These are icons.

We have heard the minister wax lyrical about the domestic tourism market. Let me talk about the Northern Territory for a moment. It is highly reliant on the international market for visitation. International tourists account for 43 per cent of holiday visitors, compared with the average Australian figure of around 20 per cent. International holiday visitation to the NT last year dropped by 17 per cent compared to the 2001 figure. According to the Northern Territory Tourist Commission, this resulted in a loss to the Territory economy of $33.7 million. What is the minister doing? We know that people are losing their jobs. We know that small businesses are going out. We know that the industry is in crisis. We know that the economy and regional economies such as those of Central Australia are suffering badly because of the lack of leadership, the lack of decision making and the lack of responsibility from this minister and the government. What is he doing about it?

We are supposed to go to our electorates and say that it is all hunky-dory, that this bloke is doing a great job. This bloke is doing a horrible job.

Mr Gavan O’Connor—It’s still coming!

Mr SNOWDON—And so is Christmas. I am looking forward to Christmas because I know that at least then I will have a decent meal, and in 2004 I will still be waiting for this policy.

The industry and the economy cannot wait any longer. Regional economies are suffering—economies like the one in my area of Central Australia where there is a direct impact on the economy and an indirect impact in terms of the multiplier effect, as a result of the cuts and losses that the industry has suffered. If the minister were here, I would say the following to him. You have failed the tourism industry in regional Australia. You have failed to act to protect regional economies from the impact of the downturn in tourism. You have failed to act to protect businesses and jobs in tourism and associated sectors. Families are suffering as a result of your tardiness and failure to act. Minister, when will you finally do something to save the jobs and businesses of those involved in the tourism industry and associated industries in regional Australia? What will you do?

We know that this minister is soft on responding to the loss of businesses in the Australian tourism industry. He is soft on addressing the loss of jobs and security in the tourism industry. He is soft in terms of any understanding of the flow-on effects that the downturn in tourism has caused in regional economies. He is soft in terms of any knowledge or understanding of the effect that the downturn in tourism has had on other industry sectors—for example, the Aboriginal art industry in the Northern Territory, which relies heavily on sales to foreign visitors who
come to the Northern Territory. This national industry is worth around $50 million a year, and these are the poorest Australians.

The minister might be worried about air flights. Occasionally, I hear him talk about it but not often. He has done nothing to assist the regional airlines in northern Australia. He has done nothing to assist the promotion of northern Australia in terms of the tourism industry.

In conclusion, I make this observation: Minister Hockey is also the minister for small business, yet he is sitting back and watching small businesses go out backwards. Minister, they are not going out because of unfair dismissal issues or because of industrial action; they are going out because you have failed them. Your desultory management of the portfolio is a shame on you and a disaster for the Australian tourism industry. Minister, when will you stop being a shameless dilettante and start doing your job?

**Mr BAIRD (Cook) (4.34 p.m.)—** I am very happy to join in the matter of public importance debate today on tourism. Among the important issues that confront Australia today is what is happening in the tourism sector. I have listened with great patience to the member for Corio and the member for Lingiari. The member for Corio gave an impersonation of Max Gillies on speed. It was a great performance, but I doubt whether it will get him the leadership. When I was told the MPI was on, I was unsure of who the shadow minister for tourism was. Looking at the period in which he has been the shadow minister, I cannot recall any statements from him on the industry. The industry is being confronted by some of the most serious crises that have confronted the tourism sector in the entire period that it has been going in Australia. We have had the compounding effects of September 11 and October 12, of the Ansett collapse and of the SARS crisis; and where has the member for Corio been? Totally silent—so silent that I was not sure who the shadow minister for tourism was. He comes up here to attack the Minister for Small Business and Tourism, who is one of the best-performing ministers of tourism that we have seen in this House, without a doubt. Minister Hockey has systematically gone around Australia to talk to all of the major sectors of the tourism industry, and to the small people as well, saying to them: ‘Tell me your problems, tell me the issues that confront you, and let’s talk about how we can solve them together.’

I have a background in tourism, having been, firstly, Minister for Tourism and Roads in New South Wales and then Managing Director of the Tourism Council. In those roles, I had the opportunity to watch a whole number of Labor tourism ministers. John Brown did a good job in the 1980s, but since that time there has been a conga-line of incompetents, whose main interests have been cutting the ribbon at the opening of a new tourism show and going around the five-star resorts of Australia. I saw one who was at a conference on Hayman Island and was enjoying all the trappings of his position and his five-star suite; he loved it. But, if you went through the track record of what he achieved during that time, you would see that it was a big fat zero.

This minister, by comparison, has got the runs on the board. He has actually achieved some significant gains for the tourism industry, not the least of which is the See Australia campaign. If you look at the Labor Party, you can say, ‘Well, you’ve focused on the international part,’ which of course is important and brings a lot of foreign exchange earnings—some $17 billion—into Australia. That is why we should look after it. That is why we have a green paper. That is why this government is committed to tourism. But if we look at the See Australia program, it did
not exist under Labor. It took this government to develop the See Australia program. It is now worth $7 million a year under this minister. Under the previous Labor government it did not exist. It was not there. And, of course, it has received an input of a further $2 million. The result is that we have got a whole program encouraging Australians to see their own country. We have seen the benefits of that on the Gold Coast, on the Sunshine Coast, up in the Cairns area, down in regional Victoria and across in the Margaret River area. People are travelling around Australia as a result of this government’s— and, of course, this minister’s—initiative.

And regarding the green paper, don’t those opposite whip themselves into a lather saying ‘Where is it?’ It is late for a short period of time, and they go into a frenzy: ‘It’s not coming. We haven’t seen it; it mustn’t be there. They’ve tricked us; they’ve fooled us. It’s not going to happen.’ Of course, the member for Corio would love it not to appear, but we know he is going to have egg all over his face in terms of the green paper. The person who will be turning green is the member for Corio, because he will be pea green with envy as he sees what this government and this minister have done.

I have had the advantage of seeing some of the green paper and it is a very impressive document I have to say. It goes through the various sectors and it does that on a statistical basis—what has been happening in every sector. It goes through what can happen to business tourism, what can happen to ecotourism, what can happen in terms of students coming to Australia, what impediments are facing the industry, what we need to do in terms of visas and what we need to do in the restaurant sector, the camping and caravan sector, the outdoor sector, the five-star sector and the hotel sector.

Under Labor, they would party all year and love everything that tourism had to offer. Light beams and laser shows were all you got from the Labor Party as they siphoned off some of that ATC money to promote their minister. Away they would go on junkets overseas. They would take their local shows around Australia as travelling roadshows. They all enjoyed it; they all did it. The main role of their tourism minister was simply to produce that figure for the ATC each year. After that, it was all over. Never mind whether there were structural problems, whether there was infrastructure that needed to be built, whether there were problems with the visa to come to Australia—no matter what it was, they did not want to know about that. It was a matter of just ‘Roll on the good times, turn on the laser beams and light shows, and let’s get in and party—and I’m sure the industry will take care of itself.’

Of course, that has been part of the problem: attracting new investment into the industry. What are we going to do about that? Was that ever raised as a question in the House? Have we heard the member for Corio or the member for Lingiari, for example, ask one question about those issues? Because one of the serious issues confronting the industry right now is the attraction of new investment into the industry, particularly into the hotel sector where we have occupancy rates falling quite significantly as a result of SARS. The average occupancy of hotels in Sydney right now has fallen to approximately 50 per cent across the board—as an average. Some of the major five-stars have seen their own rates plummet from 90 per cent to a figure well into the sixties. So they are all concerned. Some are even threatened in terms of their financial viability. Restaurants are going out of business. We have had the announcement in the Sydney Morning Herald today of two key restaurants in Sydney—the Cadmus Restaurant and the Banc
Restaurant—that have gone out of business. They have named the SARS crisis as one of the reasons that that has happened. Trying to get new investment into the industry and the structural problems that exist are issues that the minister has been involved in and they are issues that are addressed in the green paper. It is a very impressive document.

Despite the claims of the member for Corio that the minister has had trouble, I spoke to one of the very senior members of cabinet, who said on this very day how impressed he was with the document and how he thought that it presented a very favourable way forward for the industry and created a blueprint for the future. All that these people opposite can do is knock—knock, knock, knock. They are not interested in any blueprint. They are not interested in the green paper. All they are interested in is to somehow fill in the MPI days. If they were seriously interested, they would have asked the serious questions before about what is happening to the industry and what we can do together to try to solve the problems.

The fact is that they have got no answers, no solutions, no hope and, of course, no leader. It is not surprising that they are rudderless in terms of management of the economy; they are rudderless in terms of all the key issues—education and health—and they are also rudderless in terms of tourism. They have got no idea where to go. This government has got the ideas. It has done the hard yards. It has been around Australia, in the capital cities, in regional Australia, in rural Australia, out to the operators, out to the restaurateurs, talking to them about what their problems are and coming up with possible solutions and looking at what needs to be done in the future to revive this very important industry—a great creator of jobs not only for young people but across the board. I regard this motion as a total nonsense. (Time expired)
invite government backbenchers that want a US style health system in Australia—a system that caters only for those who can bear the astronomical costs of private health—to move to the United States and discover it for themselves.

This year’s budget shows that the Howard government is withdrawing funding for public hospitals already in the forward estimates to fund its Medicare package. Instead of recognising the pressure that they are under—the pressure the government is contributing to—its only answer is to withdraw a further $918 million over four years from our public hospitals. Quite frankly, that is outrageous.

The government’s Medicare reforms are a lifelong political ambition come true for the Prime Minister: that is, the destruction of Medicare and the end of bulk-billing for Australian families. They are an end to effective insurance for everyone visiting the doctor. That will be replaced by a two-tier system and user pays; there will be a safety net for pensioners and the poor, while most working Australians will pay, and pay more, for their health care.

We all remember that in the 1980s the member for Bennelong said Medicare was a ‘miserable, cruel fraud’. He also said it was ‘a total disaster’ and he threatened to ‘pull Medicare right apart’ and to ‘get rid of the bulk-billing system’. The member for Bennelong’s 1987 formal election commitment stated:

Bulk-billing will not be permitted for anyone except pensioners and the disadvantaged. Doctors will be free to charge whatever fees they choose.

In 1996 the Prime Minister made a litany of infamous ‘never ever’ speeches, including one where he said:

We’re not going to contemplate altering the universality of Medicare. I mean, that is fundamental, and we’re also going to keep bulk-billing... We guarantee the retention of bulk-billing.

Now the Prime Minister is trying to implement his 1987 commitment to destroy Medicare, robbing most Australians of access to universal, affordable health care.

The Howard government has undermined Medicare from day one. Since 1996, the rate of bulk-billing by doctors has fallen by 11 per cent. Across Australia, only 69.6 per cent of doctor visits are bulk-billed, down from 80.6 per cent, and the average cost of seeing a doctor who does not bulk-bill has risen by almost 55 per cent. That is scandalous too.

The Liberal Party and the National Party now want families earning more than $32,000 a year to be denied access to a doctor that bulk-bills. That means Medicare will become an Americanised two-tier and user-pays health system where only pensioner concession card holders or health care card holders can be bulk-billed, forcing millions of Australian working families to pay more when they visit the doctor. This plan will not stop the alarming decline in the number of bulk-billing doctors in electorates where their levels are already low. Moreover, in electorates like my electorate of Lowe, where 93 per cent of doctors presently bulk-bill, it means most working Australian families will soon pay three times for their health care: once by paying a Medicare levy; twice by purchasing private health insurance; and then, for a third time, when they are slugged $20 or more every time they, their kids or a family member need a doctor.

Another damaging consequence, obvious to everyone except apparently the Prime Minister, is that many parents will have no choice but to take their sick children to our already stretched public hospital emergency rooms. Working families should not be forced to make decisions about the health of their children based on their ability to pay. Not content with hitting working families with the highest level of taxation in Austra-
lia’s history, the government’s plan will ensure families pay more and more for their health care as doctors’ up-front fees inevitably rise.

Not satisfied with forcing Australians earning between $30,000 and $50,000 to pay $20 every time they go to the doctor, the government also wants Australians to pay an extra $5.50 every time they buy essential medicines in the form of the Pharmaceutical Benefits Scheme copayment. Australians understand that the principal objective of the PBS is to ensure equitable access to necessary and lifesaving medicines at an affordable price. Any change to the scheme should not compromise this objective. Copayments should not be used as a mechanism for containing demand on prescription medicines subsidised under the PBS or as a strategy for increasing revenue for the PBS. Shamefully, the government saves money on the PBS when the copayment is increased, because many low- and middle-income Australians and pensioners stop filling their prescriptions.

The government’s own analysis indicates that over 5½ million prescriptions for pensioners and Australians under financial pressure will not be taken up. If people do not take up their scripts, they ultimately end up in the emergency rooms of public hospitals at far greater expense to the taxpayer. Australians are entitled to know how highly the government value their PBS and their access to essential medicines. The government value the PBS so highly that they are secretly trying to trade away this critical aspect of our public health system by keeping the PBS on the negotiating table for the US-Australia free trade agreement. Opponents of this outrageous development include the Pharmacy Guild. If the Howard government cave in to the big US pharmaceutical companies and negotiate away the PBS in the free trade agreement, prescription prices could rise by 90 per cent for hardworking Australian families. This is a plan for higher prescription prices by the back door.

I will continue my campaign in this House to fight for the patients and the families of my electorate of Lowe for one simple reason: basic health care should never be about someone’s ability to pay. That is why Labor built Medicare. Only Labor believes in Medicare and only Labor will save Australia’s world renowned universal health system from this disgraceful attack by this government. The people of Australia have had a gutful. (Time expired)

Mr NEVILLE (Hinkler) (4.53 p.m.)—I will commence my remarks in this second reading debate on the Health Care (Appropriation) Amendment Bill 2003 by saying that, much as I respect the member for Lowe—and he is a mate of mine in this place—there was one glaring inaccuracy in his speech. That was when he said that the government was trying to deprive people earning above $32,000 a year access to bulk-billing. Nothing in our budget papers or anything to do with Medicare has ever suggested that. In fact, one could argue that making it more accessible for people on lower incomes will be an encouragement for some doctors to bulk-bill right through their practices. I just do not know where he got that idea from.

In addressing this Health Care (Appropriation) Amendment Bill 2003 today, I will commence by saying that, in the Australian health care agreement running from 2003-08, the Commonwealth has put on the table $42 billion for Australia’s public hospitals. The member for Lowe may not recognise this. He talks about $900 million being withdrawn. That is an increase of $10 billion over the previous agreement—or the equivalent of 17 per cent, in real terms, of Commonwealth funding. Queensland alone stands to gain
$2.1 billion under the 2003-08 health care agreement, bringing the state’s total allocation to around $8 billion during the term of the agreement.

What I find staggering is not the increase in allocation from the Commonwealth, nor the fact that it represents a significant real increase in our commitment, but the fact that not one member of the Queensland government—not the Premier and not the health minister—will confirm what Queensland is prepared to do to match the Commonwealth’s increased funding. They run away from this concept at every twist and turn because they know it exposes their diminishing contribution to health care. I find it an incredible situation that the Premier, who has openly described this health care agreement as a ‘bloody disgrace’, refuses to state his own commitment to providing adequate funding out of his own state coffers. And yet here we have a government which fails to support its own health system to the tune of the national average. Don’t take my word for it; just ask the Queensland Nurses Union. They raised this matter in a submission to the Senate Community Affairs References Committee inquiry into public hospital funding in 1999. The QNU put it on record that Queensland’s health expenditure was the lowest in the nation during the mid-1990s. In fact, in 1996-97 Queensland outlaid just $595 per capita for health, while the national average was $660.

Queensland’s ongoing neglect of public health services is further reinforced by the latest figures from the Australian Institute of Health and Welfare, which show that the state and territory share of total health funding fell from 47.2 per cent in 1997-98 to 43.4 per cent in the year 2000-01. Bear in mind that these are all Labor governments. The Commonwealth share has risen from 45.2 per cent to 48.1 per cent over the same period. So it must be pretty obvious to the member for Lowe and to the apparatchiks of the Queensland government that the Commonwealth contribution in relative terms is increasing, not decreasing.

Mr Beattie has the audacity to call the funding contained in the new health care agreement a ‘bloody disgrace’. If Mr Beattie is so concerned about the shortfall in funding, it is within his power to allocate some of the state’s GST revenue to bolster the state’s public hospital system. And there I point out that Queensland is the first state, after the adjustments that had to be made to accommodate the Democrat amendments in the GST, to get into positive territory with the GST, and over the next three years it will do rather well out of the GST. It will be very interesting to see if they put some of that back into health. I will come back to the GST a little later in my contribution, but it is a point that deserves further discussion in the context of this legislation.

Let us instead look at some of the finer details of health service delivery within the states and some of the utter rubbish that we have heard both from those states and in this chamber today. One particular item which has been bandied about as a political football is the previous Commonwealth Dental Health Program. It seems to have slipped some people’s minds that dental health was always something accepted as a state responsibility. In fact, for 98 of the 102 years of Federation, this has always been a wholly state responsibility. The four-year Commonwealth Dental Health Program was introduced by the Keating government in 1994 and was designed to deal with a backlog of dental problems—a catch-up, if you like, to help the states get ahead of them. Labor never intended to continue this program if elected. It was not anywhere in its forward estimates.
The coalition did not terminate the program when it came to office in 1996, as some would have you believe and as some of the contributions to this debate would sleazily suggest. We completed the program, and it was a one-off program. It was not terminated as a program, as such. Perhaps the states’ comment on the dental health program is indicative of their attitude towards health service provision overall: they want the extra money provided by the GST, but in turn they want the Commonwealth to pick up the bill for various items. I remember that not so long ago we funded—as we should have done—a mammography program with the states, fifty-fifty. It was interesting that Queensland was the last state off the mark on that.

The Queensland state government cannot have it both ways. This double standard, peddled by the state government, also carries over to the relief that the 30 per cent private health insurance rebate provides for the public hospital system. By encouraging people to be proactive in managing their own health care, the Commonwealth has created a better balance between the public and private health care systems, and this has produced tangible results. For the first time in the history of Medicare, between 1999-2000 and 2000-01, public hospitals actually treated fewer patients—down by 4,591. This is attributable to more attractive private health care cover. Imagine the burden that this has lifted from the public hospital system and the burden that would be reimposed on the public health system if we were to follow what Labor has proposed in the House today.

This system that the government have put in place has reduced national public hospital expenditure to the tune of $3 billion in 2001-02, but we do not hear the states acknowledging that fact—no fear we don’t; not one word of it. In fact, in 2003 the coalition government will invest over $30 billion in the health care system. That is nearly twice as much as Labor spent in its last year of government—a mere $16 billion. You do not need to be an economist to know that that is way in advance of inflation or CPI. In other words, there has been a real increase in funding to health.

Our government is working to keep the ideal of free universal health care in Australian public hospital services alive and well. We have done this by focusing on the three original pillars of Medicare: the free hospital service—and I have just talked about what we have put into that; Medicare payments to all Australians attending general practitioner services—whether by bulk-billing or by copayment, the contribution remains the same; and the pharmaceutical benefits scheme, or the PBS as we know it.

Subsidising the cost of pharmaceuticals is one of the most effective, tangible health programs in place. I acknowledge that the ALP put this system in place originally, but disingenuously in the debate today none of the speakers mentioned that the ALP also introduced the copayment. The ALP put the copayment in place because they knew it was necessary to maintain the health system. I do not want to see the copayment go up to $28.60. I do not want to pay $28.60 for my scripts, and I do not want to see pensioners or low-income earners paying $4.60. But I recognise that, if we do not do something like that, we are going to be in a very difficult situation.

I am appalled by the way in which the opposition and the minor parties have colluded in the Senate to block passage of this reform to the PBS system to ensure its long-term viability. If the PBS system collapses, there is no doubt that it will have a staggering impact on Australians who rely on prescription medication for their health. Why on earth would this motley crew in opposition object
to responsible measures proposed by a government that has a proven track record of economic responsibility and a desire to maintain the PBS system? I think they all know deep down that we have to increase the copayment for the PBS. You cannot have a system that is increasing by a rate of 14 per cent per year and then blindly turn away from the reality of the increased costs.

Interestingly, I have in front of me a table listing the cost of just some of the drugs that are available today—even if you were paying the higher copayment of $28.60 instead of the $22.40 or $4.60 instead of the $3.60 copayment: lipex costs nearly $61; losec, for peptic ulcers, costs $64; celebrex costs $46; zyprexa, for schizophrenia, costs $219; zyban, for nicotine addition, costs $249; humulin, for diabetes, costs $189; and, zoladex, for prostate and breast cancer, costs $726. These are all new drugs. Most of them have come onto the PBS list since this government took office. We have been generous in adding these new drugs to the list—and the few drugs that have been dropped from the list are readily available across the counter—otherwise, very few of these drugs would have been available.

If we want to continue to have these high-quality drugs available but at comparatively low cost, compared with their real cost to the taxpayer, we will have to do something about the copayment. There is not one shadow of doubt in my mind that, in the unlikely event of the ALP winning the next election, they would increase that copayment, because they know the importance of maintaining that system. From 1990-91 to 2001-02, the PBS went from $1 billion to $5 billion and the copayment scarcely moved, and that is just not sustainable. I am prepared to go out and tell that to the people in my electorate, and I am prepared to defend it, because I do not want it to come to the point where we start dropping lifesaving drugs from that PBS list. By 2040—if you want to look ahead at what medicine is likely to cost—we will be paying $60 billion for our prescription drugs. If we do not have a PBS system, there will be a lot of people missing out. This government has kept consumers’ medication costs the lowest in the developed world. That has been proven by the Productivity Commission’s report of 2001. In fact, apart from annual indexation, PBS copayments for consumers have not risen since 1996-97. If only those who oppose this government had such a strong track record of keeping costs and services on track. In fact, state governments around Australia have got rid of around 14,000 public hospital beds over the last decade. The once-proud free hospital scheme, supported by both ALP and coalition Queensland governments—up to the Whitlam era, I might add—also provided an outpatient GP service at all hospitals. But the ALP have been slowly closing these down, often in the face of fierce public opposition. The final analysis shows that all they are doing is cost shifting that small component of public-operated outpatient services from their own system to the Commonwealth’s. There has been no consideration whatsoever of the patients or the people they profess to represent politically.

Let us look at the revenue which GST alone brings into Queensland—if you like, as a counterbalance for this cost shifting. Between 2000 and 2002, Queensland received around $10 billion in GST payments from the Commonwealth. The Queensland government seem to conveniently forget about the GST revenue they receive from the Commonwealth. They carp about the funding cuts from the Commonwealth government in terms of housing and health but fail to acknowledge their swelling bank accounts, courtesy of the Australian taxpayer. The former Queensland Treasurer, David Hamill, was not shy about this fact. He certainly ap-
preciated the impact of the GST on the state’s coffers. As state Treasurer, Mr Hamill wrote to the federal Treasurer, Peter Costello, in January 2000 urging him not to grant exemptions from the GST. He said:

Broadening the existing list of GST-free items has the potential to adversely impact on the quantum of GST revenues that are available ... for the delivery of core services.

He knew the truth of it; the opposition in this parliament knows the truth of it. Let me conclude with a little example from my own electorate. Miriam Vale shire, which stands between Bundaberg and Gladstone in my electorate, is the fastest-growing shire in Queensland, but it is very much undeveloped in terms of community services. It does not have a hospital, and doctors come and go infrequently. There are now about 6,000 people in the shire. After a health study conducted by the Bundaberg and District Division of General Practice, we were able to convince the former health minister, Dr Wooldridge, to grant a $2 million three-year program to put health services into the shire. It was the responsibility of the Queensland state government, pure and simple.

We tried to get that scheme going and, in the meantime, a doctor who left town left a very good surgery and house in place, which we tried to purchase. We could not purchase it out of the $2 million because that was for recurrent expenditure. We thought that the state government would at least provide the headquarters for this work, but nothing happened. Then my state colleague the Labor member for Burnett gave a speech in parliament in which he pledged $600,000 for a community health centre. When the Miriam Vale Shire Council approached the state government through its Bundaberg headquarters to find out when the $600,000 would be available, they were told it knew nothing about it. I then called on him. I said, ‘Trevor, when are we going to get this money so that we can get on with delivering these health services?’ He seemed particularly uncomfortable. He said, ‘Paul, the truth of the matter is we were hoping you would provide $500,000 of that $600,000 under Regional Solutions.’

So the Queensland government not only got a bonus of $2 million being delivered by the Miriam Vale Shire Council in its shire, but the state government even had the cheek to come back and expect us to fund $500,000 of the $600,000 that would have gone into putting the headquarters in place. Fortunately, the Miriam Vale Shire Council had the good sense to lease a property out of its recurrent expenditure. It took an option over that to purchase it in the first 12 months. As you know, the real estate boom hit about 18 months ago and that property became very valuable. They exercised the option, with some help from Minister Tuckey under Regional Solutions—he gave a grant of $150,000—and now the whole health service in the Miriam Vale shire is not delivered by the state government but by the shire council; yet it is the responsibility and in the purview of the state government. That is an example at grassroots level of the appalling record of the Queensland government, its lack of concern for people on the ground and its lack of ability to master its resources to give all the citizens of Queensland a fair and equitable go.

Mr Gibbons (Bendigo) (5.13 p.m.)—

The debate on the Health Care (Appropriation) Amendment Bill 2003 has shown just how sensitive those opposite are as a result of the substantial changes the Howard government is proposing to the nation’s health system with this bill. Government speaker after government speaker has launched scathing attacks on the health policies of state governments in order to deflect attention away from the outrageous proposals in this bill, which has the potential to trigger the
ultimate demise of the best health system in the world. We always know on this side of the House when we have those opposite on the back foot. They always indulge in either the time-honoured Tory tradition of trade union bashing or the equally time-honoured Tory tradition—in the best Yes, Minister fashion—of blaming the states and everyone else for their own shortcomings.

It is not the state governments that are attempting to decimate the current Medicare system so that it will be just for those who cannot afford appropriate health care. It is a return to the Prime Minister’s longstanding public policy view of the 1980s when he said that he wanted to ‘tear Medicare apart’, that bulk-billing should be restricted to the disadvantaged and that doctors should be free to charge everyone else what they like.

These changes to Medicare can mean only one thing—a two-tiered, user-pays health system under which Australian families will pay more for visits to the doctor. Distortion of the facts and attempts to create a diversion by inappropriately blaming the states for problems with the nation’s health system—problems that these proposals will worsen—will not convince Australians that their health needs will be enhanced by ultimately destroying Medicare. The changes proposed in this bill are partly funded by pulling out over $900 million from a public hospital system already under severe financial pressure directly as a result of the Howard government’s policies. Under this government’s proposal, doctors will be given financial incentives to bulk-bill concession card holders—which is, in reality, a de facto means test—and they will be given the green light to charge higher fees for everyone else.

Australian families with two kids that earn more than $32,300 a year are not eligible for a concession card. For them bulk-billing will end and when they visit the GP they will definitely be asked to pay more. This will impact most severely in my electorate of Bendigo, which has a median weekly family income of just $736. Compare this with the Prime Minister’s electorate of Bennelong, which has a median weekly family income of $1,300, and the Treasurer’s electorate of Higgins, which has a median weekly family income of $1,570. You can see why they are so out of touch with the health needs of low-income families.

To add insult to injury, central Victoria is not getting a fair go in the delivery of Commonwealth health services. We have campaigned now for almost two years for a Commonwealth licence for an MRI facility at Bendigo, and the Howard government has so far refused to allocate the licence. Bendigo has the fourth-lowest level of bulk-billing of all the federal electorates in Victoria, yet it has the third-highest increase in out-of-pocket expenses for seeing a doctor. In Bendigo last year just 48 per cent of services were bulk-billed, but the increased costs for seeing a doctor rose by 25.7 per cent. The large number of veterans in central Victoria are finding it increasingly difficult to afford to see a GP, because most GPs find it necessary to charge a fee over and above the veterans’ gold card entitlement.

A central plank of the government’s Medicare package is the introduction of two incentives for doctors to bulk-bill concession card holders. The first incentive is a payment of up to $20,000 for bulk-billing patients with concession cards. The second incentive is the promise that doctors will be able to bill Medicare directly for all their other patients and charge patients a fee on top of that—a practice that I understand is currently unlawful. If this were so convenient, why is it only being held out as a carrot for those doctors who agree to bulk-bill those with concession cards? It has not been introduced across the board. It is there simply as a financial incen-
tive for doctors to bulk-bill concession card holders by making it easier to charge everyone else more than they are already paying today. It will make it easier for those doctors who currently bulk-bill Australian families to start charging them copayments for the first time. For doctors who are already charging private fees rather than bulk-billing, it will be much easier for them to increase their fee from $20 to $25 than, for example, to increase it from $45 to $50.

Since Medicare was introduced, doctors have never been allowed to bill Medicare as well as charging patients directly for the same service. This has helped maintain bulk-billing and helped to keep doctors’ fees reasonable. The fact that the package includes a new safety net for concession card holders and a new capacity for others to insure privately for medical expenses over $1,000 is an admission that costs will rise. Apart from being inflationary, this new capacity to privately insure against doctors’ fees is the real thin edge of the wedge for the Americanisation of our health system. The Australian Medical Association, the Royal Australian College of General Practitioners, the divisions of general practice and the Rural Doctors Association—these organisations are normally not widely renowned for their radical views—formally met to assess the government’s package and concluded that the package did not adequately address the issues of access and affordability and warned it would bring about a two-tiered system of care.

The fundamental principle underlying Medicare is that health services should be available according to medical need, not a patient’s capacity to pay. Medicare is a system of health care for everyone, not a welfare system for some while everyone else pays their own way. If in the future bulk-billing is only effectively available for pensioners and the poor, it is only a matter of time before someone makes the suggestion that our public hospitals should only be free for pensioners and the poor as well, as John Howard himself did in the 1980s. Medicare and bulk-billing are not dead but they do desperately need to have life breathed back into them.

It will not be easy to turn around in a short time what John Howard has run down in seven years. If Medicare is to be preserved and bulk-billing restored, Australians first of all need a government that is committed to Medicare and to bulk-billing rather than the Howard government’s pure ideological commitment to destroying the current system. The solution will require a combination of policy approaches including targeted increases in remuneration for GPs, supporting sensible medical work force measures and making general practice sustainable and attractive again.

When Labor was last in power, bulk-billing by GPs was at a high of more than 80 per cent, and there is no reason why we cannot get it back there again. In fact opposition leader Simon Crean has announced a comprehensive policy that will save Medicare with a $1.9 billion package to reverse the collapse in bulk-billing by lifting the patient rebate for bulk-billing for all Australians, no matter where they live or how much they earn. Labor will immediately lift the Medicare patient rebate for all bulk-billed consultations to 95 per cent of the schedule fee—an average increase of $3.35 per consultation—and subsequently lift the Medicare patient rebate for all bulk-billed consultations to 100 per cent of the schedule fee—an average increase of $5 per consultation. In addition, Labor will offer powerful financial incentives to doctors not only to keep treating their patients without additional cost but to extend bulk-billing, especially in outer metropolitan and regional areas where the collapse in bulk-billing is hurting families most.
Doctors in metropolitan areas will receive an additional $7,500 each year for bulk-billing 80 per cent or more of their patients. Doctors in outer metropolitan areas and major regional centres will receive an additional $15,000 each year for bulk-billing 75 per cent or more of their patients.

Lifting the patient rebate and introducing financial incentives for bulk-billing will help stem the current dramatic decline in bulk-billing and act to make bulk-billing available to more Australian families. Under John Howard, bulk-billing by GPs has declined by more than 12 percentage points, from a high of 80.6 per cent to a low of 68.5 per cent at this particular time. By offering GPs a significant increase in the Medicare rebate and powerful financial incentives to meet bulk-billing targets, Labor will restore bulk-billing to respectable levels again. These measures are the first step towards Labor’s objective of lifting the average national rate of bulk-billing back to 80 per cent or more.

John Howard is destroying Medicare, leading us down the road to an American style two-tier health system where, instead of your Medicare card, you need your credit card. Bulk-billing rose every year under Labor and has fallen every year under the Howard government. The decline in bulk-billing is denying families access to affordable health care and forcing them to pay more and more to see a doctor, despite the fact that Australians have paid for Medicare through their taxes and their Medicare levies for nearly 20 years. In conclusion, let me say that Medicare is the world’s best health care system. Labor created Medicare; Labor will fight for Medicare. Medicare makes sound economic sense, but John Howard is destroying Medicare. Only a Labor government will save Medicare.

Ms HALL (Shortland) (5.23 p.m.)—As I stand in this parliament tonight, I am really overwhelmed by the importance of the Health Care (Appropriation) Amendment Bill 2003. This legislation is about making sure that all Australians can access health services. It is about properly funding our health system and, unfortunately, the government have really let the Australian people down. I will document some of how they have done that as I move through my speech. This bill provides the legislative authority for the Commonwealth to continue making payments to the states as well as for a number of changes to the Health Care (Appropriation) Act 1998 which relate to the grants of financial assistance under the Australian health care agreements. All the changes are to the functioning of our health system.

Unfortunately for the people of Australia, we have a government who do not support Medicare or the right of all Australians to access a quality health care system where every person has equal access to every health service. The Howard government have moved to demolish Medicare and to change it to a two-tier system similar to the one that operates in the United States—a system that has proved to be both costly and inequitable. Medicare, as it operates in Australia, provides the same service to a pensioner in Swansea, a worker from Belmont, a veteran from Toukley or a family from Lake Haven as it does to a company director from the eastern suburbs of Sydney. We on this side of the parliament believe that access to health care and health care services should be determined by a person’s health care needs and not by their ability to pay for health care or the service that they need.

The Howard government are philosophically opposed to Medicare and have been vigilant in their campaign to undermine and destroy it. Prime Minister Howard and his government believe that Australians should get the level of health care and the quality of health and medical care for which they are
prepared to pay and not the level of health care they need. Labor believe services should be determined by need, whilst the government believe services should be determined by the ability to pay. That is a big difference, and it really shows the difference between the two sides in this parliament. One side, the government, say that you can get the best possible health care available provided you are willing to pay. We say that the health care you get should be determined by your need.

It is because of this philosophy of the government that bulk-billing has declined under the Howard government. The Howard government have had absolutely no commitment to bulk-billing for all Australians. When the Labor Party introduced Medicare, the rate of bulk-billing went up every year. Since the Howard government have been in power, it has declined from 80.6 per cent to 68.5 per cent Australia wide. I think that is an indictment. It shows you the philosophical bent of the government and the direction in which they want to take health care in Australia.

In the electorate of Shortland, the level of bulk-billing is 53.4 per cent. That has come down from 71.1 per cent in the last two years—a decline of 17.7 per cent.

Ms Ellis—That is absolutely outrageous.

Ms HALL—That is an absolute disgrace, and the member for Canberra agrees. I look at the electorates around me, and in the Hunter there have been similar declines. Then I look at the Central Coast. In Robertson, the level of bulk-billing is now 59.8 per cent. It has come down from 77 per cent—a decline of 17.2 per cent. In Dobell, bulk-billing is down to 59.1 per cent from 78.9 per cent—a decline of 19.8 per cent. When I then look at the list of speakers for this very important debate, I find that neither the member for Robertson nor the member for Dobell is listed to argue for more health care dollars.

I will be concentrating to a large extent on the problems that we face on the Central Coast, because there are enormous health issues there with the decline in bulk-billing and access to medical services, and the failure to address these problems. I conducted a survey at the end of last year and the beginning of this year, and I asked people to rank in order of importance the issues that were most important to them. The top three items for 70 per cent of all people in the Shortland electorate were: being able to see a doctor when you needed to, having Medicare in its current form and being able to access bulk-billing. Seventy per cent of all the people who answered that survey—and over 2,500 people responded—ranked those items in the top three. I think that really shows the feeling of the people in the electorate.

Unfortunately the government has not listened to the voice of the people in Shortland, who have been coming to me constantly and telling me how important these issues are. I have on many occasions in this House raised these issues and brought to the attention of members the fact that we have a crisis in bulk-billing and a crisis in doctor shortages in the area—which I will talk about a little later. Because of that crisis, I decided that we really needed to do something about it at a local level. We have had a series of meetings within the Shortland electorate in recent times, and over 1,000 people have attended those meetings.

At a meeting that was held on 8 May—and the Leader of the Opposition actually attended that meeting—the following motion was passed:

This public rally held at Halekulani bowling club on 8th May 2003 condemns the Federal Health Minister Kay Patterson for her cowardice, in her failure to sit down to negotiate with State Health Ministers regarding funding for their health systems and the maintaining of Medicare in its original form, to ease the burden on the public
hospital system, of which will not cope with the Howard Governments proposed changes that are aimed at the dismantling of Medicare.

Further this rally demands that the $2.5 Billion dollars given to private health annually, be channelled back into the public health system, where all Australians will get the free treatment paid for in the Medicare Tax levy. This rally condemns the Them and Us mentality, that this arrogant Federal Government holds for the people of Australia.

There were 350 people at that meeting and this motion was passed unanimously. The Liberal candidate who ran against me in the last federal election was also present, and he supported the motion. When I put to the meeting, ‘Is this motion unanimous?’ they all agreed. Maybe the Liberal Party needs to talk to some of its own members, because they are supporting this motion also. I have 518 letters from concerned residents within the Shortland electorate condemning the government and asking for some action to save Medicare. I would like to table these letters as part of my speech, and I seek leave to do so.

Leave granted.

Ms HALL—I thank the House. I think those letters are very important, because they are the voice of the people I represent in this parliament. They say it in a way that is even stronger than when I say it.

The failure to bulk-bill has led to enormous problems within my area. The accident and emergency departments of both the hospitals that service the area are overworked and waiting times are increasing because people cannot afford to go to the doctor. People have to make the choice between seeing the doctor and putting food on the table. From the Central Coast to Sydney the train costs $2.20 return. Pensioners are travelling to Sydney to see a doctor who bulk-bills rather than going to their local doctor, who charges them a difference of somewhere between $5 and $13. It is a very sorry state of affairs when pensioners are prepared to spend three hours on a train to get medical treatment at a price they can afford.

The government needs to look very carefully at what it is doing to the people of Australia. The government’s failure to cater for the health care needs of the people of the Shortland electorate has manifested itself in many ways. We had the closure of the Medicare office at Belmont and, coupled with the fact that doctors are not bulk-billing, pensioners and families have to travel quite a distance to even get a rebate. Very few doctors are bulk-billing even elderly patients, and that includes pensioners. Most doctors—as I just mentioned—charge pensioners between $5 and $13.

This is exacerbated by the enormous doctor shortage that exists on the Central Coast. People have to wait for between seven and 14 days to get an appointment with their doctor. In the last four years the number of GPs on the Central Coast has declined from 310 to 253, and it is expected that in the next five years there will be a further decline of 30 per cent. I thought it only right that I share with the House the ratios of people to doctors on the Central Coast. For the whole of the Wyong shire area, it works out at somewhere around 1,000 to 2,000 people per doctor. For the area of Doyalson-Blue Haven-San Remo—that is, an area of about 6,000 people—there is not one doctor. I find that very disturbing. I think it has enormous health implications. I really feel that, unless something is done soon, we will be facing a catastrophe in that area. There is a similar situation when you put Charmhaven in with those other areas as well.

I have a print out here from the Central Coast Division of General Practice. There is an interesting figure that shows there are five GPs in the suburb of Norah Head. That is quite a good ratio, and they service a lot of
areas. Already one GP has gone and two are about to leave; that leaves two working there. There has been an enormous problem: the doctor in that area has been trying desperately to attract a new GP to the area. She has advertised, the area has been identified as an outer metropolitan area and an area of work force shortage, yet still there is no doctor. They thought they had organised one recently.

I was speaking to Dr Christine Wade on the phone yesterday. She told me she believed that her practice would be closing in three months time, simply because she has not been able to attract a doctor and the government’s policies have failed; they have let her down. She found a doctor, but this doctor has been denied the right to move to the area because she is on a permanent residence visa as opposed to a temporary residence visa. Once again, it is going to be the people of the area who miss out. This doctor said to me that it makes her feel like a failure. She set up her business on her own and now she is going to have to walk away from it and let all those people down who have depended on her. She says it is all because the red tape, the bureaucracy and everything works against it. She suggested to me very strongly that the government should be talking to doctors about this issue and to all those doctors who have left the medical profession and stopped bulk-billing, to find out what their reasons were.

I would like to look at some of the issues on the Central Coast. I pointed out the decline of 30 per cent that was expected over the next five years. At the same time, the population is going to increase by 30,000. Of the electorates in the area, Robertson is the fifth oldest in the country, Dobell is the 29th oldest and Shortland is the 10th oldest. It is an area where there is a shortage of doctors. In the northern part of the Wyong Shire Council area the ratio is one doctor to nearly 3,000 people. There is a shortage of doctors and patients with very high needs. The policies this government has put in place have failed, failed, failed. A recent survey was given to all the GPs on the coast and nearly 70 per cent of the practices responded. They were asked what they thought of the government’s package. Of all those surveyed, only 13 per cent said they were considering signing up. This was because the government failed to recognise the issues that are important to the GPs on the Central Coast.

Mr Hockey—Who wrote this for you, Jill?

The DEPUTY SPEAKER (Mr Mossfield)—Order! The minister will cease interjecting.

Ms HALL—I can understand the member for North Sydney’s embarrassment. If I was a member of the government, I would be so embarrassed that I had failed the people of the Central Coast and the people of the Hunter to the degree that this government has. On the Central Coast only seven per cent of doctors universally bulk-bill. The government has constantly failed the people of the Central Coast and the Hunter. If doctors were to take up the initiatives outlined in the government’s package, they would get an extra $1 for bulk-billing pensioners and health care card holders.

Mr Hockey—Did you write this? You have to do better than this, Jill.

The DEPUTY SPEAKER—Order!

Ms HALL—Currently, doctors are charging between $5 and $13. It was worked out that one practice at Wamberal, in the member for Robertson’s area, would stand to lose $114,600 a year if it were to sign up to the government’s package. At The Entrance, in the member for Dobell’s area, another practice calculated it would lose $63,000. To me, that is not the kind of package that is going to attract doctors to sign up. The big issue for
me is that there are going to be losers in this, and the big losers are going to be the people who live in that area.

Mr Hockey—Oh, come on! Who fed you this?

The DEPUTY SPEAKER—Order!

Ms HALL—The people who live in the area are hopping on the train and going to Sydney at the moment to get the health care they need. The proposal put forward by the Labor Party has been detailed very ably in this House by the Leader of the Opposition. It puts in place a proposal that will really work for the Australian people, not a proposal that is going to deliver the second-rate, two-tiered health system that this government is hell-bent on forcing on the Australian people.

Mr Hockey—Why don’t you stand up for Newcastle?

The DEPUTY SPEAKER—Order! The minister will not interject.

Ms HALL—Once again, the member for North Sydney, the minister, is showing just how embarrassed he is by his government’s policy. It is a disgrace, and every person in the electorate of Shortland realises it is a disgrace. That is why they turn out in force for the meetings and the rallies that we have been having in our area—and I tell you, Minister, there will be more of those. In the Shortland electorate we are concerned about the health implications of the decline in bulk-billing, about the doctor shortage and about the fact that the elderly in the population with their high health needs are not being serviced. This is all because of the government’s failure. We are so concerned that we have formed a ‘Save Medicare’ group in Shortland, which is working with groups throughout the Hunter and the Central Coast. We are determined to save Medicare and restore bulk-billing. (Time expired)

Mr ORGAN (Cunningham) (5.43 p.m.)—The government would have us believe that the Health Care (Appropriation) Amendment Bill 2003 delivers on its commitment to the principle of universality under Medicare. However, the government’s proposed changes to bulk-billing show just how shallow that claim is. These changes reveal that the government is hell-bent on destroying universality by creating a two-tier system of access to bulk-billing for general practitioner services, forcing more of the cost of health care onto the sick, families and low-income earners.

Medicare is one of the pillars of Australia’s public health care system. Its goal is to guarantee access to quality, affordable health care for all those who need it, irrespective of income. However, the government has a plan that undermines the philosophy that underpins Medicare. The government’s Medicare package, announced last month, will lead to a reduction in public funding for health care and an increase in private expenditure. The chief beneficiaries will be private health insurance companies, who stand to profit from the so-called safety net for out-of-hospital expenses above $1,000 a year, and doctors who choose not to bulk-bill patients. This is because the government’s plan will allow doctors to claim the patient’s rebate directly while still charging a copayment or additional fee. The fee a patient pays will appear lower than the fees charged currently, which range from an additional $12 to $20 per consultation, but the direct claiming of the patient’s rebate removes an important restraint on the size of the copayment. Health economists have warned that this will make it easier for GPs to increase the size of the copayment over time.

Medicare is not perfect, but it is too valuable to lose. Our national public health insurance scheme has largely succeeded in its goal of making sure that people get treatment
based on need, not ability to pay. The progressive decline in bulk-billing rates for GP services under this government is an indication of the problems that are eroding the principle of affordable access based on need. The Howard government has allowed the value of the rebate to decline over time, so many doctors find it difficult to bulk-bill most patients and meet the costs of running a practice. The government also imposed caps on Medicare provider numbers, creating problems of insufficient doctors eligible to provide services covered by Medicare.

The government’s package acknowledges the work force problems that its own policy created. The Greens support the work force measures in the April package, but the problems will take many years to overcome. The fact is that the Prime Minister has never liked Medicare and has been particularly hostile towards bulk-billing. He campaigned against Medicare until the 1996 election, when he realised Australians would never vote for a party that threatened to dismantle the scheme. Now he wants to do just that.

The government’s proposal to pay a higher rebate to GPs who bulk-bill concessionary patients from $1 in capital cities to $6.30 in rural and remote areas is aimed at trying to shore up the falling bulk-billing rate. It is certainly not about fairness. Self-funded retirees earning up to $50,000 a year will qualify as concessionary patients, but families earning as little as $35,000 a year will not. These relatively poor families will be forced to pay up-front for a visit to the doctor, and the government is forcing them to join private funds. Neither the Prime Minister nor the health minister has been prepared to state that the current health care package will lift bulk-billing rates. That is because they know it will not and, what is more, they are not committed to increasing the rate.

The Medicare package is more evidence of the government’s free market ideology. The government would prefer to give every Australian a pittance in income tax cuts—around $4 a week for average income earners—rather than invest the surplus in the services people want their governments to provide: health and education. Opinion polling shortly after the Treasurer delivered his budget speech this month confirmed what the Greens called for: investing the surplus in public goods that benefit all Australians.

The government’s approach to Medicare is not even good economics. The Medicare proposals will lead to less efficient use of public funds. The United States, where 40 million people do not have private insurance, spends 14 per cent of gross domestic product on health compared to Australia’s eight per cent. The federal government already spends almost $2.3 billion a year to subsidise private health insurance. This will rise under the government’s plan. This money is being stolen from the public health care system. Australians should not have to buy private health insurance. Australians deserve a strong, well-funded, reliable public health care system.

The Greens advocate scrapping the wasteful $2.3 billion private health insurance rebate and redirecting these funds into public health. This money could be used to increase the GP rebate immediately by $5. This represents a 20 per cent increase which would go a long way to enabling more doctors to bulk-bill and which would cost no more than $500 million a year. The Greens believe that Australians do not want an Americanised health care system but instead value the effective and fair system that Medicare can be. This system needs defending and extending to cover dental health and more mental health services.

This bill exemplifies the government’s ideology. It provides for $42 billion over five
years to the states and territories through the Australian health care agreements. This money pays for public hospitals and other public health services provided by the states and territories. The government has delayed the negotiation of this next five-year agreement. In the final months, it has bullied the states and territories, and now it seeks to cut almost $1 billion out of the forward estimates for the agreements. It is doing so on the basis that private hospitals are treating more patients and so this has relieved pressure on public hospitals. There is, of course, no evidence to support this contention. Our public hospitals remain underresourced, understaffed and overstretched, in part because people who cannot find a doctor who bulk-bills are turning to public hospitals for treatment.

The fundamental principle of Medicare is universal access to health care. A core component of this is free, universal access to public hospital services. Not only is the federal government determined to create a two-tier system of health care in this country with regard to visiting GPs; it has become increasingly clear that it wishes to do the same with our hospitals. The wealthy get one standard of hospital treatment, which they can afford to pay for, while the rest of us get treatment at public hospitals. Ultimately, the government wants private hospitals to provide a higher quality of care so that people will be increasingly attracted towards paying for private treatment. The government may well claim that it is committed to universal access, and indeed universal access may continue. But will universal quality health care continue?

Although public hospitals are largely the responsibility of state governments, under Medicare the federal government makes a substantial financial commitment to them. It is clear that across the nation our public hospitals are in crisis. A genuine and combined effort by the federal and the state governments is required to address this crisis, but this begs the question: is the government really all that interested in addressing this increasing crisis? The government claims that by introducing its private health insurance reforms it has contributed to a better balance between the public and private hospital systems, but the reality is that the winners in this sleight of hand trick are the owners of private hospitals. The cost of a procedure in a private hospital is often more than the same procedure in a public hospital. The government boasts that pressure on public hospitals has been reduced. Anyone who can afford it is getting elective surgery done in the private sector because of the massive waiting list they face in the public sector. Anyone who cannot afford it waits and waits.

Why is this? It is because private hospitals exist to make profit for their owners and shareholders. They are businesses, and businesses exist to make profit to give shareholders a return on their investment. Investment in public hospitals, however, is a direct investment in health care. Saying that public hospital admissions have fallen while private hospital admissions have risen is nothing to be proud of, unless standards of care have risen for the same expenditure. This government is back to its old tricks of enriching the private sector at public expense. How else can you explain the fact that a government is refusing a licence for an MRI machine at Wollongong Hospital—a public hospital—while licensing a nearby private operator? Try telling the people of the Illawarra that there is any increase in the standard of care from that decision. They will tell you, as will the public hospital system health professionals, that it just makes access to a vital diagnostic tool more difficult. And what about the private health insurance rebate that the government claims has contributed to this
alleged better balance between the public and private hospitals? The $2.3 billion that could, and should, be invested directly in health care is being siphoned off to prop up private health funds, which are still increasing their premiums. Who benefits from that? Which sick child is better off because private health funds are benefiting from the public purse?

One thing is certain: the states do not believe they will be better off under this bill. It is all very well for the government to blithely claim its commitment to health care is transparent and unprecedented while saying the states’ contribution is far less apparent, but what is the reality? The government says the states will be $2.5 billion better off under the arrangements proposed in the bill, but there has been a decrease of a billion dollars in what was anticipated. It is not surprising that the states have not signed up, is it? The states also claim that there has been no great change in the number of admissions to public hospitals, despite the fact that there has been a substantial increase in private hospital admissions. The states have so far refused to sign any new agreement, arguing that public hospitals need a much higher injection of funding. There is no agreement on the next round of Australian health care agreements because the states have seen through the government’s sleight of hand.

Australia’s public health care system deserves more than the government’s threats and fudged figures. The government needs to deliver on what is one of their core responsibilities to the people of Australia: universal access to quality public health care. The government’s attempts to dodge this responsibility and to pretend they have a commitment to Medicare whilst they continue in vain to bully states into substandard agreements are simply selling short the people they were elected to serve on what they deserve. If it were not for the fact that public hospitals would be further starved of funds by rejection of this bill, I would vote against it. It is deeply flawed and undermines health care in the public system. The Greens are committed to ensuring the principle that underpins Medicare—that is, access for all, based on need, not income—is given full meaning. We will continue to strongly defend Medicare against this government’s attempts to dismantle it by stealth and we will work to make Medicare better.

Mr SIDEBOTTOM (Braddon) (5.55 p.m.)—The fact that the words ‘health care’ are contained in the title of the Health Care ( Appropriation ) Amendment Bill 2003 is almost like a cruel hoax because, instead of health care, this is about unhealthy care.

Mr Hockey interjecting—

The DEPUTY SPEAKER (Mr Mossfield)—Order!

Mr SIDEBOTTOM—In fact, the bill itself does two things in relation to health care: first, it attacks the public hospital system and, second, it attacks the universalism of Medicare. I would like this evening to go through these two points that I contend and demonstrate that this is about an unhealthy care package, a package from the budget which robs Peter to pay Paul. First and foremost, it attacks the public hospital system. The emergency departments of our public hospitals are already under great pressure because the Howard government has let bulk-billing run down by more than 12 per cent over the seven years since John Howard became Prime Minister.

Mr Hockey interjecting—

The DEPUTY SPEAKER—Order! The minister will cease interjecting.

Mr Hockey—State hospitals!

Mr SIDEBOTTOM—The minister opposite can shout all he likes. He was humiliated today in the MPI and he feels that to-
night, by the degree of volume, he can vent his spleen because he was so humiliated. Keep doing that, Minister—from Sydney’s North Shore—but I am pleased to tell you what this bill means to people who live in north-west Tasmania and the rest of Australia: it is an attack on public hospitals. Instead of recognising the pressure that public hospitals are under—an undisputed fact—the Howard government is withdrawing a further $918 million over four years from our public hospitals. If the minister opposite wants proof then he can go to Budget Paper No. 2, page 179. Clearly set out there is a withdrawal of $918 million over four years from our public hospitals. We know what that will result in: fewer nurses being employed or being able to be employed, fewer operations being undertaken and longer waiting lists for elective surgery.

But there is an interesting thing about this bill with the words ‘health care’ in its name: the cruel hoax is that the cut to public hospitals has precisely offset the budgetary impact of the government’s so-called $917 million Medicare package—a fundamental change which will destroy Medicare and put an end to bulk-billing for many Australian families. Indeed, if you go to the budget papers—the minister obviously needs to fill in his time with these because he is not doing his portfolio, tourism, much good— and in particular Budget Paper No. 2, pages 162 to 167, you can have a good old read, because you cannot sleep at night. Over the five-year period from 2003-08, the total funding withdrawn from public hospitals will be in the order of $1.5 billion.

Why has the government made changes to Medicare and why will these changes mean higher costs to Australian families? Yet again, part of this hoax is that the health minister, Kay Patterson—who is trying to be in charge of health—said that the Medicare changes are ‘for all Australians’. That serves as a reminder that, in 1996, John Howard was elected as Prime Minister under the slogan ‘for all of us’. We all know what that means: one big fat wedgie for all of us; wedge politics personified.

Mr Hockey interjecting—

Mr SIDEBOTTOM—You can go on, Minister, if that is what you want to do. Waste our time.

Mr Hockey—Mr Deputy Speaker, I rise on a point of order. I find that language offensive. I ask the member for Braddon to withdraw it.

The DEPUTY SPEAKER—I ask the member for Braddon to stick to the debate. I also warn the minister to cease interjecting or I will have to take action against him as well.

Mr SIDEBOTTOM—We all know that, in the 1980s and thereafter, the current Prime Minister had no love of bulk-billing and no love of Medicare. An example of his wedge politics is that he intends to dismantle the universalism of Medicare, to attack our public hospital systems and to throw the onus back on the states. Of course, that would affect Australian families. If that is what the minister opposite, the minister for the North Shore, wants to do, that is fine. He can bel low and bleat about his concerns. These changes to Medicare can mean only one thing: a two-tier user-pays health system under which Australian families will pay more for a visit to the doctor. Doctors will be given financial incentives to bulk-bill concession card holders—a de facto means test; nothing more, nothing less.

Minister, I notice you are not rushing to means test the 30 per cent rebate for private health. You are not rushing around to quickly means test that, are you! But you are quite happy to do it to struggling Australian families who must use a doctor. Doctors will be given the green light to charge higher fees for everyone else. How will they do it, Min-
ister? Just to inform you a little—you are not informed in your own policy area, so you may as well get informed on this—they will do it by splitting the patient rebate from the copayment out-of-pocket charge to the patient. You will be able to watch it happen, Minister. Australians families with two kids and who earn more than $32,300 a year are not eligible for a concession card under this plan. That is a fact. Bulk-billing will end for them. When they visit their GP, bit by bit they will be asked to pay more.

A central plank of the government’s Medicare package is the introduction of two incentives for doctors to bulk-bill concession card holders. The first concession is a payment to doctors of up to $20,000 for bulk-billing patients with concession cards. The second incentive is the promise that doctors will be able to bill Medicare directly for all their other patients and charge them a fee on top of that, a practice that is currently unlawful. If billing Medicare directly is so convenient, as the other side trumpet, why is it being held out as a carrot only for those doctors who agree to bulk-bill those with concession cards? It will not be introduced across the board; it will be there simply as a financial incentive for doctors to bulk-bill concession card holders by making it easier for them to charge everyone else more than they do today. It will make it easier for those doctors who currently bulk-bill Australian families to charge them copayments for the first time. For doctors who are already charging private fees rather than bulk-billing, it will be much easier for them to increase their fee from, say, $20 to $25 than to increase it from $45 to $50.

Since Medicare was introduced, doctors have never been allowed to bill Medicare as well as charge patients directly for the same service. There is a nice fact for you, Minister. Get your ears unplugged and listen! That has helped to maintain bulk-billing and helped to keep doctors’ fees reasonable. That is a fact, Minister. The fact that the package includes a new safety net for concession card holders and a new capacity for others to insure privately for medical expenses of over $1,000 is an admission that costs will rise. The fundamental principle underlying Medicare—and any investigation of the history of Medicare will tell you this—is that health services should be available according to medical need and not according to a patient’s capacity to pay. That is at the heart of it.

Medicare is a system of health care for everyone. It is not a welfare system for some while everyone else pays their own way. If in the future bulk-billing is available only to pensioners and the poor—and that is the plan of this government—it is only a matter of time before someone makes a suggestion that our public hospitals be free only for pensioners and the poor. Of course, we know that because that is what John Howard used to talk about in the 1980s. You do not have to take my word for this. I found some very interesting reading in a parliamentary research note by Amanda Elliot. There is a good deal of definition work in the note—particularly under the heading ‘Universalism and Medicare’—which I think would be enlightening to all members. I would like to quote from this a little more extensively, because it goes to the heart of the differences between Labor’s approach to Medicare and health care and this government’s approach, which is to create a two-tiered system where concession card holders are bulk-billed and families above a certain income threshold pay more for their health care. I quote from Amanda Elliot’s paper:

... it can equally be argued that bulk-billing contributes to the creation and widening of health inequalities. Without easy access to bulk-billing, access to medical services increasingly relies on an individual’s capacity to pay rather than on their health needs.
The article goes on:

...if access to bulk billing is means tested—
and that is what we are talking about with this government’s plan—
or if low income and chronically ill patients are provided with access to a more substantial Medicare rebate, then the Australian health system will take on the characteristics of a selective (targeted) and residual (safety net) health system. This contradicts the original intention of Medicare: it was first and foremost designed as a universal and institutionalised health insurance system – where individual and population health and the risks associated with ill health were seen as collective risks that should be collectively insured against. One of the reasons for the popularity of Medicare is its universalism (that is, universal access to the Medicare rebate).

I say it again: universal access to the Medicare rebate. That is the very principle—the very essence of universalism—that is attacked by this government’s unhealthy plan.

Labor has a plan to save Medicare and restore bulk-billing. That was ably demonstrated and illustrated by the Leader of the Opposition in his reply to the budget. Labor would save Medicare, with a $1.9 billion package to reverse the collapse in bulk-billing by lifting the patient rebate for bulk-billing for all Australians, no matter where they live or how much they earn. The fundamental fact about this government and bulk-billing is that, from the introduction of Medicare by a Labor government in 1984—and let us remember, Labor invented Medicare, Labor supports Medicare and Labor will restore Medicare—bulk-billing rates in Australia increased until that magical, tragic moment in 1996 when, with the introduction of this government, bulk-billing rates began dropping. Today they are 12 per cent lower than they were at their highest point, at the end of Labor’s term in 1996.

Labor would restore Medicare with a $1.9 billion package to reverse the collapse in bulk-billing. It would do this by lifting the patient rebate for bulk-billing, as I mentioned, for all Australians—no matter where they lived or how much they earned. There would be universalism in the application of the Medicare rebate, and that is the principle of Medicare. We would immediately lift the Medicare patient rebate for all bulk-billed consultations to 95 per cent of the scheduled fee—and that is an average increase of $3.35 per consultation—and we would subsequently lift the Medicare patient rebate for all bulk-billed consultations to 100 per cent of the scheduled fee, which is an average increase of $5 per consultation. Labor would also give powerful financial incentives to doctors to not only keep treating their patients without additional costs but to also extend bulk-billing, especially in outer metropolitan and regional areas where the collapse in bulk-billing is hurting families most.

Indeed, in my region of Braddon on the north-west coast of Tasmania, for example, doctors would receive an additional $25,500 a year for bulk-billing 70 per cent or more of their patients. Lifting the patient rebate and introducing financial incentives for bulk-billing will help to stem the current dramatic decline in bulk-billing and act to make bulk-billing available to more Australian families. That is the heart of Labor’s policy to restore Medicare, because that is indeed the heart of the principles that underpin Medicare.

I am about to offer my electorate some information. This will not just be related to the government’s poor plan for health, outlined in the budget; I will also outline Labor’s plan to save Medicare. In my information, I am including a poll, because I like to try and maintain some objectivity in presenting issues to the electorate—and I must say that most punters out there do not so much want the politicisation of issues as to be able to deal with the facts of the issues. The poll demonstrates one of the interesting things
that emerged from the budget—and that very generous $4 tax cut to most families. It is the Nielsen poll of 20 May, and it appeared in the Age. It was very interesting that, amongst a number of questions in that poll, there was one which said:

Given the choice, would you prefer to keep the tax cut or have the money go to services like health and education?

In other words: do you want the tax cut, or would you prefer to see those moneys go into health and education? The answer was that a whopping 77 per cent supported the moneys going into services like health and education, while 20 per cent indicated that they wanted to maintain the tax cut. Labor’s plan maintains the tax cut and also introduces a $1.9 billion plan to restore Medicare to those principles that I outlined earlier, in terms of universality and an institutionalised health insurance system. Of course, that is very important to many families.

I have said before that bulk-billing has been declining in our community since 1996, since that tragic day that the Howard government took over the Treasury benches. The average out-of-pocket cost to see a doctor who does not bulk-bill now is $12.78. That figure is up 55 per cent since 1996. Families earning more than $32,300 a year, as I mentioned earlier, will be denied access to bulk-billing. In my electorate, that is 60 per cent of families on the north-west coast.

Really what that is saying is that we are now introducing a two-tiered system. If you are not a concession cardholder, you will pay more for your health care. Of course, that is not the only increase in cost that families will need to bear, because the other unfortunate plank of this government’s terrible budget is going to be the introduction of higher fees for people going to university to continue their education. So families will also pay those. The user-pays principle is going mad, the concepts of universalism in Medicare are being abandoned and we are getting the creation of a semi-Americanised pay as you go user-pays system, which will not deliver the benefits to health care—and indeed down the line to education—that Australian families so much believe in. My pamphlet is headed ‘$4 is not enough’. A $4 tax cut is indeed not enough and this government will learn that it is not enough.

Mr MARTYN EVANS (Bonython) (6.15 p.m.)—I rise tonight to speak in this second reading debate on the Health Care ( Appropriation) Amendment Bill 2003. It is more than 30 years since the Medicare system—in the original form of a Medibank proposal—was first put forward in this country by Doctors Scotton and Deeble and adopted by the then Leader of the Opposition, Gough Whitlam, in his original proposals for a Medibank scheme. You would think that after all these years John Howard and his conservative colleagues in what is now the coalition government would finally have come to terms with a universal health care system. But they have not. They have not yet come to terms with that universal health care system. They have not yet been reconciled with the notion that Australia and Australians can indeed have their health care needs funded and financed by a universal health care system—a system which we now know as Medicare and a system which can be financed by a Medicare levy provided by all Australians and one which can, through a system of bulk-billing, through a system of public hospitals and, of course, through a system which also has a substantial contribution from private providers, GPs, private hospitals and private insurance, well provide for Australian health care needs. But, of course, the underpinning and very fundamental nature of that system is the universal health care nature of the Medicare system. Without that, Australia’s health care system will never be universal, it will never
properly be equitable and it will never fully meet the needs of all Australians together. John Howard and his coalition colleagues, after 30 years, have still not fully understood the nature of that system.

We finally saw that properly revealed when the health ministers of Australia met to see the proposals of the Howard government and to understand, in all its naked reality, the fact that there was $1 billion less for the states and territories to use in their public health care systems and their public hospital systems—and to understand the impact that that would have on the way in which Australians were able to make use of their public hospitals, to understand the way in which their emergency departments would be squeezed by the Howard government’s other proposals in relation to bulk-billing and to understand the fact that many GPs in this country would no longer be bulk-billing their clients to the extent that they had been to date. Indeed, we can see the decline from the overall figures that come out each statistical period, and since this government has been in office the decline has been quite dramatic. In 1996 just over 80 per cent of transactions were bulk-billed, and now of course we are down to just under 70 per cent. That is quite a dramatic decline.

When we saw a decline in private health insurance numbers just after this government was elected back in 1996, that was portrayed as a major crisis in the health care industry of this country and the government insisted that immediate action was required. They subsequently came to this parliament and sought the appropriation of billions of dollars of taxpayers’ money to fund the private health insurance industry—because of the extent of the crisis, which they indicated was revealed by the declining levels of private health insurance in this country. Yet, now that we see dramatic declines in bulk-billing, they do not respond with a similar rescue package for bulk-billing. Indeed, they respond with a so-called new deal for Medicare, a new deal for bulk-billing and a fairer deal for Medicare, which in fact is targeted at ensuring that bulk-billing will decline even further, because that is the reality of their package.

Why is this so important to Australia and Australians? Well, health care is now more important to people than ever. I want to look right back in history, because if we look back many thousands of years—20,000 or 30,000 years, which is looking a long way back in the history of humankind—we will see that the life span of the average human was 20 to 30 years of age. You only lived to maybe 30 years of age, if you were lucky, right back in the Neolithic and Palaeolithic periods. Indeed, that did not change very much. If you look back to 2000 BC, the average life span was still 30 or 31 years of age. By the Bronze Age, it was maybe 32 years of age. By the time we reached the Roman era, you were making 35 years of age if you were lucky and providing you did not work for the army. I think the life span was a bit shorter if you were in the army, but if you were reasonably well to do and an average citizen, you might make it to 35. If in fact you lived in the Middle Ages, the average age at death was probably back down to 28 years of age, because disease was taking its toll and nutrition was not all that good. By the 1800s, we were right back up to 38 years of age at death—you were doing quite well back in the 1800s, making it to 38 years of age, as an average age at death. That, of course, is only a couple of hundred years ago, so in the whole of human history really—although the numbers went up and down a little—we were only talking about a variation between maybe an age at death of 30 and really getting as high as 38 years of age 200 or 300 years ago. It is only in the modern era—the last hundred years—that our life span has risen to numbers like 40, 50 or 60 years of
age at death. In fact, it is only in the last 50 years or so, since World War II, that we have reached numbers like 78 or 80 years of age at death. The reality is that modern medicine has delivered the kinds of health outcomes that see people living long enough to die in their late 70s, 80s or 90s, on average.

So modern medicine, modern public sanitation, modern vaccination programs—modern health care, if you like—have delivered fantastic revolutions in the standard of health care, in the standard of lifestyle and in the age at death that most citizens of our western countries, and indeed of many countries throughout the world, are now able to enjoy. Of course, we should at the same time spare a thought for those countries which are not able to enjoy those benefits and look to the day when they can, like us, also enjoy those benefits. It is appropriate to remember those who do not share that privilege with us. But we do enjoy that privilege, and that has made it very worthwhile for the average citizen to look very closely at the health benefits which their government provides and at the way in which those benefits are financed.

Fifty to 100 years ago it was not worthwhile looking at the cost of medicine, because medicine was not able to deliver you very much. But in the last 50 years or so it has certainly become very important for the average person to look very closely at how their government provides health care, how their health care is financed, how they are going to pay for it and how taxes are going to be used to ensure that that health care and the cost of it is distributed equitably. Those have become very important social justice questions. Unfortunately, they are not questions that this government has been able to come to grips with.

But 30 years ago they were questions which the then Labor government of Gough Whitlam was able to come to grips with. If this government had equally shared the vision of the Whitlam government all those years ago and had joined in that vision with this side of politics, a shared, bipartisan vision for health care financing in this country could have been jointly developed over the last three decades and Australians could now share an equitable and just financing of health care in this country. Instead, we have seen a twisting and turning of health care financing politics in this country, in such a way as to ensure that the public have never been able to be certain what the next twist and turn from the coalition parties would be in the health care financing political jungle. That is really what has been the cause of the difficulties we find today.

If you think back to the elections under John Howard as Treasurer and Malcolm Fraser as Prime Minister—and the elections we have had subsequently—you see this. I agree with my colleague from Braddon, these are terrible thoughts, but we must face them, because they are the reality of why we face the difficulties we often face these days. They were at pains to stress, when under political pressure, that they would maintain Medicare. But having Medicare maintained by a conservative government is an all too frightening thought, because they really can never bring themselves to maintain it in a way that actually promotes the future health of the Medicare financing system. Because ultimately that is what it is: it is a national insurance and finance system that actually provides the equitable financing of these schemes and ensures that all Australians have equitable access to them. Without that universal access, the freedom of access and the certainty of access is not there.

But what did we have? We had the spectre, back in the eighties, of Malcolm Fraser forcing the debt collectors back into the state public hospitals and back onto the doors of patients. The reality of that was that it was
undone. Then we had the reality of John Howard’s changes, which over the last few years have been quite traumatic for the system, and now we have even more changes being reintroduced into the House today. These changes will force people back into a system where bulk-billing will no longer be a reality for many people in this country, and that will ensure that universality is again under threat.

The problem with this is, of course, that many of those people who earn more than the cut-off threshold of some $32,000 for a health care card—and that includes many working families in this country—will no longer have the certainty of bulk-billing. And of course with the way it is falling now that is indeed a very serious proposition, because in many cases those people are the ones who most need the kind of health care certainty that bulk-billing provides. That will force the rationing of health care in this country—but not on the basis of clinical need. The experience of the United States shows that, when those whose income is lowest and whose health care needs are perhaps greatest are put under financial pressure, they will take decisions about their health care and they will make those decisions under financial pressure. They will make decisions about when they can visit the doctor and about which prescriptions they can have filled, but they will not make those decisions on the basis of clinical need or medical judgment; they will make them on the basis of financial judgments. They will do that because they are not in a position to make those decisions on the basis of clinical need. They are forced to make them on the basis of week-by-week, day-by-day financial decisions, on the basis of financial pressure and not on the basis of real clinical need.

We have had some quite bizarre outcomes in this country because of the financial pressures which this government has placed patients under as a result of their changes to Medicare over the years. We have seen quite bizarre changes to private health care structures. Private health care remains an essential part of health care delivery in this country, and no-one on this side of the House wants to see it eliminated from our structures. Of course private health care has a role to play, but unfortunately this government has demanded nothing in return for the billions of dollars it has pumped into private health care. The government has given private health care a billion dollar open-ended cheque, year after year, and it has not demanded anything in return.

Private health care’s administration costs remain much higher than Medicare’s costs. Medicare, of course, through the Health Insurance Commission, is able to maintain very low administration costs for its insurance delivery. It delivers administrative costs that are extremely low by comparison. Probably the average cost of administration for a private health fund is four times that of the Health Insurance Commission. Does the Howard government place any pressure on private health insurance funds to deliver low administration costs in exchange for the massive federal taxpayer subsidies they deliver? Absolutely not. Has it placed any pressure on private hospitals and private insurance funds to deliver lower clinical cost outcomes in private hospitals? Not that I can see. I have not seen any evidence before this parliament to that effect. These are the things that should be occurring.

In the United States, where private health insurance is the norm, it is also quite normal for private health insurance companies to negotiate significant cost reductions in exchange for their contracting processes as part of the tender process which they negotiate. Of course, we on this side of the House are not proposing HMO type structures, but the reality is that those companies do negotiate
reductions in costs. Health insurance companies in this country have done nothing to help negotiate reductions either in their own cost structures or in the cost structures of private health funds, despite the availability of contract structures in the act.

The private health insurance companies here also remain a bastion of bureaucratic infrastructure and have a very limited innovative infrastructure. They do little to encourage innovation within their own structures and produce products with minimal innovation in them. They are also unable to deliver to their clients any innovative infrastructure whatsoever. None of their products, it seems to me, ever deliver innovative ways of delivering the product to the client, they make little use of information technology and they hardly ever deliver innovative outcomes, yet the government simply continues to provide them with a blank cheque, drawn on the taxpayers, when they make no changes.

Some of the very distressing features of that also remain in the fact that they continue to subsidise dental care, for example, through that taxpayers’ blank cheque. While most uninsured people in this country, those who have the lowest incomes, are unable to obtain much in the way of assistance for dental care and often wait for years in public hospital structures to get any assistance with much-needed dental care—and they are often in pain waiting for dental care, and I do not want to use that term in any light sense—there are massive subsidies for well-off families who can afford private health insurance and who get that massively subsidised by the taxpayers to obtain dental cover through private health structures. That subsidy is quite enormous, yet one of the first acts of the Howard government when it came to office was to cancel the minimal start which the previous Labor government had made towards public assistance with dental cover.

In the May-June issue of Tracking Trends in Health Care there is a five-country survey of the inequities in health care. It shows that 38 per cent of Australians on below average incomes reported much difficulty in obtaining needed dental care and that they could not see a dentist due to the cost. The reality is that those on higher incomes obtain substantial subsidies for their dental care through the open-ended cheques which the taxpayers provide through the Howard government’s subsidies for dental care.

These are the kinds of inequities that the government must address if there is to be any fairness in the distribution of its health care income policies. This government, I am afraid, has never been about that. Despite all the years that we have had a universal base to our health care structure in this country, the government has not got the message. We are getting close to spending 10 per cent of our GDP in this country on health care. In a modern Western society, the reality is that that is where we are going to settle. Australians demand fair and equitable health care. Given the way in which modern science and modern medicine can deliver real and effective gains to your health care, there is no reason why we should not spend those kinds of amounts of money.

As I demonstrated earlier in my comments, we have seen real and significant improvements in the standard of the health care outcomes which people now enjoy in 2003 in our society and in societies like ours around the world. Given the way in which people value their own health, their children’s health and the health of other family members, why shouldn’t we enjoy the benefits that modern health care can bring? The reality is that those benefits are a public good that should be enjoyed by all Australians equally and equitably, but access to those benefits is limited by the access to universal health care and universal funding for that health care.
If all Australians are to enjoy that equitable standard of health care, Medicare represents their best and only opportunity to do that in this country. Australians deserve a fair go at that system of funding, and this government is currently denying them that access. The opportunity to do it has been there on a bipartisan basis for 30 years. Our side of politics calls on this government to do that in a fair and equitable way. You have had your chance to do that. It is now high time that you seized that chance and gave Australians the fair go they have been demanding for the last 30 years.

Mr MOSSFIELD (Greenway) (6.35 p.m.)—I rise to speak on the Health Care (Appropriation) Amendment Bill 2003 and to support the amendment moved by the opposition. This bill amends the Health Care Appropriation Act 1998, which provides the legislative framework for grants of financial assistance under the Australian health care agreements. It will, if passed, enable the Commonwealth to enter into new health care agreements and maintain funding to the states pending the negotiation of these arrangements.

Other elements of this bill will redefine the definition of ‘eligible persons’ to reflect the current definition in the Health Insurance Act 1973 and appropriate from the consolidation revenue fund an amount not exceeding $42.01 billion for hospital services provided and projects and programs conducted during the five-year period commencing 1 July 2003. It will also grant the Minister for Health and Ageing the power to delegate an SES employee in the department the minister’s powers under the certain paragraphs of the act in so far as they relate to financial assistance granted under paragraph 4(1)(B). The bill will also amend section 5(2) to provide for conditions to apply for grants of financial assistance under section 4 to a state in respect of a particular appropriation period.

In a classic case of robbing Peter to pay Paul the federal government will cut nearly $1 billion worth of funding to our public hospitals over the next four years in order to pay for a package designed for no other purpose than to destroy Medicare. Budget Paper No. 2, on page 179, indicates that in 2003-04 $108.9 million will be cut, in 2004-05 there will be a further $172 million cut, in 2005-06 we will see a further cut of $264.6 million and in 2006-07 there will be another massive cut of some $372.9 million—a total over those years of $918 million. This is during a time when our public hospital system is under the increasing strain brought about by the policies of this federal government. Create the problem and then cut the funding—that is this government’s modus operandi.

Bulk-billing rates have fallen every year under the Howard government, from a high when they took office of 80.6 per cent of doctors providing bulk-billing services to an average of only 68.5 per cent today and rapidly falling. This drop in bulk-billing means to the average family that more than 10 million fewer GP visits were bulk-billed this year compared to when this government came to power in 1996. That is 10 million more patients who had to pay up-front fees to see a doctor. The average out-of-pocket cost across Australia to see a doctor who does not bulk-bill is now $12.78, up 55 per cent since the Prime Minister came to office. In Greenway the figure is considerably higher at $16.65, up by more than 20 per cent in just the last two years—and in some cases I have found it is as high as $20.

Bulk-billing rates are a direct result of federal government policy. There is no way to pass the buck on this one to the states. But it is having an effect on state government responsibilities—that is, it is increasing the
strain on our public hospital system and, in particular, on emergency department services. Families unable or unwilling to pay the spiralling costs of visiting a GP are instead visiting the emergency wards of their local public hospitals. Last year, in New South Wales alone, visits to emergency departments topped the two million mark for the first time, and there can be no doubt that falling bulk-billing rates are partly responsible for this increase. Our emergency departments are under enormous strain: doctors, nurses and other staff are overworked; waiting times are unacceptably long; and basic health care is suffering as a result. Yet, with all this happening, the federal government’s response is to cut almost $1 billion from the public hospitals of Australia, thereby exacerbating the problem. This is robbing Peter.

Paying Paul is a different matter. Paul is going to rip the guts out of Medicare and completely destroy bulk-billing for all but concession card holders. In my electorate of Greenway, that means taking the option of bulk-billing away from over 80,000 people. At present, I am proud to say that my electorate of Greenway has one of the nation’s leading rates in bulk-billing with an average of over 94 per cent. Any move against bulk-billing is a move against the families of Greenway. If bulk-billing is restricted to concession card holders then around 27,000 households will lose access to this basic service—60 per cent of my entire electorate. People should not have to consult their credit card statements before deciding if they are rich enough to go to a doctor. This is not the sort of society I want my grandchildren to grow up in.

The Whitlam government built Medibank and the Fraser conservative government, with the present Prime Minister as Treasurer, tore it down. The Hawke government built Medicare, a universal health care system that is the envy of the world, and now the Howard government wants to again tear it down. Our present Prime Minister has never disguised his dislike of universal health coverage. He opposed it at the time it was introduced when, 20 years ago this week, on 24 May 1983, he said:

The government will waste $400m of taxpayers’ money next year through the needless introduction of the new Medicare arrangements.

He called universal health care a needless waste of money. There is not much you can say about that statement. Medical care for everybody is a needless waste of money? I do not think even the minister at the table, Mr Hockey, would agree with that. It perfectly illustrates the Prime Minister’s philosophy of social Darwinism: dog eat dog and who cares if you fall through the cracks. In 1987, during the election campaign, the Prime Minister reiterated his opposition to Medicare when his party’s official policy stated:

Bulk-billing will not be permitted for anyone except the pensioners and the disadvantaged. Doctors will be free to charge whatever fees they choose.

Does this sound familiar? Now he is finally acting on his desire to see people struggling to afford to visit a doctor. Make no mistake about this: it is not about budgets and affordability; it is about ideology, pure and simple. What else can it be?

Medicare is universal health coverage. It is medical coverage for everybody regardless of location, economics, background, race, religion or any label you wish to put on somebody—it does not matter. Medicare means that they are able to get the medical attention they need. Yet this Prime Minister describes it as ‘a miserable, cruel fraud’ and ‘a total and complete failure’. Medical coverage for everybody who needs it is not and can never be a miserable, cruel fraud. Surely it should be the goal of a civilised society. What does the Prime Minister have against
the people of my electorate and the people of Australia that he would treat them like this?

The government’s announcement means that Australian families will pay more for their health care. Now there will be two tiers of Medicare, excluding everybody but pensioners and the poor from the bulk-billing doctors. The Prime Minister has refused to give a guarantee that his plan will stop the catastrophic decline in bulk-billing. Indeed, that seems to be the aim of the policy. The Australian Medical Association has confirmed that doctors ‘are going to have to charge their non-concession cardholders more’ as a result of the changes, and the government has admitted it will have no control over the fees that doctors charge. The $918 million it is withdrawing from our public hospitals over the next four years will mean that fewer nurses will be employed, fewer operations will be undertaken and there will be longer waiting lists for elective surgery.

Already we have a chronic shortage of nurses throughout Australia due to the government’s education policies. There is a shortage of some 5,000 nurses. The Senate estimates process has revealed that New South Wales universities trained 567 fewer nurses in 2001 than it did in 1996. In Victoria over the same period that figure was 737. In 2002 Australia wide some 11,314 people applied to study nursing and 2,934 of these were turned away. The government now belatedly has a plan to create 625 new places at universities for nursing students, but the money will not arrive until 2004. So the government has a double whammy solution to the health problem—train fewer nurses and reduce funds to pay nurses. This may make the bottom line look good, which is the government’s real agenda, but it does nothing for the health outcomes of the Australian public. What do these cuts mean to the average Australian?

Take the case of Joan, an 81-year-old pensioner living in Seven Hills in my electorate. She rang me to complain that she had been quoted $1,650 to have a cataract operation plus $128 for glasses frames and another $128 for lenses. She told me that she lives on her own, her son having died of cancer five years ago. She told me that she had $6,000 in the bank to pay for her funeral and other necessities. She rang back a little bit later to say that she had made a mistake and that really she only had $5,000 in the bank. Quite clearly she cannot afford the $1,650 for a cataract operation.

I made some inquiries and found out that Joan could have the operation performed at the eye hospital in Macquarie Street. When I conveyed this to Joan she said that due to her ill health she had not been into the city for something like 20 years. The eye hospital in Macquarie Street could see Joan in October, five months from now and they would be able to operate within a month after the initial appointment. But locally at Westmead Hospital the situation is a little different. They could not make an appointment for an initial consultation until February of next year—nine months from now—and would not be able to perform the operation until some time around mid-2005. So here you have a classic problem of people living in Western Sydney, particularly the elderly and families with children. There is a shortage of specialised public health facilities, yet this government is cutting funding to public hospitals by an amount of $918 million over four years. This is a disaster.

The cataract operation is an important operation for people in the age group of the pensioner that I am referring to and even for people younger than that. I had the operation myself just a couple of weeks ago. I can say now that I can see you a lot more clearly than I could two weeks ago. It is an important operation. For pensioners to be denied
this service because of where they live is totally wrong. It certainly shows that more money must be available to public hospitals to enable these services to be provided.

The Prime Minister became infamous for his core and non-core promises. I think we can say that his threat to pull apart Medicare was a core promise and he has honoured his commitment on this occasion. His promise to protect Medicare, which he took to the 1996 election, was obviously a non-core promise. Only Labor believes in a universal health care system that works effectively. That is why we created Medibank and then Medicare. That is why we will save Medicare from the destruction that this government is trying to inflict.

In his reply to the budget speech Simon Crean outlined a rescue package of $1.9 billion for Medicare. We will create viable incentives to restore bulk-billing and provide viable support mechanisms for doctors who continue to bulk-bill everybody. When elected to government Labor will immediately lift the Medicare patient rebate for bulk-billed consultations to 95 per cent of the scheduled fee—an average increase of $3.35 per consultation. Subsequently Labor will lift the Medicare patient rebate for all bulk-billed consultations to 100 per cent of the scheduled fee—an average increase of $5 per consultation.

Labor will also offer powerful financial incentives to doctors to not only keep treating their patients without additional costs but to extend bulk-billing, especially in outer metropolitan areas and in areas where the collapse of bulk-billing is hurting families. Doctors in metropolitan areas will receive an additional $7,500 each year for bulk-billing 80 per cent or more of their patients. Doctors in rural areas will receive an additional $22,500 each year for bulk-billing 70 per cent or more of their patients.

Finally, the argument quite often—although I must admit I have not heard it on this occasion—is: where is the money coming from? Quite clearly this is fully funded and Simon Crean has outlined in his reply to the budget speech just how this funding for Medicare and bulk-billing will be handled. There will be a scrapping of $1 billion of the business tax reforms that the government has announced. There will be a redirection of the government’s Medicare savings. The rest—the $500 million over four years—will come from forecast surpluses. So quite clearly this is an affordable project that the opposition is putting forward. I certainly look forward to the opportunity of being involved in bringing this package to fruition.

This is one of the fundamental issues. There is no question about the issues that are facing the Australian public today. There is no doubt that the issues out there are bulk-billing, education and the environment. These are the three main issues that the government is weak on and these are the three issues that the Labor opposition is going to campaign on and campaign on very effectively.

Most of the Labor opposition members have been out in their electorates, talking to their constituents and explaining to them what the Medicare package is all about, and we are receiving very positive responses from the people who we represent. They are saying to us that they want bulk-billing to remain, particularly in areas which I represent, where we already have high bulk-billing rates. It is true that in other electorates in other parts of the country the bulk-billing rates are not high and therefore what the government is introducing will not have such
an impact. But certainly in the area that I represent and in surrounding electorates the high bulk-billing rates that currently exist are very important to people.

For an average family, it is not a case of going to the doctor once a year. If you are ill, if you have young children or if you are an elderly person and you get an illness—it might be a virus of some description—it is not unusual to visit a doctor three times a week. If that doctor does not bulk-bill, what are you paying? You are paying, possibly, up to $60 per week to see a doctor. So we will be fighting to make sure that we retain bulk-billing.

Another area that is very important so far as our constituents are concerned is education. Of course, health and education really go hand in hand, because we have to have the appropriate places at our universities so that our medical professionals can be trained. That has been part of the problem. As I said earlier in my speech, there has been a lack of training places available for nurses, and now we have a shortage of nurses. The two policy areas are very closely linked, and we will be campaigning very hard on these issues.

Finally, lifting the patient rebate and introducing financial incentives for bulk-billing will help to stem the current dramatic decline in bulk-billing and act to make bulk-billing available to more Australian families. Under this Prime Minister, bulk-billing rates have declined by more than 12 per cent. By offering GPs a significant increase in the Medicare rebate and powerful financial incentives to meet bulk-billing targets, Labor will restore bulk-billing rates to acceptable levels.

These measurers are the first step towards Labor’s objective of lifting the national average rate of bulk-billing back to 80 per cent or more. The Prime Minister is destroying Medicare and leading us down the road to an American style two-tier health system where, instead of your Medicare card, you will need your credit card. Under Labor this trend will be reversed, and we will again return to a decent, humane and civilised health care system. (Time expired)

Mr LATHAM (Werriwa) (6.55 p.m.)—The Health Care (Appropriation) Amendment Bill 2003 is part of the government’s attack on Medicare, part of the winding back of universal health care in Australia and, as the member for Perth points out in his amendment, part of a government plan to wind back bulk-billing. We consistently see a double standard from the Howard government. For working families in an electorate like my electorate of Werriwa, there is an attack on Medicare, the defunding of public hospitals and the winding back of bulk-billing. People in my electorate rely on universal health care. This has been a community standard for close to 20 years, and why shouldn’t it be? If you are a young working family living in Liverpool or Campbelltown with young children, you need universal health care provision to make your family function. You need universal health care provision to look after your children and to lead a decent life in a civilised society.

The double standard of the Howard government is that at the same time as working families are copping it in the neck—they are losing their universal health care and they are having to pay more for the basics of life—the Prime Minister can afford a $43,000 hotel bill for just four nights accommodation in Rome. This has been the most extravagant trip to Rome since Caligula was in town. I have heard of Roman orgies, but this is a Roman orgy of spending and extravagance by the Australian Prime Minister. While he is living it up in Rome, families in my electorate, unhappily, are petrified about the health care agenda of his government. We have one rule for the outsiders, the working families in
the great suburbs and regions of Australia, and a different rule for the insiders, the pampered elites of the Howard government. The insiders have the expensive hotel bills and the high life. Unhappily for the outsiders, the working families, they just have the loss of universal health care and the winding back of bulk-billing.

This is a very bad change indeed. In my electorate we are particularly affected. Liverpool and Campbelltown are very much the children’s capital of Australia. A very high proportion of our population are young people who are part of young families moving into the new suburbs and release areas. We have also been known as the bulk-billing capital of Australia, with some 95 per cent of doctors in the electorate of Werriwa bulk-billing. So we have the most to lose from these changes. We have the biggest number of children and the highest number of bulk-billing doctors and, quite frankly, people in my electorate instinctively know that any change is bad.

With 95 per cent of doctors bulk-billing, the opportunity to go to a free local GP has been part of universal health care provision. It is almost the same as the public hospitals: free and available. This has been a community standard, a community entitlement, for close to 20 years. So people in my electorate are asking: ‘Why change a system which has been working so well for 20 years? Why make a change?’ People instinctively know that any change in the seat of Werriwa must be bad. We are the children’s capital of Australia and we are the bulk-billing capital of Australia and, under these changes, we have the most to lose. We have the biggest number of children and the most bulk-billing doctors and therefore we can only lose out through the changes proposed by the Howard government and through legislation such as this.

That is what people are worried about. I have never seen community concern of this kind in my constituency. I have been running a petition against the changes. The petition to this parliament identifies the need to keep bulk-billing for the young families and communities of south-west Sydney. People are praying that the House will oppose the introduction of an up-front fee for GP visits. I have been handing out this petition in my electorate as part of a card that I will be bringing to the parliament, and I have never seen a community reaction like it. Women in particular are petrified about this government’s health reform agenda. They have a look at the petition and very often they come back to the shopping centres and the railway stations and ask for a few dozen of the petitions to hand out to their friends, take to their workplaces and put in letterboxes in their street. They will do anything to keep bulk-billing in Liverpool and Campbelltown. People are genuinely petrified of this government’s changes.

Why shouldn’t they be? Young families with three or four kids—with the winter months coming up and the possibility of the kids getting a sniffle, a cold or any of those sorts of problems—very often use a GP once a week. Now they will have to pay $20 or $25 up front just to get basic health care for their children. No wonder they are worried. No wonder they are responding so effectively to the campaign I am running in my electorate and signing the petition to save bulk-billing and save our universal health care entitlements in Liverpool and Campbelltown.

We know this government is hell-bent on the destruction of Medicare. Medicare over the years has had three basic principles. The first principle is that, if a doctor charges a fee up front, part of that fee can be recovered from a Medicare office. That principle will be gone under the Howard government’s
proposals; you will not be able to recover any of the up-front fee from a Medicare office. The second principle underpinning first Medibank and now Medicare is that the availability of bulk-billing means that people do not need private health insurance just to visit their local GP. People in my constituency have never thought they would need private health insurance to visit GPs. Why would they? GPs have provided 95 per cent bulk-billing; it has been a free, universal entitlement. Under this government that principle will be gone. The government actually wants people to take out private health insurance for their GP costs and is going to make that possible under legislation. It is going to encourage working families to take out private health insurance just to visit their GP.

Recently I was visiting the suburb of Greenway Park, which is one of the new, double-storey housing estates. It is a beautiful area and the people have lovely homes, and they are moving into my electorate of Werriwa. I ran into a fellow who asked: ‘How can the Howard government be making changes to bulk-billing? How can they be winding back the community standard that we have had for close to 20 years?’ He said he will have to pay five times just to visit the GP. He did not believe that it could be this bad. First of all, he will be paying his taxes in general. Then he will have to pay his Medicare levy to the government. He already has private health insurance, so he is paying for health care through the insurance arrangements. Then he will have to pay an up-front fee to visit the local doctor, and then he will need more private health insurance to cover the cost of visiting the GP. A system that has worked so well for 20 years is being turned into a system where you pay five times just to visit the local GP.

I explained the Howard government’s reforms to my constituent in Greenway Park and finally he accepted that this is the system the government is going to introduce. Quite frankly, he was dumbfounded—flabbergasted—as to why a government would want people to pay five times for a basic service such as visiting the local GP. They will have to pay the taxes, pay the Medicare levy, pay for private health insurance and, under the government’s changes, pay the up-front fee for the GP. Then there is the government’s plan to force families into further private health insurance to cover those GP costs. People will be paying five times for a service that, until now, has been a decent community standard.

The third principle underpinning Medicare is that we have quality public hospitals that are fully resourced, free and accessible to the Australian people. We know that under this government that principle is going. The first funding priority of this government is private hospitals and private health insurance, not the public hospital system. That priority is reflected in the legislation before the parliament. The cuts to public hospitals are quite extraordinary. Through to the year 2006-07 they total $918 million. Have a look at Budget Paper No. 2 at page 179. It is spelt out in black and white that the government is withdrawing funding for public hospitals in its forward estimates to the tune of $918 million. The government is trying to say to the Australian people that it has a Medicare package that is going to increase funding for health care and that that package is worth $917 million. This is a pea and thimble trick. The $917 million in the so-called Medicare package is in fact the equivalent of the $918 million that has been cut out of public hospitals.

There are three principles underpinning Medicare and they are gone, gone, gone under the Howard government. We will not be able to recover any of our GP fees at a Medicare office; that principle has gone. The winding back of bulk-billing means that
working families will need private health insurance to cover the cost of visiting their local doctor. And we are seeing a further cut to public hospital funding. The principle of well-resourced, accessible, quality public hospitals has been lost in this country, because the first priority of the Howard government is to put health care resources into the private system and to underfund and underresource the public system. There is an ideological preference for private health insurance.

This is a very bad plan indeed for the constituents of Werriwa. They are very worried about this. When the Howard government was elected in 1996, people thought we had a quality health care system. If they needed a GP, the bulk-billing was available; 95 per cent of doctors in Liverpool and Campbelltown were bulk-billing. Now we are being told that the government is winding back that approach and that people will need private health insurance just to cover their local doctor expenses. In 1996 when the Howard government was elected, we had well-resourced public hospitals in the south-west of Sydney. Now they are quite underresourced and underfunded because of the transfer of resources through to the private health insurance system.

The paucity of private hospital beds in south-west Sydney illustrates a very important point. If you live in my electorate, you need good public hospitals to be available in Liverpool and Campbelltown because we do not have a significant number of private hospital beds. In Sydney the large number of private hospital beds are in the eastern and northern suburbs—over there in Liberal Party electorates—and that is where the government is putting its resources. It is taking money out of the outer suburbs and sending it to the insiders of Australian politics. This is a great shame, and it is a great disavantage that an electorate like mine now suffers under the Howard government.

We know these intentions all too well. The Liberal Party has always been hell-bent on the destruction of Medicare. The Prime Minister said it himself in a press release on 5 November 1986, when he said:

Medicare has been an unmitigated disaster.

He followed up with a doorstop interview on 1 June 1987, when he said:

Everyone knows that one of the great disasters of the Hawke government has been Medicare. It’s raped the poor in this country. Medicare has been a total disaster.

Fancy a political leader saying that Medicare has raped the poor in this country. The truth is that poor people have had the benefits of Medicare: free public hospitals and bulk-billing GPs. Medicare is one of the cornerstones of decency in a civilised society. It is one of the things that poor Australians have relied on for 20 years, and it is being taken away by the Howard government in a deliberate plan that was set out as early as 1986 and 1987. In an interview on radio 2GB on 1 June 1987 John Howard said:

We will be proposing changes to Medicare which amount to its de facto dismantling … we’ll pull it right apart.

That is what he said when he was honest with the Australian people: he wanted to dismantle Medicare and pull it right apart. He also said:

The second thing we’ll do is get rid of the bulk-billing system. It’s an absolute rort.

That is what he said on radio 2GB in 1987. He wanted to get rid of the bulk-billing system, saying, ‘It’s an absolute rort.’ Now, of course, the Howard government is planning to get rid of the bulk-billing system—because if a GP charges up front you will not be able to recover that from the Medicare office—and they want to push people into private health insurance just for their GP
costs. This is the dismantling of bulk-billing. It is the destruction of the Medicare system.

The government’s own so-called incentive plan makes the point perfectly. This is a government that is actually going to give more money to doctors who do not bulk-bill other than for people with a health care card. That is the Howard government plan: doctors will get more money if they do not bulk-bill for working Australians. Under the Howard government plan, they get the money if they do the bulk-billing for health care card holders but, for everyone else, if they do not bulk-bill they get more money from the federal government. That is where the $917 million is going, in bulk: to a plan to dismantle bulk-billing.

It is a silly plan. Fancy giving doctors an incentive to not bulk-bill people other than those who hold a health care card. Labor’s plan is the sensible approach: give the money to doctors who do bulk-bill; the doctors who do the bulk-billing right across the community, as we have always had in my electorate. The incentives and the bonuses are there from a Crean Labor government. That is the way to save Medicare and the way to save bulk-billing: give the money to the doctors who are doing the right thing: doing the bulk-billing service for their patients.

The Australian people have a very clear choice. You have the Liberal-National Party coalition in government, who want to give more money to doctors who do not bulk-bill; and you have the Labor Party, who want to give the money to the doctors who are doing the bulk-billing right across the community. The Labor Party recognise the need for universal health care provision for working families. I return to John Howard’s comments about Medicare. He described Medicare as ‘an administrative quagmire’, ‘a financial monster’ and ‘a human nightmare’. He said that, not surprisingly, to the Australian Private Hospitals Association on 5 November 1987. So that was the Prime Minister in honesty mode, back in the mid-1980s when he was the leader of the Liberal Party. He set out an agenda, an intention, to dismantle Medicare and wind back bulk-billing.

What we have seen since then is a series of promises made only to be broken. The John Howard who tried to reinvent himself in 1996 made a whole series of promises—made only to be broken. He said that he guaranteed the retention of Medicare and he guaranteed the retention of bulk-billing. In an interview on the Sunday program on 4 June 1995 he said:

... I’m giving a guarantee that it is not going to be changed. I’m giving a guarantee about bulk billing.

In the Age on 8 November 1995, he said, ‘We are going to keep Medicare lock, stock and barrel.’ These were promises made only to be broken. The real John Howard was the politician who had that agenda in 1986 and 1987 for the destruction of Medicare.

So the Prime Minister, unhappily, has not been honest with the Australian people. He made those promises in 1995-96, knowing that his agenda was the same as it had been in the eighties, knowing that those political promises would be broken once in government. In fact, the only honest person we can now find in the Howard government is sitting opposite. The only honest, open politician in the Howard government is the member for Parramatta. He had the honesty last week to talk about the Howard government’s real agenda in health care. He said that ‘some Australians would pay more under changes to Medicare and higher education’. He said that the baby boomers who expect free medical care and education made him ‘want to throw up’. I have been told that the member for Parramatta uses a bulk-billing doctor himself. I rather suspect that he might be
described as a baby boomer. If the baby boomer who expects free medical care and education makes him want to throw up, I would caution him about throwing up on himself. As a baby boomer who uses a bulk-billing doctor, if he wants to throw up about this ideal of universality of social provision, he is in serious danger of throwing up on himself. I caution him about that. I warn him not to do that. He should take a different point of view and support Labor’s plan to save Medicare and save bulk-billing. It will save him a dry cleaning bill. It will save him a very dirty situation all over himself. But I do applaud his honesty for unveiling the true agenda of the Howard government when it comes to the Medicare system. It makes the member for Parramatta want to throw up. He went on to say:

... people turn around and have this massive collective whinge; they make me want to throw up.

He outlined that the changes to Medicare will lead to working Australians paying more. The member for Parramatta tried to dress this up in the media as an attack on so-called welfare bludgers, but in fact he was attacking the entitlements of hardworking, middle Australian families: people who work hard, pay their taxes and ask no more of government than decent health care for their children.

Is this an unreasonable demand in a civilised society? I think not. I would have thought, at the bare minimum, a government should say to people who work hard, pay their taxes and raise the revenue for the Commonwealth that in return they will receive the basics of a decent life—they will receive protection and security from their government, educational opportunities for their children and decent health care for their family. Young families living in my electorate would say, as the young families in Parramatta would say, ‘We work hard, we pay our taxes; all we ask for in return is a government to back us when we need it. When the kids are sick and wake up at night in the middle of winter with bad flu, bad coughs and other problems, we expect a well resourced, well funded public hospital system where we can take them in moments of emergency. We also expect bulk-billing doctors where we can take our sick children to receive care in daytime hours.’ This is just a basic demand. It is not an unreasonable demand. It is not something we should be critical of; it is something we should be supporting the working families on—backing their instincts to look after their children. There is no more basic instinct in our society than a parent who has concern about the health care of a child. When the child is sick, you want to do everything you can to make the child better. I know myself, as a new parent, that when my boy is sick, I feel sick; I feel bad. I want to do everything I can to make him better. And Medicare has been there in an electorate like mine, doing that for 20 years. Why change that? Why change the circumstances? Why wind back bulk-billing, when all we are trying to do in Medicare is back the basic instinct of parents. It is not an unreasonable ask.

People work very hard. People work long hours in my electorate. People in double-income families work to try to make ends meet. It is not easy. I have the luxury of being on a politician’s salary, as has the member for Parramatta, and quite frankly I do not know how families on $30,000, $40,000 or $50,000 with several children make ends meet. Looking at my family budget, I just do not know how they manage, but somehow they do. One of the ways they have managed historically is with the government on their side through Medicare. They have had a system that provides some decent entitlements and support when their children are sick. They have had a system that gives educational opportunities for smart kids who work
Mr BRENDAN O’CONNOR (Burke) (7.15 p.m.)—I rise to speak on the Health Care (Appropriation) Amendment Bill 2003. This is a very important debate. This debate illustrates the great divide between Labor and the conservative parties regarding the country’s health system. I believe this debate reveals distinct philosophies on the way in which we want to care for people in this country. Clearly, this government has no regard for a decent health system and the need to ensure that its citizens are looked after properly. This government’s lack of regard for Medicare and the decline in bulk-billing have revealed the government’s true nature. Indeed, the government’s true intent of killing bulk-billing and slowly killing Medicare has been revealed. Given the popularity of Medicare and the fact that it has been such a proven success over 30 years, I thought that the government would have thought otherwise. This is an extraordinary step and shows the extent to which ideology, not good policy, is driving this government. It also shows the government’s growing arrogance. This government is becoming more arrogant, more aloof and more disconnected from the community. This debate is a clear example of that. The government has no regard for the general popular view that Medicare has indeed provided decent services to the community.

I took the view last year that this government and indeed any government would react favourably to an attempt to find a bipartisan approach to such an important issue in this country. I took the view that I could indeed in good faith contact the minister, Senator Patterson, and speak with her about the shortage of doctors and the cost increases for doctors’ services in my electorate. I did that; I contacted the minister. I met with the Minister for Health and Ageing, Senator Patterson, last August, and I discussed with her the concerns that the doctors in my electorate shared with me about their problems. Indeed, I discussed with her my constituents’ concerns about finding a bulk-billing doctor. On the one hand, I conveyed to her the problems that the doctors were having maintaining bulk-billing services in good faith. On the other hand, I also spoke with her at some length in her offices in Melbourne about the concerns that patients in my electorate, in particular in the outer metropolitan areas of my electorate, were facing. I believe that she took those concerns on board and was genuinely interested to hear the concerns. I even took a photo of both of us for my local newsletter and sent that out to the householders of my electorate indicating that I had met with the minister. On the face of it, she genuinely listened to what I had to say. However, today clearly shows that the minister and indeed the government have not listened to the concerns of the electorate and the concerns of doctors in outer metropolitan areas and in regional areas. That is clearly a problem that will not go away, a problem that this government has to face up to.

In our discussions, Senator Patterson put a number of things to me that she believed would assist in sorting out some of the difficulties. In discussing this problem, the minister outlined to me three methods to look at to attract extra doctors to the region: a restricted increase in access to Medicare provider numbers to specialist trainees, the targeting of GP registrar training places and increased access to higher Medicare rebates for selected other medical practitioners. Whilst I did not agree entirely with some of those suggestions, I thought this minister was actually going to take this matter seriously, but clearly that is
not the case. We have a government that is hell-bent on fulfilling the dream of the Prime Minister, and that is, if the government has its way, to destroy the universal public health system of this country—a system that has been in place since its introduction in 1972-73. Since that period when it was introduced as Medibank and then transformed into Medicare, there has been clear evidence that, where there is a universal health system in place, people in lower socioeconomic areas and hardworking families are able to properly attend to their health needs.

I think it is also important to note that there is such a clear divide between Labor governments and conservative governments when it comes to the way in which bulk-billing has been accessible. If you look at the way in which Medicare access was available from the early periods of the Hawke government until 1996, you see a gradual increase in the capacity of ordinary Australians and ordinary Australian families to access bulk-billing. It is no accident that since 1996 there has been a steady decline in people’s ability to access bulk-billing. Of course, there has never been bulk-billing in every place across the nation, but in every survey conducted there has been clear evidence of a decline in bulk-billing. Indeed, in my own electorate there has been evidence of that decline. In my own electorate of Burke, the decline has been going on for a period of time, certainly since 1996, but in the last 12 months the rate has fallen dramatically. It is free-falling in the electorate of Burke.

But before I get on to the actual figures as to the extent to which bulk-billing access has declined in the electorate of Burke, following the meetings I had with the minister I thought it was important that I survey my own electorate. I sent out over 1,000 letters in the form of a survey in order to get some sense of what my constituents were thinking about. They were asked about their health needs, doctor shortages, doctor prices and so on. Unfortunately, there was an affirmation by the respondents to the survey that illustrated my fears were correct. With respect to the difficulty of finding doctors who bulk-bill, of those who returned the survey over 80 per cent indicated that their doctor either did not bulk-bill or had stopped bulk-billing. Over 90 per cent indicated that it is now harder to find a doctor who bulk-bills in their community. Indeed, almost all who returned the survey indicated that it was impossible to find a bulk-billing doctor after hours. The answers to these particular questions asked of ordinary working families in this nation, in my own electorate, clearly confirmed the contention that bulk-billing was in decline well before I received statistics to confirm that fact.

Another interesting area that I think should be noted is private health insurance. Almost 80 per cent of the respondents who use private health insurance indicated that there had been a significant increase in their premiums. So we have a situation where my constituents are finding it harder to find doctors who bulk-bill. They are also finding that the costs associated with doctor visitations are increasing. At the same time that is occurring, they are finding that, where they are privately insured, their premiums are going up in excess of any CPI increase. Their premiums are outrunning inflation at a significant rate.

The combination of these factors means that there are significant problems in the health system. What are the government looking to do about that? Their answer, which we heard the other day, is to take more money out of the health system. The way in which John Howard’s government responds to this crisis in the Medicare system—the significant lack of capacity by ordinary working families to access bulk-billing and access a decent health system—is, firstly, by
robbing Peter to pay Paul, and by that I mean that they have decided to cut funds to public hospitals. This is the Howard government’s response to deal with the crisis in our health system. They are going to start cutting funds to the public health system. The health care agreements funding cuts—and I am happy to relay exactly what those cuts are—over the next three to four years will total $918 million; $918 million that was to go to the states has been taken away by the Commonwealth government. Of course, as a result of those cuts, fewer nurses will be able to be employed in public hospitals, fewer operations will be able to be undertaken and there will be longer waiting lists—all as a result of the Howard government reducing funding to public hospitals in this country.

These cuts to public hospitals precisely offset the budgetary impact of the government’s $917 million Medicare package—what a coincidence! The government is giving with one hand, taking with the other and expecting people not to notice. The Australian public are much more savvy than that; they are very well aware that this government is playing sleight of hand with their money. When it comes to the health system of this country, they will not abide the behaviour of the government. I think it is something for this government to properly consider. It clearly has not done so. It has shown a complete disregard for the concerns of the constituents of my electorate of Burke and, indeed, of constituents across the entire country by failing to properly attend to the crisis and then by insulting the intelligence of the Australian people by giving with one hand and taking with the other hand. That behaviour has clearly been exposed, and there has been no comeback by this government.

This government has revealed in all its glory the way in which it likes to deal with the public health system. It increasingly is finding new ways to destroy what has been a successful universal public health system in this country—one of our boasts to the world. Medicare should be one of our boasts to the world. Indeed, I know of people from other countries of comparable wealth who have visited this country and been in awe of the way in which this country has managed over so many years to look after its people by having a decent public health system. I think that we should reflect upon that. This public health system is not one that is shared across the world. There are a number of countries which have similar systems. Canada has a decent system and so have some other countries. But the fact remains that not all countries of comparable wealth have managed to deliver a decent system, a decent system that will deliver to its citizens. But Medicare is such a system—a system that is under severe ideological attack by this government. It is a system that has worked in the past. It is a service which has provided decent health care, whether through doctors being able to bulk-bill the patients that they see or whether through public hospitals with sufficient funds. That system has enabled not only those who are concession card holders but also—

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

Immigration: People-Smuggling

Ms PLIBERSEK (Sydney) (7.30 p.m.)—Many of us become members of parliament because we want to protect the most vulnerable members of our community; indeed, that was my main motivation in becoming a member of parliament. I have come in here tonight to put on the public record that I have failed in that duty. I have failed in my role as
a member of parliament and I think that I have failed even as a citizen of this country, because on 26 September 2001 a 27-year-old woman, Puongthong Simaplee, died in Villawood detention centre. According to her account, she had been brought to Australia as a sex worker when she was 10 or 12 years old. She had worked for most of that time in the sex industry in New South Wales and Victoria.

At the time of her death, she had been in Villawood detention centre for about 71 hours. When she was brought in on 23 September, she weighed only 38 kilograms. After 71 hours of vomiting, diarrhoea and other symptoms, she weighed 31 kilos. The New South Wales coroner reported into her death, and that report was released recently. The report said that, with proper medical attention, this woman may have been alive today. Each one of us in this place presides over an immigration system that allows the death of a person in this manner, and I believe that each one of us is responsible.

This young woman was brought to Australia at the age of 10 or 12. In the early years of her teenage life, she was used by Australian men who visit brothels. In all that time, the people who profited from her work were never brought to account. They constantly broke the law. Child prostitution is, of course, illegal in Australia. However, we have to ask ourselves what actions we have taken to stop this evil trade in this country. In 1999 we passed sexual slavery and servitude legislation in this place and I was very proud at that time to support that legislation—yet, since 1999, there has not been one single prosecution under that legislation. It is imperative that we ask ourselves why the Australian Federal Police have not been able to bring to justice the men—it is generally men—who profit from this. Why is it that DIMIA are able to locate these women—in the last year, I think about 140 women were found working in the sex industry in Australia without visas—and why is it that the Federal Police are not able to prosecute the people who are profiting from this trade?

Puongthong Simaplee was picked up in a raid by DIMIA on a brothel in Surry Hills—‘A Touch of Surry Hills’ I think is the name of the brothel; it is quite close to my office. The Australian Federal Police, as far as I know, were not present, which is the pattern more than the exception in these cases. The Federal Police are often unable to prosecute these cases because the women are deported before they can give proper statements. Again we have to ask ourselves why. If we are really interested in getting the ‘Mr Bigs’ in this trade, why are we deporting people before they are able to give statements and before they are able to appear in court? If this young woman has died in vain, each one of us should be ashamed. If one good thing comes from her death, perhaps it will be that we will finally begin to take seriously this abominable trade in human misery.

New South Wales: Election

Mr NAIRN (Eden-Monaro) (7.35 p.m.)—On Monday in this House I supported a motion by the member for Cowper with respect to the forestry industry in New South Wales. In the lead-up to the New South Wales election, Premier Bob Carr announced that another 65,000 hectares of forest—forest that had been deemed under the regional forest agreement to be suitable for forestry activities—was going into reserve. At the time, Green preferences were vital, so all of a sudden the Premier decided to throw out the science and the RFA that had been signed a couple of years before, in order to win over those vital Green preferences in a number of seats.

I mentioned in the earlier debate that the local Greens in my region had put certain demands on the Labor Party for Green pref-
erences. The Greens originally said that they would not give preferences, but they then said, ‘If you do these things and commit publicly to certain things, then we’ll give preferences.’ We did not hear any public declaration from the Labor Party locally about whether it accepted them, but we do know that the preferences were given. I detailed aspects related to that at the time. After I spoke in the debate, the member for Grayndler—from that great forestry electorate in Sydney!—got up and supported the actions of the Premier of New South Wales with respect to those 65,000 hectares of land and 15 new national parks. The member for Grayndler said:

I would prefer to have the sorts of decisions made by the New South Wales environment minister, Bob Debus, and my friend the secretary of the CFMEU forestry division, Craig Smith...

Hearing the member for Grayndler make that comment obviously caused a bit of a problem within the CFMEU, because into my hands came a letter from the CFMEU forestry division. It is a ‘statement of claim/demand’ regarding the state forests of the New South Wales North Coast. The letter is dated 3 March 2003 and it is signed by the member for Grayndler’s friend Craig Smith. It says:

The statement is in response to the announcement yesterday by NSW Premier Bob Carr regarding an election promise for the transfer of 65,000 hectares of North East NSW State Forests...

It goes on to set out their demands. They demanded that the New South Wales government honour the regional forest agreement, which they clearly were not doing, and also that they desist from any politically motivated decisions. They also demanded no further political interference in state forests in New South Wales, which the government obviously took no notice of. They also demanded that harvesting restrictions on the ‘so-called “Contentious Areas”’ be lifted’.

The statement ends up saying this:

Until such time as the above claims/demands are met in full by the NSW Labor Party, the CFMEU FFPD Division NSW Branch withdraws its resources, provision of financial support and assistance to all ALP candidates standing for election in the 22 March 2003 NSW Government elections.

That is signed by Craig Smith. So there we have the member for Grayndler standing up in this place saying, ‘I support what the Premier did, I support what Bob Debus did and so does my friend, the secretary of the CFMEU forestry division, Craig Smith.’ But at the same time we have the demands from Craig Smith, basically saying that they do not support any of that—not a single part of it—at all. What was the final result? Did the New South Wales government accede to the demands of the CFMEU? We know they did not, but they might have in relation to other aspects of the game. Or did they bow to the pressures of the Greens in an area like Monaro, to get the preferences which one week before the election they were not going to give and then at the last minute they were?

The demands of the Greens in my area are that a whole lot of new forests be locked up, which would throw a whole lot of extra people out of work. They still will not come out and admit that they agreed to those demands. Clearly, this information here shows that even the unions involved with the forestry industry were telling the New South Wales government they had it wrong. (Time expired)

Transport and Regional Services: Funding

Mr MARTIN FERGUSON (Batman) (7.40 p.m.)—Last night in Senate estimates very senior representatives of the Department of Transport and Regional Services confirmed that if the department were operating in the private sector it would be close
to being declared insolvent. That confirmation by departmental officers puts it beyond any doubt that the Minister for Transport and Regional Services’ cover has been blown as to his mismanagement of the department and the fact that he basically is using the department for his own pork-barreling activities. I suggest to the House this evening that silence cannot hide the fact that the minister is clearly driving his department into the ground with his mismanagement.

This mismanagement is placing huge financial pressures on the department, because it is about him making promises when the finances are not there to meet the commitments. It was as a result of those promises that a very senior departmental officer recently consulted one of Australia’s leading insolvency companies, Prentice Parbery Barilla, about the financial situation of the Department of Transport and Regional Services—a department with a huge financial commitment in terms of the delivery of infrastructure and a range of services around Australia.

I therefore believe that the time has come for the minister to come clean about his mismanagement, because I do not believe the department can be allowed to continue as it is. In that vein, I note that, in the secretary of the department’s recent briefing to staff following the recent budget, he said—and I refer to his notes:

We cannot continue as we have.

Those notes then reveal, for example, that in this financial year, if they do continue the way they are going, they are talking about, perhaps, a departmental surplus of $2 million—but there are potential creditors of $9 million, leaving the department a potential shortfall of around $7 million. He then goes on to say in his departmental presentation:

If the department goes as it has been, we will have a shortfall—and this is a major department of the Commonwealth—of around $35 million to $40 million by the end of 2004-05.

The department is therefore staring down the barrel of a $40 million shortfall, through mismanagement by the Minister for Transport and Regional Services. But it is not just the shortfall; it is also very clear from the budget papers and the secretary’s presentation to staff that, as a result of belt tightening and the cutting of necessary investment—such as on IT, which is integral to the department’s responsibilities on, for example, the security front and the fight against terrorism—there are very serious questions about the department’s capacity to actually do the job expected by the Australian public.

I also believe that, if the minister had been a managing director in the private sector with his department close to insolvency, the creditors would be on his back today demanding that he sell off his farm to settle the debts and get the department back on track. I believe this is deeply embarrassing to the Australian community, and it is further proof that the Howard government just cannot manage the finances and the budget processes. The department is clearly very important at a national level. The minister has created the mess; it is now his responsibility to fix the mess up.

Perhaps the minister has been concentrating too hard on those coveting his job and on weighing up his personal future to have any time to do the job he is paid for. We have a strange situation in Australia this evening—no Governor-General, a Prime Minister who will not commit to the long haul, a Deputy Prime Minister who cannot confess and commit to cleaning up his own mess, a deputy Liberal leader who remains out on a limb and a deputy National Party leader who spends all his time undermining his leader—
the Deputy Prime Minister—leaking and basically seeking to destabilise government processes. Mr Deputy Speaker Causley, I know the Deputy Prime Minister is a very good friend and very close colleague of yours, but one way or another I think it is about time that he got the message that he ought to get his priorities right, concentrate on the job he is paid for and clean up the financial mess—(Time expired)

Telstra: Services

Mr TICEHURST (Dobell) (7.45 p.m.)—I rise tonight to defend the Telstra workers who were most ungraciously defamed in an article published in last Wednesday’s edition of my local paper, the Central Coast Express Advocate. The title of the article was, ‘Hall angry over phone cuts’. It said:

Federal Shortland Labor MP Jill Hall got stuck into the Government for not doing enough for Telstra.

Ms Hall was angry after Toukley residents were without phone lines for nearly a day after a lightning strike on a Wyong substation.

‘The Government talk about what they can do for families, they talk about what they can do for older people and they talk about health care but they can’t ensure people have working telephones,’ Ms Hall said.

Ms Hall also had a stab at Federal Dobell Liberal MP Ken Ticehurst as Wyong High School was also cut off.

‘What is he doing about ensuring a better telephone service?’ she said.

In the same newspaper, a few weeks ago, the former Whitlam government minister, Mr Barry Cohen, stated in his regular column that the Labor Party is made up of members without any real world experience. They are ex-union officials, ex-staffers and ex-lawyers. How can they hope to formulate policy?

The member for Shortland has shown quite clearly that she indeed represents those remarks. Without any knowledge of the situation she went on the offensive, first on radio 2GO and then in the newspaper. The Labor Party purports to represent working people, but instead the absolute ignorance of the member for Shortland has denigrated the efforts of these technical experts. There is no substation at Wyong—substations are for electricity. Lightning struck mobile phone cells at Somersby and Tangy Dangy and the Wyong telephone exchange. It caused the worst damage in over 20 years and more than 20 Telstra technicians, engineers and logistics staff worked around the clock to repair the damage. As well as technicians working in the exchange, in very constrained quarters, engineers in Melbourne were remotely diagnosing faulty boards; in fact, hundreds were replaced. Logistics staff in Sydney and Hamilton provided spares.

I visited the exchange last week and saw the damage for myself. The GMS mobile cell was completely destroyed and had to be replaced. Before the major telephone service could be diagnosed, links had to be established back to the main control centre in Melbourne. This went on with painstaking sequential testing of circuit boards. The lightning currents actually blew out about 6,000 circuits in the exchange and resulted in several suburbs across the Central Coast being without working phones, some for several hours and some for days. In fact, the Express Advocate in the following week had a note from the editor thanking Telstra for their efforts in actually resuming services so quickly. Several staff worked around the clock to fix the problem; in fact, they were there for days. The magnitude of the strike was such that, while services are now operational, staff are still on-site looking for ways they can improve the system and also ensuring that, as other circuit boards fail, they can be replaced.

This was a typical outburst by the member for Shortland: she pulled the issue out of the
hat with absolutely no knowledge of the situation, nor did she make any investigation into the incident. Maybe the federal government should be flattered that the member for Shortland seems to think controlling lighting is within its constitutional powers. Even with my extensive experience in lightning tracking, I have not discovered some magic way of actually controlling lightning, although I am aware of how destructive it can be, particularly when you have situations involving multiple strikes. Telstra followed very strict procedures to address the situation, and there was nothing more they—or the federal government for that matter could do. The response time was indeed exceptional given the circumstances.

I am very sorry that the Telstra workers in the Central Coast community were exposed to such an article from the member for Shortland. It was a childish antic, and I hope it missed most people’s eyes. Finally, I would like to place on record my appreciation for Telstra CountryWide workers for their hard work and dedication to restoring services to the people of Dobell and Shortland. They have done a magnificent job. I can confidently say that the majority of the Central Coast community are very proud of and grateful for their efforts.

Aviation: Airservices Australia

Mr ALBANESE (Grayndler) (7.50 p.m.)—I wish to raise the very worrying proposal to have the terminal control unit consolidation down to two in Australia with regard to control of Sydney airports. This is a proposal that would have Perth, Adelaide and Sydney TCUs transferred to Melbourne. It would result in the control and airspace management of up to 45 nautical miles around major airports and would also control the airspace between major airports. I note the member for Hindmarsh agrees with this concern, as did the people who attended a meeting here in Parliament House some three weeks ago. Senator Marise Payne, the members for Lowe, Barton, Sydney, Cook, Mackellar and Wentworth and a representative from the office of the member for North Sydney all expressed grave concern and unanimous opposition to this proposal.

This is economic rationalism gone mad. It is dangerous and it is about saving money. We were told by Airservices Australia that it was about saving money over a period of time. It will result in staff losses—in Sydney, losses of 50 staff; in Adelaide, losses of 17 staff; and in Perth, losses of 14 staff. The Airservices board considered a report in November 2002 and will report back by the middle of this year. I am totally opposed to this proposal. I am opposed to it on the basis of safety. I have a particular concern about Sydney, located in the most densely populated area of Australia: I simply do not believe that the airspace around there will be controlled from Melbourne. It is not safe and it is about cost cutting. There are also issues raised, with the question put on notice by the shadow minister, the member for Batman. Question No. 1567 was answered in the past week by the minister for transport. My colleague the member for Batman raised specific issues such as concern about failures on 7 October 2002, a number of failure notifications that have occurred and concern about what will occur with this TCU consolidation.

Frankly, the minister’s answers are a disgrace. They simply rubberstamp the needs of a small group of people within the aviation industry. I call upon those people who attended the meeting, as well as the member for Hindmarsh and other members, to get onto the minister and pull him into line about this dangerous proposal. Firstly, it will result in safety concerns. Also, around Sydney airport we have the long-term operating plan which says that 17 per cent of movements to and from Sydney airport should be to the
north. We know that figure has never been reached; it is in fact some 50 per cent more. Twenty-five per cent of movements already are to and from the north. If you move control of the airport to people in Melbourne, those people will not care less about noise sharing around the airport. They will not be able to directly experience the impact of aircraft noise. It will undermine the support that people such as I have—people who are always taking a responsible position on Sydney airport. I do not support the mad proposals which say shut it down, because I support the jobs that are there.

This is about removing people who work at Sydney airport and moving them to Melbourne. It will undermine support for the airport, and it will give succour to more extreme views regarding the future of Sydney airport. The savings, I believe, are largely illusory in terms of this proposal. Airservices Australia have told us that they will take into account stakeholder views. Let me tell Airservices Australia that the stakeholders who count most are those represented by the people in this House, and they unanimously opposed this proposal at the meeting. I am sure that the members around Adelaide and Perth airports would also unanimously oppose this mad proposal. It is about time the minister did his job and stood up for the people of Australia rather than Dick Smith and a few people—whackos—around the airport who have their particular small, narrow agenda.

(Time expired)

Transport: Driver Education

Mr FARMER (Macarthur) (7.55 p.m.)—Driver safety is an issue close to my heart, especially the safety of young people on our roads. Each year an average of 500 young people aged between 15 and 24 years die on our roads. Three-quarters of them are young men. This loss of life is staggering, and the saddest part of this whole situation is that, in most cases, these accidents can be prevented. This is because, in many cases, speed and inexperience are the major factors. I know this only too well. In 2001, one of my young cousins, who was two weeks away from his 17th birthday, was the passenger in a high-powered performance car travelling too fast to control, and he was killed in the accident that followed.

Over the years, governments across the country have introduced programs, public awareness campaigns and licensing schemes to try to reduce the number of young people killed on our roads. I took this issue to the parliamentary secretary for roads, Senator Boswell, last year, and we discussed ways of reducing the road toll. We talked about limiting the types of cars that young people can drive, and we also talked about better ways to educate and train young people after they get behind the wheel. We concluded that it is not enough for governments to impose road rules on young people and then hope that they will follow them. Young people need to be educated and trained in a practical way once they have their licence. They need to see the risks and learn their limitations.

That is why I was pleased to hear Monday’s announcement by the Deputy Prime Minister that the Australian Transport Council agreed in principle last Friday to introducing an intensive driver education program for young people. This would run within six months of their getting a licence. I commend John Anderson for showing the vision to put this proposal to the state and territory transport ministers. It is a sensible suggestion that will work on improving the attitude of young drivers. From my own experience, that is the key issue here.

I am sure that we can all remember the feeling of invincibility that we had when we first got our driver’s licence—and nothing has changed with young people today. I am
sure all of us here in the House can remember how inexperienced we all were when we first got our driver’s licence. It takes years of driving on your own, without a teacher next to you, to become a good driver. Combine this inexperience with the invincibility factor that many young people have and it is a lethal combination.

The figures support this. Drivers in Australia aged between 17 and 20 are 11 times more likely to die on the roads than those aged between 40 and 49. One in three deaths among young Australians aged between 15 and 24 is as a direct result of road fatality. Young drivers are vulnerable in these first few years behind the wheel, and the intensive driver training program now being investigated by Austroads is a positive step forward. It will help reduce the deliberate risk-taking behaviour—the invincibility factor that so many young people have—it will increase the experience of young drivers and it will help find better ways to address the behaviour of young drivers in the future. A detailed program is now being developed by Austroads and should be completed by November this year for consideration by the ATC. I can only hope that this program will be accepted for the sake of our young people.

**Transport: Driver Education**

Mr SIDEBOTTOM (Braddon) (7.58 p.m.)—I would like to support the member for Macarthur’s comments, particularly in relation to young people and driving experience and driver training. I have a son who is about to get his licence. In fact, I have spoken in this House on a couple of occasions about the statistics in Australia which show so much tragedy on the road, particularly for our young people. I certainly like the idea of introducing intensive driver training. I think some states call it defensive driving. I wonder about the onus we place on young people and about their risk-taking attitudes and wonder how we can assist them to better take responsibility and care for their driving.

It makes me wonder about adults too and their ability or inability to drive cars, particularly in stressful and dangerous situations. It reminds me of a young professional driver for McCains in Smithton who spoke to me at the Wynyard show in my locale. He was saying that he thought he knew about driving. He did an intensive driver training test and found that he did not know anything—and he was an adult and an experienced driver. Frankly, I reckon we would all benefit from such training.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! It being 8 p.m., the debate is interrupted.

House adjourned at 8.00 p.m.

**NOTICES**

The following notices were given:

**Mr Vaile** to present a bill for an act to amend the Export Market Development Grants Act 1997, and for related purposes.

**Mr McGauran** to present a bill for an act to amend the Australian Film Commission Act 1975, and for related purposes.
Mr Slipper to present a bill for an act to provide for contributions to be made towards the superannuation of low income earners, and for related purposes.

Mr Williams to present a bill for an act to amend the Criminal Code Act 1995, and for related purposes.

Mr Williams to present a bill for an act to amend the Criminal Code Act 1995 in relation to the Hizballah External Security Organisation, and for related purposes.

Ms King to move:

That this House recognises that:

(1) the viability of many small wineries is under threat;

(2) in a large part this threat is the result of the Howard Government’s introduction of the Wine Equalisation Tax;

(3) the Government has consistently failed to heed the advice of the Winemakers’ Federation of Australia of the threat the Wine Equalisation Tax poses to small wineries; and

(4) the Government has ignored the comments of its own Trebeck report into improving the viability of small wineries by failing to address the problems small wineries are experiencing with the Wine Equalisation Tax.
Wednesday, 28 May 2003

The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Burke Electorate: Smartwood

Mr BRENDAN O’CONNOR (Burke) (9.40 a.m.)—Bacchus Marsh in my electorate is known for the economic and social devastation brought by the closure of a large CSR site six years ago. I am happy to now bring some good news to this House about that area. In recent weeks I have had the good fortune of being involved in the phoenix like resurrection of a timber moulding and framing business called Smartwood, which employed 26 people in Bacchus Marsh. I was contacted on 29 April and told that the company had been handed over to administrators and that the Australian Taxation Office, its major creditor, was seeking before the County Court to have the company closed and its assets stripped and sold.

After speaking with the former owners, Allan and Maurita Turner, and the administrator I was convinced that the decision to trash the company was premature. I wrote to the Australian tax office—and a copy of that letter was tendered to the court—seeking an adjournment until the creditors meeting that was to be held on 15 May. I argued that there was an opportunity for the company to be rescued and, as a consequence, for much-needed jobs to be saved in Bacchus Marsh. I am happy to say that the court adjourned the ATO’s bid to have the company closed immediately and to liquidate its assets. That was done on the strength of submissions made to the court by customers who have dealt with Smartwood. Submissions were even made by former employees about the worth and value that their lives had acquired as a result of their employment with that company. I am happy to say that, in some modest way, the court’s decision was also influenced by the letter I wrote which was tendered to the court and which referred to an alternative way in which to deal with the company, pursuant to the provisions of the Corporations Act.

I am happy to announce that, as a result of that adjournment at the eleventh hour, Hugh Turner, the father of Allan, has stepped in and paid the company’s debts and he will take over the company forthwith. I am pleased to announce that more than half of the original employees will retain their jobs, with a reasonable expectation that numbers will rise as the plant recovers to full production.

I acknowledge in particular the wisdom of the court, the professionalism of the administrators in dealing with this matter, the endeavours of Allan and Maurita and, most particularly, the never-say-die efforts of the work force of Smartwood whose deeds in the end saved the company. I will be on hand to assist the company in restoring itself to full employment and, in particular, my assistance will be there for former employees who are not currently employed. I will do anything I can to ensure that they gain employment. I hope that in the not too distant future they will again be employees of Smartwood.

Bury, Mr Les

Mr KING (Wentworth) (9.43 a.m.)—I wish to draw attention to inaccurate comments made by Mr Alan Ramsey of the Sydney Morning Herald about a former representative for Wentworth, the late Les Bury. As the current member for Wentworth and a friend of the Bury family, I was disappointed to read the achievements of Les Bury as both the local member and
as a minister during his 18 years in office brought into question in a way that really was a bitter personal attack. Mr Ramsay has every right to question the policies of politicians past and present, but the way in which he wrote about Mr Bury has, with justification, caused great offence to his family.

In his 17 May article in the *Sydney Morning Herald*, Alan Ramsey described Mr Bury as a ‘grim beanpole of a man’. Ramsey’s contention was that Les Bury, in his role as federal Treasurer in 1970, increased pensions by only 50c in the budget that year. That led Ramsey to conclude that ‘more than a pensioner or two around the country would have raised a glass to damn him to hell when Mr Bury died in 1986’. These claims were tasteless and undeserved.

Another *Sydney Morning Herald* journalist, Ian Fitchett, wrote on 11 March 1967:

> When Mr. Holt named his first Ministry on January 25 last year he promoted Mr. Bury from the junior portfolio of Housing to Labour and National Service and also into the inner Cabinet, where he has remained ever since, with his reputation growing as the months go by.

> He is friendly by nature and has an easy manner, qualities which have attracted co-operative responses from the trade union movement. Added to this are an obvious sincerity and a hard-working application to his duties. It is his habit to go regularly to his department’s headquarters in Melbourne, and he is in fact one of the few Ministers who work with their departmental officers in their own central offices and are not content to leave their contacts with them to their offices in Parliament House.

> He was also referred to in the *Canberra Times* in 1970 as ‘a gentleman among piranhas’ as a politician. He was a fine parliamentarian, who spent 18 years working for the people of Wentworth and Australia. He was an extremely talented elected representative who served the parliament both as minister and Treasurer. Prior to his election he worked in the Department of the Treasury under the Chifley government and also worked for the IMF and World Bank from 1951 to 1956.

Bury entered the parliament in 1956 representing my electorate. He became a minister in the Menzies government in 1961, serving as Minister for Air and the Minister assisting the Treasurer. His career also included service as Minister for Housing and Minister for Labour and National Service. In the former capacity, he introduced the first home owners grant, a scheme that survives today, providing benefits to so many thousands of Australians. Between 1969 and 1971, Les Bury served as this nation’s Treasurer, which included handing down the federal budget. It was in that budget, according to Ramsey, that Bury deserved the damnation of Australia’s pensioners by increasing pensions by 50c, which in today’s terms is the equivalent of $4 a week. It was a pension rise that attracted some criticism, although it was basically designed to offset CPI increases.

Bury continued his parliamentary career by serving as the Minister for Foreign Affairs during the McMahon government, and then in 1974 retired from the parliament. From 1956 to 1976 Les Bury was one of the few parliamentarians who enjoyed respect from both sides of the House, a characteristic we see much less of today. Nick, his son, has told me how his father would attend football matches with Arthur Calwell in Melbourne and that the father of the current Opposition Leader, Frank Crean, stayed at the Bury home in Sydney. My own father-in-law, Ian Sinclair, has told me how Les Bury would always have a pot of coffee brewing in his Canberra office. He was a fine parliamentarian and Australian. (*Time expired*)

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**MAIN COMMITTEE**
Workplace Relations: Industrial Action

Mr McCLELLAND (Barton) (9.46 a.m.)—I rise to express my concern about events in my electorate at a factory called Morris McMahon in Arncliffe. Workers there have been protesting against the failure of the company to enter into negotiations for a collective agreement. Those workers have been on strike for some 11 weeks and have been outside the premises of the factory expressing their opposition to the company’s actions. I have met on several occasions with those workers. They are primarily women from non-English-speaking backgrounds. Despite the torrential rain we have had in Sydney, they have loyally stayed outside the factory in support of each other in support of the claim.

The Minister for Employment and Workplace Relations last Friday went out there and, with respect to the minister, feigned sympathy for them. He was reported on the radio as saying, ‘You have every right to go to the union and seek the union’s help. You have every right to do that, and you have every right to ask for a collective agreement—every right in the world.’ The trouble is that when he was asked to talk about what that right was on radio, he said, ‘You’ve got the right to ask for a collective agreement, but not to enforce a right.’ I do not know how you can have a right which is not enforceable. He said to Stan Zemanek:

Sometimes people just don’t agree. Husbands and wives don’t always agree, and sometimes you just can’t resolve it.

It can be resolved. The way it can be resolved is by giving the Industrial Relations Commission the power to direct parties to bargain in good faith. It was virtually invited to do so by Justice Munro, when he said on 8 May last in respect of the dispute:

It follows that it is appropriate to place on record that, in my view, the Company by its bargaining conduct has contributed to, or engaged in a form of conduct, that would merit sanction and prevention if relevant powers or defences were available. It has engaged in a bargaining practice that is not a fair labour practice. It has not bargained in good faith with the representatives of the bulk of its employees.

The minister should stop feigning sympathy. He should do something within his power: he should restore the power of the independent umpire to direct parties in an industrial dispute to bargain in good faith. If he does not do that, we will see Australians pitted against Australians on protest lines, police against workers. The only way to avoid that is by having the rule of law in industrial relations. The minister should act, and he should act now.

Education: Boys

Ms GAMBARO (Petrie) (9.49 a.m.)—I bring to the House’s attention an initiative from the Minister for Education, Science and Training that provides understanding and real solutions to a problem facing school aged boys in our communities. Research over the past 20 years has examined ways to address gender issues, especially as they relate to girls. But much more recently we have noticed that, while boys are performing well, there exists greater potential. Research has found that 14-year-old boys are now doing worse in literacy tests than they were 25 years ago. In the year 2000, 89.6 per cent of year 5 girls achieved literacy benchmarks, compared to 85.2 per cent of boys. The problem illustrated by these results also carries through to later years, so that in 2002 the year 12 school retention rate was 80.7 per cent for females and just over 69.8 per cent for males. In higher education, males made up 43.6 per cent of the 61,076 domestic students in 2001, compared to 46 per cent in the year 1991.
As a member of the House of Representatives Standing Committee on Education and Training, I was concerned when the statistics mentioned above were first discussed. However, through this committee we were able to look at the education of boys—and I note that the deputy chair of that committee is also in the chamber at the moment, and I acknowledge the fine work of the member for Port Adelaide on that inquiry. That inquiry led to the Boys’ Education Lighthouse Schools Program. The objective of the program is to establish across Australia 30 lighthouse schools that will champion, demonstrate and disseminate best practice in boys’ education to other schools around them. I was really pleased that two of the schools announced in the first round are in my electorate of Petrie. They are the Kippa-Ring State School and Southern Cross Catholic College. Both of these schools are important community beacons in my electorate, and they will receive grants of $5,000 for their respective programs.

Kippa-Ring State School will use their grant funding for BRAG Week—BRAG meaning Boys in Reading and Growing. The program is designed to develop greater participation in class learning activities where reading is a component, and it will improve reading strategies and boys’ willingness to read. Role models from the local community will work in small groups with the boys to highlight the importance of reading in their lives. Follow-up activities will include a visit from a storyteller, individualised assistance and resources to supplement boys’ reading. Southern Cross College will fund a project called Seeking the Light of Literacy. It will focus on literacy and communication skills programs for boys across the four campuses of the college. These are just some of 110 projects around Australia worth about $860,000 in the first round, and they are part of the $4.3 million Commonwealth investment in boys’ education over the next two years.

**Education: Funding**

**Mr SAWFORD (Port Adelaide) (9.52 a.m.)**—The government’s intentions for higher education in the 2003 budget are nothing more than smoke and mirrors and a pea and thimble trick. These intentions amount to less than zilch. Let me explain in simple terms so that even those opposite can understand. There is one indicator and one indicator alone that needs to be examined when analysing a government’s commitment to higher education. I will repeat that: only one indicator can tell the truth. That indicator is the percentage of GDP spent on higher education, and that is it in a nutshell. When that indicator is analysed in the budget papers, a very different story emerges to the one spun by the government and the minister. At least one commentator has pointed this out—Ken Davidson from the *Age* in his Monday column this week.

When the government came to power in 1996, public funding for higher education was 0.9 per cent of GDP. It is now 0.6 per cent—a 33 per cent cut. Part of that is due to the transfer of Austudy to Youth Allowance, but it does not explain everything. How could anyone reconcile that raw, unadulterated statistic with the government’s claims of more money for higher education? The budget forward estimates clearly show that spending on higher education has fallen from 0.9 per cent of GDP in 1996 to 0.6 per cent now, and it will not rise but fall to 0.5 per cent of GDP next financial year and again in 2004-05. In 2005-06, the forward estimates will again be 0.6 per cent—exactly what they are now. Extra money? No way. More money? Balderdash. If that is not smoke and mirrors and a pea and thimble trick, I do not know what it is. What sort of commitment to higher education is this? Shonky, I would have thought. Despite the bluster—actually fluster—it remains exactly the same today as it did when the gov-
ernment took office and made those 33½ per cent cuts. It will be exactly the same in 2005-06, while falling in the two previous financial years.

There is no greater public commitment—full stop. However, there will be a larger private commitment by families. Universities will be deregulated; they are now free to increase their fees by up to 30 per cent. But something else has also happened. HECS contributions were 20 per cent of the price of a degree until 1997 but, under this government, they have increased to 40 per cent. If all the universities apply the surcharge, that will increase to well over 50 per cent and be on its way to 60 per cent. Funding for private schools is interesting. To sum up, the 58 former category 1 schools, which received $62 million in 2001, are now going to get $122 million in 2004, with $115 million going to schools in Victoria and New South Wales. In higher education the government encourages those with money over those with merit. In the schools system the government subsidises those who do not need it over those who do. (Time expired)

Mr HUNT (Flinders) (9.55 a.m.)—I rise to commend fulsomely the members of the Western Port Oberon Association in my electorate of Flinders who, over a period of years, have worked tirelessly to create the Oberon Association Otama submarine display and are working towards that end. They have successfully won for Hastings and the surrounding area the Oberon submarine, which was a gift from the Commonwealth along with a $500,000 Centenary of Federation grant. These are community members who have worked for a community good with nothing in it for themselves other than a vision of building and developing the town of Hastings. The reason I raise this in the House today is that a former councillor this week launched an aggressive, unfounded and ultimately mean spirited attack on the members of the Oberon Association and the vision they have for Hastings of creating a world-class educational and visitors facility surrounding the Oberon submarine the HMAS Otama.

As I go around to primary schools and speak to children from prep up to grade 6 in the areas surrounding Hastings—Baxter, Somerville, Tyabb, Crib Point and Bittern—there is one thing they ask me about: all of the children want to know about the submarine. There is incredible excitement about having a submarine within their area or within their town. They want to know when they can visit. They want to know when they can see the submarine, which is currently moored off the jetty at Crib Point. In that situation, for one member of the community to hold a different vision is entirely reasonable and acceptable, but for that member of the community to aggressively abuse, deride and downgrade the thousands of hours of effort that a group of volunteers has given to building Hastings is disappointing.

I give my unequivocal, overwhelming and absolute support to the Western Port Oberon Association and their vision of a maritime and marine memorial area for submariners and a display of the HMAS Otama. In terms of the vision for Hastings and the surrounding area, this is a magnificent step forward which fits with the aquatic centre and the plan for a marine and maritime training centre and is part of the notion of building pride within the town—of building a sense of self-respect and creating a vision which brings people together. I give this my overwhelming support. I commend the Oberoners and their leader, Max Bryant, who recently won the Centenary Medal.

The DEPUTY SPEAKER—Order! In accordance with standing order 275A, the time for members' statements has concluded.
MURRAY-DARLING BASIN AMENDMENT BILL 2002
Second Reading

Debate resumed from 15 May, on motion by Mr Scott:
That this bill be now read a second time.

Mr BRUCE SCOTT (Maranoa) (9.59 a.m.)—I will reiterate some of the comments that I started to make when we were last in this place. Water is without doubt the country’s most valuable natural resource. To say that Australia’s primary industries and many of our inland country towns rely on this product to survive is an understatement. With the exceptional drought that is continuing to plague many parts of Australia, we absolutely have to address the issue of the sustainability of this resource which underpins so many of our rural economies and country towns.

UNESCO, the United Nations Educational, Scientific and Cultural Organisation, has predicted by the year 2020 water shortage will be a serious worldwide problem. It will not just be one for Australia; it will be a worldwide problem. Already, though, many parts of Australia are reaching their limits of supply under current practices. Today I would like to make the House aware—and I am sure many members and senators are aware—that this is the International Year of Freshwater, as proclaimed by the United Nations General Assembly, with the aim to increase the awareness of not just a few who understand the issue but everyone about the importance of sustainable freshwater use, its management and its protection.

I would like to quote for a moment from the executive summary of the UN World Water Development report, which was delivered earlier this year. It states:

Globally, the challenge lies in raising the political will to implement water-related commitments ... Water professionals need a better understanding of the broader social, economic, and political context, while politicians—us in this case—need to be better informed about water resource issues.

On our part, the federal government, the Liberal-National Party coalition, is all too aware of the importance of water quality and of the need to sustain this valuable resource, especially because of its importance to our national economy.

The Murray-Darling Basin, which is the focus of this amendment bill, is one of Australia’s largest drainage divisions, covering over just one million square kilometres of land. The Murray-Darling Basin is an extraordinary part of Australia’s economic wealth. Environment Australia figures show that some 30,000 wetlands are in the Murray-Darling Basin and that biodiversity and ecological processes themselves are under pressure. For this reason, the states which the Murray-Darling Basin extends across, including my own home state of Queensland, have representation on the Murray-Darling Basin Ministerial Council and the Murray-Darling Basin Commission. These organisations play an integral role in the management of the basin’s natural and environmental resources.

In the lower part of my electorate of Maranoa, the St George Water Harvesters and the Dirranbandi District Irrigators have undertaken their own monitoring program of the Lower Balonne, spending over $1 million in that process. We ask ourselves: why would a group like that be doing their own monitoring? Because the viability of their own enterprises and the towns that depend on the wealth created from irrigation in that area are so important to them.
They are not going to see the river damaged. They want to make sure that it is sustainable, and they are taking a very responsible part in ensuring that the river does not become degraded and that it remains sustainable.

These people have an interest in being water-wise. However, it appears that they are only now winning the fight against the Queensland Labor government and some of its political agendas, which I have witnessed over the last 18 months. The Labor government in Queensland last year tried to sneak through a secret plan that would have seen the compulsory acquisition of a large irrigation farm, Cubbie Station at Dirranbandi—I admit that it is one of the largest irrigation operations in Australia—and reallocate that water into New South Wales, but over into another catchment. It was going to cross two other catchment basins and put it into another catchment area altogether. This issue has been very close to my heart because it is of critical importance to the people of my electorate. But I just want to revisit some of the facts for the purposes of reading them into Hansard.

In July last year I refused to remain silent after discovering that the Premier of Queensland, Premier Beattie, intended to push through a secret Murray-Darling Basin sustainability initiative strategy paper that proposed to forcibly and compulsorily buy out Cubbie Station, ramp down the operations and reallocate that water. This was seen by the Department of Primary Industries in Queensland as the answer to sustaining water and land resources. But this move would have shut down a town without prior consultation or good science and with a politically motivated agenda. It would have seen Dirranbandi become a virtual ghost town. Furthermore, Premier Beattie, the leader of the Labor Party in Queensland, expected the federal and New South Wales governments to contribute some 85 per cent of the buyout price so that the Queensland government could contribute more water to the Murray-Darling Basin and avoid—and this is what they were after—some $128 million in compensation payments.

The coalition government were not interested in the proposal asking it to buy out Cubbie Station. We were well aware that the Queensland Premier had based his motives on flawed science—on salinity maps that were prepared without proper community consultation and that were politically motivated. They were proven to be so when the Premier came to a public meeting in Dirranbandi and agreed to have a study done by independent, outside-of-government sources and researchers. By the end of last year, when that study was completed, it had completely identified the fact that the river was in good health and had discredited the research that had been done by Premier Beattie’s own Queensland government department.

This substantiated the argument that had been put by the local people, by me and by the opposition in Queensland that Premier Beattie’s agenda was political; it was not based on science or fact. It was a scandalous and outrageous attack that used misinformation to try to seek revenue for the state of Queensland and, at the same time, shut down a country town. During the whole process there were two large public meetings in the town of Dirranbandi. The Cubbie Station manager and the people employed there maintained their claim that they had been responsible agriculturalists. As long-term residents and investors—as farmers on the river system—they have, in fact, a greater commitment to the long-term issues of river health and salinity than most.

We know that drought continues to rage in many parts of Australia and in this part of Queensland, and my electorate is no exception. But that part of the river has recently had a run from rains that have fallen further upstream. The interesting thing is that, when Cubbie
Station could have been harvesting the waters that came down the river, as responsible citizens they let the first three days of the flow go past Cubbie Station for users downstream and for the health of the river. They could have been harvesting for three days to store more water for a crop that they would grow later in the year, but they let the first three days’ flow go through. I think that demonstrates their commitment to being good citizens and also to considering the health of the river. They have some 30,000 acres there that they could irrigate. By letting three days go you might say that they have, effectively, let a commercial opportunity go down the river. They did harvest after the first three days and they have been able to store enough water to irrigate 3,000 acres later this year—some 10 per cent of the total capacity.

The Premier of Queensland, Premier Beattie, has all but admitted to unjustly targeting Cubbie Station. As I said earlier, after two public meetings that were organised by myself as the local member, the local state member and the leader of the opposition, Premier Beattie agreed to commission an independent review of the science underpinning the assessment of the current and future ecological condition of the Lower Balonne river system.

I want to touch on that report as it is important to get the facts into Hansard. The scientific review panel, which was headed by the highly regarded Professor Peter Cullen, produced the Cullen report which contradicted Labor’s claims that the Lower Balonne is a severely degraded river system. However, although this report was released in January this year, the Queensland government has remained silent to avoid any embarrassment over its own flawed processes used during the early part of last year. This is just another example of how the Queensland government ignored the importance of community consultation and listening to the people. We are seeing the same processes starting up again in relation to vegetation management in Queensland right now. This stands in stark contrast to the federal coalition government here in Canberra because we support the protection of property rights. We recognise that landholders have property rights. And, whilst we acknowledge the need for water reform, we see the notion that you can compulsorily acquire property as morally incomprehensible.

I want to bring to the attention of the Main Committee the marked difference between the coalition’s efforts to manage and protect the environment and those of the state Labor government, which stand in stark contrast. The Australian Labor Party in this place opposed the creation of the Natural Heritage Trust, which was introduced by this government and stands as the largest environmental protection program developed in Australian history. On that note, let me add that the coalition government has also established Envirofund, the community component of the $2.7 billion Natural Heritage Trust, which has been one of the most proactive community assistance initiatives ever started. This year alone rounds one and two of the drought recovery round, which is putting money into those drought areas, has seen some 76 separate projects in my own electorate of Maranoa receive a total of more than $1½ million to carry out specialised environment works. Under a Labor government, these 76 initiatives would never have eventuated because they opposed the establishment of the Natural Heritage Trust fund and of course the Envirofund which has flowed from that.

I would like to record in Hansard that Labor has never had a real interest in addressing the core issue of the environment. In contrast, in the 2002-03 financial year the coalition government has spent more than double on the environment than Labor did in its final year in office, and I think that gives credibility to what I am saying in this place this morning. The coalition government is committed to supporting communities in their efforts to develop local solutions.
to local environment and natural resource management challenges. In fact, this is the very essence of the Australian government’s Envirofund: harnessing the local knowledge, expertise and enthusiasm of community groups, like those in my own electorate, to help their local environment and, in the case of the drought recovery round, to combat the effect that drought is having on the community. Almost 40,000 volunteers have contributed to more than 12,000 Natural Heritage Trust projects to repair and restore the local environment and communities right across Australia. The Natural Heritage Trust has funded native vegetation work on over 773,000 hectares of land, and this includes more than 98,000 hectares of predominantly cleared land replanted with native vegetation.

At the other end of the spectrum, when Labor want to be seen as acting on environmental interests in this great land of ours, they go about it in entirely the wrong way. They seem to want to pander to minority pressure groups rather than addressing the real core issue of making sure that you can get money to repair some of the damage and make sure that agriculture, towns and the environment are sustainable for future generations.

Another current issue that is confronting landholders in my electorate and their battle against the Queensland Labor government is one that causes me great concern, as it demonstrates that government’s failure to acknowledge the property rights and civil rights of farmers as landholders in Queensland. The Queensland Labor government’s draft Southern Brigalow regional vegetation management plan proposes to lock up some 12,500 hectares of land in the Murilla shire near Miles because of local wild flowers. This land comprises freehold, leasehold, state forest, national park and reserve land.

They have now identified this particular area of my electorate as having a high conservation value, yet 10 years ago, when the Labor government under Premier Goss wanted to establish a new toxic waste dump in Queensland—the Willawong one near Brisbane was full—they went out and found this area, and the report done internally by the department said that it had no conservation value at all. Ten years later, with a different agenda, they say that this area that they established a toxic waste dump in is an area of high conservation. That supports what I have been saying this morning: that the Labor government in Queensland has a political agenda. They seek a solution by manipulating departments for their own agenda. I could talk a great deal more, but I will conclude on that point. (Time expired)

Mr WINDSOR (New England) (10.16 a.m.)—I am pleased to speak on the Murray-Darling Basin Amendment Bill 2002 and, like other speakers, I will probably range a little wider than the specific target of the legislation. The purpose of the bill is essentially to amend the Murray-Darling Basin Agreement to enable the sharing between the states of water made available in the Murray River catchment above the Hume Dam as a result of the corporatisation of the Snowy Mountains Hydro-electric Authority. The amendments also provide for the management of environmental flows in the Murray River. Obviously the Murray River—and given your particular background, Mr Deputy Speaker Causley, you would be an interested spectator in relation to this particular bill and the various arguments that have taken place over some time in relation to the Murray River—is an essential part of our part of the world. It is an essential part of the Australian economy and, as such, should be looked at as an essential part of our future.

I think the member for Maranoa raised a couple of interesting points towards the end of his speech, particularly in relation to the Queensland government and the property rights issue.

MAIN COMMITTEE
Therein lie a number of the problems—partly through constitutional fault, I guess—in that the states are deemed to have a certain degree of control over water resources within their boundaries, while something like the Murray River does not stay within state boundaries but travels through a number of states. That immediately introduces a political dimension in terms of water reform and the way in which governments, both state and federal, can react to particular issues of water quality, salinity et cetera. In my view, one of the major problems that this bill confronts—which governments, both state and federal, do not confront on a broader level—is that there has not been enough money put in place to address some of these major reform issues.

I congratulate the independent member for East Gippsland in the Victorian parliament for reacting to the people’s concern and essentially taking advantage of a political moment within that state to drive this bill. However, more important than the recognition of some of the problems that the Snowy was having and the various arrangements that have been put in place with the various irrigators west of the range, is that within this bill there was a coming together of the various states and the Commonwealth, with money, to embrace a solution. A lot of politics were played prior to the solution being obtained. I can remember being in the state parliament when, I think, the Hon. Robert Webster was appointed commissioner for the Snowy River inquiry, and a tremendous amount of politics was played—not by him, but by various parties and people in New South Wales and Victoria. Even though that argy-bargy took place at that stage, the fact that everybody in this House is agreeing with this particular bill today means that the introduction of money into the argument to help with the reform process has been able to achieve an outcome.

One of the great difficulties we have in relation to future debates about the Murray-Darling system—particularly the property rights debate, which is raging in all states and at a Commonwealth level—is that we have not introduced enough money into the system. It is all very well for the member for Maranoa to talk about how wonderful the Natural Heritage Trust has been in terms of funding environmental reform—and I am sure other government members will also talk about this—but a tremendous amount of that money has been wasted. A lot of it was not targeted properly. A lot of it was politically motivated and was used to indicate that there was some sort of lip-service being paid to some of the very real environmental problems that impact on the Murray-Darling system.

I believe that there needs to be a much greater injection of money. Obviously governments, through their budgetary constraints, cannot just produce new money and they cannot keep on selling Telstra to produce some of the funds that are poured into the political dimension in some of the marginal seats—and that leads to the need for a solution in terms of this particular problem. No doubt Mr Deputy Speaker Causley will let me know if I am out of order in mentioning that I think that he and a number of others in a committee that he was on at one time—I cannot remember the name of it—recommended that the government of the day look very seriously at the use of an environmental levy to fund some of these remedial arrangements.

That is a very important point. We need to inject new money. We need to stop this argument between the states and the Commonwealth and those of different political persuasions to inject new money into the system. I would not recommend that it be funded by asset sales—as some other things have been funded in the past. I would suggest that the parliament, and particularly the government, look very seriously at having a transparent package in terms of an
environmental levy and that the money be used in an accountable process, as the former CEO of the National Farmers Federation suggested some time ago—which was pilloried to a certain extent when Rick Farley suggested that an independent body be set up to administer the Murray-Darling remediation money—so that we, in a sense, remove some of the politics. Let the politics determine what the target is, but we should then hand that process over to an independent authority so that it cannot be impinged and impugned by the political process. That has been one of the great problems in the past.

A simplistic way of looking at this fundraising issue is that $1 a week from all Australians raises $1 billion in a year. That is the magnitude of the funding that we are talking about. I forget what the Natural Heritage Trust arrangements were. I think it was something like $1 billion or $2 billion, which was spread over many years. Funding for the national salinity and water quality action plan—NAP—was $1.46 billion to be spread over a number of years. In my view those sorts of sums are not sufficient. We should be looking in the realms of $1 billion a year to be spent, particularly on targets like the Murray-Darling system—and some of that money should also be used in relation to the property rights issue.

The COAG arrangements were put in place then—I know that the current government was not in power then, but there has been a general agreement in relation to the processes—essentially to formulate a process of water reform. Other competition policy arrangements were made that embraced transport, gas, water and another thing I cannot think of off the top of my head to embrace a number of very important cross-border issues and issues that had an important dimension in terms of the running of the nation. That occurred in 1995. Within those various discussions between the Commonwealth and the states at that time, certain principles and protocols were put in place and certain moneys were applied and tied to certain processes being agreed to by the states. Certain benchmarks were set whereby the federal government would not allocate the funds to the states if, in fact, the states had not met those particular benchmarks.

That was in 1995 and we are now in the year 2003. The issue of property rights was raised back in the early days of 1995 and, under the protocols, a definition of property rights was to be recognised prior to the flow of money to the states; Commonwealth money would not flow to the states unless the states recognised an appropriate definition of property rights. That has not happened. A series of other agreements was made over that number of years. We had COAG. We had the competition policy where a call for a definition of property rights was made and certain protocols were put in place. Even yesterday we still had the minister for the environment extending the NAP arrangements because of Western Australia not having come into the tent in relation to agreement on some of these arrangements. We had intergovernmental agreements and bilateral agreements.

Then, I think it was in the year 2000, we had what was seen as a very important step forward—the national action plan on water quality and salinity. On a number of occasions at a state level, prior to coming into this place, I raised these issues in the New South Wales parliament. I was on the water inquiry committee within that parliament and on a number of occasions in that capacity I raised the issues. Also, in a federal capacity since coming here, I have raised these issues with the Prime Minister, the Deputy Prime Minister and the Minister for Agriculture, Fisheries and Forestry. In fact, a year ago within this very place I raised with the Minister for Agriculture, Fisheries and Forestry, in terms of last year’s budget documents,
the money flows to the states through the national action plan and how the minister would interpret the property rights issue when the Commonwealth government had continually given the states, particularly New South Wales, national action plan money and other funds without appropriate recognition of property rights being given.

I am quite pleased that within the New South Wales government we have a new minister, Craig Knowles, who, in my view, is prepared to address this issue in a fashion it should have been addressed in years ago. I encourage the Minister for Agriculture, Fisheries and Forestry and any of the various ministers responsible, particularly the Prime Minister, to really get behind this issue of property rights. It is about money and it will require an injection of it before any worthwhile reform process can take place. You cannot, through various legislative or regulatory arrangements, force the farming community to deliver appropriate actions without the injection of some degree of money. There has to be a proper recognition, a proper definition of property rights, and that recognition needs to be converted into compensation where it is appropriate, where there is going to be a loss of capital or real income by the application of government policy.

I refer to the year 2000, when the national action plan was launched by the Deputy Prime Minister, the Minister for Agriculture, Fisheries and Forestry and the Prime Minister. They all made great play—and rightly so—of the inclusion of the property rights in the funding arrangements. In welcoming the $1.46 billion announcement in October 2000, Mr Truss said: The plan recognises that actions required to sustain the environmental health of a region may affect the property rights of individuals and some local economies. Compensation must be payable—these are his words, not mine—under the plan to those adversely affected.

That has not happened. It is a redefinition of the 1995 COAG and competition policy arrangements. In his briefing note titled ‘The Action Plan at a Glance’, Mr Truss further said:

In regard to policy improvements, the Action Plan proposes Commonwealth, State and Territory Governments agree to supporting an agenda of key land and water-use policy initiatives. These include:

- Land-clearing controls in salinity risk areas;
- caps on surface and groundwater allocation;
- improved security of property rights for water, together with improved water pricing and trading arrangements;
- “buying back” water allocations to achieve sustainable water use.

A number of people in this parliament have seen the absolute fiasco at the Commonwealth level—and at the state level as well—that has occurred in the Namoi region, where the very principles embraced by the minister, the Deputy Prime Minister and the Prime Minister back in 2000 of buying back water allocations to achieve sustainable water use were built in and could have been funded through this $1.46 billion national action plan. Only last year the Prime Minister signed off another $200 million to the state of New South Wales without the buy-back arrangements—the very principles lauded at the announcement of this process.

A Prime Ministerial communiqué dated the day of the meeting of the Council of Australian Governments at which the states and the Commonwealth government agreed on six elements to the plan—‘all of which are necessary to achieve lasting improvements’, according to the communiqué—stated:
... an improved governance framework to secure Commonwealth-State/Territory investments and community action in the long term: including property rights; pricing; and regulatory reforms for water and land use;

That still has not happened. Moving forward a short time, Mr Anderson issued a press release, after some degree of criticism from me about the national action plan bilateral agreement which was signed off without any recognition of property rights. Mr Anderson said in the press release:

The inter-governmental agreement on water quality and salinity signed by the Federal and NSW Governments provides that compensation and structural adjustment issues will be dealt with under regional catchment plans. There is no need for the issue to be dealt with—

as I had raised and been critical of—

again in bilateral agreements.

This was just to brush aside the seven years of history. He was saying, ‘Don’t worry, it’s all still coming. We are going to recognise property rights. Mr Anderson continued:

Regional plans will require the agreement of the Federal Government and I make it quite clear that plans will not be approved, and Federal funds will not flow, unless property right issues are dealt with to the Federal Government’s satisfaction.

Last year the minister was asked what definition he would apply to ‘the Federal Government’s satisfaction’, and he was unable to answer.

I think the point that is very valid now is that we are rapidly running out of excuses on this particular issue. There are regional blueprints on the table now; I have seen a number of them. There is no mention of property rights in these regional blueprints that are going to supposedly take care of the property rights issue. So I ask ministers concerned to start to look at the 21 regional catchment blueprints which are in New South Wales alone and explain to the community how they are going to use those blueprints to achieve property rights when most of them have not even mentioned property rights as an issue.

I asked the Prime Minister a question on 18 September last year—given recent comments by both the Deputy Prime Minister and the Minister for Agriculture, Fisheries and Forestry—regarding the government’s intention to withhold national competition policy payments from the states that had not adhered to the principles of the COAG arrangements in 1995 relating to water reform. The question was: what benchmarks does the government intend to use as a trigger for this process? The Prime Minister answered the question by saying that he had put in place the appropriate benchmarks. Time is dragging on, Prime Minister. I do not believe the appropriate benchmarks can be achieved through the regional blueprints, because most of them have not even got a definition of property rights—but hopefully some of them have recognised it.

It is time that the various ministers concerned recognised—and this has been going on for eight years—that we do need two things to happen. Firstly, we need recognition of property rights so that the farming community, when it is impacted adversely by structural change, can be compensated in an appropriate way. That does not mean that everybody who has ever had a water licence suddenly becomes a millionaire, but there are people who are impacted very strongly. Secondly—and perhaps this is the way to in fact fund this—we need to look at using an environmental levy across all Australians as a source of funding not only to compensate for
property rights but also to fund the many issues to be considered in relation to salinity and water quality reform. *(Time expired)*

**Mr JOHN COBB (Parkes) (10.36 a.m.)—**The Murray-Darling Basin is the economic powerhouse of rural Australia, and I think that is something we all know, with all due respect to my colleague from Kalgoorlie. It is a catchment for the Murray and the Darling rivers and their many tributaries. Quite obviously, my whole electorate of Parkes forms part of the watershed for that system, mainly going through the rivers of the Lachlan. About once every 50 years it does actually reach the Darling, the Macquarie and the Bogan. They are the main river systems that flow through the whole region of Parkes and eventually into the Murray, and whatever part of that flows out the mouth.

I was rather surprised to hear the Leader of the Opposition talk about using 1,500 gigalitres of water—and we are not sure where he is going to get it from—to wash out the mouth of the Murray. You could not actually carry enough water in a short enough time to wash out the mouth of the Murray. That is a long-term thing. The build-up of silt is well known to have happened over a long time. Simply pouring out 1,500 gigalitres to wash it through is far and away from being any kind of a solution, not to mention the fact that there was no talk of how it was going to be funded and where it was going to come from.

The Murray-Darling Basin stretches from the north of Roma in Queensland to Goolwa in South Australia and takes in around three-quarters of New South Wales and about half of Victoria. It extends across one-seventh of the continent and encompasses about two million people, and probably another million people depend very heavily on it. The Murray-Darling Basin generates about 40 per cent of the national income, and that is obviously mainly from agriculture and grazing. Figures suggest that around one-quarter of our nation’s beef herd, about half of our sheep, almost three-quarters of the irrigation system and about half of the crop land actually come out of the basin. I am proud to say that a good portion of all those things come out of my electorate of Parkes. There are about 20 major rivers and ground water systems involved. I represent the largest electorate in New South Wales—it is just under 270,000 square kilometres—and agriculture and mining are its main industries. Obviously, to them water is the lifeblood.

Our future depends upon water in one way or another, whether it be for stock and domestic use, whether it be for growing crops or whether it be for maintaining our towns and industries. The uncertainty over water allocations is without doubt one of the greatest hurdles facing the agricultural sector. There is no doubt that we have a duty to be sustainable, to use water properly and to be environmentally sensible. This means using commonsense, not—as so often in this debate and in many debates—using environmental correctness to appeal to a voting sector in the cities. The New South Wales government makes a particular habit of doing that: bowing to people who use environmental correctness rather than environmental commonsense as the criteria.

This bill deals in the main with the great Snowy Mountains Hydro-Electric Scheme. We all know that that was one of the great engineering feats of the world. The scheme was designed and constructed over 25 years, until 1974, at a cost of over $800 million. I wonder whether in this day and age we would have the guts, the foresight and the push to undertake a scheme like that. Yes, it is probably true that it changed the natural landscape to some extent, but what everybody forgets—with a great deal of passion, at times—is that nature and time change the
natural landscape as well. It seems that in this day and age there are a great many people who feel that we must put a stop on time—that nothing must go forward and nothing must develop. All I can say is that, if businesses took that attitude, they would all go broke.

On average, the Snowy Mountains scheme diverts 2,360 gigalitres of water each year west of the Great Dividing Range for irrigation and river management. The additional water is shared between New South Wales and Victoria—approximately 75 per cent and 25 per cent respectively. Much of inland Australia owes its existence to the Snowy River and the great scheme that turned waters inland to regional areas. It provides power and it has provided an awesome amount of production for the Murrumbidgee and the Riverina—something that only somebody who has seen it and knew what it was like before could believe has happened. It has been quite incredible. The change to the landscape and the production of that part of Australia, and particularly New South Wales, has been phenomenal.

As I said earlier, a lot of people refuse to accept the fact that the world and the environment change of their own accord and think that if man has anything to do with change it is totally untenable. That is a short-sighted and unscientific view, because science and history show us that we have always changed and the environment has always changed. As a government we are prepared to think outside the square and do the hard yards to work with the states in order to come up with a system that addresses commonsense environmental issues without compromising the productivity of Australia’s agricultural sector. In this case, the corporatisation of the Snowy scheme will mean that, for the first time, water users on the Murray and Murrumbidgee rivers will receive guaranteed levels of annual releases of water from the scheme. This will be made available from increased efficiencies in the way we use the water in the river.

To me, that is a lot of commonsense. I cannot help but compare it to what is happening in New South Wales and Queensland at the moment in relation to both water and native vegetation. Queensland in recent times seems to have caught up with environmental correctness rather than environmental commonsense; it seems to have caught up with New South Wales in one heck of a rush in the last year or so. When you look at what has happened and at the number of farmers coming to see us, you will see how dependent they, their families, our communities and the towns in our particular region along the Lachlan, the Darling and the Barwon are on this water. They keep saying to me, ‘Why aren’t we getting any recognition for the fact that what we produce is so important to the region and so important to our communities?’

The state government keeps pulling back the entitlements of farmers, without any sign of compensation. The government is looking at the situation now, and is attacking the ground water issue. It was the river water, but now the ground water situation is being dealt with as hard and fast and as unscientifically as the river water was. As recently as 1996 Kim Yeadon, the New South Wales Minister for Land and Water Conservation, was writing to our farmers in the lower Macquarie encouraging them to take up licences to make use of the ground water allocations. Today they are being threatened with the annihilation of their industry. They are being told that they have to take account of the environment to an extent which would not only allow the water levels to rise, but make salinity a threat as well. There is no common sense in this. It is being driven by Sydney, and being paid for by the few thousand farmers—not even a few thousand—along those river systems.
The Lachlan, which is being treated as though it is part of the Murray-Darling system, does not even reach it. Once in the last 50 years it may have run into the Darling, yet the Lachlan River is being treated for environmental flows, and it has had its entitlements and its cap cut down. It is being treated as though it is a permanent part of the Murray-Darling system. The result is that livelihoods and communities are being put at risk all the way down the Lachlan, whether it be Forbes, Condobolin, or Hillston. Hillston is one of the success stories in country areas in Australia in the last 20 years. It was discovered that Hillston’s climate was fantastic—they could grow almost anything. It had the ground water and river water systems combined. Its water has not been over-utilised, but it is being treated as a resource that has been over-utilised. There are cutbacks going on there which do not make sense.

I have had a lot of contact with the irrigators along that line. They are asking COAG to look very hard at the use of Lake Brewster for permanent storage to allow better utilisation of water down there. So far, that has not happened, but I would hope that the Murray-Darling Basin Ministerial Council will look kindly on a scheme which is designed to make better and more efficient use of water for that region, which is becoming—certainly in the last 15 years—one of the success stories of country New South Wales and of Australia.

One of the problems in this system is that in New South Wales, in particular, the environmental movement are far more concerned with power and with frustrating productive communities than they are with commonsense environmental business, and insist on environmental flows at a time when there is not much water, when it is dry. The natural result is that, when water is put down when people are not irrigating and when there are not natural flows, that water is soaked up and totally wasted. It does not even get anywhere. Whether it be the Macquarie, the Bogan or the Lachlan river catchments, to send flows down at a time when nothing else is running defies imagination. It does not clean anything out. It does not necessarily fill up reservoirs. It just wastes money, because the banks are dry—the whole system is dry. As anybody who knows anything about water realises, if you send water into a dry state on its own for a specific period, up to half of it can be totally wasted; 40 per cent is a figure that is often used.

The issues of the Murray-Darling Basin system, the main water system in Australia, are enormous. When I look at what New South Wales and Queensland have joined forces on, if we are going to do some commonsense things about good use of water out of that system, we have to acknowledge a few things. Firstly, New South Wales uses about 6,000 gigalitres of water to produce about $2.5 billion worth of output, Victoria uses about 3,300 gigalitres to produce about $1.5 billion and South Australia uses about 500 gigalitres to produce something over $1 billion. Partly that is because of the different crops grown, but obviously we have to do it better.

The point I am making here is that we all realise there have been overallocations but we all realise also that we are talking about the productive powerhouse of Australia. If we are going to do anything about easing down further on water usage, we have to do it over a long time and we have to pay people for what we are depriving them of and pay the communities who depend upon them. It is no good coming up with a scheme which simply says, as New South Wales has done and as Queensland is in the process of doing, ‘You, the farmers of New South Wales and Queensland, are going to pay for environmental correctness as envisaged by Sydney and Brisbane.’ It is totally unjust. I think the way the farming community and the towns...
and communities that depend upon them have been made to pay for the environmental correctness, and the totally unrealistic expectations on the farmers right around those two states is one of the great rip-offs of Australia.

A lot better management could go on. Certainly the Department of Land and Conservation in New South Wales could have done a lot more, for example, to ensure better water facilities for Broken Hill, where at one stage water was let go down the Murray when water quality was taking a high dive in that area and the salinity factor of the water in Broken Hill was coming into serious question—and still is. The issue is that there should be not environmental correctness but environmental commonsense. The livelihoods and the way of life of people who produce all the primary production one way or another and the regions that produce those things have to be taken into account. It is not good enough for the state governments to simply strip communities of their resource, their way of life, without even hinting that they can be compensated for it, especially when you look back to the fact that over many years state governments of all political persuasions encouraged and begged people to clear land to get into irrigation. Now they are saying, ‘You are going to pay for an ideal that the rest of us have.’ I recall at one stage putting to the Premier of New South Wales, Bob Carr, the question of compensation for all the cutbacks. His comment was, ‘We can’t afford to pay for that. The community can’t afford to pay for these cutbacks.’ If the whole community cannot afford it, how in the heck can a few thousand farmers afford it on their behalf?

Mr TANNER (Melbourne) (10.53 a.m.)—The Murray-Darling Basin Amendment Bill 2002 amends the Murray-Darling Basin Act and implements an agreement between the governments of New South Wales, Victoria, South Australia and the Commonwealth with respect to water sharing. It implements the corporatisation of Snowy Hydro and also a very major scheme for transferring water to generate environmental flows back to the Snowy River. It also establishes additional mechanisms for water accounting, notification, consultation and modelling with respect to the Murray-Darling Basin Commission.

Most importantly, in my view, this legislation implements an agreement between the Labor governments of New South Wales and Victoria designed to return to the Snowy River 28 per cent of its natural flow over a 10-year period, with the cost of approximately $300 million to be borne by those two state governments. This effectively will increase the flow of the Snowy from the figure of seven per cent up to 28 per cent. There are sections of the Snowy which have been in recent years flowing as low as one per cent.

This is a matter that is very close to my heart, because I actually come from a town that is on the Snowy River, near the mouth of the Snowy River—Orbost. My father recently sold the farm that he had owned since I was a teenager—a farm that I worked on—which was on the banks of the Snowy River. Having grown up in the area, I have been very aware of this particular problem. It is to the great credit of the Bracks and Carr governments that they have intervened to ensure that the Snowy River can have some future, some prospect of being revived, and that the terrible situation that has prevailed there for many years with respect to the health and environmental quality of the Snowy River will finally be addressed.

I first spoke on this issue in the parliament in 1997. It was very interesting that, after having made that speech, I was contacted by a former Labor state member of the Victorian parliament who had been a member of a parliamentary committee considering the proposed Snowy Mountains scheme in the early 1950s. He wrote to me, pointing out that the considera-
tion of the prospective impact of the Snowy scheme on the Snowy River itself at that time was predominantly focused on the need to ensure that adequate drinking water was provided for the people of East Gippsland. So the only issue from the point of view of the impact of the Snowy scheme and diverting the waters from the Snowy inland that was considered by that parliamentary committee in the early 1950s was the amount of drinking water that would be available to the people of East Gippsland.

When you consider that, at that time and subsequently, the number of people for whom that drinking water was needed was literally only several thousand—the entire Orbost Shire, as it then was, had a population of only about 5,000—you can see the appalling lack of scrutiny of the environmental consequences of the Snowy Mountains scheme at that time. It was understandable, given the lack of concern for and the lack of knowledge about environmental issues at that time, but it was nonetheless disastrous for the longer term.

For most people in Australia the Snowy Mountains scheme is a great icon and a great achievement in engineering and nation building. I accept that picture, but it has had a downside for the people of East Gippsland, and that downside has been the degradation of the Snowy River, the reduction in the environmental quality of the river and a reduction in economic opportunities for people in East Gippsland. There are great farming traditions in East Gippsland, just as there are around the Murray-Darling Basin. Some of the richest soil in Australia is in the Snowy River flats. There are a lot of farmers there; there is a lot of dairying and mixed cropping—the kind of things that my father was involved in. They were entitled to their opportunities just as much as other farmers, and they were denied them.

I visited my former home town back in September 2000 in the company of Craig Ingram, the Independent member for East Gippsland, who was elected largely on a platform of pursuing the issue of the Snowy. I went with him to look at various parts of the river, including one particular section near Bete Bolong, which is very close to a place where I lived as a child on a property which backed onto the Snowy. At that point the depth of the river was only one or two feet; of course, during summer everything in the river died because of the shallowness of the river and the lack of environmental flows.

It took the election of the Bracks government, and indeed the election of Craig Ingram, as the Independent member for East Gippsland, to finally get something done about the issue. The member for Gippsland, the Minister for Science, Mr McGauran, had said some nice things about the issue but had failed for a long time to do anything seriously on behalf of the people of East Gippsland with respect to the Snowy River. It took the election of the Bracks government and the election of Craig Ingram to ensure that action was taken.

I am very pleased to see that those promises have been delivered on, but there are still many difficulties and issues that need to be addressed. Understandably, there has been some local controversy about the implementation of these changes—as we are dealing here with a very great challenge: to restore one of Australia’s great icons to a proportion of its natural health. I look forward to the day when the Snowy is back running at something like the state that it was decades ago before the waters were diverted. I look forward to the Bracks and Carr governments continuing to implement their commitments to ensure that that occurs. I am pleased that this legislation provides a framework in which those commitments are implemented.
The broader picture is even more serious. The Murray-Darling system is dying; the Murray River is dying. We face the unbelievably critical challenge in our society of dealing with these issues and dealing with them urgently. The amount of water that is taken out of the Murray-Darling system for agricultural purposes has virtually doubled over the past 20 years. It is widely known that within the next decade or two, unless we have very substantial action, Adelaide’s drinking water will be below World Health Organization standards for two days out of every five. We have serious silting up. The river mouth is closing, and there are areas where the water is sometimes flowing backwards. In addition, of course, there is the rapid spread of salinity.

The situation is absolutely critical, and the Prime Minister and the current government are doing virtually nothing about it. We can see why in the speech of the member who preceded my contribution, because the current government is shackled to the interests of the irrigators in the Murray-Darling system. They are at the very heart of the National Party, and their interests are very vigorously represented at the federal and state levels by the conservative parties. As a result, the conservative parties and the Howard government will always be a major barrier to reform. They will have to be dragged kicking and screaming to tackle these problems. All they do at the moment is blame the states. The Howard government’s approach to dealing with the crisis in the Murray-Darling is simply to blame the states.

We need to accept that our society has made silly decisions in the past. We need to understand that there are crops being grown in the Murray-Darling Basin that should never have been established there. It is absurd that Australia is growing rice. When is our next monsoon? It is inappropriate for us to be growing these kinds of crops. Water is massively overallocated and is misused as a result, because not only are we using too much water but it is being used for crops that are inappropriate because they are extremely thirsty kinds of crops.

It is not going to be easy to address these problems; it is not going to be a simple matter. Quite clearly, it would be wrong and inappropriate for any government to simply march in and put ordinary farmers out of business. That, clearly, is unacceptable. Equally, it is unacceptable for farmers to expect that they are going to get 100 per cent, rolled-gold, universal compensation and that they will not be forced to bear any of the pain. The community is going to have to bear some pain. Governments, state and federal, are going to have to bear some pain. It is only reasonable that farmers also will have to bear some pain. What they need to understand is that, if that pain is not borne, ultimately none of us have a future; ultimately the future for Australian agriculture is dire. Salinity, the misuse of water and gradual environmental degradation will destroy the very lifeblood of Australian agriculture, for which the Murray-Darling Basin is the hub.

We cannot make these changes overnight, but they have to be undertaken. That requires some serious political courage and an acceptance across the board that there is going to be pain and difficulty. Farmers involved in this have to be treated with fairness and dignity, but they are not entitled to Rolls Royce treatment. In my electorate, I have very large numbers of textile, clothing and footwear industries. I have more TCF establishments than any other member of parliament in this place, in spite of the fact that there have been enormous job losses and a substantial closure of factories in the electorate. Those changes occurred to benefit all Australians, to free up the market for the items of clothing and footwear that we all have to wear, and to ensure that we had more competition, lower prices, greater innovation and
better quality. There is a debate as to how much that has occurred, but I do not think that there is any doubt that there have been substantial improvements in that regard as a result of freeing up those markets.

The people who lost out, the ordinary footwear, clothing and textile workers, including some in my electorate, did get some adjustment assistance—not enough, in my view. Some were able to get new jobs; many did not. But they were not compensated for the total loss of livelihood that they suffered. They received adjustment assistance and the same principle should apply in dealing with the problems in the Murray-Darling. If it is good enough for people on very low incomes working in textile, clothing and footwear factories to get retraining and adjustment assistance then the same principle should apply in respect of farmers in the Murray-Darling Basin if we are to save Australia’s environment and ensure that we have a future for our agricultural industries across the board and also for many communities to be able to access decent drinking water.

There is an alternative that Labor leader Simon Crean has put on the table, and I am very proud to support that alternative as a major step forward for tackling these issues. It is a fundamentally important alternative which consists of the following commitments. A Labor government will restore, in our first term of office, 450 gigalitres of environmental flows, which will be enough to guarantee that the mouth of the Murray remains open—a small but significant step—and over 10 years we will commit to restoring environmental flows of 1,500 gigalitres, which is widely accepted as the minimum level required to restore the health of the river to a moderate level. This is seen by scientists as the absolute minimum necessary to revive the Murray-Darling system. Labor will also create the Murray-Darling Riverbank, which will be a bank of capital designed to fund the restoration of the Murray-Darling system with an injection of $150 million of capital to enable that to be funded. We will establish an environmental flow trust to manage environmental flows. There are some difficult and complex issues that the previous speaker alluded to about how you deal with the ups and downs of environmental flows, the differing levels in the river and differing rainfalls; there are some difficult issues that need to be addressed there. Labor will ensure that there is a sustainable future for irrigation agriculture by restoring the health of the river and that we have viable, long-term agricultural industries built in the Murray-Darling system. And we will commit to ending large-scale, indiscriminate land clearing, which is a significant contributor to the environmental problems in the system. And of course, more broadly and indirectly, a Labor government will ratify the Kyoto protocol.

One of the things that always staggers me about the attitude of the government to the greenhouse issue and the Kyoto protocol is its blithe disregard of the potential negative impact of global warming on the agricultural industries that provide the heartland of support for its own side of politics. The CSIRO estimates that a negative or downside possibility for global warming by the end of this century could see the flows in the Murray-Darling system reduced by as much as 45 per cent. When you consider how overused they already are, contemplate the prospect of those flows being reduced as a result of global warming by 45 per cent and you have got an economic and an environmental disaster on your hands. And yet even though the CSIRO assesses this as a possibility—it is at the extreme end of possibilities—clearly we have to be deeply concerned about the prospect of global warming on the Murray-Darling system. The government regards that as some kind of illegitimate issue that it

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is not particularly interested in and it refuses to sign the Kyoto protocol, which is not perfect but it is all there is and it is a major start to the world dealing with questions of global warming.

We face a huge national challenge here, and it is the kind of challenge that only Labor governments are capable of dealing and grappling with. The Howard government is simply about ducking responsibility; it is about ensuring that somebody else tackles the problem in future years, even though that will guarantee that the problem will be much worse and much harder to deal with. Labor is prepared to take the difficult decisions. Labor is prepared to confront the difficult problems. Labor is prepared for the challenges that lie ahead to save the Murray-Darling. The commitment that Simon Crean has put forward in his budget reply speech two weeks ago is the first and most important instalment in ensuring that we as a nation can save our agricultural heartland, our environmental heartland; that those vital river flows are there for everybody, to sustain our agriculture; that the communities relying on the system for drinking water are able to continue to do so; and that we have a healthy natural environment which we can all enjoy and benefit from.

I conclude by returning to the question of the Snowy River. We have to learn from our mistakes. However great the Snowy scheme may have been, however great an engineering achievement it was, however great a set of economic opportunities it generated, it still involved significant mistakes—the most important of those being the degradation of the Snowy River. We need to recognise that there is a limit to the extent to which we can exploit the environment without seriously degrading it and therefore killing the goose that lays the golden eggs. That is the great lesson from the Snowy debacle, and we have to now apply that lesson to the Murray-Darling system as a whole.

The Snowy River is finally being given a chance of life again, courtesy of the Bracks and Carr governments and the great work of Craig Ingram. We as a community should learn from that lesson and understand that we have to take a similar approach with the Murray-Darling system and that the future of our nation depends on tackling this problem.

Water is Australia’s number one national security issue. For all of the attention that is legitimately paid to threats of terrorism, to war in Iraq and to the threat of other nations, water remains our number one national security issue. That is what we have to address. This legislation is important because it follows through on commitments directed at tackling that issue but is of little real credit to the government because it is pursuing commitments that have been driven at a state level by state Labor governments. But at least these things are happening; they are an important start.

I commend the legislation to the parliament, and I look forward to the day when a Labor government will be implementing our commitments to return decent environmental flows to the Murray-Darling system and to ensure that we have a sustainable future for our agriculture, our people living inland and our major cities. It will ensure that we operate our water systems on a sustainable and intelligent basis, we stop abusing them, we stop overusing them and our environmental footprint on this fragile land is sustainable.

Mr BYRNE (Holt) (11.13 a.m.)—I rise today to speak on the Murray-Darling Basin Amendment Bill 2002. I would like to endorse the comments made by the member for Melbourne in his very passionate and eloquent speech about the nation’s difficulties. I will start by agreeing with him and to some extent amplifying his concerns. In 1986 Paul Keating
belled the cat on our economy. He raised the balance of payments crisis with the banana republic statement. We face a situation with our environment, our water flows, of a much greater magnitude, yet very little in relative terms and in real terms is being done. I find that quite staggering.

Some might ask why I am standing here today discussing this issue, particularly given that I represent an outer metropolitan electorate. It is very far away from the mouth of the Murray River at Goolwa; it is a very long way away. My electorate is noted not so much for irrigation issues but much more for the number of houses there and the number of people who shift there each year. So why would I have an interest in this issue? The reason is that I served on the House of Representatives Standing Committee on Environment and Heritage, which examined this substantive issue in 2000-01. It was an excellent committee, and its recommendations are contained in two bipartisan reports: Co-ordinating catchment management and Public good conservation. Mr Ian Causley, the member for Page, was an excellent chair of the committee. He is not someone whom you would have thought would have been saying that we have got to fix this issue and do something about the wastage of water.

This committee came up with two great reports that recommended that substantial and dramatic action be taken. What has happened? The first report, Public good conservation: our challenge for the 21st century, was tabled on 27 September 2001. It has had no response. The Co-ordinating catchment management: report of the inquiry into catchment management report was tabled on 26 February 2001. It has also had no response. What does that indicate about the government’s priorities on this issue? Our nation is, in effect, rotting beneath us. A white plague is drifting through the Murray and destroying it. That was addressed in these reports. They identified this issue as a matter of national urgency. They spoke about the implementation of an environment levy. A bipartisan committee—members from both sides of the parliament—recommended that urgent action be taken, that a national summit be convened and that a national authority to address issues like water property rights et cetera.

What has actually happened? The government has not even responded to these reports. What does that say about the government’s priorities on this particular issue? I think it is a disgrace. Members of that committee flew over the Murray and saw the scenes of devastation. They heard that people from Adelaide were not going to be able to drink water from the Murray two days out of five because of the salinity problem. Yet they saw that the government took no concrete action to address these concerns and did not even bother to respond to the reports. What does that indicate about the government’s priorities and commitment towards fixing this issue?

The committee took evidence from the retiring Secretary of the Department of the Treasury, Ted Evans. He said that two issues were of the greatest structural threat to budgets now and in the future. The first was the environment and the second was defence. When we touched on the issue of the environment—and I subjected Mr Evans to fairly intense questioning—he said that there were two ways of fixing this problem. One was implementing a levy, because the expenditure was going to have to be so great. The other was making the consumer pay. Either way someone will have to pay. Either the taxpayer will pay and enable the government to raise money to seriously address the issue of salinity—which is touched on in this bill—or we will have to pass the costs on and increase food prices, which was what Mr Evans effectively conceded.
I turn to some of the estimated costs of fixing this issue. I have heard some people talk about the Natural Heritage Trust and I will discuss that a bit later on. The CSIRO estimated that the cost of fixing salinity in our soils would be $100 billion. We have heard some of the speakers talk about the fact that we have expended $1.4 billion on the Natural Heritage Trust. Yet the CSIRO, one of its own agencies, says that it will cost $100 billion. In a joint report the ACF and the NFF talked about $60 billion. These are people who do not go around creating figures for the fun of it. They are saying it will cost $60 billion. So the CSIRO says $100 billion, and the NFF and the ACF say $60 billion.

I hear speakers from the other side talk about the rights of property owners, and I accept that that is a legitimate concern. But of graver concern is that, if this issue is not fixed, we are not going to be discussing property rights because there will not be any usable properties to have rights over. That is the atmosphere that must be considered. There is a sense of crisis that has been consistently ignored. Words are being said, but commitments are not being made. We are running out of time to make solid commitments, solid expenditures and solid programs. Notwithstanding the shortcomings of our Constitution, it is time to come together in a national forum to address this concern. Labor has consistently indicated that COAG should be the vehicle to fix this particular issue. It examined it in 1994 but, obviously, it was not of sufficient concern. There has to be a national summit about these particular issues—water catchments and salinity. It has to be undertaken, and it has to be undertaken now.

As I said, the one thing we do not have, and this was touched on by the member for Melbourne, is time to get political about this. One person on one side of the chamber talks about property rights and we talk about the fact that we need something done. We need something done. The time for semantics on this issue is over. If you talk to the people on that committee who were there, they effectively said the same thing—and they were members of both sides of the House.

Having said that, I will touch on the particular aspects of the bill. The basis of this is an agreement and deal between the Commonwealth, New South Wales and Victoria to allocate an additional 70 gigalitres per annum in environmental flows for the Murray River and to improve the environmental outcomes for the rivers in the Kosciuszko National Park. A key element of the arrangement is the absence of adverse consequences for irrigators’ water entitlements, South Australia’s water security, water quality or existing environmental flows. The agreement has been subjected to extensive consultation and it enjoys a high level of support. It is a first step. It is long overdue. We obviously support this bill and we do so out of necessity. But it is a start.

As I said, we conduct this debate as though we are in a vacuum. We are not in a vacuum. The starting point has been too long in the making, too limited in vision and, therefore, too meagre in the delivery. We on this side believe that the bill does not go far enough. It is piecemeal and goes only part of the way to addressing the serious concerns that I have delineated, and it leaves all the other problems—salinity, vegetation loss and sustainable land use—for another day, another government, another generation and another group of taxpayers. And it is based on blind faith that creating markets will solve all environmental problems. The tragedy is that in this House we, like the Australian people, know that there are problems. As I have said before, this House is also aware that two reports were tabled and that the government has not responded to those reports. On a personal note, we flew over the Murray-Darling.
Basin. I was struck, in flying over that very fragile river, by how much we are obliged to this
generation and future generations to ensure that it is protected, enhanced and developed. We
cannot continue to exist in an atmosphere of complacency.

I will touch on some of the issues that we addressed in the report. In Western Australia,
Victoria and the western suburbs of Sydney, salinity is undermining houses, buildings and
infrastructure. Some 60 per cent of the urban area of Wagga Wagga is at risk from highly sa-
line watertables rising by half a metre a year. About 20,000 kilometres of major road and
1,600 kilometres of railways are in regions of high salinity risk. By 2050, this will increase to
52,000 kilometres of road and 3,600 kilometres of railways—meaning that salinity will erode
the roads and railways to the point where we may not be able to use them. If we continue to
do as we do now, by 2050 two million hectares of remnant vegetation and associated ecosys-
tems will be under threat from salinity. The Great Barrier Reef is under threat, as is biodiver-
sity in each state. Species disappear each day.

According to the New South Wales Department of Land and Water Conservation, salinity is
of concern in Western Sydney, Wagga Wagga and many other towns in central, western and
southern New South Wales, including Blayney, Boorowa and a list of others that I will not
read out now. Already in the Macquarie River west of the Great Dividing Range, about 630
ute loads of salt pass Narromine every day. In Western Australia, land affected by salinity will
increase to 32 per cent of agricultural land within several decades. Environment Australia ad-
vised the committee that lost agricultural production as a result of salinity has been estimated
to cost $130 million annually. Damage to infrastructure costs another $100 million annually,
and loss of environment assets costs a further $40 million annually. Other estimates placed the
cost of salinity alone, without including other difficult to quantify costs, at $335 million per
annum. In April 2000, the ACF and the NFF estimated the annual cost of environmental deg-
radation to be about $2 billion. We see the problem, but what does it mean?

In the Murray-Darling Basin agricultural production is valued at about $10 billion per an-
num—that is approximately 40 per cent of the gross value of Australia’s agricultural produc-
tion. Tourism and the recreation industry in the Murray-Darling Basin are valued at about
$3.44 billion. The Productivity Commission found that soil erosion and run-off from fertilis-
er and chemicals pose a significant threat to the Great Barrier Reef, particularly the inner
reefs. Tourism fuelled by the Great Barrier Reef, under threat from the run-off of inappropri-
ate agriculture, is worth about $4.2 billion per annum and employs some 47,600 people.

What is actually being done about the run-off? Nothing. In 1991-92 in the Murray-Darling
Basin there were some 3,280 manufacturing locations, which employed over 62,400 people,
with sales of produce goods exceeding $10.75 billion or 6.4 per cent of the Australian total.
Look at the magnitude and the scale of production and its meaning to Australia. In the 1996
census, the Murray-Darling Basin had a population of almost two million people, almost 11
per cent of the total Australian population. Outside the Murray-Darling Basin, another one
million Australians are heavily dependent on the River Murray for their water supply. None of
these figures take into account the many millions of Australians living in the suburbs of our
major cities whose jobs in manufacturing, office work, and light and heavy industry depend
indirectly upon the health of the rural environment. This is why this issue must be of concern
to urban members like me, notwithstanding my commitment to and participation in the envi-
ronment and heritage committee.
We believe that there has not been significant action undertaken. Half of the profit in 1996-97 from Australian agriculture was generated from irrigated production systems. Surface water allocations—and this is quite critical—and use in Australia's eastern breadbaskets, coastal Queensland, New South Wales and Victoria, exceeded sustainable flows. In fact, water extracted for irrigation between 1985 and 1997 increased by 76 per cent—in just 12 years. Of the 12,000 gigalitres flowing into the Murray-Darling Basin, 10,000 gigalitres are used for irrigation, and it is not returned. Eighty per cent of all agricultural production comes from less than one per cent of the total area used for agriculture and pastoralism.

I believe that this bill is a chronicle of lost opportunities. It shows that the present system is cumbersome and too vulnerable to being held ransom to the brinkmanship of whoever is the Prime Minister of the day and people who will not take responsibility for exercising national leadership on this particular issue. It is at best an interim solution, which leaves the real work to later generations when the damage has already been done and the solutions are much more difficult to implement. The bill fails to address the underlying policy issue that confronts us: how the states and the Commonwealth will work together to develop a coherent national policy. The bill is a start but it is not enough. It is symptomatic of the inability of the Howard administration to develop nation-building and nation-sustaining policy and plan rationally for the future.

What have they actually done? Launching the NAP, Our vital resources: a national action plan for salinity and water quality, the Prime Minister said:

Most Australians will accept that this is one of the most significant ... environmental challenge and natural resource management challenge that this country has. And what is needed is a national plan, flowing from Commonwealth leadership but working closely with the states and with local communities ...

Since that, what have they done? The Auditor-General found irregularities, questionable administration and ineffective allocation processes in the operation of the Natural Heritage Trust. The Howard administration has reduced funding for every year of the operation of the National Action Plan for Salinity and Water Quality. The Howard administration has reduced expenditure on the environment collectively over the past four years. After seven years of the Howard government administration, there has been little progress in real terms, particularly given the problems that I have detailed. Under the national water reform agenda, land clearing continues at unacceptable levels, water quality continues to decline and there is no national approach to ensure ecologically sustainable use of Australia's catchment system. Again, in terms of their priorities, why haven't they responded to this report that I have tabled?

In finishing my contribution in this debate, what needs to be done? The major recommendations of the House of Representatives Standing Committee on Environment and Heritage reports that we need to integrate water management with land use into a properly funded and coherent policy. The committee noted in Co-ordinating catchment management that the expectation within the community is that legislators will act sooner rather than later, decisively rather than timidly. Australians want the talking to stop about this issue and the action to begin. Furthermore, they do not want a piecemeal approach but a national approach, coordinated at a national level and founded upon a national policy to which all stakeholders should subscribe and in which all Australians have the opportunity to participate.
We need to stop the piecemeal approach to this particular issue. We need to get serious. We need to seize the opportunities that the present situation offers and move catchment use from the unsustainable to the sustainable. We need a national plan, national leadership and a national catchment authority that coordinates and fosters all facets of catchment management across Australia, across all levels of government and all parts of society, and that does so through existing agencies, institutions and community groups. Even the Prime Minister has acknowledged this. In launching our vital resources National Action Plan for Salinity and Water Quality in Australia, the Prime Minister said:

Most Australians will accept that this is one of the most significant, if not the most significant environmental challenge and natural resource management challenge that this country has. And what is needed is a national plan, flowing from Commonwealth leadership but working closely with the states and with local communities ...

And since then he has done nothing.

We need to adopt better water management policies. At present too much water is used on agricultural activities that are environmentally unsustainable. The present approaches are not only poor environmental management but also poor economics. We need to reform not only water usage practices but also land use practices and the way we value land use. One major change that we need to make is to stop thinking that the market will solve everything. Professor Peter Cullen, who supports water trading, added this particular warning:

We are seeing water being privatised, we’re starting to see the emergence of what people call water barons, who are buying water up from the market place and you can see an image where all water is controlled by a couple of big businessmen and we have a lot of peasant farmers who are dependent on it. ... We cannot afford to just let the market run wild and say we’ll fix the problems at a later date. We haven’t proved capable of doing that with say the media laws, so let’s not get into the same mess with the water laws.

Markets fail in the delivery of a nationally imperative issue like this. We can see the consequences of this.

I will finish at the starting point. We face a national crisis. It is up to us to determine whether or not we as legislators exercise the collective will to address this particular issue. If not—and we are debating what happens with a further Murray-Darling rescue package which is piecemeal at best—we will not only have our generation to answer to but future generations as well.

Mr ADAMS (Lyons) (11.32 a.m.)—The Murray-Darling Basin Amendment Bill 2002 is put forward to amend the Murray-Darling Basin Act 1993 and to give effect to an agreement between the Commonwealth, New South Wales and Victoria on the new arrangements for sharing water in this catchment. It removes references to the Snowy Mountains Hydro-Electric Authority that is in the Snowy Mountains agreement that looks at increasing water flows in New South Wales and Victoria.

This amendment is supported by the federal Labor Party and also by the participating state governments, but it does not go far enough. We really need to find funds to pump into saving the river now. If we do not, then Adelaide is going to continue to be short of drinking water and there will be other environmental issues concerned with that state’s river systems. We have to start now to develop a national water policy to ensure that there is an adequate and sustainable supply of water in rural and regional Australia. We need to be able to predict
weather patterns much better than we do now, and we need to try and make use of natural events to store water for times when the supply of water is short. First of all, we certainly need to help the Murray River.

I am a member of the Standing Committee on Agriculture, Fisheries and Forestry, which is undertaking an inquiry into water in Australia, especially regional water. One of the issues that we have come across that needs to be addressed is the need to break away from having committees and groups right through to premiers and prime ministers looking at the Murray-Darling Basin. We have to somehow get some honest brokers and break down the situation whereby the people who sit on these things either represent the states that they come from or the Commonwealth position. As I said, I think we need to get some honest brokers.

I do not know whether we could get a group of people from Tasmania, Western Australia, the ACT and the Northern Territory to be independent of those who are looking after their own interests. That might be too much to hope for. Tasmanians, of course, always play that honest broker role. We need to pick people with good credentials, good expertise and no vested interests in anything other than finding solutions to this problem of the Murray-Darling Basin so that we can move forward. There is so much science now available. A lot of very good people have put a lot of work into this area, and we should be moving much further forward than we have in the last two years. I would think that we are two or three years behind where we probably should have been in some of the decisions in this area.

The inquiry I am working on is seeking a lot of information in relation to understanding water evaporation and new sources of water. One of those, of course, is the reuse of some of the grey water in Australia. We do not seem to do that very well, whereas other parts of the world do. In Queensland the Brisbane City Council has to spend, I think, $200 million to meet new environmental standards for grey water that they put into Moreton Bay. I am sure you would understand that, Mr Deputy Speaker Lindsay.

There is a nation building plan to take that water back to the Lockyer Valley and even over the tops of the ranges to the Darling Downs to put water back into those two areas. This will of course cost a lot more than $200 million, and we really need the federal government to stand up and start to be counted in this sort of nation building. The farmers in the Lockyer Valley have told me that they are quite willing to pay fair and reasonable prices for this sort of water. There are great opportunities like this to do something major—a way of doing things differently in Australia.

Aquifers pose a special problem, and they have not received much attention until recently. The Salisbury City Council in South Australia are being innovative in the way they use the city’s underwater storage of grey water. They pull out that water and recycle it into their parks, gardens and sporting ovals when they need it. They find that any pathogens that might be in that water are dead within a couple of days of going underground. So very interesting and innovative work is going on in the City of Salisbury, and I congratulate the city council for taking those opportunities.

Through state legislation in Australia we do not allow any recycled water to re-enter rivers or creeks. This may be the right way to go or it may be something we need to revisit and put modern thinking into. Many countries reuse grey water to grow vegetables and fruits in places where water is at a premium, and this is the lifeblood of many small farmers in other parts of the world. In Australia, on the other hand, we are very extravagant users of water. In my state
of Tasmania, in particular, we are so used to having water freely at our disposal that we have tended to be pretty wasteful in the past, but we are starting to work on that. Most areas now have meters for home usage, except some of the bigger cities in the south which still need to tackle that problem.

Bringing farmers up to best practice and using water more efficiently is not as easy as we might think it is. I have been told by several people that, with the methods used in irrigation today, some of that water runs back into the rivers through the water table, underground rivers and other ways. By improving the delivery system to slow drip or modern technologies such as modified pivot systems, we will be putting less water back into the rivers, not more.

Therefore, although the farmers are being more efficient, there needs to be a way of decreasing each farmer’s allocation of water without detriment and using the saved water to increase the environmental flows. Then no-one loses: the farmers have to pay less for water and the river benefits from the additional water. But this is not an easy concept to sell. The farmers have been worried that any changes to water supply will affect their ability to farm. However, providing their needs are dealt with and they are assisted to improve their irrigation methods, everybody should be able to gain from this.

Change is always difficult. We should be looking at the way we have restructured other industries. The restructuring of rural industries in the use of water needs to be dealt with as a new model or concept. I think there is some work being done in that area. When we are dealing with environmental equations, we must factor in the social effects they may have, particularly on families who live in the rural and regional areas. We do not want to depopulate inland Australia. There are several things to achieve. One is to move farming back from the river and to use the best soils in the most productive areas, while reducing farming and irrigation in some of the less productive areas with less arable soils.

People thought that the market for water might achieve some of these things, but this is much harder to achieve than many people thought some years ago. I believe that it is going to be very difficult to do that because of the way we move water and the ageing infrastructures that are in place. A lot of the old infrastructure in Australia needs to be renewed. Pratt industries have put up the idea of piping water and moving away from the old canal system, which may help, but there needs to be much more flesh on the bones of Mr Pratt’s ideas so we can see what is being proposed.

We are going to face many changes in the way we farm in Australia. One example comes from my electorate. I am told there is a farmer growing feed using two double garages. He waters seeds of oats and barley and when they get a green shoot, after several days, he uses that to feed a number of deer which run on a very small acreage. He uses that feed on a continuous basis to maintain his deer and to fatten them for the market—using a very small acreage, but a whole new concept. Australia will need to face up to those changes in the future.

The use of grey water has been demonstrated in my electorate. In 1995 I was fortunate to take Prime Minister Keating to the Pittwater Golf Course, which is in southern Tasmania, not far from the Hobart airport, where an economic solution was put forward regarding the problems of cleaning up the blooms in the Pittwater lagoon and the lack of water to irrigate the golf course. The algae was blooming and dying, causing a terrible smell for the residents of the suburb, and the golf club was losing members because of this. It was tragic. The blooming problem was caused because the area was a very shallow lagoon and water from a sewerage
plant put a high level of nutrients into it. By allowing more water to flow into the lagoon through the tidal flow and removing the grey water from the sewerage works into collecting ponds and then diverting that water out to other ponds which were going to be used by the golf course, it was possible to supply the golf course and local farmers with very much needed nutrient rich water.

I have been following this issue for some time and I am pleased that this outcome has been so successful. The Orielton lagoon is a Ramsar site, and this was declared during the time when I was state minister for national parks in Tasmania. Things do not happen in a hurry, and sometimes environmental thoughts on these things go back to the late 1970s and early 1980s. I am very pleased to have played a part in maybe solving a problem and setting up something for the long term. The golf club uses this water. It sprays it of a night because golfers pick up and handle their balls and therefore if there was a lot of water about they may pick up something from that. The club has taken that into consideration when using the water. This has certainly improved things enormously. The golf course has become a lot greener with a lot more fairway trees and shrubs. Membership is growing now, and it has been a great opportunity and a great thing to happen there.

In relation to some of the farmers, only recently I took some South Sea Island politicians to show them reuse of this grey water in the area. A farmer I have known for 30 years is now using this water for seed production. We still have issues in Australia whereby we do not use this water straight onto a vegetable crop; there are consumer issues that might come out of that. But a lot of seed for cauliflower, cabbage and many other vegetable crops is grown in my electorate. By drip-feeding this water in an apricot orchard onto the base of the trees, they put it straight into the root system and it does not touch the fruit itself. Those things are working very well and it is a win-win situation for everybody.

The next project using grey water is likely to come from the Hobart scheme, where very soon water will be flowing into the next valley, the Cole River Valley, which takes in the township of Richmond, which is a beautiful tourist town on the outskirts of Hobart in my electorate. It will increase the ability to have further production in that beautiful valley, especially seed production.

We have another project on the drawing board at the moment which is also extremely important, and that is the Meander Dam. That is also in my electorate. We are doing a lot with water around Tasmania. Today in Parliament House the state government minister and members are meeting to put forward the economic and environmental case for the establishment of that dam. This project will enable another valley in Tasmania to maximise the use of water while ensuring that environmental flows are maintained—and increased in this case, if anything, when the river is most under pressure. The project has been on the drawing board for over 70 years. I met a woman who is 85 and her brother who is 79, and the brother left school as a nine-year-old and was going to get a job building this particular dam. I hope that during the next 12 months this dam will come into play, some 70 years later.

It has been on the drawing board for 70 years and it is only now that people are beginning to understand the worth of such a project, both environmentally and economically. Knowing the amount of water that you have to deal with is half the battle. Indeed, Tasmanians are learning the hard way that water is not infinite and that actions have to take place to ensure that water is available for the future. It does not matter where you are in Australia, water is impor-
tant, and Tasmania is no exception to that. We are beginning to value our water more and to understand what it means to other states too. The Murray-Darling has become an icon for the issue of water restoration, and we want to assist in getting it back to health.

This amendment bill does little to really improve the water situation in the Murray-Darling, as it does not follow up with a whole strategy for water issues in the nation. If you add to it some restructuring in the agriculture industry and providing funds for research and incentives to help farmers make much needed adjustments to their farming practices and to help restructure some communities, then we can start. We really have to start now, and we have pledged that a future Labor government would provide the funds to get on with the job. I know we are not there at the moment, but work that is being undertaken—like that of the House parliamentary committee—will be useful in helping all parties develop sensible policies while opening up avenues to possible research.

While I support the bill, it really does not touch the problem. Hopefully this government can revise its direction once the report of the committee that I am sitting on is finalised. I hope that it will take some notice of the findings and recommendations in that report and maybe move forward. The Labor Party have established our policy with Riverbank and a pledge of $150 million. This country really needs some vision and a national approach from the Howard government, but I am of the opinion that we will probably need a future Labor government to really make things happen.

Mr KATTER (Kennedy) (11.52 a.m.)—I rise today to speak on the Murray-Darling Basin Amendment Bill 2002, continuing from where I left off in my speech on the budget, which is most relevant to what is taking place here today. I mentioned the era of Mr Whitlam, with the 25 per cent tariff cut across the board—and I will relate this to the Murray-Darling legislation in one moment. I spoke about Mr Fraser with his monetarism: monetary growth had to equal goods and services growth, and that meant that the government withdrew from developmentalism. Then we had the onrush of Mr Keating—truly a great disaster of recent Australian politics. I think that most people in the ALP would agree with that comment. There was his corporatism, his laissez-faire capitalism, the rule of law being replaced by the rule of fang and claw, and the abolition of all government presence in the marketplace. To paraphrase Chalmers Johnson, who wrote the quintessential book on the Japanese economic miracle, we had a policy in Japan of developmentalism while in other countries we had regulatory industrial policies. Now Australia does not even have a regulatory regime, as the Coles-Woolworths phenomenon shows.

That brings me to the Murray-Darling. You may ask why this country is going bad. Last night in my speech in the parliament, I gave a breakdown to show that real incomes for the average Australian have fallen by a whopping amount—over $8,000. That is huge when one considers that an average income is, in monetary terms, about $40,000. So Australians have gone backwards. Why have they gone backwards? In the speech yesterday, I mentioned the economic reasons for this disaster, but today we are dealing with the other reasons for this disaster. Our dairy herd is down 15 per cent, our cattle herd is down 10 per cent and our sheep numbers are down over 30 per cent. Obviously, wheat production is almost non-existent as a result of the drought, but who knows what the overall, long-term effects of the wheat situation are going to be? Sugar is down 10 or 15 per cent.
What is happening here is that agriculture is closing down. In a fit of rage, when we deregulated the dairy industry, I said that in 10 years this country would be a net importer of food. Having shot off at the mouth, I did mean that in a metaphorical sense. I did not mean to say 10 but that is the number I used. I went to the library to face the music and find out what the true figure was. I found out that I was wrong and that the country would not be a net importer of food in 10 years; the country would be a net importer of food in nine years. In nine years time, Australia—the greatest food-producing nation on earth—would be a net importer of food. It would not be able to feed itself.

We have all these lovely assurances from the minister, but three years ago the sugar industry got assurances that it was not going to be deregulated. Yesterday the ALP in the Queensland state parliament, under a negotiated agreement with the federal government—with Mr Truss as the architect—deregulated that industry. Three years ago the industry was given an undertaking that it would not be reviewed again for six years. In return for that promise it took a tariff abolition—which was extremely damaging to the industry. So much for politicians’ promises.

Today we are assured: firstly, allocations of water to environment must not adversely impact on irrigators; secondly, allocations must not adversely impact on the rights and interests of the state of South Australia; thirdly, the commercial viability of the Snowy scheme will be maintained; fourthly, water for environmental flows will be sourced principally from verified water savings; and lastly, water for environment flows cannot be consumed. It must flow through the river system to the sea. This is a pretty good trick. We are going to commit ourselves to all of those undertakings, and yet we are going to increase the flow in the river by 28 per cent. Maybe there is some sort of magic out there that I do not understand, but there is no way in the world—even if we were to put the water into pipelines and installed 20,000 kilometres of canals. And there are fewer than 20,000 kilometres of diversion channels in the Murray-Darling system. Even if we were to do that, we would end up with less than five per cent savings. We all know that is never going to happen. Even if we did that, we are talking about five per cent, not 28 per cent.

We are being told one thing by Mr Truss and, right at this very moment, the New South Wales cabinet has three discussion papers: one saying five per cent reduction awarded to farmers, one saying a 10 per cent reduction of water to farmers and one saying 15 per cent. So if we take a 10 per cent reduction in the water going to farmers, that means a 10 per cent reduction in their gross production. For anyone familiar with farming, if you are making a 20 per cent or 30 per cent profit on your gross income, you are doing very well indeed. What we are talking about here is about a 30 per cent or maybe 40 per cent cut to the net income for farmers in New South Wales. The statements are positively misleading. I will get up here and say that, because history indicates and will clearly prove that the farmers are going to lose their water.

If we were to build a monument in this country, the monument should be built to the people who created the Snowy Mountains Hydro-Electric Scheme. I look at it with awe. It is one of the greatest achievements that this country has ever achieved. It was regarded as one of the eight engineering wonders of the world when it was completed. It enabled us to produce nearly one-tenth of the power for the golden triangle of Adelaide to Sydney and northern New South Wales. The electricity was produced for free, forever, under that scheme. Here was a
scheme that turned a barren wilderness into a place where beautiful cities existed. I have been to some of those cities and they are wonderful places. What a magnificent achievement: land that was thought to be wasteland was found only to be land wasted.

What we get paid for in this place is to sometimes show a tiny little bit of moral courage. When the media is out there baying and screaming for your hide over some issue and the media does not know what they are talking about you should have the courage to stand up and state the truth. I, of all people, was the only member of parliament who went to all of the seminars, forums and public addresses on the Murray-Darling system. And I have none of the Murray-Darling system in my electorate. I am from one of the few country electorates in Australia that does not have any of the Murray-Darling in it, and yet I went to all of those meetings. At the conclusion of the last one I said, ‘We’ve been hearing this now for the last 12 months to two years. What do we do: go and slit our wrists?’ The reply was, ‘No, you haven’t been listening to what I’ve been saying here. If we put five per cent of the cleared areas back under a deep-rooted plant such as a tree or lucerne then clearly you would again lower the watertable. But every farmer has to do this.’

If your worry is that the Murray is lacking in flows, the vast bulk of the tributaries and the main river system of the Murray-Darling—and I include the Darling here—actually ceased to flow in days past on a fairly regular basis. It ceases to flow now, but it ceased to flow then as well. We wonder what exactly is going on here. If you say, as Dr Kemp has said, that we cannot clear any more land in Queensland and that we are down to 0.5 per cent and that is all that is available to us, then you are saying we cannot enhance our land, we cannot improve our land and we cannot increase the productivity of our land. That is what you are saying to us. You are saying, ‘You are frozen where you are now forever.’ What sort of primitive landscape Luddites are running amok in this place and in this government and in the state governments of Australia?

The manufacturing sector under these brainless policies simply collapsed in this nation, going from some $36 billion to $86 billion in imports. We took a hit on the current account, on the income of this nation, of $50 billion a year on the stupidity of these free trade policies. As far as agriculture goes, the last time I looked at the figures, albeit some time ago, within nine years we are going to be net importers of food. But even if you want to take a 20-year or 30-year time frame you will find that imports will increase about 600 per cent and exports will increase about 300 per cent. Clearly, this country cannot survive in agriculture against the massive subsidies—the over 60 per cent average subsidy, and increasing—in the OECD; it cannot sell profitably in Australia because of Woolworths and Coles, the only two companies to sell to; and it cannot compete against Third World countries where people work for nothing.

On top of that, we are talking about no more land clearing in Queensland, which means we cannot increase our production anywhere at all. There is not a single farmer on the Queensland coastline that does not believe that the area he has under production at the present moment is not going to be cut back. So all we can look forward to is a gradual decline in agricultural production in this country. Having run cattle for all of my adult life, I can tell you that if you cannot clear some trees you cannot improve the pasture of the land. Anyone who thinks there is going to be some massive wholesale clearing in Queensland believes in the tooth fairy. It costs about $200 to $300 a hectare to clear land—the last time I had a quote, anyway.
We are talking about land worth about $20 a hectare. Only the greatest fool would be out there clearing land. It is not land that loans itself to cultivation. If it were down in the southern part of the state I would say yes, but all of that land has been cleared.

Anyone who wants to cultivate has already cleared land and is cultivating it at this very moment. But where they did clear land in Queensland—and we are talking about land clearing as well as the reduction in water for farmers—they had the Brigalow scheme. Some of my relatives—young men who had no hope of getting anywhere in life—suddenly won a ballot. One of them lived in a shed for eight years of his life with his wife and kids. They were—until recent years—very wealthy and prosperous people. I thought, ‘What a wonderful achievement we have here. What an absolutely fantastic achievement.’ But nature does not stand still. If you think that by withdrawing the water rights from these farmers in the Murray-Darling Basin you are somehow going to make the Australian landscape more wonderful than it is at the present moment, then you simply do not understand agriculture.

The very sad thing in this country is that the decisions being made on water are being made by people who live in the concrete pleasure domes of Sydney and Melbourne. The people who love the landscape and the bush and who live in it are the people on the land. That is why they live there. Most of them are reasonably intelligent people who could make a very good living wherever they went. Some of them are very bright people indeed who could make a much better living. The only explanation for them living in the middle of nowhere is that they love the Australian bush. That is why they are there. There is a great bumper sticker that says: ‘No matter how much you say you love my land, I love it 10,000 times more.’ That is the absolute truth.

We are dealing here with people who do not understand what they are doing. They do not understand the economic ramifications of what they are doing to this country—a country that not only has taken a hit of $8,500 in average incomes, but also is now running a current account in the first half of this year of $42 billion. Yesterday I quoted both the present Prime Minister and the last Prime Minister. When the current account was $11 billion a year, one said that this country was in danger of becoming a banana republic and the other—the present Prime Minister—said that far and away the most overwhelmingly important problem that needs to be dealt with in this country is the balance of the current account. When he said that, it was $16 billion. It is now $42 billion. I quote no lesser persons than the leader of the nation, Mr Howard, and the former leader of the nation, Mr Keating. I quote their own words. They say this is the worst problem, yet here we are, cold-bloodedly deciding that we do not need agriculture.

Half of Australia’s agricultural production comes from the Murray-Darling Basin. We are talking about taking 28 per cent of the water away from the farmers, regardless of the assurances that are given here—because they are a joke. Instead of moving forward, and instead of saying that we can enhance and protect the banks of our rivers in Queensland by taking water out of the rivers and putting irrigated pastures and tree plantations on the banks of those rivers, thus enhancing our landscape magnificently, we are saying, ‘You can’t take any water at all.’ We are not saying, ‘If we clear some of these trees, we can put improved pasture in.’

Near my home city of Cloncurry, turpentine trees have gotten right out of balance. No-one knows why or how—there are hardly any cattle in the area in which they grow. You need to wear very tough clothing these days to walk through most of the places where I ran as a kid.
Nature does not stand still; nature moves on. Down amongst our gullies, creeks and tiny waterways, there is a thick cover of buffel grass that stops those turpentine trees from getting away. The buffel grass is an introduced species. So, instead of all of that magnificent topsoil being torn up and ripped away into the Gulf of Carpentaria, it is kept and protected and we have massively greater numbers of native flora and fauna, such as kangaroos and everything else that follows from having that grass cover. We have the ability to make our land better.

Those of you who read the Good Book from time to time will know that there is a story in there where some blokes were given a few quid. One bloke was given a hell of a lot, and he went out, took risks and made a hell of a big quid out of it. Another bloke was given a moderate quid, and he made a few quid out of it and did all right too. The other bloke said, ‘Oh, jeez, I might lose this money; I’d better go and hide it.’ What we are saying with this legislation is, ‘We are frightened to use this water; we might lose it, we might destroy this country. Do not clear the trees and do not make any changes, because we do not know what these changes will bring.’ I am very pleased that these landscape Luddites were not around when we were inventing the wheel, because they would have had all sorts of reasons why we could not change things.

I come from an area—my homeland—where kangaroo numbers have probably increased 100- or 1,000-fold with the coming of settlement and the coming of the cattlemen. When I first went up to the area, in the part where I owned a lot of country, there was a fire that went for 1,500 kilometres. That fire started near our property. It took every single tree out for 1,500 kilometres. There will never be another fire of that nature in that country because we have built fences, we have built fire plough lanes, we have gear and equipment and we volunteer—when a fire occurs, all of us drop what we are doing and go off collectively to fight the fire. The fire regime that destroyed so much of our Australian flora and fauna will be no more.

But how well are the naturalists, the national park people, the greenies, the environmentalists and the department of environment people looking after their land? Two million hectares south of Canberra have vanished. But our land is not vanishing, because we love it and we get out there actively and we cut fire ploughs, we do some moderate burns—as the first Australians used to—and mosaic burning from time to time as well when we get a dangerous build-up. We husband that resource because we understand the land. We know how to work with that land. Today, that wonderful resource that God gave this country, the Murray-Darling water system, has been taken away from the people of Australia and frozen forever. It is a very sad day indeed. (Time expired)

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (12.12 p.m.)—in reply—In summing up the debate on the Murray-Darling Basin Amendment Bill 2002, I thank the members who have contributed to it. There has been a long list of speakers, and that demonstrates the keen interest that there is in water issues in Australia and, indeed, in the future health of the Murray-Darling Basin system. These issues are especially highlighted in a time of drought. When there is a shortage of water, all Australians keenly focus on the importance of using our water wisely and well. I thank members who have made a contribution to the debate for the constructive way in which they have generally approached the issues.

The debate did deteriorate towards the end, as the member for Kennedy, as is his wont, gave us another diatribe of doom and gloom. The bill is not about tree clearing or sugar or trade imbalances, in case anyone has been misinformed. We have become used to the member
for Kennedy throwing around figures like confetti—figures that are completely inaccurate. Even when it is pointed out to him that what he is saying is wrong—and repeatedly proved to him that it is wrong—he comes forward with this same kind of nonsense time and time again. At least twice during—

The DEPUTY SPEAKER (Mr Lindsay)—Order! The minister will resume his seat.

Mr Katter—I claim to have been misrepresented.

Mr TRUSS—that is not a point of order.

Mr Katter—He has said that I have said things which are blatantly wrong—

The DEPUTY SPEAKER—Order! The member for Kennedy will resume his seat!

Mr TRUSS—Repeatedly, the member for Kennedy makes statements that are inaccurate and, even when they are proven to be wrong, he continues to make them.

Mr Katter interjecting—

The DEPUTY SPEAKER—The member for Kennedy can raise this matter at the end of the minister’s speech. The member for Kennedy will resume his seat.

Mr Katter—I claim to have been misrepresented, Mr Deputy Speaker.

Mr TRUSS—The member for Kennedy has been here long enough to know that there are appropriate places for him to deal with claims of misrepresentation. In fact, I have no intention of making any statements—

Mr Katter interjecting—

Mr TRUSS—As usual, the member for Kennedy has no interest in hearing the facts. He storms off and is not prepared to hear the truth. The reality is that, time and time again, the member for Kennedy has run this ridiculous rubbish about Australia being a net importer of food in nine years time. Sometimes it is eight and sometimes it is 10; today it seems to be nine years time. This was something that he was saying regularly two or three years ago. He was distorting the fact that we had a drought two to three years ago, which demonstrated a reduction—

Mr Katter interjecting—

Mr TRUSS—Order! The minister will resume his seat. Is there a point of order from the member for Kennedy?

Mr Katter—Yes, there is. I claim to have been misrepresented.

The DEPUTY SPEAKER—I have already explained to the member for Kennedy that he may make a personal explanation at the end of the minister’s speech.

Mr TRUSS—The member for Kennedy has repeatedly made these allegations—a couple of years ago, in particular—and he has misused statistics. We had a poor export performance one year because of drought, and he extrapolated that forward over many years as though the downturn was going to continue. Of course, the thing that went sadly wrong for the member for Kennedy was that the following two years we had record exports. If I wanted to use the same misguided mathematics as the member for Kennedy, I could prove beyond dispute that we were going to have massive increases in our exports. That is completely wrong.

Mr Katter interjecting—

MAIN COMMITTEE
The DEPUTY SPEAKER—Order! The minister will resume his seat. The chair is giving extraordinary tolerance to the member for Kennedy. I ask the member for Kennedy to observe standing order 55. The minister will be heard in silence.

Mr TRUSS—The member for Kennedy continues to run around the countryside with these claims, even though it was proved to him two years ago that the statistics he was using were being completely misused and that he was dishonestly reflecting the situation regarding Australian food exports. To suggest that Australia, a country that exports two-thirds of all that we produce, will be a net importer of food in nine years time is completely erroneous. Of course we will have bad times. We have a drought at the present time, and that has meant that we are importing grain into this country—something we do very rarely. Those sorts of extraordinary circumstances will occur from time to time. But the reality is that Australian farmers are continuing to be increasingly productive, and our capacity to boost our exports remains substantial. I have no doubt that Australian farmers will not only continue to more than adequately provide for the variety of food needs of the Australian people but also have the capacity to increase their exports as the years go by.

The member for Kennedy also threw around a stack of other statistics that were simply wrong. This is not a particularly important point, but the figure he gave about the percentage of production coming out of the Murray-Darling system was wrong. I do not know where on earth he got the idea that people were talking about having to cut back their use of water by 28 per cent. Even the extraordinary claims of the South Australian Premier would not require a cutback of 28 per cent. Certainly none of the proposals in relation to the Living Murray initiative talk about reductions in water use of anything like that magnitude.

I needed to put a couple of those things on the record—not that it will have any impact on the member for Kennedy; he will go out and say the same kind of rubbish time and time again. But I think it is important that some of the facts be accurately reported so that there is at least some degree of balance.

Many of the members who have spoken have—I think rightly—referred to the challenges facing the Murray-Darling Basin system at the present time. I cannot overstate the seriousness of the current water supply situation in the Murray-Darling Basin system. The ministerial council was told at its last meeting in Toowoomba a couple of weeks ago that the inflows into the Murray-Darling Basin system this year are 15 per cent lower than ever previously recorded. That has nothing to do with who is using too much irrigation water or whether there should be additional environmental flows; it is simply a fact of the drought. There has not been enough rain, and so the inflows are way below anything we have previously experienced.

If we were to have a second year of below average rainfall, the whole Murray-Darling Basin system would move into completely uncharted territory. There would be severe difficulties in providing water just for urban supplies, let alone there being any capacity to meet the desires of the irrigators and other industrial users. Certainly the Murray-Darling Basin system is on a knife edge. There are real difficulties that we could confront in the season ahead if in fact the drought continues. Obviously we hope that the slightly improved weather conditions over recent months will flow on to significant rains across southern Australia and the situation will be eased. It is certainly too early to make statements about what the dire implications might be.
I think it is right that, at this stage, governments, the Murray-Darling Basin Commission and others be cautious about allocations, to ensure that we do not have an even greater catastrophe in months ahead. I feel very much for the irrigators, especially in New South Wales but also in Victoria, about the cutbacks that they have had to face in their water allocations. In Victoria, where there has been a very conservative approach to water allocation, these cutbacks are almost without precedent. In New South Wales, in some areas, particularly in the southern parts of the state, the allocations of water have been very low. Some farmers have borrowed forward, so their prospects for the year ahead are especially gloomy. There is a risk that they may have to pay back water that they have borrowed. In a year when there is going to be a real risk of very low allocations, that puts enormous stress on that entire system.

In spite of the short-term difficulties that we face, we need to also look at the longer term approach to the life and the health of the River Murray system. There is simply nothing that governments or new regulatory systems can do to address the drought. Frankly, if man had not intervened over the last 100 years or so, most of the River Murray would be completely dry—you would be able to walk across it, probably from Swan Hill down to the mouth. Without doubt, if man had not intervened, the Murray mouth would have closed at this time, just through simple natural forces and the movements of sand up and down the coast. It has only been the fact that we have been able to get in there with dredges that has essentially kept it open. Barrages are preventing the movement of the salted water further upstream than otherwise would happen.

One wonders about the magnitude of the ecological disaster that would have occurred during this drought had there not been the interventions and the storage facilities that are in fact enabling the flow of water to go down the Murray—that simply would not happen if nature were acting alone. The fact that we are moving such a lot of water down to Lake Victoria to supply Adelaide’s needs has actually provided some bonus environmental benefits, with flooding of wetlands that are not often flooded. The quality of water that is being delivered to Adelaide is probably the best ever, because it is actually snow fed water coming out of Victoria and New South Wales. So there have been some unusual side benefits. The EC readings at Morgan are the lowest that have been recorded in ages.

We need to keep those sorts of things in balance. There is a lot of talk about doom and gloom, and the system certainly faces threats, but the reality is that the intervention systems that have been put in place by the commission, funded by the Commonwealth and the states, are consistently reducing the salt loads in the river. We also have in place now a range of new engineering measures which will further reduce the salt loads in the system. I was present at Loxton over the weekend for the opening of a new irrigation scheme there which will significantly reduce the salt levels flowing into the Murray-Darling system from the irrigation users of Loxton. We have announced two new systems which between them will, from memory, reduce by about 50 EC units the salt levels going into the system. That and a number of the other systems that have been put in place are progressively improving the water quality in the river. In spite of what you might hear, the figures and the statistics speak for themselves: there has been a progressive improvement. It is slow, and a lot more needs to be done, but there is a genuine commitment to doing some things to ensure that this wonderful part of Australia’s ecosystem is effectively preserved and enhanced.
The Living Murray initiative is a major approach to addressing these issues for the future. I agree with those who have spoken previously about the importance of involving the community in that process. These decisions will not be easy. No-one should ever assume that, because the flows are being given to the environment, somehow or other they will just miraculously appear. The only way you can get bigger flows in the environment is to take the water away from something else. That means taking it away from cities and from irrigators and perhaps diverting it from one environmental purpose to another. These are difficult decisions that have to be made.

In this process we need to examine and choose between perhaps 30,000 wetlands that we might like to flood in the Murray-Darling system. There is clearly not enough water to flood them all; nor would that be technically or even environmentally sensible. We are going to have to make choices about which areas are to be flooded. We are going to have to make decisions about whether the highest priority is a natural flushing out of the river mouth at Goolwa, whether we are going to have in place permanent or semi-permanent dredging arrangements there and use the environmental water for other purposes, whether there are systems that can be used to bring waters into the Coorong that make better use of the environmental flows that are potentially available and what priorities should be engaged. That is one side of it.

The second part of the debate is clearly the question of where the water is going to come from. You have to be honest with people and ask, if you are making an assessment about a particular environmental flow, who is going to have to give up water to achieve those objectives and then—most importantly, if the community wants people to make that sacrifice—what compensation we are prepared to pay to those people who are being asked to make a sacrifice in the national interest. All of those issues need to be addressed honestly and fairly and the community must be told the upsides and downsides of these issues to effectively make decisions on them.

The DEPUTY SPEAKER—Order! Is the member for New England seeking to ask the minister to give way?

Mr Windsor—Yes, Mr Deputy Speaker.

The DEPUTY SPEAKER—Will the minister give way?

Mr TRUSS—Yes, but I do not have much time.

Mr Windsor—I think you will be able to answer this fairly briefly, Minister. In commenting about compensation, the rights of people and allocations, you, the Deputy Prime Minister and maybe the Prime Minister have spoken about the property right issue being recognised in the regional catchment blueprints. Those blueprints are starting to filter through the system. Could you explain how the Commonwealth intends to use those blueprints and the definition of property rights within them as a means of either withholding or reinstating funds to the states in relation to the property right issue?

Mr TRUSS—that is a fairly involved and detailed question. Most of the plans that have so far been approved are not actually for the Murray-Darling Basin area or do not particularly involve the areas with keen property rights issues. We certainly do want to address issues associated with property rights. I do not think you have any hope of achieving a balanced system without an effective property rights regime. You have to be able to trade and you have to be able to ensure that water goes to the highest value users but, most importantly, people must
have confidence that if they invest in water savings measures on their properties they will have sufficient access to water to be able to meet their obligations to the banks and others who are providing the funding.

We can do a certain amount of that through the regional property plans, but a certain amount also needs to be addressed in the context of the Living Murray initiative. I think the COAG meeting that is coming up in August-September will be a critical turning point. I have to say that at the last Murray-Darling Basin Ministerial Council meeting there was stronger cooperation on this issue from the states than I have ever previously experienced—a willingness to address the parameters and a commitment to ensure that we have an appropriate regime in place as part of underpinning the security of the water supplies of the region. For the first time I detected some movement from the states, and that was encouraging. I hope that the new ministers from New South Wales and Victoria in particular may provide some leadership in achieving a satisfactory outcome.

In the couple of minutes that are left I will return to the key issues in the bill. Obviously these relate to amendments to the Murray-Darling Basin agreement that are designed to provide for accounting of water resources within Snowy Hydro Ltd, which will be obliged to release annually some amounts of water as a consequence of the corporatisation of the Snowy Mountains Hydro-Electricity Authority which occurred on 28 June 2002. The amendments also delineate the Murray-Darling Basin Commission’s advisory role in the acquisition of River Murray and Snowy River environmental flows which will be provided as a consequence of the outcomes of the Snowy water inquiry.

The amending agreement sets out arrangements for the management of the 70 gigalitres of River Murray environmental entitlements that the Commonwealth is funding, including the development of environmental objectives and a strategy for retaining and releasing the environmental entitlements. The Murray-Darling Basin amending agreement has been agreed by the Commonwealth government and the governments of New South Wales, Victoria and South Australia. The amending agreement will also require the approval of the parliaments of New South Wales, Victoria and South Australia before it can be implemented.

This particular bill is just one small piece of the jigsaw in addressing improved environmental flows and improved management of the water resources in the Murray-Darling Basin system. We have a lot of work yet to do. There is, I think, a spirit of cooperation in the community to achieve these sorts of objectives. Governments need to work, as other speakers have said, harmoniously together to endeavour to achieve satisfactory outcomes. Suggestions by some that the Constitution should be changed to give the Commonwealth total power over all of these issues might have some attraction from an efficient management perspective but are politically unrealistic. We need to work within the framework and the architecture that is available at the present time. The Commonwealth has a clear commitment to do that. We have put $4 billion on the table through the NHT and the NAP as part of our commitment to the Murray-Darling Basin to ensure that happens. We want to work not only with the state governments but also, most importantly, with local communities and landholders to achieve the very best possible outcomes for all of those Australians—something like two million people—who are dependent upon the resources of the Murray-Darling Basin system for their livelihood and for their social and cultural life.
I commend the bill to the House and I thank the opposition and others for their support for these proposals. The bill is likely to receive similar unilateral and bipartisan support in each of the state parliaments so that these important amendments can proceed.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

Migration Legislation Amendment (Protected Information) Bill 2002

Second Reading

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

That this bill be now read a second time.

Ms Gillard (Lalor) (12.33 p.m.)—I rise to outline Labor’s view on the Migration Legislation Amendment (Protected Information) Bill 2002. Clearly, given we are dealing with this bill in this chamber, Labor supports the bill. However, Labor does have a suggestion about improving the function of the bill, which I will outline in this contribution. This suggestion is for future consideration by the Howard government and does not affect matters to do with the processing of this bill. I also seek to take the opportunity to make some more general comments on matters related to the migration field before coming to the specifics of this bill.

The heart of this bill deals with visa cancellation matters. Under the Migration Act 1958 a ground for visa refusal or cancellation is the character test. The character test is defined in section 501(6) of the act, and a person fails the character test if he or she has a substantial criminal record; he or she is associated with other persons or groups or organisations associated with criminal conduct; he or she has engaged in continuing criminal conduct; or there is a significant risk the person would engage in criminal conduct, harass or molest another person in Australia, vilify a segment of the community, or incite discord or represent a danger to the community. A person in Australia who has a visa cancelled as a result of failing the character test is entitled to challenge the cancellation in the Federal Court.

This bill deals with the question of what information will or will not be available and how it can be used in those Federal Court proceedings. I will come to the details of those matters in due course. But, clearly, this bill is squarely about visa processing, how we deal with visa cancellation matters and how we deal with information in the course of those visa cancellation matters.

As we know, the question of who gets to get a visa to be in Australia is not an easy one in the public debate in this country. I would cite in that regard the recent Four Corners report, which I believe presented disturbing images and testimony from a number of former employees of Australasian Correctional Management at the Woomera Detention Centre. As you would be aware, Madam Deputy Speaker, clearly the purpose for detaining people is that they have sought to enter Australia unauthorised and they are seeking to make a visa application; in the ordinary course, the visa they are seeking is as a refugee.

I am sure that those who witnessed the Four Corners report would have been distressed by what they saw. The program raised important allegations that go beyond the performance of ACM, the detention centre management, and go to the heart of government. The program con-
tended that there were overpayments to ACM and that the local Department of Immigration and Multicultural and Indigenous Affairs manager knew and passed that information on to DIMIA centrally. The program contended that the possibility of looming riots and escapes were raised with DIMIA centrally. The program contended that hundreds of incident reports dealing with suicide attempts, self-harm and, potentially, child abuse were lodged with DIMIA centrally.

If these allegations are true in whole or even in part, it means that the Howard government has provided what can only be seen as a management fiasco in relation to the Woomera Detention Centre and possibly more widely. It is no answer to these allegations for Minister Ruddock to say DIMIA will investigate itself; we need a full and independent judicial inquiry, and the Howard government must call one. If it continues to fail to do so, the only conclusion that can be reached is that the cover-up continues. If your record is clean and allegations are raised, the ordinary response would be to be happy to have those allegations investigated in the public domain because it gives you the opportunity to publicly clear your name. The fact that the government continues to refuse to hold an independent judicial inquiry can only lead to the assumption that it is afraid of what such an inquiry would find.

As members of parliament are aware, Senate estimates is meeting today. In coming clean, the Howard government does not even have to wait for an inquiry to start; it could begin that process today at Senate estimates by releasing details of every payment ever made by DIMIA to ACM, by releasing details of every incident of self-harm and by allowing DIMIA staff stationed at Woomera during the period mentioned on Four Corners to speak to the media to test the veracity of claims that they were involved in any cover-up. Having started with that down payment on some form of accountability, the Howard government should then call an inquiry. I note claims by Senator Bob Brown yesterday that the Australian Federal Police are investigating this matter. As verified at Senate estimates last night, that is not true: the Australian Federal Police are having a preliminary investigation about having an investigation. That is not anywhere near good enough. We need the full and independent judicial inquiry for which Labor has called.

I note that, at the time of the Four Corners allegations, Minister Ruddock dismissed them as outdated. Nothing could be further from the truth. As we stand here today, ACM remains in control of Australian detention centres. Why is that? That is because, even though the Howard government re-tendered the contract to manage Australia’s detention centres and selected another company, Group 4, to take over from ACM five months ago, the Howard government has been unable to conclude a contract with Group 4. This means that, at the moment, ACM is overholding the contract, knowing it will not be the contractor in the longer term.

What do staff do in circumstances where they rightly fear that the new contractor will come in and their employment will be terminated? Those staff obviously do the rational thing: they look for other jobs. One of the key allegations in the Four Corners program was that there were not sufficient staff in detention centres to provide the appropriate care for the people detained. As we stand here today, as a result of Howard government bungling of the tender round, the situation in Australian detention centres is as follows. At Baxter, there are approximately 40 staff positions vacant, which is putting pressure on the 90 existing staff to work overtime to cover the vacancies. Employees at Baxter have been working 60-hour weeks for some time because of the lack of availability of staff. At the Perth detention centre,
employees are also working large amounts of overtime. At Villawood, some new trainees were recruited by ACM, even though ACM are shortly to lose the contract, because staffing levels had reached crisis point. Therefore, whilst Villawood might not be technically understaffed, with all of the uncertainty many staff are resigning and searching for new jobs and many are on sick leave as they have been working large amounts of overtime. At one stage, 15 officers resigned from Villawood in one fortnight—that is, 10 per cent of the total number of staff. Villawood currently has a high number of casuals—in the vicinity of 50 per cent of the staff.

I do not blame ACM or the staff for this situation. They have been put in an impossible situation, overholding a contract month after month with no long-term security as the Howard government bungles the contract negotiations with Group 4. The short-staffing and any problems arising with the care of persons detained are squarely as a result of the actions of the relevant minister, who is here today, and the Howard government. I ask the parliament to note that, under the contract with ACM, it is the department, DIMIA, that retains the final responsibility for the safety and welfare of persons detained. Therefore, it squarely rests on DIMIA and the minister responsible for DIMIA, who is here today, to reassure us that the safety and welfare of persons detained are being adequately catered for in circumstances of such staff shortage.

I now seek to raise another matter that fundamentally goes to transparency and truth telling. On 12 March 2003, the Minister for Immigration and Multicultural and Indigenous Affairs announced that he had signed a memorandum of understanding with the Iranian government in relation to immigration matters. Minister Ruddock’s media release states: Australia and Iran have agreed that their first priority is to work together to promote the voluntary repatriation of those Iranians currently in detention in Australia. However, arrangements for the handling of those who do not volunteer to return have also been established. On 2 May 2003, a letter was sent to Iranians in detention detailing a voluntary repatriation package. The letter included the following statement about the agreement between Australia and Iran: The agreement also allows for the involuntary removal of Iranians in detention who have no outstanding protection applications. Labor is also aware that there are claims of a leaked department of immigration memorandum that details a strategy to create a credible threat of deportation for Iranians. In addition, a number of contradictory statements about the existence and terms of the memorandum of understanding have been made by members of the Iranian government. Labor believes that it is wrong for the Howard government to enter such an arrangement and then seek to keep its terms hidden. If you have nothing to hide, you have nothing to fear. I call on Minister Ruddock and the Howard government generally to release the memorandum of understanding publicly so that everyone can ascertain whether the memorandum deals with forced removals or whether the Howard government is engaging in a cruel strategy of pretending that it can effect forced removals.

The argument that has been put in the past about failing to put this agreement in the public domain is that the Iranian government might have something to say about that. I am sure they would have something to say about that; their consent should be sought. As a matter of course now, we have a process in this parliament where treaties entered into by the Australian gov-
ernment are put before a relevant parliamentary committee and people are able to examine their terms. I do not see why an agreement of this nature should be dealt with differently. I would be calling on the Howard government to table that memorandum of understanding. If it says what they say it says, well and good—it will be there in the public domain for everybody to see. If it says something different then obviously we would have something to say about that, having seen it.

Before I move to the details of the bill, I will raise a related matter about a person from Iran that has received considerable public attention. I am glad the minister is here, because I think it is a matter which he needs to deal with as a matter of urgency. People would be aware of the circumstances facing an Iranian person who is detained. His name is Ebrahim Sammaki. He is the Iranian national who was in Indonesia for several years before coming to Australia on a boat and entering Australia unauthorised. His Indonesian wife has died tragically as a result of injuries sustained in the Bali bombing. There are two children of that relationship who are in Bali and who are currently being cared for by persons not related to the family but obviously trying to do their best in acquitting a duty of care to the children involved.

Clearly this is a difficult migration circumstance. We have an Iranian national who entered Australia unauthorised and whose refugee claim has not been upheld. Given the several years he spent in Indonesia, one can understand why the processing authorities came to that conclusion. We have two children whose status in Indonesia is uncertain, their father not having lawfully entered Indonesia. They are not children who have any real connection with Iran. They were not born there; they were born in Indonesia. What happens in these circumstances? It seems to me that at some point you have to say, whilst the technicalities of migration law might dictate this or that outcome—and certainly the Iranian national who is the father of these children has failed to make out a valid refugee claim—in the face of tragic circumstances, where a woman has died as a result of a terrorist bombing in which many Australian nationals tragically died as well, you have got to let compassion come to the fore and do the right thing.

What is the right thing in these circumstances? The right thing is for the father to be with his children. How can that be achieved? As I understand it, the department of immigration is suggesting that that can be achieved by the children—who have never been to Iran, who were not born in Iran—going to Iran. I cite in that regard some recent advice that has been given to Mr Sammaki. He is being told that information from the Tehran office of DIMIA indicates that Mr Sammaki’s children have the right of entry to Iran. I stress that: they have the right of entry, not the right to reside, not the right to be a citizen and not full rights. To achieve this right of entry, not the right to reside, not the right to be a citizen and not full rights. To achieve this right of entry, it is necessary for Mr Sammaki to apply to an overseas Iranian consulate or embassy to obtain birth certificates for the children. This will then allow the children to be issued with travel documents.

It is being suggested here that children born in Indonesia to an Iranian father and an Indonesian mother who has subsequently and tragically died should seek birth certificates and a right to enter Iran. Let us leave aside whether they will have the right to reside in the long term, whether they will get schooling, whether they will get access to hospital care when they need it and all of those sorts of things. It is suggested that the way this family should be brought back together is to try and achieve that result.
I say to Minister Ruddock that I can understand why as minister he always fears precedent setting. But I do not think that there will be too many times when a woman dies in these circumstances in a tragedy like this so connected with Australia. In those unique circumstances, in an exercise of compassion this family should be reunited, and reunited in Australia. While the minister is considering that long-term solution, I believe he should reconsider the allocation of visitors visas to these children so they can at least see their father, affected as they must be by the tragic death of their mother and events that have happened in terms of their care since.

As I stated earlier, the bill that we have before us today deals with the protection of information when a visa cancellation is proceeding, the visa cancellation has been challenged in the Federal Court and the visa cancellation is founded on the failing of the character test under the Migration Act. Currently, the protection of information issue in these matters is dealt with in section 503A of the act, which was introduced in 1998. Labor supported the introduction of this section, which protects from disclosure information that is given to DIMIA by a gazetted agency on the basis that it is confidential. Gazetted agencies include Australian and overseas intelligence and policing agencies. Clearly, such agencies will cease to provide DIMIA with such information if it cannot be kept confidential. Such information may be supplied as confidential because its disclosure would put at risk the source of the information or prejudice law enforcement or intelligence-gathering operations.

As it currently stands, section 503A cannot protect confidential information given by gazetted agencies from disclosure in proceedings in the Federal Court or the Federal Magistrates Court. Such proceedings would arise where a noncitizen contests a visa cancellation. Minister Ruddock and the department assert that such proceedings have been prejudiced because there is no ability to bring before the court information supplied on a confidential basis by gazetted agencies and protect that information from disclosure to the noncitizen who is the subject of the visa cancellation. Indeed, it is suggested by Minister Ruddock and the department that some visa cancellations have been contested solely for the purpose of accessing the confidential information.

This bill enables the minister to approach the Federal Court or Federal Magistrates Court for a non-disclosure order in relation to information relevant to a visa cancellation matter that has been given to the minister or an authorised migration officer in the department by a gazetted agency on the basis that it is confidential. If the Federal Court or Federal Magistrates Court accepts the minister’s submission and makes a nondisclosure order, then the court is permitted to rely on the information for the purposes of the visa cancellation proceeding but it is not able to disclose the information to anyone, including the noncitizen who is appealing the visa cancellation and that person’s legal representatives.

This bill provides that, in making a determination about a non-disclosure order, the court needs to have regard to a number of considerations. They include the fact that the information was originally communicated to an authorised migration officer by a gazetted agency on condition that it is treated as confidential. Australia’s relations with other countries are also a relevant factor. The need to avoid disruption to national and international efforts relating to law enforcement, criminal intelligence, criminal investigation and security intelligence are other factors.
In a case where the information was derived from an informant, the protection and safety of informants and of persons associated with informants is a factor. Australia’s national security is a relevant factor. Another relevant factor is the fact that the disclosure of the information may discourage gazetted agencies and informants from giving information in the future. The effectiveness of the investigations of official inquiries and royal commissions is relevant, as are the interests of the administration of justice.

If the court determines not to make the non-disclosure order, the minister has two options. The minister can still adduce the evidence in the visa cancellation proceedings and it can be supplied to the noncitizen applicant and their legal representatives. Alternatively, the minister can withdraw the information from further consideration by the court. In that case, the information will not be disclosed but also cannot be relied on by the court as evidence in the visa cancellation proceedings.

In addition to the introduction of this system of non-disclosure orders, the bill has been amended by the government to deal with two related matters. First, the bill provides that sufficient gazettal of an overseas agency applies if the country of origin is gazetted. This avoids technical difficulties arising from the misdescription of overseas agencies and also protects from disclosure the details of such agencies. Secondly, the bill amends the Freedom of Information Act to ensure that a noncitizen facing a visa cancellation matter cannot obtain through freedom of information the type of information he or she cannot obtain because it is subject to the amended section, 503A.

Clearly, in opposition Labor does not have access to the specific details of the sorts of visa cancellation matters with which this bill is designed to deal. It therefore becomes difficult to objectively assess the dimensions of any defects with the current legislative scheme. Even in the absence of such detailed information, it seems reasonable to assume that there would be a very limited number of matters in which information is so sensitive that it must be completely protected. However, denying an applicant and his or her legal representatives information on which a court will rely in making a decision is a very significant matter that warrants serious consideration. The bill ensures that the final decision on these two competing considerations is made by a court. If the court accepts that the security arguments are so serious that the information cannot be disclosed to the applicant or his or her legal representatives, it can make the nondisclosure order. If the court does not accept the security arguments, it can decline the nondisclosure order.

By the scheme described in the bill, the minister for immigration is also put under pressure to behave reasonably in relation to these matters. If the minister seeks to protect information that does not in truth need protection, it can be expected that the court will reject the minister’s application for a nondisclosure order. If this occurs, the minister can only continue to protect the information by prejudicing the likely success of the case for visa cancellation. If the minister wants to rely on the information in the visa cancellation proceedings, then, in the face of the court determining that it is not worthy of a non-disclosure order, the minister will have to disclose it. If the minister fails to disclose it, the minister will be unlikely to succeed in the visa cancellation proceeding because the key information will not be available for the court to rely on.

All in all, the bill should be supported, given that, under this scheme, as contained in the bill, the court remains the ultimate arbiter. However, Labor makes the following suggestion
that ought to be considered by the minister in respect of future legislation. As members of parliament may be aware, the parliament is still dealing with the ASIO bill. It is not my intention to go to matters within that bill, but I think even people who have not followed that debate closely but who have followed it through the media and in other places would be aware that one of the suggestions that has been made by Labor during the process of dealing with that bill and the discussions with the government that that bill has provoked is that the government should security clear a number of lawyers who can deal with sensitive matters relating to security and relating to the representation of people who are being questioned because of security issues. If that were done, I would urge Minister Ruddock to consider relying on that system so that a lawyer with an appropriate security clearance could view the protected information in order to provide appropriate advice to the visa applicant. As I say, that is not a suggestion we are making for the immediate consideration of parliament in the context of this bill but a future policy development possibility depending on where this parliament ultimately ends up in terms of the development of the ASIO bill and the issue of lawyers being security cleared in the context of that.

As I said at the outset of my remarks, this bill is in this place because Labor is prepared to support it. It is prepared to support it because the court remains the ultimate arbiter of rights in this regard. Consequently, the bill will enjoy quick passage through this place and through the Senate.

Mr WILKIE (Swan) (1.00 p.m.)—In speaking in support of the Migration Legislation Amendment (Protected Information) Bill 2002 I want to take this opportunity to bring to the notice of the parliament something that we as a nation should be thoroughly ashamed of. I know that, as an Australian and particularly as a member of the federal parliament, I am ashamed. I am referring to our detention centres and the way that we have treated those seeking protection visas. The ABC’s Four Corners brought to the attention of the Australian public a scandal that would be nerve-racking even as the plot of a horror movie. It is even more chilling when we realise that this is a documentary about something happening in 21st-century Australia—not a work of fiction.

In my past life I was a prison officer in Western Australia and also trained as a group worker, enabling me to work with repeat juvenile offenders in our juvenile institutions. I was trained to work with prisoners who had committed a vast array of crimes—from nonpayment of fines to wilful murder—in many of Western Australia’s prisons. In almost 14 years of working with offenders, I can never recall seeing any of the prisoners dealt with in the same way that people were being dealt with at Woomera. If the departments responsible for incarcerating people had conducted their prisons in the same way that this department has allowed these people to be treated, there would have been a public outcry.

This might be a good time to remind everyone that the detainees in Woomera had not been convicted of any crime. Their crime was to arrive in Australia without visas, to seek a new life—a better life—away from the despotic countries from which they had fled. This was away from regimes such as that of the Taliban and Saddam Hussein. These people thought that they were coming to a better place—a place that would protect them. These are the same people about whom the Prime Minister then told our troops on return from the Gulf that they had been sent to liberate from oppression. These people had often endured horrific conditions in their countries of origin and had taken great risks to get to Australia, often at the mercy of
people smugglers. Many had used their life’s savings, and some had borrowed money to get to Australia and a new life. They had travelled on small boats, many not seaworthy, risking death, and when they arrived, we detained them in centres with limited facilities, put men, women and children together and took many months to process their applications.

We should remember that 80 per cent of those people incarcerated were eventually found to be genuine refugees and given temporary visas. Woomera is, for want of an alternative description, a prison—it is a prison camp in the desert five hours from the nearest city. In the summer, temperatures can reach 50 degrees centigrade and, as it is in the desert, night temperatures can drop to below freezing. Woomera detention centre is, at best, a group of transportable buildings ringed by razor wire. It could never be described as a place where people could feel safe and cared for.

Minister Ruddock described it as a detention centre. ‘It is not a holiday camp, nor should it be seen as one,’ he has stated. I cannot imagine anyone getting confused and thinking that Woomera was a holiday camp. Woomera was opened less than four years ago and was only recently mothballed—not closed permanently, as should have been the case. It was built to house 400 people. In reality, it housed more than 1,400 at any given time. In fact, in April 2000, Woomera had nearly 1,500 detainees; that is, 1,500 people living in a compound with limited facilities and designed to cater for 400. The detainees were understandably desperate. This gave rise to riots, protests and breakouts. The detainees were at the end of their tether.

Anyone involved with the detention of people will tell you, Deputy Speaker Corcoran, that, if you treat people poorly for long enough, even the most patient will react. There were claims that mental illness and self-harm were rife. I know from information supplied to me directly by a psychologist who worked inside one of the detention centres that these claims are true. But it goes beyond that. The psychologist I refer to came into contact with many children who were suffering from various forms of mental illness. She commented that there was an overwhelming sense of sadness amongst the children, in particular, and despair amongst the mothers. She met children who had lost the ability to smile or take interest—children who no longer knew how to play. Children at Woomera had been reported as self-harming. A 14-year-old boy at Woomera smashed his own head with a rock, and a 14-year-old girl who saw him do it had cut herself.

Nurses from Woomera reported that cases of sexual abuse of children were an open secret. A 12-year-old Iranian boy was being sexually abused, and nurses were concerned that he was being used as a male prostitute. But when the matter was brought to the attention of the centre’s upper management, they were reported to have made smutty remarks. Sadly, the minister’s response in the program was:

People drew all sorts of inappropriate conclusions which were fuelled by people who had no first-hand knowledge. No first-hand knowledge.

Why does the minister think that the nurses and staff working in the centre would have no first-hand knowledge of what was going on, and what first-hand knowledge did he have that made him choose not to act? I am a father, and I cannot imagine how I would feel if my children, through my doing—that is, trying to take them to a better life—lost their ability to smile or play or, worse, were subject to sexual abuse.

One of my concerns that I want to raise today is the veil of secrecy that surrounds detention centres. We could blame the contractors, ACM, and their drive to make money, but what
about the Department of Immigration and Multicultural and Indigenous Affairs and the minister of that department—the people ultimately responsible for the management of the contract to run these centres? Let us not forget DIMIA and the minister. There has been and still is a monumental cover-up going on. Senior officials of DIMIA knew what was going on. Therefore, Minister, you knew. Just as Reith used the children overboard for political purposes, this minister has used Woomera and its detainees in exactly the same way.

According to Four Corners, the centre at Woomera was understaffed. We have heard the same complaints from all of the detention centres in relation to staffing levels. They are understaffed and often staffed by detention personnel who are not well trained, who work long shifts and who are underresourced and under constant stress from the residents and the management. Four Corners reported that Woomera had only enough riot gear for six officers. During the riots at the Port Hedland immigration detention centre, the same complaints were made in relation to riot gear. During their biggest riot, there were only enough sets of equipment for six officers. The rest made do with whatever they could find. That riot resulted in an officer having a miscarriage and a number of officers never returning to work. How can these officers and other staff be expected to do a good job when they are not allowed to complain and, if they do complain, they lose their jobs? The minister might run away, but he cannot hide from what was going on in detention centres.

Allan Clifton was ACM’s Woomera operations manager. He was at Woomera for 16 months. Prior to his employment at Woomera, he had had a long career in private prisons. In his interview by Four Corners he told of cover-ups and lies. He told the reporter that his time at Woomera had taken its toll on his health and state of mind. He believes that the trauma will have a long-term impact not only on detainees but also on many staff. He said that he had warned ACM senior management of a planned escape but was told he was being paranoid. The inaction by senior staff resulted in a breakout occurring. We all know about the breakout. It was covered very well by the media. Without the media, I am sure there would have been another cover-up. Four hundred detainees pushed through the fence due to the lack of staff. They could not be stopped. Several guards were injured. This escape and the resultant injuries should never have happened. The injuries were a result of understaffing and of DIMIA and ACM ignoring information given to them. The understaffing of centres run by ACM appears to be a constant criticism. Mr Allan Clifton said on Four Corners:

In the times that I was there we hardly ever had a full FTE—a full-time equivalent. He continued:

In other words, we hardly ever had the required number of staff that I might add that ACM were getting paid for by DIMIA ...

... You would send a report stating that we had the required number of staff when in fact we didn’t and quite often we were told at a local level to fudge the figures. In other words, if we were asked by the local DIMIA business manager we would say yes, we had enough staff, we had the required number of staff. At times we got down to where we were 40, 50, 60 staff below the number that we were supposed to have and, I guess, more importantly, the number of staff that ACM were getting paid to have on the ground.

Later in the interview he said:
We’d breached unsafe staffing levels. We just did not have enough staff to adequately maintain the security of the centre, and just as importantly maintain the security and wellbeing of the detainees and the staff ... I had a lengthy conversation with the managing director about this, expressed my concerns quite clearly. And ... he quite clearly told me that I didn’t know what I was talking about and that the FTE or the Full Time Equivalent was a number that he’d pulled out of his arse to satisfy DIMIA.

I am astounded that this was going on and that DIMIA and the minister claim they were not aware of it. It was further stated in the program that Woomera was ACM’s most profitable detention centre, making around $1 million per month. This was at the same time that the plumbing and sewerage were a major problem and there were not even lighting in the women’s toilets.

In the August 2000 riot by detainees at Woomera, 32 guards and a number of detainees were injured. I remind you that I am talking about a detention facility in Australia, not some Third World country or Iraq. May I further remind you that all of this was going on while women and children were present. It amazes me that television footage can be taken of a man sitting on a razor wire fence, with a razor in his hand, and that same man cannot get the attention of DIMIA officials for his plight. This unfortunately was not an isolated incident. Stories of self-harm in detention centres are constantly being told. Hunger strikes occur. The Four Corners program showed a video made by a very distressed ACM staffer of some of the 189 people on hunger strike—of those, 62 had sewn their lips together, including two women and five children.

I cannot tell you how pleased I am that Woomera has been mothballed, and hopefully it will never be reopened. There has to be a better way of looking after asylum seekers. Women and children do not pose a threat. They should not be locked up for extended periods of time. We must move towards a better system of speedy processing and placing of people into the community. Locking people up in conditions that beggar belief is a sad indictment on Australia and the Australian people.

The people who staff these centres have an extremely difficult job to do. We are talking about ordinary people who are expected to do an extraordinarily difficult job, with little or no support. Working with people who are incarcerated is always difficult. The difference here is that they are working with people who have often suffered extreme trauma and sometimes torture. These people do not know what is in their future, unlike prisoners who have a sentence and a release date. These people do not know if they will be allowed to stay or if they will be returned to their country of origin. They often have no news of people they have left behind and do not know if remaining family are alive or dead. Asylum seekers are people living in trepidation, not knowing what is coming next but knowing only that they want to live in freedom in Australia.

This minister has used these people and their misery for base political purposes, criticising them when he should have been protecting them. This minister has failed to provide any leadership in this area. While he is negotiating a new contract with Group 4, the same company that mismanaged Woomera remains running other facilities. In an era when we consider ourselves to be a civilised society, this minister has demonstrated how low the coalition will go to destroy that view when it suits their political purposes. I support this bill because it is a commonsense approach. I commend the bill to the House while condemning the government.
Dr LA WRENCE (Fremantle) (1.13 p.m.)—The Migration Legislation Amendment (Protected Information) Bill 2002 is designed to confirm, if it were needed, that the Minister for Immigration and Multicultural and Indigenous Affairs’ authority to disclose information required in character decisions is non-compellable and to restrict the disclosure of such protected information to and by the Federal Court or Federal Magistrates Court in any review of the minister’s exercise of discretion to refuse visas on character grounds. It reflects, I suppose, the inherent tension between public interest and procedural fairness.

However, the need for the bill is debateable, given that the general legal opinion seems to be that the minister already has adequate control over the initial disclosure of such information to any party, including courts and tribunals. Furthermore, courts have almost invariably supported ministers’ decisions in such matters. However, this bill represents part of a pattern of increasing resistance by the minister and his government to the longstanding principles of natural justice and procedural fairness. We are dealing here with an increasingly paranoid minister who wants to place his decisions and the consequences of his decisions beyond scrutiny and outside legal correction.

The pattern is also evident in the government’s lying over the *Tampa* affair, the ‘no children overboard’ incident and the so-called Pacific solution, and in its failure to provide for public scrutiny of remote detention camps and the minister’s attempts to eliminate court and parliamentary oversight of his decisions. The vivid depiction on *Four Corners*—about which we have heard from other speakers—of life in the Woomera detention centre reminds us of the secrecy which surrounds the institutionalised sadism that is the official government policy on asylum seekers. It has at its core the systematic degradation and torture of our fellow human beings—treatment we would normally abhor. And this is not in the past tense, as the minister would have us believe. People are being brutalised today in all the detention centres. Like those at Woomera, many of the staff responsible for the care of detainees will never fully recover from the experience of carrying out their government’s cruel policy.

The ill treatment of refugees is confirmed not just in the *Four Corners* report but in a series of reports which have documented the breaches of numerous international conventions to which we were willing signatories and effects of current policies on those who are detained as well as those who are on temporary protection visas. These include the United Nations Human Rights Commission, the Human Rights and Equal Opportunity Commission, Human Rights Watch and so on. Like many who are connected with the network of refugee advocates and supporters, I receive daily reports of suffering and degradation that make a mockery of our claim that we are a nation that respects human rights. Just today I had further reports, which I have sought to have investigated, about a man who is seriously depressed, is now suffering from bleeding every time he eats and apparently is not getting adequate medical care. I do not know the accuracy of that allegation, but it is typical, and it is almost impossible to verify.

We cannot pretend we do not know what is happening. Others are certainly aware of the way we treat those who seek asylum. The Australian government’s uncompromising stance on asylum seekers was the subject of critical comment at a recent postwar conference in Iraq. Following a speech by Australia’s deputy secretary of the Department of Foreign Affairs and Trade, Peter Varghese, conference delegate Sheik Sayed Jamaluddin, a Shiite cleric, was criti-
cal of Australia’s detention of Iraqi asylum seekers who had fled Saddam Hussein’s regime.

He said:

I call on the representatives of the Australian government to ask the government to accept the human rights of those Iraqis who are held prisoner in some capacity—

he is right about the prisoner bit—

that they might be treated in a humane fashion … If you come here and tell us that we need to build an Iraq that is democratic and respects human rights you should respect the rights of the Iraqis who happen to be in your prisons.

Australia is one of the few countries to automatically detain those who arrive without authorisation documentation. Those seeking asylum, including children—some 100 at last count—are held in secure, mostly remote camps for months or even years while their claims for refugee status are assessed or because they cannot be returned to the place from which they came.

Despite the cold reassurances of the responsible minister, we know that such detention has profound effects on the physical and psychological wellbeing of detainees. There is no escaping that. The government encourages us to turn our faces away from the refugees and even to deny, as the minister has done recently, that depression is a mental illness. Forgive me, I am a psychologist. Depression can be a mental illness in its severe form. We are not talking about the blues here. We are talking about a serious mental illness. He implies that we need not worry that the experience of detention is harmful, even though so many of those in detention are depressed, because—and this is what he said on the 7.30 Report—‘I’m not sure that everybody would regard depression as a mental illness.’ Nudge-nudge, wink-wink, he goes to the community. At least sensible people like you and me would not regard it as a mental illness, the minister wants you to think—just bothersome groups like the World Health Organisation, the Royal Australian and New Zealand College of Psychiatry and the Commonwealth Department of Health and Ageing. When asked about rates of mental illness in our detention camps, the minister always conveniently overlooks depression. It is simply not counted—as if it would therefore disappear.

The plague of self-harm and suicide attempts is, in the minister’s eyes, not the companions of mental illness but a rather crude attempt to engineer refugee status. He told Kerry O’Brien last week: … there were perceptions in the centres themselves that, by action of self-harm, people had achieved outcomes … and it led to a belief amongst a proportion of the Afghan population that the only way in which they were going to obtain visas was to be involved in the same sort of conduct.’ That is, self-harm, suicide. The minister refused then, as he has always done, to contemplate even briefly the possibility that locking people away in remote areas without certainty and hope may drive them to destructive acts. He specifically refused to accept O’Brien’s proposition that such acts might be construed as acts of desperation. He actually said that he did not know the meaning of despair in that context—which is amazing.

I believe that we have to confront the immorality of this policy and its destructive consequences and invite Australians—and the minister too, for that matter—to exercise their empathic imagination, which is something which the Howard government has been at pains to prevent us all from doing. The government clearly understands that keeping a safe distance and reducing the opportunities to humanise asylum seekers is necessary to ensure the continuing acceptance by the Australian people of the more brutal elements of the asylum seeker policy. Asylum seekers are housed in remote camps in Australia and thousands of kilometres
from the mainland on Christmas Island and on Nauru where visas are refused to journalists—and human right activists in the case of Nauru. It is impossible to visit; we cannot know what is happening there except by rumour and the occasional letter.

The government’s refusal to allow any photographs or personal contact with those who were stranded on the *Tampa* is another example. It was part of a deliberate campaign to prevent any identification with the people on board and to cultivate fellow human feelings. The defence minister’s press secretary gave explicit instructions to the defence department that there were to be no personalising or humanising images taken of the asylum seekers. I wonder why. Nonetheless, it is imperative that we ask ourselves, despite the government, how we would feel in similar circumstances if our freedom were taken away; to imagine how we would feel if our children were denied an education; how distressed we would be if we could not call on our own doctor when we were ill; how humiliated we would be if we were forced to be strip-searched at regular intervals; how desperate we would feel if we knew we might never be allowed to bring our families to join us; and how hurtful it would be to be treated as liars and cheats.

Many asylum seekers are here precisely because they are the victims of torture and persecution, fleeing human rights abuses and often leaving family and loved ones behind. Others have lost family members to brutal regimes and are still grieving their losses. Some of them come from war zones where they have seen their communities bombed into oblivion. Yet their coming here is an expression of hope. They want to rebuild their lives and give their children a better future. On arrival in Australia they are hopeful of compassionate and humane treatment; instead they are rebuffed, humiliated and tormented still further.

Their indeterminate detention leads to mounting stress, not least because of the disappointment of their optimistic expectations. The result is frequently severe depression and thoughts of despair and helplessness, which I referred to earlier. Some detainees, on the other hand, demonstrate aggressive, destructive and self-harming behaviours that are reflected in suicide and acts of mass violence, group break-outs, rioting, burning of facilities and hunger strikes. These actions then feed the hostile attitudes that are already prevalent and cultivated by the government in the wider community. The government insists that such behaviour of people in extremis is a form of bullying and manipulation. The detainees, as the minister puts it, are crudely trying to exploit our decency. This, in my view, is an obscene reversal of the facts; just who is being bullied here? Given the grim situation of many detainees, it is surprising that there is not more of such behaviour.

Among children detention produces a well-documented range of psychological disturbances, many long lasting, including mutism, withdrawing from contact with others, bed-wetting, refusals to eat and drink as well as acts of self-harm and suicide in young people. At the time of writing, despite the fact that there had been no unauthorised arrivals by boat for over a year, records showed that many children were still in detention in Australia and on the island of Nauru.

We should ask our government and our fellow citizens a few simple questions. Contemplate for a moment, if you will, the care you lavish on your own children, your thoughtfulness in protecting them from exposure to violence and suffering, your careful planning of their education and their access to opportunities to learn and to explore the world from a secure,
loving base. How can your children safely explore a world from behind barbed wire? There is certainly a world there to be explored, but it is one that will destroy them.

We should think collectively, even if the government cannot, about the importance we place on protecting our children and ensuring their physical safety. How can parents in detention camps, with no private place and no control over their daily lives, provide such a safe environment? Child abuse is taking place today, despite the minister’s denials. We do not need elaborate research to conclude that asylum seekers are going to be damaged by these experiences. It is obvious to anyone who is prepared to imagine their own responses in thinking about what would happen to their families if they were put under that sort of stress—the sort of stress that is experienced daily in detention centres. One man who has been detained for over four years describes it simply as ‘dying every day’.

The mere fact of indefinite detention is bad enough but degrading treatment is also regularly meted out. There are numerous reports of naked hostility being expressed by the staff towards the detainees. In letters to supporters, people in detention report that they are often treated with disrespect and endure petty humiliations and intrusions into their privacy. Isolation, detention and force are routinely used. Despite denial, people are identified by numbers and not names.

Following the fires that were lit in several of the centres around Christmas 2002, strip searching, including full cavity searching, became routine. Many were placed in isolation and were denied any communication with people outside who attempted to contact them. Two weeks ago, I received reports—which have yet to be confirmed; we have made complaints and I do not know whether they are being followed up—that one detainee was bashed and then taken to an isolation room with a hook on the wall two metres off the ground. They should have read the report into Aboriginal deaths in custody. He was allegedly handcuffed with his hands in front of him and his arms extended upwards so that he hung on a hook, his feet just touching the ground. He was apparently left for over an hour before he was taken down. I understand the matter has been brought to the attention of the police.

Random acts of meanness are also commonplace. On 24 April, Ebrahim Sammaki, who is in Baxter, was sent a video tape of two recent episodes of the 7.30 Report specially recorded for him on new blank tape because the report included images of his two children, from whom he had been separated for some time. Ebrahim’s wife, Endang, was one of those who died in the Bali bombing and their two children are still in Indonesia because the minister refuses to allow them to join their father. Ebrahim has still not been permitted to see the tape because the guards allege that there is other material on the tape. Those who sent the tape are adamant that there is nothing on the tape that has not already been broadcast by the ABC. The minister, as we know, is now refusing to allow the children even a short visit.

Those who do not meet the strict criteria for refugee status face the constant threat of deportation, often to places where they believe they will be further persecuted or even killed. The government had apparently signed a memorandum of understanding with the government of Iran to return asylum seekers whose refugee claims have failed. The government has refused to make the terms of the agreement public, perhaps because there are reports that the Iranian government has not actually agreed to the return of their nationals. Although the Iranian government will be forced to accept those returned, they have made it clear that they will refuse passports to those sent back. I put a question on notice to the minister and asked why
he would not make that public. He said he did not consider it to be in the public interest to make it available at this time and it was a confidential agreement between the governments. The Howard government, despite joining in the US Hollywood style depiction of Iran as part of the axis of evil, will take no responsibility, apparently, for the fate of Iranians or any others who may be returned to their countries of origin.

Those whose refugee status is confirmed and who are released on temporary protection visas fare only marginally better. They are forced to live in a permanent state of suspended animation because under the current government such visas may never become permanent. The government reserves the right to reassess their claims in the light of changes in conditions in their countries of origin. For example, Afghans fleeing persecution under the Taliban and eventually granted refugee status are now being sent back because it is judged that they no longer need fear persecution in Afghanistan. I think we should send the minister there, especially to somewhere outside Kabul, for a little bit of a holiday.

Just this week, Human Rights Watch warned that Australia would put Afghan refugees and asylum seekers at risk if they were returned to an unstable Afghanistan. They also pointed out that the government’s four-page country information report, which they are giving to people whom they want to return, contained little substantive information and gave a very misleading impression of human rights protection in Afghanistan today. Human Rights Watch has documented many cases of security forces committing rapes, assaults and murders and attacks on girls’ schools in local populations, especially outside Kabul—a nice and secure environment to which to return children.

The government proposes to return women and children, including several who entered Australia as minors. They will be returned to Afghanistan alone. Human Rights Watch officials describe this haste to send people back to Afghanistan as ‘rash and irresponsible’ since: … vulnerable women and children are being sent to unstable and dangerous regions … where in some places: … women are still facing Taliban-era restrictions.

The same experience of uncertainty and civil disorder in their home country confronts the Iraqi people who fled Saddam Hussein and to a lesser extent the East Timorese who have lived here for a decade. Those on temporary protection visas are forced to live in limbo, denied hope and the opportunity to begin their new lives. They are also denied basic resettlement services and are prevented from bringing their families to join them if they have been separated.

Just yesterday the last words of Dr Habib Vahedi were read into the Hansard of the South Australian parliament by Chris Hanna. I commend them to members. They are very moving. Dr Vahedi was an Afghan Hazara who committed suicide in the face of continuing uncertainty about his fate and the prospect of return to continued persecution in Afghanistan. He had been separated from his wife and four children for over three years and was clearly desperate that he would never rejoin them.

The denial of family reunion is the reason why there are so many women and children among the 352 asylum seekers who drowned when the boat which became known as the SIEVX sank, or was deliberately scuttled, in late 2001. It is why two women drowned when another boat sank after catching fire and why there were so many women and children on the
vessel which broke apart and provided the photos which the government used as ‘evidence’ that the asylum seekers had thrown their children overboard, a claim subsequently shown to be a complete fabrication.

As a result of these policies, seven Iraqi women and their children who attempted to come to Australia in one of the unauthorised vessels were held for a very long time on the island of Nauru. They may still be—it is impossible to determine. They languish there even though their husbands are here in Australia on temporary protection visas, having been found to have a well-founded fear of persecution at the hands of Saddam Hussein’s murderous regime. A Senate estimates committee was told that the women could not claim refugee status because, while their husbands were the victims of persecution, they were not. In most cases when people seek asylum because of persecution, it is the men who have been subjected to explicit threats—we know that—and in the past this was sufficient for the immediate family to be accepted as refugees. Changes to the legislation now require every individual to be assessed, which means that women who try to join their husbands will fail and run the risk of being deported, while their husbands are unable to leave Australia without relinquishing their rights to stay, a vicious double bind. When asked what would happen to the women on Nauru the officials told the Senate committee, in the bloodless language of DIMIA and its minister: The individuals on Nauru are free to return to their homeland or to any other country they may wish to travel to.

Thank you very much! This was at exactly the same time when Iraq was about to be attacked by the combined forces of the US, the UK and Australia. On the very day the Senate was told the women could return to Iraq, the foreign minister, Alexander Downer, spent the major part of question time providing gruesome details of what women in Iraq could expect should they fall foul of the regime—rape, torture, mutilation and murder. When challenged about the gross hypocrisy of the government’s position on radio the next day, the minister said: We don’t send people back who would be at risk. We send people back if we think they are rorting the system.

There is no evidence that these women were rorting the system other than to try and join their husbands.

One of the tragedies of all this is that the community is not being given an alternative point of view. I think as a community we can do a great deal better than this. Far from welcoming those who come across the sea, as our natural anthem suggests, and sharing in our good fortune, we are as a nation, through our government, rejecting the most traumatised people and adding to their suffering—and all in this climate of secrecy and silence. These people, small in number, have not come to embarrass us but to beg for our compassion and help, believing us to be a nation that values human beings equally, regardless of race, creed or colour. We have yet to justify their faith in us or to earn the description of us as a fair and humane people.

The DEPUTY SPEAKER (Ms Corcoran)—Before I suspend the sitting, and before I call the member for Kennedy, I want to get on record what is happening here. During debate on the Murray-Darling Basin Amendment Bill 2002 I understand that the member for Kennedy wanted to rise to correct a misrepresentation. He was not given that opportunity. It is unusual, but I will now allow him to do so. I draw his attention to the fact that he is on his feet to correct a misrepresentation but he cannot discuss any further matters.

Debate interrupted.
PERSONAL EXPLANATION

Mr KATTER (Kennedy) (1.34 p.m.)—Thank you very much, Madam Deputy Speaker. I claim to have been misrepresented. The minister alleged that figures that I had cited about Australia not being a net food exporter in nine years time were not correct. I quote from a memorandum from the Parliamentary Library, dated 2000. I am quite happy to table the document:

If we assume that the fall in exports and the rise in imports in the period 1996-97 to the period 1998-99 is continued into the future, Australia will become a net importer of food and live animals by the year 2009-10.

That was one misrepresentation. The minister said that the figure was misleading because it was out of context with others. I also seek leave to table documents which indicate a three per cent rise in exports and a 32 per cent rise in imports for a longer period of time, and then a 167 per cent increase in exports and a 414 per cent rise in imports over a longer period of time. Finally, the most up-to-date figures indicate a rise in exports from $5,803 million to $20,760 million, and a rise in imports from $732 million to $4,771 million. So we are going from $6,000 million to $21,000 million, which is nearly 350 per cent, and from $700 million to $4,800 million, which is nearly 700 per cent. So no matter how the minister wants to draw the graphs, they cross, and we will be a net importer of food. That is why I claim to have been misrepresented.

The DEPUTY SPEAKER—Leave is granted for the tabling of the documents.

Sitting suspended from 1.36 p.m. to 4.03 p.m.

MIGRATION LEGISLATION AMENDMENT (PROTECTED INFORMATION) BILL 2002

Second Reading

Debate resumed.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation) (4.03 p.m.)—in reply—The Migration Legislation Amendment (Protected Information) Bill 2002 is to amend the Migration Act. As members are very much aware, it is to ensure that confidential information is protected from disclosure where a decision to cancel or refuse a visa on character grounds is challenged in the courts. Importantly, it gives the Federal Court and the Magistrates Court the power to make nondisclosure orders where confidential information comes before them for the purposes of a review of proceedings.

I think it is important to recognise that one of the reasons for the protection of confidential information is that, if you do not protect it, you will not get it. If you are dealing with security agencies that might be able to give you information in relation to people who are potential terrorist risks, and they think that the information they provide to you is going to be publicly disclosed or disclosed to the person about whom it is held, you will not get the information. The same applies in relation to character issues.

When you are dealing with police forces and other organisations, they may be getting information about people who are involved in organised crime. When a person who is significantly involved in organised crime is seeking to access Australia and you would rather not have them, it is appropriate that you are able to access information which will help you under-
stand the nature of the activities in which that person is involved. But you also have to protect the people who may have provided information to that agency that is providing the information to you.

I heard a statement about immigration fairly recently from a New Zealand minister; that immigration is a privilege not a right. The idea that people have rights to use our courts to obtain information which may enable them to do some harm to people who have legitimately tried to help in the public interest in identifying people of character concern is not something that should be accommodated. That is the reason for this legislation.

I would hope that the courts, when confronted with dealing with these issues, will accept the genuine need for confidentiality in the sorts of cases that we are raising. But where a court declines to make a nondisclosure order, and the Migration Legislation Amendment (Protected Information) Bill 2002 is seeking to put this arrangement in place, and we are then not in a position to proceed with the matter—that is, to put the information before the court which will in effect prejudice the decision—it is to protect the third parties who have provided that information to us. That is the reason. We want to be in a position not to be forced to disclose it, so we want to be in a position to be able to withdraw from those proceedings.

But the concern that we have is that, of course in a circumstance like that, the courts would be putting us in a position where a person would be accessing Australia who might well be of substantial cause for concern. So this legislation is of the utmost importance and I would like to foreshadow that I will be moving some amendments at the committee stage to ensure that the government’s intention here is given full effect and to ensure that we do have the capacity to use confidential information and that the sources of information will have the strongest possible protection.

In the course of this debate, as is often the case with immigration issues, some other matters were raised. I will take the opportunity of dealing with some of those for the purposes of the record. The fact that they were raised may suggest that some of those comments had some veracity. People who took the Four Corners program in relation to detention centres—the closed Woomera detention centre—as having any veracity should understand that these were allegations that had all been aired before and which were well known.

On the suggestions that there had been incidents of self-harm, that there had been escapes, that there had been riots, there must be something naïve about me: I seem to have a vivid recollection of those things happening. Maybe others have not. We have not sought to disguise them. The public knew that they were going on. All that was confronting was that they saw some of the difficulties that detention officers were faced with in having to manage those sorts of difficult situations. They are very confronting, very difficult situations for people to have to manage. But the allegations themselves were not new.

The allegations that were made in relation to the contractual arrangements evidenced an abysmal knowledge of the nature of the contract. I want to make some very important comments here in relation to the contract we had with ACM. It does not require them to provide us with information about staffing levels. The contract provides that certain detention standards have to be observed and they have to meet those standards and they have to make the provision of staffing sufficient to ensure that those standards are met. We are relying upon their professional judgment in relation to the Woomera centre and those that are covered by the principal contract.
For completeness I want to say this because I do not want people to think that I have in any way handled these issues without putting all the facts on the table, there are some specific and separate contractual arrangements which we had with ACM that deal with some other issues, particularly when it is necessary to remove people from Australia. We have contracts where numbers may be specified in relation to the arrangements that should be made to escort people from Australia.

So escort arrangements have some requirements in relation to numbers. We also have some separate arrangements in relation to the detention centres that were offshore at Christmas Island and Cocos Island. They were not covered by the principal contract, and the arrangements there were quite separate and need to be understood as being separate.

Some further matters were raised on the new contract that we are negotiating with Group 4. I do not want to spend a lot of time on that, save to say that the contract negotiations are significantly progressed with the current focus on resolving technical matters, some of which involve third parties such as insurance companies, and where issues on the final form that the contract would take need to be sorted through. These are not matters that would be dealt with in the tender situation. They are dealt with under the contract or the tender in the discussions that occur after you have identified a preferred tenderer. That is what Group 4 is: it is identified as a preferred tenderer, and the current focus is on resolving the detailed contractual negotiations. They are more complex than they have been in the past because of many of the issues relating to detention standards and providing the most appropriate arrangements to protect the interests both of the Commonwealth and the detainees.

There are, under the agreements that we have, arrangements to continue with ACM under its present terms and conditions until 23 December or until completion of transition to Group 4. The agreement provides for payments to occur in relation to a successful transition and to cover some of the costs of the transition process. I understand that this can create some uncertainty, and it may mean that some people have had to work some overtime. I do not think that is a bad thing. I suspect that the people who have got the overtime probably do not think it is a bad thing either. But in terms of staff uncertainty, yes, there would be some uncertainty; but Group 4 has communicated their planned recruitment arrangements to ACM staff, who will be entitled to apply for positions with Group 4—and that, we hope, will help in maintaining a successful transition.

Two other matters were raised by the honourable member for Lalor which I would like to mention. One of them relates to the agreement—the MOU—that we have with Iran. The honourable member knows that, if she wants details in relation to these matters, she can always approach me. Frequently, I approach her. But it is not a one-way street; it is a two-way street. If she wants information about particular matters, I am more than happy to communicate with her about those matters. The agreement with Iran is confidential at the moment because Iran wants it to be confidential. The reasons for it, I suspect, have more to do with Iran’s concern about the implications of this for their foreign policy—that is, their dealings with other governments. I think that is the reason. But let it be clear that there is an agreement, and the agreement makes it known that there are arrangements in place where people, Iranians, can return home in dignity with a relocation package, an assistance package. But if they do not, they will be going home in any event.
I know that there was a leaked document last year, before we had an agreement, in which we worked through whether or not we ought to offer the re-integration package before we had an agreement. We looked at the question as to whether or not we could say to detainees, ‘There is a re-integration package and you are able to accept it now, and we are continuing negotiations with Iran in relation to ensuring returns.’ Some people saw that as our trying to put people under duress. In the end, we did not pursue that objective. We kept the re-integration package to be part of the MOU.

The fact that we looked at trying to implement it earlier should not be seen as suggesting in any way that I would go public in relation to an agreement and its terms—particularly in relation to ensuring that people are able to be returned to Iran—and leave myself exposed because we did not have an agreement. Why would I do that? The fact is that we do have an agreement. There is nothing contradictory in relation to what has happened and the earlier leaked document, but the fact is that well meaning people ought to be encouraging Iranians—rejected asylum seekers; people who have no need for protection—to go home. They ought not to be encouraging them to hang on in the expectation that there will be some other outcome.

The last matter that was raised by the honourable member for Lalor involved Mr Sammaki and his children. It is a tragic case; there is no doubt about that. He is here as a rejected asylum seeker. He had spent some years in Indonesia and had had a relationship with an Indonesian lady. She tragically died in the Bali bombing. There were two children of that union. They are children who have Indonesian citizenship. If Indonesia were Australia, the view would be that it would be in the best interests of the children for them to be reunited with their father in Indonesia. That would be the proposition. The children are Indonesian children. It would be in their best interests to be reunited with their father. At the moment, we are having some discussions with Indonesia. To date they have been inconclusive, but I would like to think that they could be conclusive. The honourable member for Lalor said that the children are Indonesian and the father is Iranian, but they have no connection with Iran and, therefore, they ought to be allowed to come to Australia and settle in Australia with their father. The children are Indonesian children. The father is Iranian. If you accept the argument of the honourable member for Lalor in relation to Iran—that is, that the Indonesian children have no links with Iran—then the argument equally applies to Australia.

What is it about us that we say that you should always assume that it is in the best interests of people to be settled in Australia? What is it about us, culturally and in terms of the nature of our society, that says that that is always the best outcome? It seems to me that, as difficult as this case is, it is important to properly work through what the entitlements are in the countries with which there is the closest nexus. When we have been able to look at those issues fully and completely and we know the position, we might well be able to further consider the matter if necessary. I do not rule that out. It may surprise people to know that sometimes after a second, third and fourth approach, I am asked to intervene in some matters, even though I have refused to interfere to that point in time. It might surprise you to know that that can happen. But I do not think it is an appropriate time to intervene. I have made that clear. We ought to be pressing to obtain an outcome in the best interests of the children where the greater connection exists. Finally, let me say that there have been a lot of assertions about people’s entitlements in other countries. Again, the honourable member for Lalor suggested that the children might only have a right of entry to Iran. My understanding is that they may
have a far greater entitlement than that, but that is something that we are working through at the moment.

There were others who spoke. Normally I would respond fulsomely to the comments made by honourable members but, in the spirit in which their comments were made, I do not think they need a detailed response from me. The member for Swan persisted with this view in relation to the 12-year-old Iranian child who, it was alleged, was the subject of sale by his father for sex at Woomera. Those matters were the subject of a very full and complete examination, not only by the Flood review but also by the South Australian Department of Family and Youth Services. It was a very comprehensive review. The South Australian Department of Family and Youth Services had a senior magistrate review all the work that was undertaken by the officers of FAYS to make sure that every i was dotted and every t was crossed. It was the most thorough and complete review of allegations of that type.

The people who appeared on the *Four Corners* report and again put those unsubstantiated allegations could not substantiate any allegation themselves of something they witnessed. They could not do that. They were the subject of discussions with FAYS. FAYS went to all the people who could offer information to investigate this question. They could make no finding that there was abuse of this child. The real hurt that somebody like I have in relation to this is that the child has been wounded. The child has been hurt. The relationship between the child and his father has been, in all likelihood, irreparably damaged because these allegations—that are not proven; that are unsubstantiated—have been made again and again.

If you are looking at the question of child abuse in relation to this, the abuse of this child has been by those who have made these allegations, when it has been shown that they are untrue, and have repeated them. I have not heard, but I imagine that the difficulty the boy and his father experienced and had to address when these matters were first raised—the way in which they were seen by other members of their community because of the nature of the allegations—has probably resurfaced again, and all of the hurt and trauma has been raised again.

I think that it is incumbent on members to find out what the facts are before they come into the House and repeat the sorts of claims that have been made by *Four Corners*—which were demonstrably untrue—and reassert them in the House as though they have some veracity. They had none on *Four Corners* and they had none when they were raised by the honourable member for Swan. If he had some information that was new or that raised a substantial issue that ought to be investigated, I would expect him to bring it to me. I can assure you that I am not in the business of protecting people who are involved in harming children. If there are serious issues that have to be raised, let that fall where it should fall. That is the approach I take in relation to these matters. Please have sufficient confidence to bring the information forward if you have it, so that it can be properly investigated. There was an investigation by Phillip Flood into these matters. Incident reports were seen to be inadequate at the time, but if you read the Flood report you will see the efforts that have been made to ensure that there has been proper reporting of incidents and that these issues have been fully dealt with.

In summary, the amendments contained in the *Migration Legislation Amendment (Protected Information) Bill 2002* protect the national interest by ensuring that security and law enforcement agencies continue to have confidence in Australia’s ability and willingness to protect their information. I commend the bill to the chamber and thank the opposition for supporting it.
Question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation) (4.23 p.m.)—by leave—I present a supplementary explanatory memorandum to the bill. As we are moving that the amendments, as circulated, be taken together, I move:

(1) Clause 2, page 1 (lines 7 and 8), omit the clause, substitute:

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, on the day or at the time specified in column 2 of the table.

<table>
<thead>
<tr>
<th>Provision(s)</th>
<th>Commencement</th>
<th>Date/Details</th>
</tr>
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<tbody>
<tr>
<td>1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table</td>
<td>The day on which this Act receives the Royal Assent</td>
<td></td>
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<tr>
<td>2. Schedule 1, items 1 to 5</td>
<td>The day on which this Act receives the Royal Assent</td>
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<td>3. Schedule 1, items 5A to 5D</td>
<td>The day after this Act receives the Royal Assent</td>
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<td>4. Schedule 1, item 6</td>
<td>The day on which this Act receives the Royal Assent</td>
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<td>5. Schedule 1, item 6A</td>
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<td>6. Schedule 1, item 7</td>
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<td>7. Schedule 1, item 8</td>
<td>The day after this Act receives the Royal Assent</td>
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<tr>
<td>8. Schedule 2</td>
<td>The day after this Act receives the Royal Assent</td>
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</table>

Note: This table relates only to the provisions of this Act as originally passed by the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

(2) Column 3 of the table is for additional information that is not part of this Act. This information may be included in any published version of this Act.

(2) Schedule 1, page 4 (after line 10), after item 5, insert:

5A At the end of subsection 503A(8)
Add:
Note: This section is specified in Schedule 3 to the Freedom of Information Act 1982 with the effect that documents containing information protected from disclosure by this section are exempt documents under that Act.

5B Subsection 503A(9)
Insert:

Australian law enforcement or intelligence body means a body, agency or organisation that is responsible for, or deals with, law enforcement, criminal intelligence, criminal investigation, fraud or security intelligence in, or in a part of, Australia.

5C Subsection 503A(9)
Insert:

foreign law enforcement body means a body, agency or organisation that is responsible for, or deals with, law enforcement, criminal intelligence, criminal investigation, fraud or security intelligence in a foreign country or a part of a foreign country.

5D Subsection 503A(9) (definition of gazetted agency)
Repeal the definition, substitute:

gazetted agency means:

(a) in the case of an Australian law enforcement or intelligence body—a body specified in a notice published by the Minister in the Gazette; or

(b) in the case of a foreign law enforcement body—a body in a foreign country, or a part of a foreign country, that is a foreign country, or part of a foreign country, specified in a notice published by the Minister in the Gazette; or

(c) a war crimes tribunal established by or under international arrangements or international law.

(3) Schedule 1, page 11 (after line 26), after item 6, insert:

6A After section 503C
Insert:

503D Details of gazetted agency to be treated as protected information
(1) If section 503A or 503B applies to information communicated by a gazetted agency to an authorised migration officer so that the information cannot be divulged or communicated except as provided for in sections 503A, 503B and 503C, then sections 503A, 503B and 503C apply to similarly protect the agency’s details from being divulged or communicated as if the details were the information communicated by the agency.

(2) A reference in subsection (1) to agency's details is a reference to any information in relation to the gazetted agency including the agency’s name and the conditions on which the communication of information by the agency occurred.

(3) In this section:
gazetted agency has the same meaning as in section 503A.

(4) Schedule 1, page 12 (after line 4), at the end of the Schedule, add:

8 Application—section 503D of the Migration Act 1958
(1) Section 503D of the Migration Act 1958 applies to:

(a) agency details in relation to protected information if the information is given to an authorised migration officer on or after the commencement of this item; and

MAIN COMMITTEE
(b) agency details in relation to protected information given to an authorised migration officer before the commencement of this item if:
   (i) the details or information is the subject of a request for access under the Freedom of Information Act 1982; and
   (ii) no decision under the Freedom of Information Act 1982 in respect of the request has been made, or has been taken to be made, before the commencement of this item; and
(c) agency details in relation to protected information given to an authorised migration officer before the commencement of this item if the details or information is the subject of a process for the production of documents that has not been completed or complied with before the commencement of this item; and
(d) agency details in relation to protected information given to an authorised migration officer before the commencement of this item if, after the commencement of this item, the details or information becomes either:
   (i) the subject of a request for access under the Freedom of Information Act 1982; or
   (ii) the subject of a process for the production of documents.

(2) In this item:
   process for the production of documents includes discovery and a subpoena for production of documents.
   protected information means information that is:
   (a) communicated to an authorised migration officer by a gazetted agency on condition that it be treated as confidential information; and
   (b) relevant to the exercise of a power under section 501, 501A, 501B or 501C.

(5) Page 12, (after line 4), at the end of the Bill, add:

Schedule 2—Amendment of the Freedom of Information Act 1982

1 Subsection 38(2)
Omit “Where”, substitute “Subject to subsection (3), if”.

2 At the end of section 38
Add:

(3) This section applies in relation to a document so far as it contains personal information about a person if:
   (a) the person requests access to the document; and
   (b) disclosure of the document, or information contained in the document, is prohibited under section 503A of the Migration Act 1958 as affected by section 503D of that Act.

3 Schedule 3
Insert in its appropriate alphabetical position, determined on a letter-by-letter basis:

Migration Act 1958, Section 503A as affected by section 503D of that Act

4 Application
(1) The amendments made by this Schedule apply to a request for access to protected information made under the Freedom of Information Act 1982:
   (a) on or after the commencement of this Schedule; or
(b) before the commencement of this Schedule if no decision under the Freedom of
Information Act 1982 in respect of the request has been made, or has been taken to be
made, before the commencement of this Schedule.

(2) In this item:

protected information means:

(a) information that:

(i) is communicated to an authorised migration officer by a gazetted agency on condition
that it be treated as confidential information; and

(ii) is relevant to the exercise of a power under section 501, 501A, 501B or 501C of the
Migration Act 1958; and

(b) the agency details in relation to the protected information.

(3) In the definition of protected information in subitem (2):

agency details has the meaning given in subsection 503D(2) of the
Migration Act 1958.

authorised migration officer has the meaning given in subsection 503A(9) of the
Migration Act 1958.

gazetted agency has the meaning given in subsection 503A(9) of the Migration Act 1958.

Question agreed to.
Bill, as amended, agreed to.
Ordered that the bill be reported to the House with amendments.

CUSTOMS AMENDMENT BILL (No. 1) 2003

Cognate bill:
CUSTOMS TARIFF AMENDMENT BILL (No. 1) 2003

Second Reading

Debate resumed from 15 May, on motion by Mr Williams:
That this bill be now read a second time.

Mr MELHAM (Banks) (4.24 p.m.)—The Customs Amendment Bill (No. 1) 2003 inserts
rules for determining whether goods originate in least developed countries, in East Timor or
in Singapore. The Customs Tariff Amendment Bill (No. 1) 2003 determines the actual tariffs
and complements the first bill, so it is being debated cognately. The explanatory memoran-
dum for the Customs Amendment Bill points out at page 2:

The purpose of this Bill is to amend the Customs Act 1901 (the Customs Act) to:

introduce rules of origin for goods that are the produce or manufacture of a Least Developed Country
(LDC), which will enable such goods to have duty-free access to Australia ... and

introduce new rules of origin for goods that are the produce or manufacture of Singapore, to give ef-
fect to the Singapore-Australia Free Trade Agreement (SAFTA). These amendments will enable such
goods to also have duty-free access to Australia ...

The explanatory memorandum for the Customs Tariff Amendment Bill states at page 2 that its
purpose is the amendment of the Customs Tariff Act 1995 to:

Add East Timor to the list of Developing Countries;

Define Least Developed Countries (LDCs) and provide for the duty-free entry of goods originating
in LDCs and East Timor;
Provide for the duty-free entry of goods originating in Singapore in accordance with the Singapore-Australia Free Trade Agreement (SAFTA); and

Implement related amendments to the Tariff.

The Customs Tariff Act identifies and lists developing countries, preference countries, forum island countries and least developed countries as specific categories for the purposes of tariff rates. The amendments proposed by the Customs Tariff Amendment Bill will include East Timor for the purposes of the Australian system of tariff preferences. With some exceptions, goods originating in developing countries benefit from a five per cent reduction on the general tariff rate.

The amendments to the Customs Act provide definitions of the rules of origin for goods that are produced or manufactured in these countries. ‘Qualifying area’ is the area from which materials may be sourced and counted towards the allowable expenditure of a factory on materials. The last process of manufacture must be performed in that country and the goods must have a local content of 50 per cent. In addition, inputs from the other developing countries may be included in the calculation of local content but only up to 25 per cent of the total factory cost.

The amendments to the Customs Act schedule 2 give effect to Australia’s agreement under the proposed Singapore-Australia Free Trade Agreement. Goods will be considered to originate in Singapore for the purposes of duty-free entry if they are wholly obtained or manufactured in Singapore or if they are partly manufactured in Singapore. This will include some particular accumulation provisions applicable to manufacture in Singapore. The Customs Amendment Bill also provides for duty-free entry of goods originating in Singapore. Should goods not meet the rules of origin requirements, these goods will continue to receive the preferential treatment that they now receive. Other amendments contained in the Customs Amendment Bill include the listing of Palau as a developing country, the inclusion of Papua New Guinea in the list of forum island countries and the introduction of two-character International Standards Organisation country codes throughout the tariff.

As they stand, Labor would have no problem supporting these bills. It is appropriate that Australia assist least developed countries. The opposition takes no issue with the amendments in the bills relating to the favourable treatment of countries still in the process of developing. I do, however, wish to place on record Labor’s concerns about the parts of the bill relating to the Singapore-Australia Free Trade Agreement. The explanatory memorandum of the Customs Amendment Bill states on page 2:

The amendment contained in schedule 1 will operate from 1 July 2003.

The explanatory memorandum further notes that these bills in part result from formal talks between the governments of Australia and Singapore to establish a free trade agreement between the two countries. This process began in November 2000 and the negotiations concluded in October 2002. The Singapore-Australia Free Trade Agreement was signed on 17 February 2003 and tabled in parliament on 4 March 2003, ‘subject to Australia’s treaty process and the exchange of diplomatic letters’.

Australia’s treaty process involves the review of the proposed agreement by the Joint Standing Committee on Treaties. As I understand it, that agreement is currently still with the Joint Standing Committee on Treaties, and the tabling date of the report from the committee’s
review of the Singapore-Australia Free Trade Agreement has not been determined. The national interest analysis prepared by the committee secretariat states:

... the Agreement will enter into force with an exchange of notes confirming completion of the Parties’ respective domestic procedures. This will take place following completion of the Joint Standing Committee on Treaties’ review.

I am very concerned that this House is debating a bill which pre-empts the result of a committee inquiry. I note that the chair of the treaties committee is in the chamber at the moment. This inquiry by the joint committee is the only chance that parliament will have to scrutinise the Singapore-Australia Free Trade Agreement in its entirety. I have been advised that these amendments, if passed, will give effect to the detail of the Singapore-Australia Free Trade Agreement. Further, as my colleague the member for Rankin will explain, this means of pre-empting the results of the committee report establishes an unfortunate precedent both in terms of future free trade agreements and other legislation requiring committee review.

While Labor will not oppose the passage of these bills through the House, we will insist that, before the Senate deals with these bills, the Joint Standing Committee on Treaties tables its report. I note that the chair of that committee is present today and due to speak on these bills.

Mr Billson interjecting—

Mr MELHAM—She is an able member of parliament. She is an able chair of an able committee. We ask that the government pay heed to the process that is in place now, where these agreements are reviewed by the committee. I recommend to the House, and to the government in particular, that they do not pre-empt the committee report on this matter. We are obviously urging the passage of this bill subject to the committee reporting.

Ms JULIE BISHOP (Curtin) (4.32 p.m.)—The matters contained in the Customs Amendment Bill (No. 1) 2003 and the Customs Tariff Amendment Bill (No. 1) 2003 before the Committee today reflect the government’s policy commitments in the area of trade and investment. The two issues—the duty free treatment for the importation of goods from least developed countries and East Timor, and the elimination of tariffs on goods imported from Singapore under the Singapore-Australia Free Trade Agreement—are indicative of our broader trade agenda. The recent white paper on foreign affairs and trade, entitled Advancing the national interest, articulated what must be the most ambitious and wide-ranging trade policy agenda of any federal government since Federation. Our trade policies are connected to our broader economic, political and security aims. While this may confound protectionists, the special interest groups and the antiglobalisation nihilists, our trade strategy must reflect our national values and aspirations. Essentially, the policy is one of competitive liberalisation which embraces trade liberalisation on a bilateral and regional basis, thus complementing and stimulating multilateral trade liberalisation. We are promoting free trade globally, regionally and bilaterally.

Our policy recognises that the global economy has been transformed over the past decade, from APEC’s defining goal in 1994 of free trade and investment by 2010 for developed economies and by 2020 for developing economies to the self-proclaimed ‘triumph’ of the antiglobalisers in Seattle, to the success of the multilateral trade negotiations in the Doha round just two years after Seattle. All this recognises that the global trade agenda is more complex, more sophisticated and multilayered.
But the self-evident truth is still emerging, and that is that trade liberalisation has a profound effect on growth, in fostering development and in reducing poverty. Let me restate why we seek to advance the virtues of free trade. Free trade opens economies to competition; it opens societies to comparison. Free trade creates opportunities by allowing resources to flow to where they can be put to productive uses and to raising standards of living. Free trade lowers the cost of basic necessities such as clothing and food. It leads to a better quality of life. By liberalising trade, we can build open investment climates. Through transparency, it discourages corruption. It encourages the flow of ideas and concepts, enabling democracy to develop and to grow. Developed democratic nations are testament to this and there can be no doubt that countries that enter the global open market system invariably prosper over the long term. We have seen their political systems and their societies become more open and more democratic.

Free trade has a significant role in both economic growth and poverty reduction. The experience of the postwar years has proven this time and time again. Recent empirical studies by the World Bank have concluded that where developing countries have lowered trade barriers and thus increased trade then they have also experienced stronger economic growth. Economic growth is the primary means by which countries reduce poverty. As all but a handful of dissenters would acknowledge, trade is indeed good for poorer countries.

This is why the meeting of WTO trade ministers in Doha in 2001 was such a significant meeting, coming as it did just two years after Seattle. This round included the word ‘development’ in its name—the Doha development round. There is no doubt that over the last few years the WTO has concentrated a deal of its efforts into improving the condition of least developed countries—that is the phrase we find in the bills before the chamber—inside the multilateral trading system. This is both in terms of market access and technical assistance.

Least developed countries, or LDCs, are those designated as such by the United Nations. I believe there are some 50 or so LDCs on the United Nations list. Some 30 or more are members of the WTO. Others are in the process of accession to the WTO or are WTO observers. The list includes countries such as the Solomon Islands, the Maldives and Myanmar; countries in sub-Saharan Africa such as the Democratic Republic of the Congo, Gambia, Lesotho, Malawi and Uganda; and countries such as Rwanda, Bangladesh and Cambodia.

Australia recognises that trade must be an integral element of any growth strategy and poverty reduction strategy. By increasing developing countries’ access to markets they can generate significant benefits. It has been estimated that, if developing countries increased their share of world exports by just five per cent, this would generate $677 billion per year. That is seven times as much as they receive in aid, and aid can never by itself be the long-term solution to the state of least developed countries.

The empirical studies by World Bank economists that I referred to earlier also suggest that openness to trade leads to declining absolute poverty rates and it does not increase income inequality. There are examples of developing countries in the 1980s and the 1990s that reduced barriers to trade and then grew an average of 3.5 per cent to five per cent on a per capita basis. Income inequality in those countries did not increase. In fact, the incomes of the poor tended to correlate with overall growth in gross domestic product.

For the benefit of the free trade doubters who are still out there, the contribution of free trade to growth is not only quantitative; it can boost the internal strength of economies by in-
roducing competition to domestic firms. It can also contribute to foreign direct investment, which is important in financing development. Foreign direct investment is attracted to the economies of developing countries that are committed to participation in the world trading system. These developing economies are attractive to foreign direct investment if they follow the global trading rules—if they are part of the global trading system and thus have heightened the transparency and predictability of economic transactions within their borders.

It is a win-win situation. Trade does not have to be a zero-sum gain in which gains by one country are losses for another country. In pursuance of the link between trade liberalisation and capacity building, Australia has provided, over at least the last 25 years, trade preferences for all the least developed countries, as well as for developing countries more broadly, in general recognition that their integration into the world economy requires practical market access. But at Doha—and I come back to this point—the mandate for a new round of negotiations after the anti-globalisation triumph at Seattle reflected the priorities of developing countries. The emphasis was on capacity building so that developing countries could participate fully in the multilateral trading system. It concentrated on implementing WTO commitments, especially the obligations of developed countries to open their markets to products from developing countries, particularly textiles and footwear, and it focused on special and differential treatment through measures such as tariff preferences.

Australia has acted to respond to the concerns and priorities of developing countries. These bills specifically reflect the Prime Minister’s announcement on 25 October 2002 during the APEC leaders summit that Australia will grant tariff- and quota-free access to the 50 least developed countries from 1 July 2003. This demonstrates our commitment to opening markets to the world’s poorest countries more than ever before. It is significant that the benefits from this initiative will also extend to East Timor. East Timor was admitted to the United Nations in 2002 but it has yet to gain a formal least developed country status designation by the United Nations. The Australian government did not want to wait for that designation; it wanted to ensure that East Timor is not left behind, so East Timor is specifically included in this initiative.

It is a fact that East Timor is one of the poorest nations on earth. Even prior to the crisis of August 1999 about 80 per cent of its estimated 750,000 people living in villages and rural areas depended upon subsistence agriculture. Estimated GNP per capita had dropped to about $US246 during the East Asian financial crisis of 1997 and it is believed to have halved again during the 1999 violence and ensuing crisis, so, well before its birth as a nation on 20 May 2002, East Timor faced enormous development challenges. We know that after the crisis its infrastructure was destroyed, the agricultural cycle was severely disrupted, nearly three-quarters of the population was displaced and all its functions—government, the public service, law and order, community services, health and education—collapsed.

Australia was then, and still is, absolutely committed to supporting East Timor through these difficult times to a point where it can reach its full potential as an independent and successful nation. So, in recognition of East Timor’s continuing development needs, the Australian government first committed substantial aid. Further, the Timor Sea Treaty negotiated between Australia and East Timor has also provided a means for the long-term development of the oil and gas resources in the Timor Sea, and this is going to provide a much-needed revenue flow to East Timor.
Now, with this legislation, in amending the Customs Act 1901 we are providing access free from tariffs and quotas available to not only the 50 LDCs but also to East Timor from 1 July 2003, thus bringing to East Timor the opportunity to share in the benefits of free trade, which I have articulated, and to ensure that it can integrate into the world economy—recognising as we do that it is trade and investment and not just aid that drives development and recognising as we do that aid in itself will not be the solution to the economic problems that beset East Timor and other LDCs and that open economies are the fastest and most sustainable means of achieving improved living standards and greater wealth.

The second aspect of these bills is amendments which will give effect to Australia’s obligations under chapter 3 of the Singapore-Australia Free Trade Agreement. As to that agreement, yes, the matter is before the Joint Standing Committee on Treaties. I am well aware of the timetable of that expected report and I am conscious of the timing of the tabling of that report, given that this matter is before the House, but I am satisfied that there will be no difficulty arising from that. For Australia to fulfil its obligations under the Singapore-Australia Free Trade Agreement, the Customs Tariff Act and the Customs Act will need to be amended to incorporate these changes. There is no doubt that the coming into force of the Singapore-Australia Free Trade Agreement is going to result in direct benefits for many sectors of the Australian economy. I say this without pre-empting the report of the Joint Standing Committee on Treaties—

Dr Emerson—Yes, you are.

Ms JULIE BISHOP—The member knows I am not permitted to discuss the content of a report not published. The benefits that have been stated in the press, in commentaries and in other observations are in accordance with our commitment to pursuing bilateral and regional trading opportunities as well as supporting and giving full effect to the Doha round. On that basis the amendments to the Customs Tariff Act and the Customs Act 1901 are in accordance with our broader trade policy and our wide-ranging trade policy agenda, and I commend these amendments to the House.

Dr EMERSON (Rankin) (4.47 p.m.)—This legislation, consisting of the Customs Amendment Bill (No. 1) 2003 and the Customs Tariff Amendment Bill (No. 1) 2003, provides for more favourable tariff treatment of less developed countries, including East Timor. To that extent obviously Labor supports the legislation. As someone representing the Labor Party on trade matters, I consider that it is normally in the national interest of countries that tariff barriers be reduced over time and in a way that nevertheless still protects those most adversely affected by such reductions. That has been the history of Labor in government. It is true that we had presided over very substantial reductions in tariffs and other forms of protection against imports. Therefore obviously Labor sees real merit in those aspects of this legislation which involve reductions in those import restrictions. It is gladdening that those reductions are being applied to some of the poorest countries in the world and to the newly independent nation of East Timor. So not only do we have no difficulty with those proposals in this legislation but we positively embrace them.

The legislation also, however, provides for the elimination of a range of tariffs between Australia and Singapore pursuant to the recently concluded Singapore-Australia Free Trade Agreement. It also prescribes rules of origin for determining whether goods qualify for those eliminated tariffs.
The high farce of all this is that the parliament has in place a system of scrutiny of trade deals and other treaties. That system of scrutiny is called the Joint Standing Committee on Treaties—otherwise known as the treaties committee. The treaties committee has taken an interest in this legislation in respect of the Singapore-Australia Free Trade Agreement. The great farce about the way the government has handled this is that it has brought this legislation into the parliament while the committee is still examining it. Therefore, it follows that the government is completely ignoring any recommendations of that committee, because none have been completed and none have been presented to the parliament, yet this legislation is going through the House of Representatives.

Labor’s position is that the treaties committee should not be treated with such contempt by the executive of this parliament. Therefore, we say that this legislation should not pass the Senate until the treaties committee has had a proper opportunity to examine the provisions of the Singapore-Australia Free Trade Agreement and to complete its report, which is not due until June. This legislation should not pass the Senate until that meagre scrutiny, which is available under the parliamentary processes, has had an opportunity to bear upon this legislation.

It is quite dangerous for the Australian parliament to operate in this way, to set up a committee—an important committee, the treaties committee—to ask it to analyse trade agreements and other treaties and then to indicate that, irrespective of the findings of that committee, those findings will be ignored because the legislation by that time will have passed. What a farce. These are not small agreements. The Singapore-Australia Free Trade Agreement, although not massive on a global scale, is important in its own right. In addition, it will form in many respects the model for the US-Australia free trade agreement and for the parliamentary processes for handling the US-Australia free trade agreement.

I want to take this opportunity to make some observations on the parliamentary processes and the content of the Singapore-Australia Free Trade Agreement. In another and very important free trade agreement, the North American Free Trade Agreement that was established during the mid-1990s, there is a provision called chapter 11. That provision effectively allows companies to sue federal, state and local governments in the three countries covered by NAFTA—Canada, the United States and Mexico—if those governments implement regulations or laws that adversely affect the profits of those companies. It may disturb members to know that a similar provision, not an identical one, has been included in the Singapore-Australia Free Trade Agreement and a similar provision is almost certainly going to be included in an US-Australia free trade agreement.

I have with me a submission from AFTINET in relation to the Singapore-Australia Free Trade Agreement to the treaties committee. This has been completely ignored by the government, but I will not completely ignore the submission, nor will the treaties committee. I will draw upon some of the observations made in that submission. The submission says:

The state and local government regulation of services is covered by the Singapore-Australia Free Trade Agreement and states have only one year to list their exemptions to it. There has been no community consultation about the implications of this for state government services.

We are confronted here with the possibility of restrictions on the ability of state governments to regulate and to provide essential services—that is what is being provided for in this agree-
ment. Not only that but also any future new measures by local government would be covered by the agreement.

I wonder how many states and local councils around Australia know this. It is echoes of the past. This is a derivative of chapter 11 of the North American Free Trade Agreement. Senator Robert Matsui was a supporter of the North America Free Trade Agreement. He has observed much more recently that, when that agreement went before Congress, they did not even look at chapter 11 and they did not know about its implications. Shades of recent past; it is all happening again. How many Australians would be aware of the similar provision in the Singapore-Australia Free Trade Agreement? How many Australians are aware that it is almost inevitable that a similar provision will be inserted in the US-Australia free trade agreement? How many Australians are aware that these agreements have the capacity to prevent future federal, state and local governments from regulating for the social good? I would say the awareness of these things would be approximately zero.

One mechanism, one device for raising the awareness of the community about these serious issues is the treaties committee. But the government’s plan is to rush this through before the treaties committee has even finished its deliberations and before it has even considered submissions such as the one from AFTINET. I have said that such provisions would allow companies to sue governments. SAFTA has two enforcement processes: a specific one for investment, and a general one for the rest of the agreement. In this regard, SAFTA is not fundamentally different in its origins or its genesis from the infamous MAI, the Multilateral Agreement on Investment. But this would be a bilateral agreement on investment between Singapore and Australia, or between Australia and the United States.

Lest this all sound a bit theoretical and that these provisions do not happen to have much force, I would disavow members of this parliament from any such view, because a number of cases have already been taken in NAFTA and I will just cover a few of them. US corporations have used the NAFTA rules to sue Mexican and Canadian governments for hundreds of millions of dollars. The US Metalclad Corporation was awarded $US16.7 million, later reduced to $15.6 million, because it was refused permission by a Mexican local municipality to build a 650,000 tonne per annum hazardous waste facility on land already so contaminated by toxic wastes that local groundwater was compromised. Here was a local council saying, ‘No, you can’t build a hazardous waste facility in our area’, and it got sued successfully for $US15.6 million.

The second example concerns the Ethyl Corporation, a US chemical company. That company produces a fuel additive called MMT that contains manganese, which has a few nasty features. Ethyl Corporation successfully sued the Canadian government when that government tried to ban MMT. In April 1997 the Canadian parliament imposed a ban on the import of MMT. It did so on grounds of public health as well as to reduce air pollution and greenhouse gas emissions. That government was forced to settle the suit by reversing its ban on MMT and paying $13 million in legal fees and damages to Ethyl Corporation. So there is a second example of government seeking to regulate, in this case on environmental grounds, and it could not in the end so regulate and had to pay the legal costs of the company involved.

I give another example. The US-based Sunbelt Water Inc. is suing Canada for $10½ billion because the Canadian province of British Columbia interfered with its plans to export water to
California. However, Sunbelt Water has never actually exported water from Canada but claims that the ban reduced its future profits.

I will provide yet another example. The US company, United Parcel Services—or UPS—which is the world’s largest express carrier and package delivery company, is suing the publicly owned company Canada Post. UPS has argued that Canada Post’s monopoly on standard letter delivery is in violation of NAFTA’s provision on competition policy, monopolies and the state-run enterprises. It is arguing, among other things, that Canada Post abuses its special monopoly status by utilising its infrastructure to cross-subsidise its parcel and courier services. There is a very clear parallel here in Australia, because Australia Post has a monopoly on the standard 50c letter. I do not know whether Australia Post uses some of the proceeds of that monopoly to cross-subsidise its courier service, but what is absolutely clear from the letter and the practice of the North American Free Trade Agreement is that, if a similar provision was included in our own agreement with United States, it would be open to an American company to sue Australia Post. Do Australians know about this? No. Why do they not know about it? I will tell you. More to the point, the Department of Foreign Affairs and Trade will tell you, because this is what it said in its submission to the Senate inquiry that Labor initiated on the US-Australia free trade agreement:

It is not possible to provide detailed commentary on the strategy for the negotiations as the content of the negotiations will be confidential between the Australian and US governments.

There you go. We have a trade minister, Mark Vaile, saying, ‘We’re very open about this.’ How? They are holding negotiations in Hawaii behind closed doors, working on provisions similar to chapter 11 of the North American Free Trade Agreement, which allows multinational companies to sue governments—federal, state and local—that want to regulate for the social good. It is very easy to anticipate an example of how that could apply here in Australia beyond the postal services.

There is a lot of debate about Medicare at the moment, and so there should be. The government has developed and released its plan to destroy Medicare. Labor will save Medicare. Labor built Medicare and only Labor can save Medicare. If a future Labor government decided to extend the coverage of Medicare into dental services, for example, or into allied health services such as physiotherapy, and there were in place at that time a US-Australia free trade agreement and an American private health insurance company was operating here Australia, under the provisions of chapter 11 it may well be open to that company to sue a future Australian government for trying to extend the coverage of Medicare. Trying to extend the coverage of Medicare would potentially affect the profits of that private health insurance company. Do the Australian people know what is at stake? Of course they do not, because the negotiations are being conducted behind closed doors.

It is all very real, because a similar provision—though somewhat modified—is contained in the US-Singapore Free Trade Agreement. This parliament is being expected by the executive government to pass this legislation, which is a very important step in implementing the Singapore-Australia Free Trade Agreement. But we do not know exactly how these provisions will operate, because we have not had any benefit from the treaties committee. That is why Labor says that this legislation must not pass the Senate until the treaties committee has reported and made recommendations and the government has genuinely considered those recommendations. Is that too much to ask? How can the government credibly state that the proc-
esses that it has been adopting in relation to the negotiation of these bilateral free trade agreements is open and transparent and that it has involved the public in the consultations? What rubbish! The public has not been involved at all—not at all.

I want to conclude by making a few observations on preferential free trade agreements, of which the Singapore-Australia Free Trade Agreement is an example. The US-Australia free trade agreement would be a further example, and a very large one. Before the Second World War—indeed, before the Depression—the world descended into regional trading blocs, where countries got together and lowered their tariff barriers among themselves but discriminated against others. With the benefit of hindsight—and, for some at the time, with the benefit of foresight—that was considered to be a very substantial contributor to the Great Depression.

It was also, in some measure, a precursor to the Second World War because groups of countries banding together and doing deals among themselves that discriminated against other countries helped to create strategic tensions. It was all about trade diversion—about diverting trade from one country or group of countries to another. That is exactly what the US-Australia free trade agreement would do: it would divert trade and could create trade tensions. The nightmare scenario for Australia is that the countries of East Asia, led by China, will respond to these trade-diverting policies of Australia and say, ‘If you don’t consider yourself part of the region, do your deal with the United States; we will do our own deal and form an East Asian trading bloc, and you won’t be part of it.’ Fifty-five per cent of our merchandise exports go to East Asia. Can we afford these risks?

There needs to be proper public scrutiny of the Singapore-Australia Free Trade Agreement and of the US-Australia free trade agreement—particularly the latter—before they are rammed through this parliament after being negotiated behind closed doors without anyone bothering to wait for the treaties committee to even consider them. It is a contemptuous way to treat the parliament and a committee of the parliament. That is why Labor will not support the Singapore-Australia Free Trade Agreement provisions in this legislation until they have been properly reviewed by the treaties committee.

Mr BAIRD (Cook) (5.07 p.m.)—It was particularly interesting to listen to the member for Rankin talk about the need for us to not act until the treaties committee has looked at the bill. It is important to remind the member for Rankin that, under his government, such a committee did not exist. It was this government who instituted the need to have such a committee, so all of this is hollow rhetoric. We hear his anti free trade agenda. He is not about liberalising trade between our important countries, particularly Singapore. He is raising all the problems about what the implications will be if we strike these free trade deals.

Dr Emerson—Isn’t it terrible that the parliament may actually be considered as being a forum for a debate!

Mr BAIRD—You have talked about the dangers for us in terms of setting this up—that countries might establish their own trade agreements. That is fine. If you look at the trade relationship between us and Asia, you see that it is very complementary. Our primary products go to Asia, and their manufactured products come back—and vice versa, in terms of some of our manufactured products. That relationship is working very well. Where the relationship between Australia and Singapore sits at the moment shows its strength. Singapore is Australia’s seventh-largest overall trading partner and seventh-largest export market. Australia’s merchandise exports to Singapore in the 2001-02 financial year amounted to $4.9 billion, or

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41 per cent of Australia’s total exports. Service exports to Singapore in 2001 were worth almost $2.2 billion to Australia. If he examined the provisions of this bill—

Dr Emerson—I seek to ask a question of the member under the standing orders relating to this chamber.

Mr BAIRD—You can certainly go ahead. I am happy to have a debate on the whole of the free trade agreement with Singapore because—

The DEPUTY SPEAKER (Mr Hawker)—Are you accepting the question?

Mr BAIRD—Yes, go ahead.

Dr Emerson—The member said that it would be fine for East Asia to form a preferential or discriminatory trading bloc against Australia. What possible reasons could he give for being so relaxed about the formation of a trading bloc that excludes Australia, when 55 per cent of our exports go to East Asia?

Mr BAIRD—I think there are several points to that. Firstly, no-one has suggested, and I have not seen one piece of information that suggested—even in the member for Rankin’s remotest fabrication of stories—that it is going to happen. Secondly, you will find that we have strong and vibrant relationships with countries in the EU. That is not being talked about. Obviously, we would not want such a thing. What we are talking about here is exactly the opposite; what we are talking about here is a free trade agreement.

Dr Emerson—A discriminatory one. A preferential one.

Mr BAIRD—A preferential treatment—and why not? I did not hear the member for Rankin discuss one of the great advantages of this bill: it allows Australian service companies to operate in Singapore without the restrictions that currently apply. The problem is that the member for Rankin, who operates in the old socialist system of putting up all types of restrictions and uses his union ticket to enter, likes these restrictions. We on this side of House like a free market and free agreements, and this is what this is about. This is about Australian banks being able to compete in Singapore against the other multinationals and against Singapore banks—which they have not been able to do to the to the same extent in the past.

Secondly, it allows law firms to operate in Singapore, which they have not been able to do to the same degree in the past. It allows the recognition of Australian qualifications of lawyers and other professionals so they can operate there. Across the board, the significant part of this agreement is in the service sector, which is worth some $2 billion. It does not make a huge impact on manufacturers; the strength of this agreement is in the services sector. Contrary to what the member for Rankin is saying, this is about freeing up the trade agreements. Of course the opportunity in terms of the United States is that what goes around comes around.

Dr Emerson—Mr Deputy Speaker—

The DEPUTY SPEAKER—Order! Does the member for Rankin want to ask another question?

Dr Emerson—Yes, I do.

The DEPUTY SPEAKER—Will the speaker accept another question?

Mr BAIRD—Yes, sure.
Dr Emerson—I ask the member for Cook: when he said that there was no evidence of any discussions that may involve the formation of a regional trading bloc, was he aware of the ASEAN plus one dialogue—that is, China plus the ASEAN countries—specifically directed towards the possibility of a discriminatory regional trading bloc that excludes Australia?

Mr Baird—In fact, that is why we are having discussions in the Doha Round. Doha provides a framework for negotiating these aspects. I would have thought the member for Rankin would be totally in favour of negotiations in the Doha Round liberalising trade and ensuring that we have a free environment. You guys are all about restrictions and quotas.

Dr Emerson—You said I was a socialist. We support the Doha Round.

Mr Baird—Well, you show us in a strange way. This bill is your opportunity to show your support for a free trade agreement which will allow Australian professional companies to operate in Singapore. I would have thought the member for Rankin would be highly supportive. I, for one, think that it is a great initiative by this government contrary to the Labor opposition. Contrary to the Labor opposition, we look forward to the negotiation on the free trade agreement with the US, which I know they are desperate about because they realise that this would be a very popular move amongst Australian manufacturers, Australian producers of lamb and beef and Australian service providers—it would be a great plus. But all I have heard from the other side of the chamber is criticism of the free trade agreement with the US.

This bill has a number of provisions. It provides further access for least developed countries. Australia has a very strong record on providing special access for LDCs, the poorest countries in the world. I am sure that all members of the House would support that and also support access to Australia for goods from East Timor, encouraging its fledgling industries to send their products to Australia. Although they represent more than 10 per cent of the global population, these countries account for less than 0.5 per cent of world trade. Currently our leading LDC suppliers are Bangladesh, Burma, Yemen and Samoa. The inclusion of East Timor is, I am sure, welcomed by all members.

The fact that we are negotiating a free trade agreement with Singapore has been warmly received by industry and by service providers. I am sure that if the member for Rankin allowed himself time out from those leadership discussions in the ALP he might find that it is warmly supported and received by the Sydney business community and the service providers are looking forward to opening up their operations as a result of the great initiatives by this government in the trade area. I commend the bill to the House.

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.16 p.m.)—I thank those honourable members who have participated in this debate. It is always refreshing to see the member for Cook get involved, because he believes very strongly in the principles contained in the two bills we are currently discussing—the Customs Amendment Bill (No. 1) 2003 and the Customs Tariff Amendment Bill (No. 1) 2003. The Customs Amendment Bill contains amendments to the Customs Act 1901. The amendments provide the rules for determining whether goods originate in least developed countries as recognised by the United Nations Conference on Trade and Development, in East Timor or in Singapore.

The amendments in relation to least developed countries and East Timor result from the government’s decision to provide these countries with duty-free access. These amendments
will commence on 1 July 2003. My understanding is that everyone in the House supports these particular initiatives. The amendments in relation to Singapore result from the Singapore-Australia Free Trade Agreement that was signed on 17 February this year. Those amendments will commence on the day the agreement enters into force, which is expected to be later this year.

The member for Banks made a comment suggesting that this legislation is pre-empting the report of the Joint Standing Committee on Treaties. It is not, my friend, and I will explain a little later why that is the case. I reiterate that these amendments will commence on the day that agreement enters into force, which is expected to be later this year. The agreement will not enter into force until the Australian and Singaporean governments agree, via an exchange of diplomatic notes, that it should do so. The agreement will not come into force on 1 July 2003. Although the Australian Labor Party claims that the bill pre-empts consideration by the Joint Standing Committee on Treaties of the Singapore-Australia Free Trade Agreement—

The DEPUTY SPEAKER (Mr Hawker)—Order! Is the member for Rankin seeking to ask a question?

Dr Emerson—Yes.

The DEPUTY SPEAKER—Does the parliamentary secretary accept a question?

Mr SLIPPER—Yes.

Dr Emerson—Mr Deputy Speaker, could the parliamentary secretary clarify, in light of his comments, what role there is for the treaties committee in considering the Singapore-Australia Free Trade Agreement if this legislation is to go through before its final report is brought down, and will he give an assurance that the Senate will not consider this legislation until that final report is brought down?

Mr SLIPPER—I thank my friend the member for Rankin for his constructive intervention. I believe that the intervention procedure in the Main Committee is a very important innovation and I would like to see it used more. I think that it does encourage more interactive debate across the chamber. This chamber does have a more intimate atmosphere, and it is important to look closely at all of the matters discussed in the bills.

The member for Rankin asked about the role of the Joint Standing Committee on Treaties, particularly if this legislation passes through the parliament. I pointed out a moment ago that this legislation will not become law until such time as the Australian and Singaporean governments decide that it should and set a date via an exchange of diplomatic notes. What is important is that the legislation pass through the parliament, and I will not give a commitment to the member for Rankin that it will not be put to the Senate before the Joint Standing Committee on Treaties reports.

I point out to the member for Rankin and also the member for Banks—who I think made a similar point—that there will be ample time for the Joint Standing Committee on Treaties to bring down its report and for the government to consider the report before there is an exchange of diplomatic notes. We want the legislation to pass through the parliament so that, once the committee has reported and once the government has considered that particular report, if the government believes that the free trade agreement should proceed as a matter of expedition, it can proceed without having to wait for legislation to come through the parlia-
ment. All of us know that at times it does, regrettably, take a considerable period for legislation to pass through the parliament.

In summing up with respect to the questions, we want the legislation to pass. The free trade agreement will not come into force until there is an exchange of diplomatic notes. That will not happen until the Australian and Singaporean governments agree that it should. The Australian government will not be exchanging a diplomatic note until after the committee has reported and until the government has been able to consider the contents of that report.

The DEPUTY SPEAKER—Does the member for Rankin wish to ask another question?
Dr Emerson—Yes, I do have a follow-up question on the same lines.

The DEPUTY SPEAKER—Does the parliamentary secretary accept?
Mr SLIPPER—Yes.

Dr Emerson—I ask the parliamentary secretary: in those circumstances, if Labor is unsuccessful in holding up passage of this legislation until the treaties committee has reported, would the government consider legislative amendments to the agreement after it has been through the parliament—that is, will it bring the legislation back into the parliament, in light of the recommendations of the treaties committee, or will it ignore those recommendations?

Mr SLIPPER—All I am prepared to say is that the government is particularly keen to look at any recommendations from the treaties committee. The government will consider those recommendations prior to the free trade agreement coming into effect. It is a matter for the minister responsible, Senator Ellison, as to the actual procedures to be followed. But the legislation, I am advised, is to be enacted before 1 July 2003 to give effect to the initiative on least developed countries, and the Senate needs to consider both bills before 1 July. So you have the two matters in the one bill.

I do not really see what the problem is: everyone is keen that the least developed countries matter should proceed and I have given an assurance that the government is not going to exchange diplomatic notes with the Singaporean government to bring the free trade agreement into effect until after the committee has reported and after the government has considered the report. I think that is entirely reasonable. What is important—and I can see from the way the member for Banks is nodding that he accepts this—is that the legislation should go through the parliament, firstly, because of the importance of the least developed countries initiative and, secondly, so that the Singapore-Australia Free Trade Agreement can come into effect expeditiously after the committee has reported and after the government has considered the contents of the report.

Turning to the substance of the bills, I want to point out that the rules of origin for Singapore contain accumulation provisions for manufactured goods in recognition of Singapore’s special offshore processing arrangements. The accumulation provisions will allow for value adding in Singapore and Australia before and after overseas processing to be included in the calculation of local content. The provisions do not apply to textiles, clothing and footwear, passenger motor vehicles, products or jewellery. The rules of origin for Singapore also contain special consignment and origin certification provisions. These provisions are designed to ensure that goods that are transported to Australia through Singapore cannot claim to originate in Singapore.
The Customs Tariff Amendment Bill (No. 1) 2003 contains amendments to the Customs Tariff Act 1995. Those amendments include the addition of East Timor to the list of developing countries in schedule 1 of the tariff. This will enable imports from East Timor to receive a five percentage point reduction on the general tariff rate. This amendment took effect on 1 July this year through Customs Tariff Proposal No. 2 2003. The bill also amends the tariff to implement the decision of the government to give duty free access to goods originating in least developed countries and in East Timor. Those amendments will commence on 1 July 2003.

The bill also amends the tariff to allow goods originating in Singapore duty free access to Australia. These amendments will commence on the day that the Australia-Singapore Free Trade Agreement enters into force. That is the difference between the two elements of this bill, as I have indicated to honourable members a moment ago.

The bill contains a number of other amendments to schedule 1 of the tariff, which contains a list of countries and places to which preferential rates of duty apply under the Australian system of tariff preferences. Palau is removed from the list of places treated as developing countries and added to the list of developing countries in that schedule. Papua New Guinea is added to the list of forum island countries, and the country codes for each country listed in schedule 1 and elsewhere in the tariff are changed from the current four alpha codes to the two alpha codes used by the International Standards Organisation. These changes do not alter the treatment of imports from those countries to Australia but do improve the accuracy of the tariff. A number of minor related tariff amendments are also contained in the bill.

The member for Rankin, who has now left the chamber, claimed that there was no consultation with the states and local government on the provisions of the Singapore-Australia Free Trade Agreement on services and investments. I am pleased to be able to reassure the member for Rankin in his absence—and I am sure that the member for Banks will advise him—that the government has consulted extensively with the states and territories, the Minister for Trade has consulted with his counterparts and there are regular consultations with officials from those governments. That process is important for developing a list of reservations for states’ policies under the Singapore-Australia Free Trade Agreement.

Mr Quick—I would like to ask the minister a question, if I may.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—Does the parliamentary secretary accept the question?

Mr SLIPPER—Yes, I will.

Mr Quick—I am sorry to interrupt you, Parliamentary Secretary. Could you possibly supply my office with a list of the dates and the people that were involved in this discussion between the federal government, state and local government authorities? I would be interested.

Mr SLIPPER—I know my friend the member for Franklin shows a great deal of interest in a whole range of matters. As I am not the minister responsible for this particular bill, I am happy to refer the honourable member’s request to Senator Ellison and his office for their respective consideration as to the merits of that request. I have covered the provisions of the two bills and I am very happy to commend their contents to the chamber.

Question agreed to.

Bill read a second time.
Ordered that the bill be reported to the House without amendment.

**CUSTOMS TARIFF AMENDMENT BILL (No. 1) 2003**

Second Reading

Debate resumed from 15 May, on motion by Mr Williams:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

**NATIONAL HANDGUN BUYBACK BILL 2003**

Second Reading

Debate resumed from 15 May, on motion by Mr Williams:

That this bill be now read a second time.

Mr MELHAM (Banks) (5.29 p.m.)—The National Handgun Buyback Bill 2003 appropriates money for the Commonwealth’s contribution to the national hand gun buyback. The buyback was announced after last December’s meeting of the Council of Australian Governments here in Canberra. When that COAG meeting ended on 6 December, the Prime Minister appeared at a press conference with the state premiers to announce that the ‘most important area of agreement has been in relation to a very significant strengthening of laws across Australia in relation to hand guns’. The meeting endorsed the 28 resolutions made by an earlier meeting of the Australasian Police Ministers Council, and there was a commitment to put the legislative and administrative measures in place by 30 June this year.

In two areas the COAG decision went a little further than the police ministers’ decision. It agreed that hand guns would be limited to a maximum .38 calibre, except for specially accredited sporting events, where hand guns up to .45 would be permitted. The Prime Minister promised that details of that would be worked out quickly. The second area where COAG went further than the police ministers was to agree that semiautomatic hand guns with a barrel length of less than 120 millimetres and revolvers and single-shot hand guns with a barrel length of less than 100 millimetres would be prohibited. Highly specialised target pistols, some of which have a barrel length of less than 120 millimetres, would still be allowed. The Prime Minister went on to say that this was a very important step to making the streets of Australia safer. Overall, about 20 per cent of illegal hand guns in Australia will be removed from the community.

Here we are in late May, with 33 days left before the Prime Minister’s deadline for the introduction of these measures to remove dangerous hand guns from the Australian community; yet the detail has not been worked out. There is only one month to go, and the community is still in the dark about how this buyback scheme will work on the ground. It is shaping up to be a total shambles. So much for the government’s commitment to make the streets safer. It is exactly because Labor is committed to fighting crime that we will support this bill. At the same time, we will continue to work with our state and territory colleagues and with the government to tackle hand guns.

Let me turn to the detail of this bill. The buyback will be jointly funded by the Commonwealth and the states, with the Commonwealth meeting two-thirds of the cost. The total cost
of the hand gun buyback to the Commonwealth is expected to be $69 million. The money will come out of the consolidated revenue fund. States will meet all the costs up front and will then seek reimbursement from the Commonwealth. A total of $15 million that was left over from the 1996 firearms buyback following the Port Arthur shootings remains unspent. The COAG agreement specifies that the hand gun buyback will be funded firstly from the $15 million left unspent, with the balance met on a two-thirds/one-third basis between the Commonwealth and each state. The remaining payments made by states will be funded on a cost-sharing basis, with the Commonwealth reimbursing two-thirds of the payments made by the states. The majority of payments are expected to be made in the 2003-04 financial year. The hand gun buyback will run from 1 July 2003 to 31 December 2003.

The appropriation is for two main purposes: to reimburse states for payments made by them to compensate persons for their surrender of hand guns, hand gun parts and accessories during the hand gun buyback; and to reimburse states for payments made in connection with the hand gun buyback or with the Council of Australian Governments hand gun reforms. This bill also provides appropriation for the Commonwealth to make payments in relation to the implementation of the COAG hand gun reforms. I commend the bill to the House.

Mr BILLSON (Dunkley) (5.34 p.m.)—I rise to support the National Handgun Buyback Bill 2003. As the member for Banks mentioned, it essentially aims to allocate the funds needed to implement the Commonwealth’s undertakings under the COAG agreement and to provide for Commonwealth financial support for the national hand gun buyback program. Essentially, the Howard government has driven the efforts to strengthen the control of firearms—and that is something that I and the community I represent welcome—and also to reduce, in this case, the number of hand guns in our community.

Specifically, the bill fully implements the Commonwealth’s commitments under the COAG hand gun reforms agreed in December 2002. It does this by initially seeking to draw on the $15 million left unspent from the 1996 firearms buyback program and then sharing the additional costs with the states and territories on the basis of two-thirds from the feds and one-third from the states and territories. In total, the bill is estimated to cost the Commonwealth about $69 million; the bulk of the expenditure will be in financial year 2003-04. The reason why the bulk of the expenditure will occur then is that the hand gun reforms have as their key feature the national buyback program that I mentioned earlier. That starts on 1 July this year and runs until the end of this calendar year, 31 December. There is a bit of work to be done, because this bill does not set that buyback arrangement in train; it provides the framework to implement not only the buyback arrangement but also some other elements of the agreement between the heads of government.

The key feature that I would like to talk about today concerns the motive to have hand guns taken out of the broader community and to maintain the opportunity for sporting shooters with a legitimate need for hand guns to have access to them. There is also some law enforcement availability, which I will not go into here, but it was part of the 28 recommendations that the police ministers agreed upon before the COAG agreement.

The funds provide for the states and territories that make a claim within 12 months of the conclusion of the buyback program to be reimbursed for the money they have provided as compensation for hand gun owners who have surrendered their guns, hand gun parts and some associated equipment.
There are a couple of things I would like to touch on. We recall with some shock the episode at Monash University that highlighted public concern about the availability of hand guns in our community. I for one find it very hard to understand why a regular neighbourhood needs hand guns washing around in it. We have seen from the 1996 buyback program some evidence that the reduced availability of firearms purchased during the buyback program has resulted in a reduction in firearm related crimes. We are encouraged by that. Even though there are some residual concerns around theft of firearms and the like, this is unquestionably a positive step in the right direction. For those with a legitimate need to have access to hand guns—as I mentioned, sporting shooters and people in law enforcement areas—that availability will continue. Shops making available those firearms can continue to sell those firearms. In that respect, where the legitimate need is there, weapons will be available and those making them available at a retail level can continue to do so.

Members would be aware that the discussions centred around what the banned list of firearms should be and what were recognised sport-shooting disciplines. That has been canvassed quite widely. I believe there is general consensus about the firearms that continue to be available. Some people have criticised this measure in that the individual that carried out that horrendous crime at Monash University had a range of hand guns and the banned list does not include every hand gun that individual had. What it does, though, is pick up those where there is no legitimate sporting reason to have one. Also, it puts in place a number of requirements on the states and territories to make sure that they are properly managing the firearms that are lawfully in the community.

Part of the Commonwealth's role is to fund the reimbursement of the states and territories not only for the money they have expended in compensating people but also for the funds that they have expended in direct connection with the recovery of these now unlawful firearms and in building awareness around the COAG reforms. All of that is positive news. Certainly, in the community I represent, fewer hand guns in the hands of people with no legitimate reason to have them is a good thing. This proposal passes with flying colours on the tests of what are we trying to achieve and who are we trying to please.

Before those funds start flowing, the states and territories need to get their own acts together. An intergovernmental agreement will need to be entered into and the Commonwealth will need to be satisfied that the plans of the states and territories actually fulfil the undertakings all governments provided as part of the COAG agreement. There is a test there. It is amazing how state governments are frightfully interested in getting these things done in the lead-up to elections but once the dust from the election settles they are not so hasty in getting their act together. It is not long before the buyback timetable begins and there is still work to be done by a number of jurisdictions in demonstrating that they are in a position to implement these reforms and will fully satisfy the Commonwealth that the intergovernmental agreement meets the requirements of the COAG handguns decisions of December.

In that light I would like to suggest and put on the table not only a need for these intergovernmental agreements to properly deal with the accountability and administrative procedures relating to the handgun buyback arrangement but also something that is not canvassed specifically in this bill but I think should be canvassed by the minister in his discussions with the states and territories. The 1996 guns buyback arrangement has been lauded as universally successful and it has made communities safer places. In my view, it has been implemented in
a suboptimal manner in the state of Victoria. I have evidence of firearms retailers who took compensation from the Australian taxpayers to supposedly close their business, only to open days later under another name. I detest that sort of behaviour and think most clear-thinking Australians would think likewise. To take compensation money provided by Australian taxpayers on the premise that they will no longer be in the business of selling firearms only to change their title from, for instance, Clayton Firearms and Fishing Pty Ltd to Clayton Trigger and Tackle I do not find terribly clever; I find it quite repulsive. It is entirely inconsistent with the spirit of why that compensation has been made available. Sadly, it is not the only case of this kind in Victoria.

The Western Australian government at the time had the wit to put in place what is a very basic commercial undertaking where any person buys a business. That basic commercial undertaking is that the person you are buying the business from will not open the same business within a certain distance or within a certain period of time. Otherwise, what are you buying? You are not buying much. You are certainly not buying the goodwill, because the person will go and open another business around the corner. In this case the Western Australian government recognised that that would be a suboptimal outcome. It recognised that if we were to pay Australian taxpayers’ money to businesses on the premise that they were shutting then they should shut. Not only were we buying the business’s goodwill, not only were we buying the unlawful stock, we were buying all the other stuff that was in that business, some of which was lawful, some of which was out of date, some of which was junky and some of which a competitive, contemporary retailer would not want on their shelves.

What happened in some cases in Victoria? The administration of this program lacked the wit that the west had. What happened was that hundreds of thousands of dollars in some specific cases that I have brought to the minister’s attention were paid on the basis of these businesses shutting and they did not. There might have been some sweet little deal where one of the brothers or another family member rocked up and got a licence to trade and they opened. Some even advertised in shooting magazines: ‘If you thought we were out of business because we’ve taken the money, we’re not. We’re back, back in exactly the same place, and we’re going to use a thesaurus to find a new way to brand our business that makes it sound exactly like it was beforehand. And thank you for the several hundred thousand dollars. Thank you for taking off our hands, Australian taxpayers, crummy stock. Thank you for taking off our hands bits that we cannot get a decent return on. Thank you for cashing up our business so that we can be as competitive as we possibly can be selling the lawful product.’ Okay, you might think that is clever—I think that is too smart by half. What I also know is that it damages the decent people that did the right thing during the guns buyback program.

John Miall at Mialls Gun Shop in Frankston is a classic case in point. That guy said, ‘If all these businesses are going to shut and there’s going to be a shrinking of the market, I’ll stay open. I’ll keep all the crummy side by sides and .22s that now no-one will want because they have to go through a quite rigorous licensing arrangement. I will stay open because I will be the only retailer in our region.’ What a surprise to find that his competitors, cashed up on taxpayers’ money, opened again, free of all the shrapnel stock that they could not sell and that was burning a hole in his pocket! He still had that stuff. His competitors—that were supposedly closed—reopened with premium stock. They had no shrapnel stuff that they could not sell—no last year’s gear, gun packets, daks, jackets or the associated paraphernalia that was
burning up cash in John Miall’s business. They did not have any of that. They were free. They were cashed up; they just cherry picked what they wanted and away they went. That is not good enough. The explanations that have been provided to me by the firearms registry in Victoria are pathetic.

Mr Katter interjecting—

Mr BILLSON—I am sure the member for Kennedy would agree that if someone is going to take taxpayers’ money on the basis of doing something then they should do it.

Mr Katter—You should have taken it up with the state government in Queensland. There are some 11 people who have made those transgressions, and every single one of them had a sale in Queensland.

Mr BILLSON—I have a fellow advocate here. Bob, it is always a pleasure to be on the same team, as rare as it is. Thank you for that. They might think I am your love child; I hope not. It is good to be on the same team on this one. The point we are making here is that that delivered suboptimal outcomes for the nation, for the policy—which was an excellent policy—for the serious real money Australian taxpayers put into it and for the businesspeople that did the right thing. That is what it delivered.

We will be going through the intergovernmental agreement with the states and territories. They are all gung-ho in the lead-up to an election, but they are a bit slow now. But let us assume, in our immense generosity, that they will do the right thing and implement these reforms. When they do, let us not just check off the intergovernmental agreement against the COAG resolutions. Let us not just check off the intergovernmental agreement and the plans of the states and territories against the police ministers’ 28 recommendations—of, I think, a few months earlier than December.

The DEPUTY SPEAKER (Hon. L.R.S. Price)—October.

Mr BILLSON—Thank you, colleague. Let us also check whether they did the right thing in 1996. If they did not do the right thing in 1996, let us ask why, when we have jurisdictions that did do the right thing. Then let us take some of the $15 million that was not spent from 1996 and soak up this stock that is now washing around in communities. Let us soak up the several thousand guns in my city of Frankston, held by John Miall at Mialls Gun Shop, at great concern to him and at the great displeasure of the Victorian firearm registry. Let us go and buy that crummy stock that no-one will want to buy now, that is burning a hole in his pocket, that represents a public safety risk and the single largest collection of firearms anywhere in the state of Victoria. Why has he got them? Because he did the right thing. He did not stooge the taxpayer. John Miall is as straight as a gun barrel. He is up against competitors who are cashed up and without the shrapnel stock he is carrying—and that is wrong. That is not what the outcome was meant to be. We have to get those firearms out of circulation.

This bill is a further sensible step to improve safety and wellbeing and the appropriate availability of firearms where there is legitimate justification. This is a sensible measure. But let us go back and make sure the first bit of the picture is done well and done right. Let us provide some remedies to John Miall and whoever Bob Katter has been talking about—I am not as well versed on Queensland.

Mr Katter—It worked well in Queensland because the government did a good job.
Mr BILLSON—Well, there you go. That is terrific. Maybe there is a Queensland benchmark here about why it is that Queenslanders had the wits and the west had the wits but the Victorians did not. The result is that John Miall is carrying this stuff, and it has put him at a commercial disadvantage to the other people who were supposedly bought out of business and who are now cashed up, free of any dead stock and free of all the shrapnel firearms. Let us do the right thing. Let us reward the people that have done the right thing. Before we start spending $15 million on the hand gun buyback, let us spend some of it making sure the first buyback was finished properly. Let us soak up those thousands of firearms which need to be accounted for, stored and secured at the expense of the John Miall’s gun shop. Let us take that problem off his hands and let us take it out of the community that I represent. Then we will be moving forward in another stage of a very sensible firearm buyback regime.

The DEPUTY SPEAKER—Can I point out that there is a provision in the standing orders that allows for interventions. It may be more appropriate for the honourable member to seek to intervene rather than interject.

Mr KATTER (Kennedy) (5.50 p.m.)—Mr Deputy Speaker, I am pleased that you advised us of that, because I was not aware of it until earlier today. I rise to speak on the National Handgun Buyback Bill 2003. I think many of us have been perturbed at some of the comments coming out of Indonesia. The opinion they voice is that the Americans should not have a base in Australia—and that is deeply disturbing. I sometimes wonder whether we people in northern Australia have a much greater sensitivity to these issues. In the last war, for those who are familiar with history, it was decided by Mr Curtin—and Mr Menzies reinforced his decision—that we be handed over to the Japanese. I do not think anyone in this place would deny that our nearest neighbour has a great deal of instability in their country. That always poses very great dilemmas for neighbouring countries. There is a similar instability in both halves of New Guinea. It is not a situation which Australia can walk away from.

When I left boarding school, after finishing 12th grade, I was only 16 years of age. The next year I was touting an SLR rifle and on 24-hours call-up to go and fight Indonesians in Borneo. At that time, there were 150,000 good, serviceable SLR combat rifles. My view, as a person who has been reasonably familiar with firearms all of my life, and the view of my sergeant instructors in the Army is that the SLR is a good combat rifle. Standing behind those 150,000 rifles were a million semiautomatic firearms, which were available to the people of Australia if the terrible day arose when we had to defend our country.

Australian security is in a much more tenuous situation now, and there are no 150,000 combat rifles; there are only 50,000 combat rifles. There are no one million semiautomatic rifles standing behind those combat rifles. There are no semiautomatic weapons at all in this country. As I have said before, people will curse the day that the people in this House carried out the actions that they did. One of my colleagues—and I do not want to mention his name—rang me after parliament had adjourned for the night and said, ‘Turn on your television.’ I said, ‘I have already got it turned on.’ It was on SBS and a little old lady, who was on the Barbarossa campaign where the Germans invaded Russia, was being interviewed. The interviewer said to this little old lady, ‘Two-thirds of the population of your country were under German control; two-thirds of your army, three or three-and-a-half million men, were dead or in German prisons. The war was over.’ This little old lady said, ‘I didn’t know any of those things. I just got out the family rifle and went and shot a German soldier.’ He said, ‘Did they
retaliate?’ She said, ‘Yes, they picked three villagers at random and shot them dead.’ He said, ‘So you gave up shooting German soldiers?’ She said, ‘Ooh, no. I went and shot three German soldiers.’ He said, ‘And they retaliated?’ She said, ‘They got a small village, surrounded it, and shot every single inhabitant—102 people.’ The interviewer said, ‘So then you stopped shooting German soldiers?’ She said, ‘Ooh, no. I got some of my friends and they got their family rifles and we went and shot 102 German soldiers.’

I was very friendly with an Israeli colonel who was involved in the Six Day War. I said, ‘Those Arabs are not good fighters?’ He said, ‘The Arabs are the worst people in the world to fight against. You threw the whole might of the British Empire at them, and they never made it off the beaches.’ He was referring, of course, to Gallipoli—which was in fact true. He said, ‘They do not care. They just keep coming at you. You can kill them and more just keep coming.’ He said that a lot of their weaponry is very good, and they are people who are well-versed in warfare. I said, ‘How come you blokes win all the time?’ He said, ‘Because even if they can get an army of one million men together, when they take on Israel they take on an army of three million men.’

It is more than passing strange that, for the last century or two, the Swiss have been left alone. Let us turn to Switzerland. When I think of the great geniuses who dreamed up all these initiatives—and I have heard so many speakers say how wonderful it is to take all the guns off us—I think, ‘Don’t these people do any research?’ Don’t any of them make any effort to find out whether there is any intellectual basis for a decision of this nature? I have not done these figures recently but, the last time I did, the country with the highest death rate from guns was East Germany, where private gun ownership was banned—at the time, under the Communist regime. In Switzerland, every single family has a semiautomatic weapon at home. Guess which country has the lowest death rate from guns in Europe?

People say, ‘What about America?’ A very superficial answer to that question would be that America has a very high death rate from guns. But that is superficial. If you go and climb down to the coalface and find out which states have the high death rates from guns, you will find that states like Illinois—whose capital is Chicago—states like New York and places like Washington DC have the highest death rates from guns in the United States. In all of those places, guns are virtually banned. The states with the lowest death rates from guns are states like Arizona, Nevada and Texas, where there is little control on guns. If one makes a superficial analysis, one comes up with a crude conclusion: take away the guns and no-one will get killed with guns. If you are a halfwit and you do not do much thinking about things, I suppose that is a fair enough conclusion to come to.

We need go no further than our own country to find similar figures. In the state of Queensland in the days of Bjelke-Petersen, there was no gun control at all. In the last year of Johannes, there were eight deaths from guns in Queensland. New South Wales, with twice Queensland’s population, should have had 16 deaths from guns; and Victoria, with a 40 per cent larger population than Queensland, should have had 12 deaths from guns. Did New South Wales have 16 deaths? No. Did they have 24 deaths? No. Did they have 36 deaths? No. They had 39 deaths from guns. So a state with a very restrictive gun regime had something like 300 per cent to 500 per cent more deaths from guns. So where is your argument that, by restrictive gun ownership, you are going to stop deaths from guns? Let me move to Victoria, with a 40 per cent larger population than Queensland. If Queensland had eight deaths, Victoria should
have had 12. Did they have 12? No. Did they have 24? No. Did they have 36? No. Did they have 48? No. They had 58 deaths from guns in 1988. So look no further than our own country for the answers.

Many people felt very strongly about the new arrangements. The political party that I belonged to in those days was completely shattered, as was the ALP in New South Wales, and people reacted enormously strongly. It was not about guns so much as it was about the underlying principle that a person has the right to defend himself, his home and his family. If that right is taken away from him and is made exclusively the province of the people with uniforms—the government—that is a form of government which does not appeal to me. In countries where the only men who have guns are the men who wear uniforms, one has to be a little bit worried.

Our laws in Australia have evolved. In Great Britain a Bill of Rights was written down in the 1600s. The American Constitution was signed in 1787. When wise men sit down and think hard about these things, in every single case—whether it was the UK Bill of Rights or the American Constitution—they have written into those great documents of human progress the right of the individual to bear arms as one of the most important rights that belong to people. If Mao Tse-Tung said anything that was correct, it is that power grows out of the barrel of a gun. If an individual—a private person—does not have that power, the state has all the power.

If anyone in this place is serious and not just wanting to grandstand in front of the media about guns, they should look at the Tarasoff rule. In each of the three cases of Surry Hills, Port Arthur and Hoddle Street, the man responsible was clearly mentally unbalanced. He was well known to be mentally unbalanced and dangerous and to have firearms. The Tarasoff rule reverses the onus of proof, if you like, with respect to psychiatrists and psychologists. The Tarasoff rule says that, if a person elucidates a threat to somebody else specifically, the psychiatrist has a legal obligation to disclose. But, if the person is a danger only in a general sense—in the sense that he is a dangerous person and might run amok with a rifle—the Tarasoff rule works the other way, and the psychiatrist is bound by the obligations and responsibilities of his profession not to divulge anything at all.

Clearly, on the basis of Surry Hills, Hoddle Street and Port Arthur, the Tarasoff rule needs to be reversed and addressed. To this very day no-one has done the slightest thing about coming to grips with the real problem, which would involve taking weapons out of the hands of dangerous people. I have been in hotel bars where people have been openly discussing the form of firearm they were going to buy. I took off like a scalded cat, I can tell you, because it sounded to me as though none of those discussions concerned firearms that anyone would consider to be legal. It seems to me that there is no difficulty whatsoever with a person getting a firearm. For those of us who have done shot firer training or military training with rifles, a good 20 or 22 minutes with a lathe is all you need to machine up a firearm. If you know a lot about firearms, you know that banning them is quite silly, because they are the very simplest of things to make. Explosives are also enormously simple to make. Naturally, I do not want to go into the details of that.

One has to worry about the government of a country that is so mistrustful of its own citizens that it disarms them but so enormously trustful of its neighbours that it disarms the country. One really has to wonder about the sort of government our country has. Has this initiative been successful? Has anyone stood here and quoted the figures? I have not got the latest fig-
ures—they do not come out until tomorrow or Friday—but I have taken the three years before the gun buyback and the three years after. The average number of deaths with guns in the three years before was 55; the average number of deaths in the three years after was 58. So we disarmed the entire population of the country and saw an increase in the number of homicides with guns and an increase in the number of homicides overall—they rose from 308 to 310. The NHMP—the National Homicide Monitoring Program—quotes a figure of 381 homicides for this year, up from an average of 308 before the gun buyback.

These figures indicate that the program was an absolute, abject and miserable failure. It was never going to take the guns from the people that kill people with guns, but it was most certainly going to take the guns off those who wanted to protect their wife and kids in their home or maybe those who were bought up in a culture and a bush tradition in which having a gun had always been part of their lives—and those people resented very strongly having family heirlooms taken off them and bent.

At no stage during any of this debate have I seen any of this material argued or any of this material trotted out. I was quite amazed to find out that no-one had even rung up the Institute of Criminology. If I am wrong—as the honourable member putting his hand up suggests—I stand corrected, but that was the information that they provided to me. Nobody worried about finding out whether it had been successful in Europe, whether it had been successful in America or whether it had been successful in Australia. Nobody worried about that and nobody seems to worry that we are now down to 50,000 fairly awful combat weapons to defend the country with. For those who say that modern warfare is not about a man with rifle, people of my age remember that the greatest military power threw the most sophisticated technology on earth at a little country in South-East Asia whose people belted the living daylights out of the people with the technology and the vast armada of resources because they were people that believed in what they were doing and had access to a rifle. That is what enabled the Russian people to fight off the criminal oppression of the Germans in the late 1930s and early 1940s. It is what has enabled country after country on earth to stay free and independent and to protect its citizens. All of those rights have been taken away from us in this country—our right to collectively protect ourselves and our right to individually protect ourselves.

There is no sense of sincerity here. If there was, the Tarasoff rule would have been addressed, as it should have been addressed, on numerous occasions in the past. It was not addressed at Surry Hills, it was not addressed at Hoddle Street and it was not addressed after Port Arthur. There was a feeding of the media frenzy—that is all it was. A lot of people got their names in the paper and made big reputations for themselves, but history has a funny way of turning around and biting people, and I suspect that that is what is going to happen in this case.

Let me conclude by referring to one of the great advocates of taking all the arms from everybody—the Premier of Queensland, Mr Beattie. He interjected when I was speaking in the state house in Queensland. The issue was so enormously unpopular that only two speakers were going to speak on it. What Mr Goss was doing was very mild, actually, compared with what followed. I said, ‘Mr Beattie, suppose you’re in Surry Hills and this person is wandering around with a machine gun blowing everybody apart. What would you do if you had your wife and kids to protect?’ He said, ‘I’d call the police.’ I said, ‘You’d call police! That is very good. I was waiting for you to say that. It was very foolish of you to say that, Mr Beattie, be-
cause in Surry Hills the man had a shotgun.’ For those of you who do not know, a shotgun can be heard a kilometre away. Everybody in those units knew that death was approaching them. Of course, they rang the police immediately. The police arrived some 40 or 50 minutes later, when the murderer had walked up the street and was having a cappuccino—after some seven or eight people had been murdered with no ability whatsoever to protect or defend themselves. That ability is now a monopoly of the state. We have made a terrible error and we are continuing in that error today.

Mr HAWKER (Wannon) (6.09 p.m.)—I rise to support the National Handgun Buyback Bill 2003 and to quickly reiterate some of its provisions. The bill fulfils the Commonwealth’s commitment to the implementation of the Council of Australian Governments hand gun reforms. The buyback means that sporting shooters and dealers who surrender prohibited guns, parts and related accessories will receive fair compensation. With this legislation the government has moved to implement the agreement, as has been elaborated on already. I think that the point the Prime Minister made at the COAG conference is important. He recognised the importance of balance—and I want to come back to the question of balance—when he said: The sporting shooters have been properly accommodated and I think any reasonable sporting shooter will see this as a fair outcome.

The buyback encompasses a whole range of points—including, as I say, sporting shooters and dealers. There will be an amnesty during the second half of this year.

The bill also brings in a number of important provisions to deal with matters that arose from the tragedy at Monash University. It outlines the participation rates for sporting shooters who wish to continue to use acceptable hand guns. It also talks about the role of historical collectors, a group who have some very significant collections of great historical importance not only in their own right but also as part of early Australian history.

The bill deals with the question of consultation, which I think is a very important point. The Commonwealth has established a Sporting Shooters Advisory Council which seeks to get the views of sporting shooters and others affected by the changes. This includes representatives from the Sporting Shooters Association of Australia, Pistol Australia, the Australian Shooters Association and the National Dealers and Traders Council, which have all been consulted on the reform package. The historical collectors have also been consulted through the Historic Arms Collectors Council of Australia.

Clearly there will be an ongoing need for the Commonwealth and the states to work together, because of the divided responsibilities of these laws. I pick up the point that the member for Dunkley made about the need for an intergovernmental agreement on some of the problems that still have not been fully resolved from the earlier buyback of long arms.

I will now go into a bit more detail on a couple of these points. While it has been said that dealers will be properly compensated, there are nonetheless some concerns about what exactly that compensation will be. In particular the concern is that people who decide that they are going to exit from the sport of pistol shooting—either because some of the pistols that have been legal in the past will have to be handed in and will be compensated for or because it becomes too onerous to meet the requirements for accreditation—should be compensated for all their pistols, because clearly they can no longer participate in the sport because of the changes in the law. It would be only fair—and, I believe, good policy—to fully compensate
them for getting right out of pistol shooting, even if that means getting rid of firearms that are still legal if you carry the right licences.

That brings me to the second point. With the change in the law there will be some dealers who may be sent out of business. Consultations with people involved suggest that it would be less than 10 dealers Australia wide, but nonetheless they will need to be compensated, and the first port of call will clearly be the governments of the states where those people operate. To date the state governments have been fairly tardy—certainly the Victorian government has been very tardy—in admitting that they have any responsibility.

Another point is that ammunition for guns that are going to be prohibited clearly will no longer have any value in Australia. It makes good sense for there to be compensation for that. Apart from anything else, we all know that many of these prohibited hand guns and other weapons will still be circulating in the community, albeit illegally, and that ammunition would clearly find a home if it were not brought back in. I think there is a very important point there.

It is important to recognise that, through this legislation, we still are not dealing with the black market. It is also significant to note that part of the problem with illegal firearms, particularly hand guns, relates to the tardiness of some state governments—particularly New South Wales—to deal with relevant issues. Hand guns that were being taken out of circulation in Victoria, for example, were going across the border in parts and being reassembled. Under New South Wales law, it is suggested that thousands of hand guns—about 8,000, it is suggested—just disappeared on to the black market because the New South Wales government refused to take the hint when it was told this was going to happen. It refused to act and refused to change its laws. This avenue for people wanting to get rid of these pistols was there. People could sell them into New South Wales. It was quite legal to do it in Victoria, but in New South Wales they disappeared and were no longer on the register.

It is also important to keep some perspective on this. One of the points to remember is that hand guns have been strictly controlled in Australia since 1926. It is equally important to recognise that, notwithstanding that, we still have tragedies; that is why we have had these changes to the law.

I now come to the question of how we might get some balance in this whole question of firearm regulation. In its annual report on the National Homicide Monitoring Program, the Australian Institute of Criminology noted that only one registered hand gun was used in homicides during the period 2001-02. That was the year before the Monash incident. The point is that it was one registered hand gun. It does not say that hand guns were not being used. Of 48 offenders using a firearm to commit homicide during 2001-02, only five were licensed to own a firearm—in other words, 10 per cent. Only four used a registered firearm, and one offender actually used a firearm that was licensed and registered to the victim. Only one of the registered firearms used to commit a homicide was a pistol. The rest were rim-fire rifles or double-barrel shotguns.

The institute also made the point that licensed firearm owners are not responsible for the majority of firearm related homicides. In over 90 per cent of the firearm related homicides, the offenders were not licensed and the weapons were not registered. In other words, the black market is thriving; the people who live on the other side of the law are the ones who are causing 90 per cent of the offences. Not one hand gun used in a homicide between 1997 and 1999 was used by a licensed owner.
I make that point because I want to compare that with what are nothing more than bare-faced lies from some of the people who claim to be concerned about firearms in the community. Let me give one example, the National Coalition for Gun Control. On 16 June last year, Samantha Lee said on radio ‘that most of our violent crime in Australia is committed by licensed shooters’. The facts from the Australian Institute of Criminology show quite clearly that that is patently false. It is an utter lie, yet it seems that some people think they can get away with it.

Let me look at the work that has been done by the Australian Institute of Criminology and at an article called ‘Australia: a massive buy-back of low risk guns’ by Peter Reuter and Jenny Mouzos. The statistics are quite interesting. In the last 20 years, firearm homicides have dropped from about 40 per cent of all homicides to little more than 15 per cent. In other words, over the last 20 years, there has been a steady decline of homicides where firearms are involved.

I also want to refer to a chart about suicide, because that issue is also often cited in relation to the issue of firearms. While the level of suicide has not declined in the last 20 years—in fact, tragically, it has gone up a bit—the proportion of suicides involving a firearm has dropped. The level of people using firearms for suicide is less than half of what it was 20 years ago.

Another point that comes from the statistics used by Peter Reuter and Jenny Mouzos is that, if you look at the proportion of armed robberies by type of weapon over the last 20 years, firearm involvement has been dropping and the use of other weapons is rising. The use of knives is considerably greater than that of any other weapon and is rising. In fact, knives have gone from a little over 50 per cent to significantly higher proportions while the number of armed robberies using a firearm has dropped by half. So by any measure, when we look at those figures we can see that there has been a steady drop in the use of firearms over the last 20 years—not just in the last few years—and that trend has been going on for some time.

A press release from the Institute of Criminology dated 3 April says:

In 2001-2002 there was a 25 per cent decrease in the use of firearms to commit homicide.

Further on, amongst its findings, it says:

Compared to previous years, a knife or some other sharp instrument was consistently the most common type of weapon used to commit homicide (36%). The next most common weapon/method was the use of assaultive force (25%).

I now come to a very interesting paper written by a professor of criminology from the University of Vienna, Dr Franz Csaszar, in which he goes into considerably more detail than I can today. I want to quote some of his concluding remarks because I think when we are talking about getting the balance into this debate we have got to remember that in getting that balance we also have to look at what the effort of society ought to be to deal with crime—armed crime and not just firearms crime. In his conclusions, Dr Csaszar comes up with some fairly interesting points. He talks about getting a balance and about the risks of that, and that if we go too far with arms reduction we will be stimulating and enlarging an illegal black market. He also talks about the fact that there is considerable evidence of that and says:

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MAIN COMMITTEE
Moreover there is sufficient evidence for the possibility of increased criminal misuse of guns following a radical disarmament of legal gun owners, by giving violence-prone criminals an ever greater advantage.

And he talks about what he means by ‘advantage’ in the paper. Another conclusion he has is:

… a reduction in the number of guns available is of no measurable influence on the incidence of other harmful events. An example is provided by the occurrence of suicides …

That is reinforced by the statistics of the Australian Institute of Criminology. He goes on to talk about the costs and benefits given the scarcity of state resources looking into gun control and the difficulty of diverting ‘scarce resources away from other, more important duties’. He makes another point which I think is quite significant:

… every single new restriction on the way towards ever stricter gun control might be viewed as small and reasonable, in total it will amount to a serious impairment of basic civil rights for everyone. The tenet that the law abiding has nothing to fear from the state holds no longer true against a growing tendency to view the very people as basically suspect. All these tendencies, which are growing in other fields than the issue of private gun ownership too, will on the long run destroy the very roots of a free and democratic society of reasonable and responsible citizens.

In the long term, there is a clear warning there about what could happen if we go too far with gun control. Franz Csaszar is certainly not against sensible gun control, but he does say that we should be looking at the right balance. I think what he says in conclusion makes the point very clearly. He says:

In practice, the efficiency of gun control seems to be coupled with social acceptence. This basis suffered from an ever faster succession of ever more restrictions in most cases enacted under severe media pressure. Very often it is obvious that a new provision is far off the mark of a real problem. For instance, when neglect in administering existing laws is hidden behind the new laws or when a new law is called for before the latest law has even come into effect.

The member for Dunkley spoke about one aspect of that. If we look at it from a number of points of view, I think it is quite a valid point.

There is another point that I would like to touch on in terms of the buyback that we had in 1998 and some of the statistics that came from that—again from the Institute of Criminology and adapted from the Attorney-General’s Department. When you look at the total buyback of the long arms—there were nearly 660,000 firearms collected at a cost of $360 million—you see that the proportion of buyback varied quite significantly from state to state. As an example, in New South Wales, the number of guns per 100,000 of population in the buyback was 2400, or 2.4 per cent, and in Victoria it was 4,300, or 4.3 per cent.

This does beg the obvious question: is firearms ownership that different between New South Wales and Victoria? I would have to dispute that that is not necessarily the case, because Victoria and South Australia both had the same rate. The significant thing is that both Victoria and South Australia had firearm registration in place before the Port Arthur tragedy, yet New South Wales did not. While one can only go on anecdotal evidence, one really has to wonder whether in fact the number of now illegal and unregistered firearms in New South Wales is proportionately higher. If we look at the statistics we find that Queensland was somewhere in between, Western Australia was low and Tasmania was the highest. Mr Deputy Speaker, I seek leave to incorporate these tables in Hansard.

Leave granted.
### Table 4-3. Gun Buyback, Totals and Expenditures, by jurisdiction, August 2001

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of firearms collected</th>
<th>Compensation paid to firearm owners (A$ thousands)</th>
<th>Population (100,000s, approximate)</th>
<th>Guns per 100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria</td>
<td>207,409</td>
<td>101,823</td>
<td>48</td>
<td>4,300</td>
</tr>
<tr>
<td>New South Wales</td>
<td>155,774</td>
<td>83,535</td>
<td>68</td>
<td>2,400</td>
</tr>
<tr>
<td>Australian Capital</td>
<td>5,246</td>
<td>2,803</td>
<td>3</td>
<td>1,800</td>
</tr>
<tr>
<td>Tasmania</td>
<td>34,584</td>
<td>19,650</td>
<td>5</td>
<td>6,400</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>9,474</td>
<td>5,039</td>
<td>2</td>
<td>4,700</td>
</tr>
<tr>
<td>Western Australia</td>
<td>51,499</td>
<td>18,758</td>
<td>19</td>
<td>2,700</td>
</tr>
<tr>
<td>South Australia</td>
<td>64,811</td>
<td>25,369</td>
<td>15</td>
<td>4,300</td>
</tr>
<tr>
<td>Queensland</td>
<td>130,893</td>
<td>67,614</td>
<td>36</td>
<td>3,600</td>
</tr>
<tr>
<td>Total</td>
<td>659,940</td>
<td>359,600</td>
<td>193</td>
<td>3,400</td>
</tr>
</tbody>
</table>

Source: Adapted from Commonwealth Attorney General’s Department (2002); ABS (2001).
Figure 4.3: Age-Standardized Suicide Rates: Using Firearms versus Total Suicide Rates, 1979–98

Figure 4.6: Proportion of Armed Robberies by Type of Weapon

Mr HAWKER—In conclusion, I want to again say that I certainly support this bill. But I do want to open up that wider debate, because I think that, when it comes to gun control, we do have to keep it in perspective. We have to recognise that, these days, law-abiding citizens are only one group of firearm owners. There are illegal ones out there and the numbers are probably significant. We cannot be definitive about that, but when we look at some of the international work that has been done on gun control, particularly from the Professor of Criminology of Vienna University, we see quite clearly that if we go past the optimum level of gun control it can be quite counterproductive and have some adverse effects, particularly in the long term, with respect to the society we want to have. I am pleased to support this bill.

Mr ORGAN (Cunningham) (6.29 p.m.)—The National Handgun Buyback Bill 2003 seeks to appropriate funding for a national handgun buyback program commencing on 1 July 2003. The Greens support the idea of such a program but believe it is destined to fail for a variety of reasons. We support the government’s aim to improve public safety by attempting to remove from the community the dangers presented by semiautomatic hand guns. However, while this bill goes part of the way towards achieving this end, it will unfortunately only reduce the risk to the community to a limited extent. Indeed, the National Coalition for Gun Control is calling the government’s buyback scheme a waste of time and money. While the Greens do not entirely agree with this statement, we recognise that the proposed buyback has severe limitations.

This bill arose out of the tragic event that took place at Monash University on 21 October 2002, resulting in the deaths of two people and the wounding of five. Many more lives were traumatised in connection with this incident. As a result of this tragedy, the Prime Minister announced a proposal to further strengthen gun laws in Australia in cooperation with the states and territories. During question time the day after the shootings at Monash, the Prime Minister said that there was independent evidence suggesting that the federal gun buyback scheme that followed the Port Arthur tragedy had successfully reduced the murder rate involving guns in Australia.

The Greens have always supported and will always support the banning of guns and dangerous weapons, as we believe that this is one of the ways in which we can protect our communities from violence. This bill seeks to remove from the community some of those hand guns that are not used in genuine sports shooting. I wish to draw a clear distinction between the interests of gun owners generally and sporting shooters more specifically. The interests of genuine sporting shooters should be taken into account. The rights and interests of gun owners who are not genuine sporting shooters should be secondary to the long-term safety of the whole community. The safety of the community is paramount. We support the government in this attempt towards lessening the availability of hand guns in the community. However, we are of the firm view that this proposed legislation represents a compromise that inexcusably and unacceptably jeopardises the safety of the community.

The National Coalition for Gun Control claims that the proposal developed by the Council of Australian Governments last November will not reduce the number of semiautomatic, military style hand guns in the community, but will merely reduce the types of semiautomatic hand guns in our community. The buyback initiated in 1996 successfully reduced the numbers of high powered, semiautomatic firearms in Australia. However, this current proposal will simply act as a means of gun owners trading one type of semiautomatic weapon for another.
The government is only banning certain models of semiautomatic, military style hand guns. Two hundred and fifty hand gun models will be banned. However, 850 will remain legal. Under this proposal, the banned hand guns will be handed in in exchange for monetary compensation. This monetary compensation can then be used to buy any of the other 850 semiautomatic hand gun models that will remain legal. When the buyback scheme is activated, many gun owners will most likely trade their shorter barrel hand guns for something with a longer and more accurate barrel length. As the National Coalition for gun control stated in their press release today:

The new legislation will be a waste of money and resources and should not be considered a buyback but a trading post for hand gun owners to trade in their old, unpopular hand gun for a newer, more macho model.

The Greens are concerned that this proposed hand gun buyback will fail to make any impact on reducing hand gun violence in our community. Most illegal guns start out as legal weapons which are then stolen—like Kerry Packer’s gun, which was stolen from his office. The government has congratulated itself for acting to address the tragedy of the Monash University shooting and deal with the threat posed by the misuse of legally registered hand guns. We are concerned that semiautomatic hand guns that have been excluded from the banned list include models that the perpetrator of the Monash shootings owned. The community deserves an explanation as to why this is the case. The poll taken after the Monash University shootings indicated that there is 83 per cent support for the banning of semiautomatic hand guns in Australia. I call on the government to finish the job that it began in 1996 after the Port Arthur massacre and to ban all semiautomatic firearms. There are well over 150,000 legal hand guns in Australia, and the proposed hand gun ban will leave many of them fully legal. Each state government was meant to have legislation in place by July to support and implement this hand gun buyback scheme. As yet, Victoria is the only state to do so.

The Prime Minister must get tough with the states and make sure semiautomatic handguns get the same treatment that semiautomatic rifles received after the Port Arthur massacre. Following that tragic episode in our history, the Australian Institute of Criminology issued a report which found that the national gun buyback scheme significantly helped cut the number of murders involving firearms. Six hundred and forty-two thousand firearms were handed in during the one-year gun control program introduced after the April 1996 Port Arthur massacre of 35 people by gunman Martin Bryant. The federal government spent half a billion dollars in compensation for that scheme, which aimed to diminish the number of self-loading and pump action rifles similar to that used at Port Arthur.

The Treasurer has been quoted as saying the gun control measures have saved lives. He said:

Prior to the Port Arthur massacre, almost unseen and invisibly a gun culture had been developing in this country, a gun culture which, but for that awful tragedy, would have been unchecked, would have grown so strong it would have been in an invincible position.

After the gun buyback scheme post the Port Arthur massacre, there was a consequence that no-one predicted: an increasing availability of hand guns, which have become the criminals’ weapon of choice in shootings, murders and armed robberies. With this point in mind, unless the government takes a tougher stand on hand guns, the supposed ban on semiautomatic hand guns announced last year is headed for failure, and the Australian public will witness further
tragedies at the hands of licensed semiautomatic hand guns owners. As the National Coalition for Gun Control has pointed out, a weak government acts once an incident has happened; a strong government acts before a tragedy occurs.

Mr DUTTON (Dickson) (6.37 p.m.)—It gives me a great deal of pleasure this evening to support the National Handgun Buyback Bill 2003. And it gives me pleasure to be part of the Howard government, which has delivered on so many policies for the Australian people. When people look back in decades to come upon the legacy of the Howard government, they will recognise a government which acted very positively in relation to many issues. The gun buyback scheme, as it has operated in its various forms since 1996, and now with the support of this bill, will be one of those legacies.

The Howard government has as its hallmark the aim, I suppose, of providing for a safe and more secure society which all Australians will have the opportunity to enjoy. This scheme is part of delivering that aim. This government has very much been about providing for families, and we saw that most recently in the form of the budget, where we provided for an environment for families to prosper. We have seen it through the Tough on Drugs strategy and we have seen it through the gun buyback system, which commenced in 1996.

This bill enables the Commonwealth to appropriate funds to reimburse the states for payments to buy back hand guns and for payments made in connection with the Council of Australian Governments—COAG—hand gun reforms. The total indicative cost of the hand gun buyback program to the Commonwealth is expected to be $69 million. This is to be appropriated out of the consolidated revenue fund. The buyback period runs from 1 July to 31 December this year. In this latest bill, the federal government builds upon the very positive result that arose out of the 1996 program. Between 1996 and 1997, 640,000 guns were handed in. The program was a great success, despite some of the words similar to those that I heard earlier from the member for Cunningham and also the member for Capricornia, who seek to politicise this process to serve their own purposes by spreading around rumours, untruths and conspiracy theories which provide no positive input to this argument.

I want to touch on some of the things that the member for Capricornia said, because I had the very disturbing benefit of being able to listen to his speech and to hear some of his wacky ideas that we quite regularly hear in headline-grabbing exercises by the member for Capricornia. The member for Capricornia subscribes to all sorts of conspiracy theories; this is but one.

The DEPUTY SPEAKER (Mr Barresi)—The member for Kennedy.

Mr DUTTON—I am sorry—my mistake. I apologise most sincerely to the very hard-working, dedicated and decent member for Capricornia. Of course I speak of the member for Kennedy, Mr Katter, and his wacky ideas. It is all coming together now. People understand what it is that I am talking about. They would have seen his contributions before and they would have heard some of his conspiracy theories in relation to our near neighbours in Papua New Guinea and Indonesia and his belief that he must not sleep well at night and he must keep his gun loaded under the pillow, fearing attack or some sort of revolution from the north or the north-west. It is, of course, a conspiracy theory that is run round by only the wackiest in our society, and he certainly fills that criterion. It is important, I think, that we spell that out in this debate, because this very sensible program and policy is about providing for a safer community for all Australians. It is only a matter of commonsense that if guns—hand guns,
longarms or whatever the case may be—are removed from our society, then it provides for a much safer environment for all Australians, including young families.

We have problems in our country, as we do right around the world, with people who have mental health issues being in possession of hand guns. That is one of the great aspects that this gun buyback scheme addresses. By removing those hand guns and those longarms, as we have done since 1996, we achieve in some way the desired effect of removing those guns from people who should not have them. This society also deals with a great number of domestic violence and alcohol related issues both in domestic scenes and in a broader sense. We know the tragedies that can arise when alcohol and illicit drugs come together, and we know the tragedies that can arise when someone who may not be completely in charge of their faculties is in possession of a hand gun. If this program serves to lessen the effects of one of those incidents, I think all Australians would be very happy.

We have a scenario which was raised by the member for Cunningham, who was talking about sporting shooters. They are, of course, an important part of Australian society—particularly those people who go on to represent Australia in a similar way to the way athletes from other sports do. The Howard government has been very conscious of trying to protect the rights of those people, because it is important for those people to be able to practise and to hone their skills in their attempts to represent their state or their country in that sport. It is very important that we recognise their concerns and that we recognise the benefits that they bring through their incredible talents. That is part of what this government has provided.

I spoke before about this government’s desire to provide for a healthier, happier, more secure and safer environment for all Australians. I want to reinforce, with some third-party endorsements, what this government is doing through this national hand gun buyback legislation. Professor Peter Reuter from the University of Maryland and Jenny Mouzos from the Australian Institute of Criminology conducted a study which concluded that the previous weapons buyback introduced by this government dramatically reduced the rates of gun murders and robberies. They concluded that it was possible that the government’s past gun controls and buyback reduced the overall homicide rate by 10 per cent.

Between 1989 and the buyback in 1996 there were six mass killings in Australia in which a gun was the murder weapon. In 1993, 37 per cent of armed robbers used a firearm and by 2000 the proportion had declined to 14 per cent. So there are some very definite and clear indicators that the government’s policy is working—coupled with the fact that, as I said before, 640,000 weapons were handed in between 1996 and 1997, which serves to show how successful this policy has been.

I will touch briefly on some of the hand gun crime statistics in Queensland to show how serious the problem of hand guns really is in Australian society. In 2001 the following crimes were committed using firearms. There were 49 murders in Australia, four of which were committed in Queensland, using firearms. There were 132 attempted murders Australia wide, 23 of which were committed in Queensland, using firearms. There were 1,686 armed robberies in Australia, 270 of which were conducted in Queensland. There were 867 assaults with a firearm, 118 of which were in Queensland. Across Australia there were 37 sexual assaults and 69 kidnappings involving hand guns. All of that highlights the fact that hand guns are a very serious issue in our society. This government will again serve the purpose of providing for a safer community and it should be commended for that. It is also appropriate at this time to call
on the states to come quickly into line with their obligations by 1 July. That is a very important part of this process.

I conclude by reiterating my support for this bill and the fact that it is very important not just to the people of Dickson but to people right across Australia that, if we are to provide for a safer community for families and for all Australians to enjoy, it is imperative that we continue to pursue this good policy of reducing the number of hand guns, which are a problem in Australian society. I commend the Attorney-General and the Minister for Justice and Customs for this progressive legislation and I commend the Prime Minister, who started this whole program back in 1996 following the tragic circumstances that have been outlined to the House on many occasions.

Mr NEVILLE (Hinkler) (6.48 p.m.)—The National Handgun Buyback Bill 2003 is a piece of legislation which has gone to the very heart of the rights and responsibilities of all Australians. It is not surprising that, as a National Party MP, I want to speak on this legislation. I do so because it is a matter of concern and interest to my constituency of Hinkler and to the rural sector in general. I can assure those people that the national gun buyback affects only sporting shooters, hand gun dealers and to some extent historical collectors. Farmers, graziers, members of the armed forces, police and security agencies are not impacted in any way.

I imagine that my office would be one of many which have been contacted by members of the public concerning their right to possess firearms. I have no argument with right-minded people who use hand guns for legitimate reasons and with due regard for safety and responsibility. I certainly do not want any of the misunderstandings that took place at the time of the last buyback. However, in the aftermath of the tragic shootings at Monash University on 21 October last year, the last thing the coalition intends is that other shooters should be treated, or feel that they are being treated, like criminals.

It is individuals such as the person who carried out the Monash shootings that this legislation targets. In that specific instance a young man walked into a university tutorial room armed with two hand guns—a revolver and a semiautomatic—and proceeded to kill two students and injure four other students and one of the tutorial staff. He was a licensed shooter who legally owned seven high-powered pistols, including a Smith and Wesson Magnum, a CZ nine-millimetre semiautomatic and a Taurus .40-calibre semiautomatic. I find it difficult to believe that any person could possibly justify owning so many hand guns. It is hard to countenance the purchase of six hand guns in as many months. It is even harder to countenance that this disturbed young man, a novice and only a minor gun club participant, should not have had access to so many hand guns.

It is one of the sad truisms that, when countries need to reregulate gun laws or instigate buyback schemes, it is generally the law-abiding citizens who comply. Sadly, the criminals do not seem to operate under the same constraints. Nevertheless, another truism is that, if you remove unnecessary weaponry from the community, it becomes a much safer community. However, all this must be balanced by the right of law-abiding citizens who have a legitimate use for a hand gun—be it for sport, competition or civic protection—to exercise that right.

One particular interest group that springs to mind is the Sporting Shooters’ Association of Australia, a highly respected body with 125,000 members around the nation. It has worked closely with the government to craft these proposals. There has been a multisteped approach.
First, the government met with established parties through the interim advisory committee comprised of firearm dealers, sporting shooters and the like. The next step will be to refer its deliberations to the Sporting Shooters Advisory Council, a forum to bring matters to the government. When through this process the principles are established, they will become the subject of another intergovernmental agreement, and the states will implement the laws and regulations.

Let me talk about another community group that I believe has to be considered in the context of responsible hand gun ownership. I refer here to Australia’s historic re-enactment groups and black powder clubs. There has been little reference to them in the talk about the legislation, and I would just like to put in a plug for them. I have one of these groups in my electorate: the Early Settlers Re-Enactment Club, which is based around Gladstone. They put on public displays of historical firearms, competitions and demonstration firings. They use period costumes such as early military uniforms and early American settler uniforms, and they fire their weaponry against a backdrop of colonial and pioneering imagery. It is a very fine club. I have visited them and enjoyed my outings there. I cannot see that, just because they might have muzzle loading weapons of a higher calibre, they should be excluded from this particular activity. I feel that they should be treated as a sporting shooters group.

The upshot of the negotiations between interest groups, state governments and the Commonwealth that began in November last year was a piece of legislation that ensures that genuine sporting shooters can continue their chosen sport and not be adversely affected by changes which promote greater public safety. The coalition has put forward a number of proposals which give due recognition to thousands of law-abiding, responsible sporting shooters who want to ensure the sport is both safe and respected. The advisory council to which I referred before was established as the first step in the Commonwealth’s response to ensure that legitimate shooters are seen as a responsible element in society. After all, it is the shooters and the shooting clubs who have the greatest interest in seeing their sport properly controlled and administered and held in public respect. Sporting shooters are also the people closest to the problems, who best understand the loopholes in existing laws and regulations which need to be closed.

Indeed, pistol clubs proactively raised some concerns surrounding safer methods of using hand guns in the community. For example, I know that pistol clubs have been concerned that they do not have the legal power to reject or expel members who they consider are unsuitable. It is important to mention in regard to this legislation that clubs should be given the authority to scrutinise potential members. I understand that two character references are going to be required in some states as part of the regulations. I just hope that we have sensible measures which give the clubs a measure of control to identify responsible shooters but which do not become so onerous that they spoil the sport and make it burdensome to own a pistol.

The Commonwealth is in agreement with many of these concerns and understands that Australians need to be safe from people who use firearms inappropriately. But by the same token we do not want law-abiding and responsible gun owners treated as criminals. This bill actions those intentions by way of prohibiting the importation, possession and use by sporting shooters of small concealable hand guns above .38 calibre and those with a magazine capacity in excess of 10 rounds. In turn, gun owners who surrender applicable weapons between 31 July and 31 December this year will be fairly compensated, using the $15 million surplus
from the 1996 firearms buyback scheme and then on a two for one basis with the Commonwealth, states and territories. These terms have met with consensus from the Australasian Police Ministers Council, have been endorsed by COAG and will be implemented by all the states and territories.

I do have three minor concerns. It is good to see the minister here, and I hope that these are included. My only fear with this legislation—and I did have some reservations about the previous buyback—is that there is the possibility of unintended consequences, as we go through these various steps and processes and then pass those on to the states for implementation. There are three areas of concern that I would like to make sure do not become unintended consequences. First, a lot has been said about Commonwealth Games and Olympic shooting. We do celebrate those people, and they brought a lot of credit to Australia. But there are, within the sporting shooters organisations and other pistol clubs, people who shoot other weapons for competition in quite a legitimate way—even though those particular competitions may not have a national or an international flavour to them. I do not think those people should be excluded, providing the pistols stay within the calibre restrictions. The second group, the one I referred to in my speech, is the historical clubs—not just the historical collecting clubs but the historical clubs who fire those weapons, like muzzle loading weapons of various calibres. They are sometimes referred to as black powder clubs. They too should be able to pursue their sport in a legitimate way. I have always found them very responsible in the way they conduct their affairs.

The third group is the rural community. Although we are assured that this legislation does not refer to them—and I have checked with the National Farmers Federation, and it is quite content that this legislation does not further restrict farmers’ use of hand guns—I would like to make a plea to the minister that we make doubly sure that, as this legislation cascades down through the various levels of committee to government to COAG and back to the states and territories, we do not see some of the unintended consequences that occurred in the first gun buyback. Those that restricted legitimate use of weapons by primary producers, especially those in the grazing and fishing industries. I support the bill, and I hope it goes a long way to removing unnecessary weaponry from the community. At the same time, I hope it respects the legitimate rights of people who participate in gun clubs, pistol clubs and the like. I also hope that the people in those three other groups that I have referred to do not become in any way the victims of some unintended consequences.

Mr WILLIAMS (Tangney—Attorney-General) (7.01 p.m.)—in reply—In closing this debate, I would like to thank those honourable members who have spoken: the members for Banks, Cook, Cunningham, Dunkley, New England, Kennedy, Wannon, Dickson and Hinkler. I thank the member for Banks and the opposition for their support of the bill, and I thank those other members who have supported it. There were a few points made during the debate that I think it is appropriate to comment on. I will endeavour to do that briefly.

The member for Cunningham said that he supports the bill but that it does not go far enough because it does not take enough guns out of the community. This buyback is but one step towards reducing the number of firearms in our community. The COAG reforms do not prevent Australian sporting shooters from participating in their sport. I recognise there will be sporting shooters replacing their 0.5-inch calibre pistols with 0.38-inch calibre weapons. But the reforms will achieve the goal of removing small, concealable or high-powered hand guns...
not used in sports shooting from the community and will tighten access to ensure only genuinely committed sporting shooters continue their sport.

The member for Wannon picked up a theme which was a feature of the 1996 debate. He said that very few licensed shooters commit criminal acts with firearms, yet they are being targeted by these reforms. I do not think that is really a fair representation of the objectives of the legislation. The government agrees that the sports shooting community is typically law abiding, and we made that point many times during the 1996 debate. But it must be remembered that the Monash incident was carried out by a person who was a licensed shooter and legally owned seven hand guns, a number of which were of a concealable nature—something the member for Hinkler just mentioned. This horrible act necessitated a review of the manner in which shooters are allowed to access hand guns. The buyback reduces the pool of hand guns that could ultimately end up in the illegal market and be used for criminal acts.

The member for Wannon pointed out that only a proportion of firearms related crime is committed by licensed shooters. However, the statistics indicate that large numbers of firearms move from the legal to the illegal markets every year, primarily through theft. Statistics from the Australian Institute of Criminology show that between 1994 and 2000 an average of 4,195 firearms were stolen each year, and 81 per cent of these were taken from residential properties. The member for Wannon was concerned about illegal hand guns, as I am sure are all members of the House. He was concerned to ensure that there is a balance between what is being removed from those lawfully holding hand guns and those unlawfully holding hand guns. This is an important issue. The government recognises that no single measure can prevent firearms crime or improve community safety overnight. This is why the government is committed to pursuing a multifaceted and balanced approach to firearms reforms, working with state and territory governments to achieve a safer and more secure Australia.

This multifaceted approach has a number of projects involved in it. There will be an urgent review of the storage and security arrangements in the states and territories under the auspices of the Australasian Police Ministers Council. State-of-the-art X-ray facilities will be introduced. There will be a cross-border trafficking offence and restrictions on the stock of hand guns that can be imported and held by dealers, thereby diminishing the risk of large-scale theft from dealers, and there will be increased penalties for the illegal importation of firearms. The implementation of interstate, cross-border firearm trafficking offences will see penalties of substantial dimensions: 10 years imprisonment or a fine of $275,000. The Australian Crime Commission is establishing, as a matter of priority, a multijurisdictional task force to investigate firearms trafficking.

The member for Kennedy implied that a restriction on guns does not prevent deaths with guns. This buyback targets those firearms that are readily concealable and, therefore, are more appealing for use in crime. Restricting such dangerous weapons will reduce deaths and injuries from firearms. Figures recently released from the Australian Institute of Criminology do not match those from the member for Kennedy. As outlined by the member for Wannon, firearms murder has actually decreased from 99 incidents in 1996 to 49 incidents in 2001. As the member for Dickson has already informed us, the 1996 buyback did have a positive impact on firearms crime.

The member for Kennedy also made reference to the situation in the United Kingdom and queried the availability of information from the Australian Institute of Criminology. I do not
propose to respond in detail to that. The situation in the United Kingdom, which is located very closely to a large number of countries, is entirely different to that of Australia. During the 1990s, there were significant conflicts in Europe that resulted in a flow of illegally imported firearms into Western Europe.

The member for Kennedy raised the subject of the restriction on gun ownership and the unfair impeding of the right to bear arms and the right to self-defence. This is a nonsensical claim that was made repeatedly by opponents of the 1996 buyback. It is something that is utterly rejected by the government. In Australia there is no constitutional right to bear arms and there is no unqualified right to self-defence. Equally ridiculous, I think, is the suggestion that firearms are needed in domestic establishments to enable Australians to resist invasion from abroad. I do not think readers of the defence white paper would be concerned about that as an issue. In Australia gun ownership and use is predicated on a genuine need or a genuine reason for holding a firearm. Sporting shooters, primary producers, members of the defence forces and the police are examples of the existence of a genuine reason.

The member for Dunkley suggested that measures need to be taken to ensure states and territories do the right thing in the buyback of 2003. While the 1996 buyback was a success in reducing crime—it removed about 640,000 firearms from the community—the Commonwealth learnt from the experience and wants to ensure that there are appropriate accountability mechanisms in place for this buyback. The Commonwealth wants to ensure taxpayers’ money is spent in a responsible way. To this end intergovernmental agreements will be entered into and the Commonwealth will ensure that there are nationally consistent policies and strong accountability procedures.

The member for Dunkley asserted that in the state of Victoria after the 1996 firearms buyback dealers who were compensated for loss of business actually used this money to reopen such businesses within days of being compensated. The government will not tolerate dealers attempting to profit or cash in on the 2003 hand gun buyback. This is why dealer compensation will only be available for commercially viable stock levels and for items ordered by dealers prior to 20 December 2003. Unlike the 1996 buyback, the 2003 hand gun buyback will not provide compensation to dealers for loss of business. In any event, under the COAG hand gun reforms dealers are not compelled to surrender hand guns or parts in stock and may continue to sell to other sectors of the firearms market where they remain lawful. The 2003 hand gun buyback is not about buying back all guns; instead it is about removing excess and unnecessary hand guns or those held by persons without a genuine reason for holding them.

The member for Hinkler had some reservations about possible unintended consequences of the program. I can assure him that these reforms will not prevent sporting shooters from participating in any local, national or international event. They will just have to participate within the new restrictions. Muzzle-loading hand guns are exempt from the calibre restrictions and they can continue to be used in sporting events. The proposed reforms do not affect the fishing industry or primary producers at all.

The bill achieves the Commonwealth’s goal of instituting its financial commitment to the hand gun buyback by the 1 July 2003 start date. Complemented by the intergovernmental agreement on accountability and administrative procedures for the hand gun buyback, this bill meets the Commonwealth’s obligations under the COAG hand gun reforms. If they have not already done so, states and territories will be instituting relevant legislative and administrative
changes to further ensure the success of the national hand gun buyback. Victoria and Tasmania have recently completed such measures. Overall, the passing of this bill is a key step in the introduction of the new hand gun reforms and thereby the bringing about of a safer Australia. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.

**Main Committee adjourned at 7.13 p.m.**
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Treasury: Program Funding
(Question No. 760)

Ms Burke asked the Minister representing the Minister for Revenue and Assistant Treasurer, upon notice, on 19 August 2002:

(1) Does the Minister administer any Commonwealth funded programs for which community organisations or businesses can apply for funding.

(2) If so, what are these programs.

(3) Does the Ministers Department advertise these funding opportunities.

(4) In the electoral divisions of (a) Chisholm, (b) Aston, (c) Deakin, (d) Latrobe and (e) Casey in (i) 1996-97, (ii) 1997-98, (iii) 1998-99, (iv) 1999-2000, (v) 2000-2001 and (vi) 2001-2002, for each of the programs listed in part (2), (A) what was the name and postal address of each organisation that sought funding from the Commonwealth, (B) what was the purpose of the funding sought in each case and (C) for successful applications, what was the level of funding provided.

Mr Costello—The Minister for Revenue and Assistant Treasurer has provided the following answer to the honourable member’s question:

Please refer to the answer to question 735.

Treasury: Staffing
(Question No. 823)

Mr Martin Ferguson asked the Minister representing the Minister for Revenue and Assistant Treasurer, upon notice, on 20 August 2002:

(1) How many (a) full time permanent staff, (b) part time permanent staff, (c) full time contract staff and (d) part time contract staff were employed by (i) the Ministers Department and (ii) agencies within the Ministers portfolio as at (A) 30 March 1996 and (B) 30 June 2002

(2) For each category of engagement referred to in part (1) and employed by (a) the Ministers Department and (b) agencies within the Ministers portfolio, where were such persons located in (i) 30 March 1996 and (ii) 30 June 2002.

Mr Costello—The Minister for Revenue and Assistant Treasurer has provided the following answer to the honourable member’s question:

Please see answer to question 798.

Family Court of Australia
(Question No. 1556)

Mr Kerr asked the Attorney-General, upon notice, on 4 March 2003:

(1) How many judgments of the Family Court of Australia are currently reserved for a period longer than the three month limit set by the Court itself.

(2) How many of those matters are judgments in relation to applications for interim orders which should be dealt with urgently.

(3) Is there any information on judicial delay on a state by state basis; if so, will he provide that information.

(4) Has the failure to produce a timely judgment prejudiced the parties in any of these proceedings; if so, in what way.
(5) What remedies do parties have if the outcome of their proceedings may have been, or is significantly affected by, delay in the giving of judgment.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) I am advised by the Family Court of Australia that at 28 February 2003, there were 75 judgments nationally which had been reserved for longer than three months.

(2) The Family Court has advised that six of the judgments outstanding for more than three months relate to interim applications.

(3) The Family Court has provided the following figures relating to judgments reserved for more than three months, as at 28 February 2003, on a State by State basis, related to where the hearing took place. This means that the figures include judgments reserved by judges visiting that State under arrangements for judicial relief or circuits.

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(4) The Family Court has informed me that it has received complaints from some parties that they have suffered prejudice as the result of delay. The Court has also advised me that, as a result of the individual circumstances of each case, it is not possible for the Court to assess what might have been the outcome in the particular case in the absence of any delay and therefore to assess the nature of any prejudice to a party.

(5) The Family Court advises me that its Case Management Directions lay down a procedure for complaints to be passed on by the Chair of the relevant Law Society or Bar Association to the appropriate Administrative Judge. If a self-represented party desires to complain about delay in the delivery of a judgment, the person may make a complaint by letter to the relevant registry manager, who will refer it to the appropriate person.

Central Coast Community Legal Centre (Question No. 1794)

Ms Hall asked the Attorney-General, upon notice, on 27 March 2003:

(1) Will the Central Coast Community Legal Centre continue to receive Federal Government funding after 30 June 2003.

(2) Is there a proposal to reduce that level of funding; if so, by how much will the funding be reduced and for what reason.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) The Commonwealth implemented new funding agreements with the community legal centres it funds, including the Central Coast Community Legal Centre, on 1 January 2003. These agreements operate from 1 January 2003 to 30 June 2005.

(2) The Commonwealth does not propose to reduce the level of funding to the Central Coast Community Legal Centre during the course of this agreement. However, funding for the legal centre is subject to the appropriation of funds through the normal budgetary process.