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SITTING DAYS—2003

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- **NEWCASTLE**: 1458 AM
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- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 729 AM
- **DARWIN**: 102.5 FM
FORTIETH PARLIAMENT
FIRST SESSION—FIFTH PERIOD

Governor-General
His Excellency the Right Reverend Dr Peter Hollingworth, Companion of the Order of Australia, Officer of the Order of the British Empire

House of Representatives Officeholders
Speaker—The Hon. John Neil Andrew MP
Deputy Speaker—The Hon. Ian Raymond Causley MP
Second Deputy Speaker—Mr Harry Alfred Jenkins MP

Members of the Speaker’s Panel—Mr David Peter Maxwell Hawker, Mr Philip Anthony Barresi, Ms Teresa Gambaro, Mr Peter John Lindsay, The Hon. Bruce Craig Scott, The Hon. Dick Godfrey Harry Adams, Mr Frank William Mossfield AM, The Hon. Leo Roger Spurway Price, Mr Kimberley William Wilkie, Mr Ann Kathleen Corcoran

Leader of the House—The Hon. Anthony John Abbott MP
Deputy Leader of the House—The Hon. Peter John McGauran MP
Manager of Opposition Business—Mr Wayne Maxwell Swan MP

Party Leaders and Whips
Liberal Party of Australia
Leader—The Hon. John Winston Howard MP
Deputy Leader—The Hon. Peter Howard Costello MP
Chief Government Whip—Mr James Eric Lloyd MP
Government Whips—Mrs Joanna Gash MP and Mr Fergus Steward McArthur MP

National Party of Australia
Leader—The Hon. John Duncan Anderson MP
Deputy Leader—The Hon. Mark Anthony James Vaile MP
Whip—Mr John Alexander Forrest MP
Assistant Whip—Mr Paul Christopher Neville MP

Australian Labor Party
Leader—The Hon. Simon Findlay Crean MP
Deputy Leader—The Hon. Jennifer Louise Macklin MP
Chief Opposition Whip—The Hon. Janice Ann Crosio MBE MP
Opposition Whips—Mr Michael Danby MP and Mr Harry Vernon Quick MP

Printed by authority of the House of Representatives
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<td>Ind.</td>
</tr>
<tr>
<td>Worth, Hon. Patricia Mary</td>
<td>Adelaide, SA</td>
<td>LP</td>
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<tr>
<td>Zahra, Christian John</td>
<td>McMillan, Vic</td>
<td>ALP</td>
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PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; NPA—National Party of Australia; Ind.—Independent; CLP—Country Liberal Party; AG—Australian Greens

Heads of Parliamentary Departments

Clerk of the Senate—H. Evans
Clerk of the House of Representatives—I.C. Harris
Departmental Secretary, Parliamentary Library—J.W. Templeton
Departmental Secretary, Parliamentary Reporting Staff—J.W. Templeton
Departmental Secretary, Joint House Department—M.W. Bolton
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<td>The Hon. John Winston Howard MP</td>
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<tr>
<td>Minister for Transport and Regional Services and Deputy Prime Minister</td>
<td>The Hon. John Duncan Anderson MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon. Peter Howard Costello MP</td>
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<tr>
<td>Minister for Trade</td>
<td>The Hon. Mark Anthony James Vaile MP</td>
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<tr>
<td>Minister for Defence and Leader of the Government in the Senate</td>
<td>Senator the Hon. Robert Murray Hill</td>
</tr>
<tr>
<td>Minister for Communications, Information Technology and the Arts and Deputy Leader of the Government in the Senate</td>
<td>Senator the Hon. Richard Kenneth Robert Alston</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon. Alexander John Gosse Downer MP</td>
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<tr>
<td>Minister for Employment and Workplace Relations, Minister Assisting the Prime Minister for the Public Service and Leader of the House</td>
<td>The Hon. Anthony John Abbott MP</td>
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<tr>
<td>Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation</td>
<td>The Hon. Philip Maxwell Ruddock MP</td>
</tr>
<tr>
<td>Minister for the Environment and Heritage and Vice-President of the Executive Council</td>
<td>The Hon. Dr David Alistair Kemp MP</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>The Hon. Daryl Robert Williams AM, QC, MP</td>
</tr>
<tr>
<td>Minister for Finance and Administration</td>
<td>Senator the Hon. Nicholas Hugh Minchin</td>
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<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. Warren Errol Truss MP</td>
</tr>
<tr>
<td>Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women</td>
<td>Senator the Hon. Amanda Eloise Vanstone</td>
</tr>
<tr>
<td>Minister for Education, Science and Training</td>
<td>The Hon. Dr Brendan John Nelson MP</td>
</tr>
<tr>
<td>Minister for Health and Ageing</td>
<td>Senator the Hon. Kay Christine Lesley Patterson</td>
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<tr>
<td>Minister for Industry, Tourism and Resources</td>
<td>The Hon. Ian Elgin Macfarlane MP</td>
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<td>Senator the Hon. Christopher Martin Ellison</td>
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<td>Minister for Fisheries, Forestry and Conservation</td>
<td>Senator the Hon. Ian Douglas Macdonald</td>
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<tr>
<td>Minister for the Arts and Sport</td>
<td>Senator the Hon. Charles Roderick Kemp</td>
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<tr>
<td>Minister for Small Business and Tourism</td>
<td>The Hon. Joseph Benedict Hockey MP</td>
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<tr>
<td>Minister for Science and Deputy Leader of the House</td>
<td>The Hon. Peter John McGauran MP</td>
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<tr>
<td>Minister for Regional Services, Territories and Local Government</td>
<td>The Hon. Charles Wilson Tuckey MP</td>
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<tr>
<td>Minister for Children and Youth Affairs</td>
<td>The Hon. Lawrence James Anthony MP</td>
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<tr>
<td>Minister for Employment Services</td>
<td>The Hon. Malcolm Thomas Brough MP</td>
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<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs and Minister</td>
<td>The Hon. Danna Sue Vale MP</td>
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<tr>
<td>Assisting the Minister for Defence</td>
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<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>Senator the Hon. Helen Coonan</td>
</tr>
<tr>
<td>Minister for Ageing</td>
<td>The Hon. Kevin James Andrews MP</td>
</tr>
<tr>
<td>Minister for Citizenship and Multicultural Affairs</td>
<td>The Hon. Gary Douglas Hardgrave MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Jacqueline Marie Kelly MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Transport and Regional Services</td>
<td>Senator the Hon. Ronald Leslie Doyle Boswell</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer and Manager of Government Business in the Senate</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>The Hon. Christine Ann Gallus MP</td>
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<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Frances Esther Bailey MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for the Environment and Heritage</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Finance and Administration</td>
<td>The Hon. Peter Neil Slipper MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator the Hon. Judith Mary Troeth</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Family and Community Services</td>
<td>The Hon. Ross Alexander Cameron MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>The Hon. Patricia Mary Worth MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry, Tourism and Resources</td>
<td>The Hon. Warren George Entsch MP</td>
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SHADOW MINISTRY

Leader of the Opposition
The Hon. Simon Findlay Crean MP

Deputy Leader of the Opposition, Shadow Minister for Employment, Education, Training and Science and Acting Shadow Minister for Health and Ageing
Jenny Macklin MP

Leader of the Opposition in the Senate, Shadow Special Minister of State and Shadow Minister for Home Affairs
Senator the Hon. John Philip Faulkner

Deputy Leader of the Opposition in the Senate and Shadow Minister for Finance, Small Business and Financial Services
Senator Stephen Conroy

Shadow Treasurer and Shadow Minister for the Arts
Bob McMullan MP

Shadow Minister for Innovation, Industry and Trade
Craig Emerson MP

Shadow Minister for Defence
Senator Chris Evans

Shadow Minister for Regional Development, Transport, Infrastructure and Tourism
Martin Ferguson MP

Shadow Minister for Population and Immigration, Shadow Minister for Reconciliation and Indigenous Affairs and Deputy Manager of Opposition Business in the House
Julia Gillard MP

Shadow Minister for Economic Ownership and Community Security and Manager of Opposition Business in the House
Mark Latham MP

Shadow Attorney-General and Shadow Minister for Workplace Relations
Robert McClelland MP

Shadow Minister for Primary Industries and Resources
Senator Kerry O’Brien

Shadow Minister for Foreign Affairs
Kevin Rudd MP

Shadow Minister for Family and Community Services
Wayne Swan MP

Shadow Minister for Communications
Lindsay Tanner MP

Shadow Minister for Sustainability and the Environment
Kelvin Thomson MP
<table>
<thead>
<tr>
<th>Position</th>
<th>Shadow Minister</th>
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</thead>
<tbody>
<tr>
<td>Shadow Minister for Science and Research</td>
<td>Senator Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister for the Public Service</td>
<td></td>
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<tr>
<td>Shadow Minister for Employment Services and</td>
<td>Anthony Albanese MP</td>
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<tr>
<td>Training</td>
<td></td>
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<tr>
<td>Shadow Minister for Justice and Customs</td>
<td>Daryl Melham MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer</td>
<td>David Cox MP</td>
</tr>
<tr>
<td>Shadow Minister for Retirement Incomes and</td>
<td>Senator the Hon. Nick Sherry</td>
</tr>
<tr>
<td>Savings</td>
<td></td>
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<tr>
<td>Shadow Minister for Consumer Protection and</td>
<td>Alan Griffin MP</td>
</tr>
<tr>
<td>Shadow Minister for Consumer Health</td>
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<tr>
<td>Shadow Minister for Information Technology</td>
<td>Senator Kate Lundy</td>
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<tr>
<td>and Sport</td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs</td>
<td>Senator Mark Bishop</td>
</tr>
<tr>
<td>Shadow Minister for Regional Services,</td>
<td>Gavan O’Connor MP</td>
</tr>
<tr>
<td>Territories, Local Government and Tourism</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Citizenship and Multicultural Affairs</td>
<td>Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Minister for Resources</td>
<td>Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing and Seniors and</td>
<td>Annette Ellis MP</td>
</tr>
<tr>
<td>Assisting the Shadow Minister for Family and</td>
<td></td>
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<tr>
<td>Community Services on Disabilities</td>
<td></td>
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<tr>
<td>Shadow Minister for Children and Youth and</td>
<td>Nicola Roxon MP</td>
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<td>John Murphy MP</td>
</tr>
<tr>
<td>Parliamentary Secretary (Manufacturing Industry)</td>
<td>Senator George Campbell</td>
</tr>
<tr>
<td>Parliamentary Secretary (Defence)</td>
<td>The Hon. Graham Edwards MP</td>
</tr>
<tr>
<td>Parliamentary Secretary (Northern Australia and the Territories)</td>
<td>The Hon. Warren Snowdon MP</td>
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<tr>
<td>Parliamentary Secretary (Attorney-General) and Manager of Opposition Business in the Senate</td>
<td>Senator Joseph Ludwig</td>
</tr>
<tr>
<td>Parliamentary Secretary (Arts) and Parliamentary Secretary (Primary Industries and Resources)</td>
<td>Sid Sidebottom MP</td>
</tr>
<tr>
<td>Parliamentary Secretary (Health and Ageing)</td>
<td>John Murphy MP</td>
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<tr>
<td>Parliamentary Secretary (Family and Community Services)</td>
<td>Senator Michael Forshaw</td>
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<tr>
<td>Parliamentary Secretary (Regional Development, Transport, Infrastructure and Tourism)</td>
<td>Christian Zahra MP</td>
</tr>
<tr>
<td>Parliamentary Secretary (Communications)</td>
<td>Michelle O’Byrne MP</td>
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<td>Parliamentary Secretary (Sustainability and the Environment)</td>
<td>Kirsten Livermore MP</td>
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The SPEAKER (Mr Neil Andrew) took the chair at 12.30 p.m., and read prayers.

COMMONWEALTH ELECTORAL AMENDMENT (REPRESENTATION OF TERRITORIES) BILL 2003

First Reading

Bill presented by Mr Tollner.

Mr TOLLNER (Solomon) (12.31 p.m.)—The Commonwealth Electoral Amendment (Representation of Territories) Bill 2003 is self-explanatory—it seeks to amend the Commonwealth Electoral Act to guarantee the Northern Territory a minimum of two voices to speak in this chamber for the loyal citizens that occupy one-sixth of our continent.

A second enabling amendment would give effect to that from the general election of 2001.

Mr Speaker, while this bill is firstly about the desire for better representation in federal parliament for Northern Territorians, it is, I believe, for all Australians a legislative move for nation building.

The Northern Territory has, for better or worse, always been a special case in Australia. The Commonwealth parliament has made special provision for the Territory many times in the past.

This chamber has recognised time and time again that it is its duty to make such provisions:

- in 1922, when parliament first enacted special legislation to allow the Territory to send a representative to attend Commonwealth parliament—albeit without the right to vote;
- in 1936, when parliament first allowed that member to vote in this chamber—although only on matters relating to ordinances of the Territory;
- in 1958, when the elected member for the Northern Territory was allowed to vote on any proposed law or matter relating solely or principally to the Northern Territory;
- in 1968, when the member for the Northern Territory was granted full voting rights;
- in 1975, when the Territory, along with the ACT, was allowed to elect two senators to the upper house;
- in 1978, when the Northern Territory gained self-government; and
- upon many other occasions over the past 102 years when the Commonwealth has enacted special provisions applying to the Northern Territory.

From the date of its inception in 1901 the Federation has recognised that Australia is such a large and diverse country that the principle of one person, one vote would disadvantage, even disenfranchise, the large and less populous regions of this great nation.

Thus was every state, at the time of Federation, guaranteed a minimum of five representatives and a Senate constituted of equal membership from the member states.

There is nothing in this bill that does not echo the precedents, purposes and intents of our constitutional forefathers. Indeed the bill confirms and continues the tradition of inclusive nationhood under Federation.

We in the Territory are few. By chance and misfortune in February this year the Australian Bureau of Statistics (which admits to a substantial margin of error) found us lacking in population terms by less than 300 people to qualify at the next election for two representatives.

The rigid application of mathematical formula, properly required of the Commonwealth Electoral Office, confirmed the Territory’s loss of a representative seat by a factor of less than 0.0025 per cent.
Population projections show that this is a temporary condition—by 2005 the Territory will again have the numbers to qualify for two seats.

This amendment to the act is no more than a bridging device that will carry the Territory across the momentary statistical glitch that threatens to again disadvantage the occupants of 1,346,000 square kilometres of the mainland.

Mr Speaker, Territorians do not seek unusual or inappropriate consideration.

We do not complain that we are not counted at the time of a national referendum in the same way that other Australians are counted.

We do not complain that we have no right to trial by jury, nor that the Commonwealth retains unusual powers within the Territory that it does not have in the states and that the states would not concede to.

We contribute, on a per capita basis, some three times the average export earnings of the states. Territorians have always punched above their weight.

I call on members on both sides of this House to recognise that this is not a plea for special treatment over and above that accorded to our fellow Australians. (Time expired)

Bill read a first time.

The SPEAKER—I believe the member for Solomon has an explanatory memorandum to table. I invite him to do so even though the time has expired.

Mr TOLLNER—I table the explanatory memorandum.

The SPEAKER—in accordance with standing order 104A, the second reading will be made an order of the day for the next sitting.
In such circumstances, the right to bargain collectively under this government’s laws can only be described as a fantasy.

There was a time when employees, faced with an employer’s refusal to bargain collectively and in good faith, could seek a remedy within the Australian Industrial Relations Commission—but that power has been stripped away from the commission by the conservative government. Effectively, thereby, it has compelled employers and employees to follow the law of the jungle, where the use of the destructive weapons of strike and lockout is now effectively the only game that can be played.

Now, in 2003, we have reached a point where even Justice Munro, of the commission, found in the Morris McMahon dispute that the employer’s conduct was ‘not a fair labour practice’ and ‘would merit sanction and prevention if relevant powers or defences were available’, yet he was forced to conclude that ‘no such power is available’. Again, so much for Australia being the land of a fair go under this government.

Labor’s bill will restore the powers of Australia’s independent industrial umpire to ensure that Australian managers and workers bargain in good faith. This bill is urgently needed to restore some fairness to Australia’s system of industrial relations. It is unquestionably in Australia’s national interests to have a mechanism to resolve an impasse in the bargaining process.

I have yet to meet with an employer or employee organisation that thought it was a good idea to remove these powers from the act. Labor’s bill will restore the ability of the independent commission to act as an umpire to break deadlock and to build trust between working Australians and their employers. Australians are tired of this government’s divisive approach to industrial relations, of its preference for conflict over cooperation.

Regrettably the Howard government has to date shown no signs of realising that Australians have an innate sense of fairness and want a government to facilitate that.

Yet the minister for workplace relations clearly has no idea of how to provide it. Just a week or so ago he told one Sydney radio commentator in respect of the Morris McMahon dispute: Sometimes people just don’t agree. Husbands and wives don’t always agree, and sometimes you just can’t resolve it.

That attitude is simply a cop-out. The government is neglecting its responsibilities.

All I can say is that, if the Howard government is incapable of listening to the battlers at Morris McMahon and other workplaces like it, perhaps it should listen to what former Prime Minister Robert Menzies said in 1970. He said: If the individual is to have social and industrial justice and to be guarded against what might become the tyranny of the strong, private enterprise must accept its duties, or even burdens.

The government seems to acknowledge that principle for everyone except Australian workers.

All we are seeking is that Australians be given a fair go, the right to negotiate and the right to negotiate collectively.

The only burden we are seeking to impose on employers is to put the umpire back on to the industrial relations playing field. It is fair, it is reasonable and it is supported by the overwhelming majority of Australians. (Time expired)

Bill read a first time.

The SPEAKER—In accordance with standing order 104A, the second reading will be made an order of the day for the next sitting.
Ms KING (Ballarat) (12.43 p.m.)—I move:

That this House:

(1) recognises the importance of the Western Highway to the economic well-being of the towns and cities along the highway;

(2) recognises that traffic congestion has increased with the development of housing estates at Deer Park, Burnside and Caroline Springs;

(3) acknowledges that the Western Highway has suffered from sustained financial neglect that has in turn compromised the safety and integrity of the road;

(4) further acknowledges that since 1998 there has been a total of 543 collisions on the Ballarat Highway between Anthony’s Cutting and the Western Ring Road with 14 resulting in fatalities and 254 collisions resulting in serious injuries; and

(5) calls on the Government to take steps to upgrade the Western Highway, including a commitment to the freeway standard link between the Western Highway and the Western Ring Road (Deer Park Bypass).

Through the heart of my electorate runs a national highway: the Western Highway. It is the principal road link between Melbourne and Adelaide, and it is the lifeblood of the state. It carries more than 40,000 vehicles daily between Melbourne and Ballarat, and up to 4,000 between Ballarat and the South Australian border.

The highway connects regional centres throughout western and northern Victoria and plays a key role in linking more remote communities to regional hubs. In terms of freight, the Western Highway is the second busiest national highway in Australia, with over five million tonnes of interstate freight movement annually, carrying around 4,000 commercial vehicles per day between Ballarat and Melbourne and over 1,000 per day between Ballarat and the South Australian border. Freight movement along the Western Highway includes: steel from Whyalla and Westernport; wool, meat, fruit and vegetables from Adelaide and Western Australia; grape juice and wine from and to South Australia; manufactured goods from Western Victoria and my electorate in Central Victoria—and the list goes on.

Transport efficiency along the highway directly impacts on the competitiveness of manufacturing and processing industries in Victoria and South Australia. Improvements to the Western Highway are critical if we are to increase production across the region. The Western Highway is also an important link for tourists travelling not only to Ballarat to visit wonderful attractions such as Sovereign Hill, Lake Wendouree and the Eureka Centre but also to the wineries of Great Western and Ararat or further on to Stawell for the annual Stawell Gift. Tourists also use the Western Highway to reach the spa resort towns of Daylesford and Hepburn Springs and to reach the Pyrenees wine region.

Tourism Victoria statistics show that in 1995 there was a total of 3.5 million visitors along the Western Highway corridor, with some 1.5 million overnight stays. In a study undertaken by Essential Economics in 2000, it was estimated that the elasticity in demand for tourism travel between Ballarat and Melbourne to be minus 0.75—that is, for every 10 per cent reduction in travel time, there would be a 7.5 per cent increase in travel. With an average trip from Melbourne to Ballarat taking 90 minutes, a five-minute reduction in travel time equates to a time saving of 5.6 per cent. This time saving would generate a 4.2 per cent growth in the number of trips, estimated to provide an additional annual spend of $1.5 million. Strong population growth in the outer Melbourne region of Melton and similar growth in Bacchus Marsh, Ballan and Gordon has had an impact.
on travelling times along the highway. Conversely, efforts to increase population growth in Ballarat are heavily influenced by travel times to work destinations in Melbourne. Improvements to the Western Highway are critical if we are to increase the population of Ballarat and all other towns along the Western Highway corridor.

Many parts of the Western Highway have higher rates of accidents and fatalities than other similar highways across Victoria. In the 31-kilometre stretch of road between Bacchus Marsh and the Western Ring Road alone, since 1998 there have been 543 collisions: 254 collisions resulting in serious injury and 14 resulting in death. You only have to drive along that stretch of road to see the large number of crosses that family members have placed to mark what has happened to people they love along that stretch of road. Although these memorials acknowledge the tragic loss of a loved one, they do not reflect the true economic cost of a road death.

Should a Western Highway traveller be seriously injured in a motor vehicle accident, the ongoing cost to the community is enormous. Loss of productivity, treatment costs, modification to the home and the workplace, rehabilitation and retraining all comes at a great cost.

According to research conducted by Sinclair Knight Mertz in 2001, improvements to the Western Highway will see increased population growth, increases in regional output, higher rates of regional investment, improved access to services and improved safety. Prior to the 2001 budget several major Western Highway projects had already gained federal government commitment but they represent less than 0.01 per cent of the funds required to fix the Western Highway. The councils of Brimbank, Melton, Moorabool, Ballarat, Pyrenees, Ararat, Northern Grampians, Horsham, Hindmarsh and West Wimmera—representing a total population of 380,000—have banded together to form the Western Highway Action Committee. The committee has identified two projects that are of immediate priority: the Deer Park bypass and the realignment of Anthony’s Cutting. The cost-benefit ratio of the Deer Park bypass alone is 3.8 and represents a higher cost-benefit ratio than the majority of projects the federal government has currently committed road funds to.

Despite all of these facts, the federal government, with whom rests 100 per cent responsibility for funding national highways, has subjected the Western Highway to years of financial neglect. One of the things that we suffer from is the politicisation of road funding. Every time during a state or federal election campaign that funding for a road of national importance is announced, it comes from the same bucket as funding for national highways. During the Aston by-election, the Scoresby was a case in point. Each time this occurs there are fewer funds available for the Western Highway and it gets pushed back and back on the agenda. As Commonwealth funding for Roads of National Importance has increased funding to the National Highway program has decreased. What we have seen happen time and time again is funding that is promised but not delivered for the Western Highway. The Western Highway remains under resourced and in need of upgrade and renewal. There was no money in the recent budget for the Western Highway and what we are seeing from the federal government is an abrogation of its responsibilities for maintaining and improving national highways.

In addition, the federal government has announced that it intends to change the way road funding operates. Under its road funding green paper, AusLink, the Commonwealth would no longer be responsible for funding 100 per cent of national highways. This would open up the requirement for local
councils and state governments to enter into partnerships, possibly with private companies, to build improvements to roads such as the Western Highway. This would open us up to the possibility of only being able to get our road funded via a partnership that would essentially mean road tolls. It seems hypocritical of Liberal federal members of parliament in the south-east of Victoria to be calling foul on the state government’s decision regarding Scoresby at the same time as saying it is okay for the Western Highway improvements to be funded via tolls. In my view, given that the state has made its decision and the Scoresby is going to be built, the federal government should stop playing politics and reallocate the $420 million that is now not needed to build the Scoresby. I, of course, will be advocating strongly that it should be spent in my local community on the Deer Park bypass.

My job is to advocate for my community. I think that the number of deaths and serious injuries along that stretch of road, and the highway’s economic importance to our district, mean that improvements to the Western Highway and in particular the Deer Park bypass cannot wait. It is all very well for the government to say it is a priority but saying it is a priority and actually doing something about it have to go hand in hand. If the Western Highway is to remain the ‘lifeblood of the state’, major works beginning with the Deer Park bypass are urgently required.

The SPEAKER—Is the motion seconded?

Mr Brendan O’Connor—I second the motion and reserve my right to speak.

Mr HAWKER (Wannon) (12.52 p.m.)—I commend the member for Ballarat for introducing this motion. As another member who has part of the Western Highway running through his electorate, I obviously want to see this upgrade, not just in the very important parts that the member has mentioned but in further parts, including the building of an overpass on the only railway crossing between Melbourne and Adelaide that still does not have an overpass; that is, of course, on the eastern side of Ararat.

I would like to say on this particular day, which is the 100th anniversary of the incorporation of the Ford Motor Co., that the fact is that we are more and more dependent on road transport, whether it be for passengers or for freight, and, clearly, the upgrading of roads continues to be a major problem. I know that the member for Mallee will be highlighting some of the problems that he has further west of the area that I represent. I would also like to commend the member for Ballarat for coming clean on the whole question of the tollway on the Scoresby Freeway. At long last, we have a member of the federal Labor Party prepared to admit that the state government has failed to deliver on its part of the deal and is now introducing a tollway. As we know, the state government has had to break not only a contract that it made with the federal government but also a very clear election promise that it made before the last state election about having the Scoresby Freeway as, in fact, a free way. As the member for Ballarat has highlighted, it should now release that $420-odd million that the Commonwealth had earmarked.

It is timely to say that there are other priorities in Victoria, particularly the Western Highway. It is significant to note that in the VicRoads National roads in Australia 2002: forward strategy 2003-04 to 2007-08, under the ‘Western Highway’ heading, references are made to the importance of upgrading the Western Highway. In the first dot point concerning further steps after the Deer Park bypass, in terms of the significant deficiencies that remain to be tackled, listed as No. 1 is the Ararat rail crossing. As it says:
On the national rail link between Melbourne and Adelaide, the only remaining level crossing of a major road lies on the Western Highway just at the east of Ararat.

It then says:

A study to determine the best long-term options and improve safety at this location is also of a high priority.

I would suggest that VicRoads and the state government have not really come to grips with the obvious problem there. It needs more than just a study: it needs action. That is something that I have been pressing for and it is something that the Ararat community have been pressing for.

It is worth looking at why we need to have an overpass over this last level crossing. Currently it is having some boom gates installed, but while I think that will assist safety that does not alter the fact that this is a serious area when it comes to major accidents. There have been three deaths there in recent times. This crossing takes two million vehicles a year. Five hundred thousand of these are trucks. When we talk to the locals, it becomes clear that there is a need for not only an overpass but also a realignment of the bypass road that runs just to the north of the main highway. The realignment is part of this, because that is where the most recent fatality occurred—not on the crossing itself but at the T-intersection just prior to the crossing. It is also very significant to note when we talk about the money that is actually being spent on the highway that the $13 million Armstrong bypass just west of Ararat—between Ararat and the Great Western Highway—funded by the Commonwealth is nearly completed.

Clearly, we have an opportunity to try to improve the highway. I think the points that the member for Ballarat made in support of upgrading this highway are very good ones, but I come back to my point that the state government now has to say that it will release that money, because, clearly, if it is going to put a tollway in, the Commonwealth’s contribution will be no longer required. (Time expired)

Mr BRENDAN O’CONNOR (Burke) (12.57 p.m.)—I rise to support this motion. It is a very important motion to the community that I represent. Before I touch upon the motion itself, I would like to respond to the comments by the previous speaker, the member for Wannon, on tollways. Not only does the Western Highway go through my electorate; so too does the Tullamarine and Calder Highway. As we know, the previous Victorian government imposed tolls on an existing freeway, not one yet to be constructed. It added one lane but actually tolls commuters on all three lanes. What we really do not need in this place is to get lessons from the Liberal Party and Liberal-National Party governments on the way to impose tolls, certainly not in Victoria.

Less than two weeks ago, the member for McMillan raised another betrayal in the area of transport: the failure by this government to deliver on its promise to help by funding half the construction cost of the Packenham bypass. The member for Ballarat’s motion today highlights the failure of this government in another district; a very important district in Victoria. This government has failed over many years to deliver the funds required to fix up what is, I would contend, the most neglected highway in Australia. When the funding for the Western Highway is compared with the funding in other states and within Victoria, it is clear that the Western Highway has suffered from sustained financial neglect that in turn has compromised the safety and integrity of the road. It also should be understood that the Western Highway was formerly part of the national highway and therefore is not a road of national importance, a RONI, and must necessarily, despite the comments of the previous
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speaker, on the other side of the House, be funded by the Commonwealth.

There have been great efforts by the member for Ballarat and indeed me and the member for Lalor and others to raise this issue in this place and also publicly. Indeed, as the member for Ballarat has already indicated, we have met with the Western Highway Action Committee, which represents many community groups and many councils mentioned by the member for Ballarat, and we have met with other organisations, including the Rockbank Action Group. What they are saying is that they are not asking for more than their fair share; they are asking for a comparable level of funding that will ensure their safety and the safety of the commuters of their communities and the safety of the commuters that transport through their communities, so that they are not any worse off or in any more danger than any other commuters in this land. The failure by this government to properly ensure that funding would go to the construction of the Deer Park bypass, to the construction required near Anthony’s Cutting and indeed to the flyover at Rockbank—a smaller work but one in some ways just as significant—is a major problem, and it is something this government has to confront. Clearly the minister has again failed to provide a decent level of funding to a very important link.

I have met also with the Caroline Springs Residents Association. Caroline Springs is a very fast-growing community on the Western Highway, and the people there are finding it increasingly difficult to get into or out of their community via the Western Highway. That same congestion is occurring throughout Deer Park. The Deer Park bypass commitment has been on the books for some time, and this government has pushed back further and further the delivery of that commitment. It has failed. There has been a fundamental breach of faith with regard to those communities—from the border all the way down to the municipality of Brimbank and including all the communities in between. They will not forget this. I will make sure they do not forget it. The fact is that this government has failed abysmally to provide a decent road and a decent and very important transport link to Ballarat and beyond. Most importantly, for me, it has failed to provide a decent link that will ensure that the communities of Caroline Springs and Burnside and Melton and Deer Park can properly go about their business without the dangers that arise from having a very unsafe transport link, dangers that are there currently. (Time expired)

Mr FORREST (Mallee) (1.02 p.m.)—I too would like to commend the member for Ballarat for bringing this important road to the attention of the parliament. This road is the spine of the Wimmera, and the amount of interstate and local traffic on it is just phenomenal. I am very proud to be part of a government that has made major commitments to meet all the needs of this road. There is a very poor fatigue zone from the South Australian border to Horsham, and this government has committed millions of dollars—more than $100 million since 1997—to that zone, in a range of projects that are currently funded or have commitments to be funded. I am going to run through those.

I was pleased to hear the member for Ballarat say something about the politicisation that goes on with road funding. Nothing appals me more than that process either. But that did not last long, and the member for Burke was back on the old theme. The fact is that this government have allocated over $700 million of extra funding to Victoria since we have been in government. A substantial amount of that is currently locked up in Scoresby so, like the member for Wannon, I am encouraged by the remarks the member has made that maybe we can keep stupid
politicisation out of this very necessary amount of expenditure that needs to be made.

The member for Wannon mentioned the railway underpass at Armstrong. This is an incredibly dangerous underpass where the record of fatalities is just phenomenal. The highway actually goes under the railway line, with abutments that are the same width as the bitumen. There is no room for error when negotiating your way through that hole in the wall, which is how it has been described for a long time, especially when there is a big B-double 18-wheeler coming in the other direction. It has an appalling record of fatality. This government committed $12.9 million to have that flyover replaced, and I understand the member for Wannon will be officially opening that flyover shortly. It is now completed and open to traffic.

I have been encouraging the government to focus on those parts of the highway that have very bad records of fatality, and $72 million has been spent between the South Australian border and Ararat, which is a very bad fatigue zone. The money has been focusing on where the accidents are happening and where those people have been losing their dearest and most precious, as the member for Ballarat put it. Let us remove the politicisation. The issue about the Deer Park section is an important one. Nowadays, in addition to safety, people are looking for the fastest access to the city, and that is a constraint at Deer Park. But already the government federally has demonstrated its commitment to a planning study of $320,000. That is just to decide where the alignment goes. That is the first part of the debate. The same thing is going on with regard to the Calder Highway as well. The first thing to do is to follow due process and get design established, and communities need to be consulted to get designs organised, and the government has demonstrated that it is committed to that process.

In the brief time that is available to me I would like to list a number of projects that I have been pleased to see the Commonwealth contribute to. Funding of $11.2 million has been provided for the Hopkins Road interchange, and there have been widening and rehabilitation works worth $30.2 million between Kiata and Kaniva, which I had the delight of opening recently. The community down there has been waiting a long time to have this important highway upgraded. In fact, I now get letters from my constituents complaining about the number of hold-ups and traffic lights because of the amount of funding that is being spent. That is the problem with road funding. How the funding is expended needs to be planned, because people object to being held up on the highway.

But I take note of the member for Ballarat’s concerns, and I will be joining her in advocating the need for commitments to continue to be made to the busiest highway in Australia. I will also be urging a positive response to road funding, which was this coalition government’s announcement in regard to roads of national importance. If the states cannot honour their commitment to fund what it is clearly their constitutional responsibility to fund, the Commonwealth has a good record in meeting the funding of these important infrastructure projects. I support the motion, and I reiterate: let us remove the politics from the debate. (Time expired)

Ms GILLARD (Lalor) (1.07 p.m.)—I rise to support the motion moved by the member for Ballarat and seconded by the member for Burke, and I commend their contributions to this House on this very important issue. We have heard a plea to take the politics out of road funding. If only that could be done. Day after day in this House we hear a lot of non-
sense from members of the Howard government about the Howard government’s commitments to road funding in Victoria. Sometimes we hear reference to the commitment that the Howard government made to the Princes Freeway. The Princes Freeway is another major roads issue for my electorate.

I would like to take this opportunity to record exactly what happened with the funding of the Princes Freeway. The then state Labor opposition committed to funding the upgrade of the Princes Freeway. In the 1998 election campaign, the then federal Labor opposition committed to matching that funding to ensure that the Princes Freeway upgrade could proceed. Some time later, the then state Liberal government, led by Premier Jeff Kennett, committed to matching the commitment of state Labor to the freeway. Some long time after that, the Howard government was dragged to the table, kicking and screaming, before finally agreeing to fund its half of the Princes Freeway upgrade.

That was a major issue of importance to my electorate. That history is well remembered in my electorate, as is the history of community campaigning that went into convincing this government that it ought to do the right thing by the Princes Freeway. We are now in a circumstance where the issue of the Western Highway is now the major roads issue facing the electorate. The reconfigured electorate of Lalor includes the community of Melton, which uses the Western Highway for transport into the city and for transport to Ballarat or beyond, if venturing that way.

As the members for Ballarat and Burke have said, there are three main areas of concern for the Western Highway—the Deer Park bypass, Anthony’s Cutting at Bacchus Marsh and the Leakes Road overpass at Rockbank. The road will be left in very poor condition without these important road projects being undertaken. We know already that there have been numerous deaths and serious accidents along this road because it is not in a safe condition. We know already that it is in a physical condition that users can tell is nowhere near up to standard. We know the road is already the subject of incredible congestion. Let me say on behalf of the Melton community, which is now in the electorate of Lalor, that the incredible congestion is very likely to get worse. Melton is one of the designated growth corridors in the development of the Melbourne metropolitan area. As a designated growth corridor, new housing estates are opening all the time. New families are moving in, and those new families will use the road. If it is a problem now, it will be an increasing problem in the future and it needs to be addressed.

When we have called on the Howard government to address this issue—and I note the member for Ballarat and the member for Burke have persistently made these calls—all we get is buck-passing. The federal Minister for Transport and Regional Services has received representations about this issue not only from members of parliament but also from the Western Highway Action Group. Despite those representations, whilst the Howard government holds out the prospect of getting around to these road projects some time in the future, it never makes a definite commitment to them. My call today to the minister for transport is to finally get serious about addressing the needs of my constituents in Melton, and constituents in Victoria more generally, who rely on this road, who are forced to use it in its current, unsafe condition and who are forced to confront issues of safety, time and the physical condition of the road every time they put their car on the Western Highway.

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

Cervical Cancer Screening

Ms HOARE (Charlton) (1.12 p.m.)—I move:

That this House:

(1) notes that cancer of the cervix is the eighth most common cancer amongst females;

(2) notes with satisfaction that as a result of the National Cervical Screening Program its incidence and mortality have been falling for many years;

(3) encourages all Australian women to undertake regular screening for cervical cancer;

(4) notes that although the Pap smear has been an effective screening test there is room for improvement;

(5) understands that many Australian women are choosing the more accurate but costly ThinPrep Pap test for screening; and

(6) urges the Minister to allow free access to the more reliable ThinPrep Pap test for all Australian women.

Cancer of the cervix is related to infection with the human papilloma virus. Many women are infected with one or more HPV genotypes, but less than two per cent develop cancer of the cervix. The time between infection and cancer detection can range from five to 25 years. In 1994, 1,121 new cases of cervical cancer were diagnosed. In 1996, 302 Australian women died from cancer of the cervix. In 1997, 795 new cases of cervical cancer were diagnosed. In 1996, 302 Australian women died from cancer of the cervix. In 1994, 1,121 new cases of cervical cancer were diagnosed. In 1996, 302 Australian women died from cancer of the cervix.

There is a new method of screening being accessed by Australian women which seems to provide a more accurate test and which requires the screening to be carried out every three years instead of two. Many Australian women are now opting for the more expensive liquid based cytology as an alternative to the pap smear. Several problems which occur with conventional smears are addressed by using LBC. The method requires the sampling device to be placed directly into a liquid fixative, instead of being spread onto a glass slide, which provides immediate fixation. This process reduces the incidence of drying and increases the adequacy of the specimen. Other factors which increase the accuracy of LBC over conventional pap smears are that it distributes the cells more evenly over the slide, reduces cells overlapping and decreases other background obscurities such as blood, which is often seen in the conventional methods.

The pap smear test is currently the only screening test that is publicly funded. Many leading oncologists from around the country have been lobbying Minister Patterson to allow the more accurate LBC method to be publicly funded as an alternative to the pap
smear test. Brisbane oncologist Dr James Nicklin, Secretary of the Australian Society of Gynaecologic Oncologists, has been reported as saying that liquid based cytology was as cost-effective as slide based pap smears and that it reduced the rate of unsatisfactory samples form nine per cent to about one per cent. This was also revealed by a new UK evaluation. Dr Nicklin also stated that replacing the pap smear with LBC would allow both the screening interval to be extended to three years and the testing for other STDs, such as chlamydia.

Dr Neville Hacker, Director of the Gynaecological Cancer Centre at Sydney’s Royal Hospital for Women, has said that a switch from the pap smear test to the new liquid based cytology, if it were accepted, could save the government up to $70 million over five years. It has also been reported and discussed that any government savings could be redirected to providing incentives to GPs to encourage the screening of those 40 per cent of women who do not undergo regular screening. Those women are mainly Indigenous women and women from non-English speaking backgrounds. LBC has been internationally accepted, with Scotland and the American Cancer Society adopting the method and the Welsh Assembly government undergoing a serious appraisal of it.

Last year the Medical Services Advisory Committee recommended to the minister that liquid based cytology not be publicly funded as an alternative to the pap smear. This prompted wide-ranging criticism of the minister and of the reasons provided by the MSAC. Dr Hacker has been reported as stating that there has been a conflict of interest within the committee, as many pathology laboratories have received remuneration for both Medicare funded pap smears and private payments for liquid based cytology for many women. Dr Hacker also responded to Minister Patterson’s explanation of why she supported the MSAC’s recommendation not to publicly fund LBC in the Medical Observer of 14 March 2003. He said:

Although the Pap smear has been a very effective screening test there is certainly room for improvement especially with respect to the rate of false negative and unsatisfactory smears.

He said he was surprised at the MSAC’s claim that there was insufficient high-quality evidence to suggest that liquid based cytology is better than the pap smear for cervical screening. Dr Hacker also stated that the scientific evidence relating to the ThinPrep pap test in particular is impressive, and the test was approved by the US Food and Drug Administration in 1996. Since then, more than 100 peer reviewed studies relating to the ThinPrep test have been published. Approximately half of the studies specifically evaluated the improved performance of ThinPrep with the pap smear and included more than 300,000 biopsy confirmed patients. While urging the minister to reconsider her position in the interests of the women of Australia, Dr Hacker said invasive cervical cancer is a preventable disease but the reason it remains a health issue in Australia is that 40 per cent of women do not avail themselves of regular pap smears. A more accurate test performed less frequently would result in considerable savings, which could be used to help recruit those women not currently being screened.

Another responder to Minister Patterson’s announcement was Dr Jonathan Carter, head of the Sydney gynaecological group at the Royal Prince Alfred Hospital and head of gynaecology services with the Central Sydney Area Health Service. In his response Dr Carter stated that the evidence is such that cervical cancer screening using LBC, and perhaps reflex HPV testing, is more likely to detect precancerous lesions than the standard pap smear and, importantly, to exclude patients with no risk of cervical precancer from
the need for colposcopic review. He also said the use of LBC testing incorporating HPV testing would readily identify those patients requiring further assessment and reduce the number of unnecessary colposcopes, with resultant health benefits for patients and cost savings for taxpayers. If liquid based cytology testing were accepted by the government, the evidence presented shows there would be savings from the first year. The saving would then increase to $25 million after the second year, to $50 million in the fourth year and to $70 million in the sixth year, based on evidence that women using liquid based cytology testing require screening only every three years as opposed to every two years with the pap smear test.

This motion also aims to encourage those women who do not currently undergo regular cervical cancer screening tests to do so. As I have stated, it is only one of the very few cancers where precancerous lesions are detectable and treatable. As there are no identified risk groups, we encourage all women between the ages of 20 and 70 to undergo regular tests. This is the only way we will be able to stop any Australian woman from dying of cancer of the cervix. I would encourage all members and senators to talk to their wives, daughters, and mothers to ensure that at least the loved ones closest to them undergo regular testing. I would also encourage members and senators to promote cervical cancer screening tests in their electorates through their newsletters, media statements and public appearances.

In conclusion, I join with those leading oncologists to urge the Minister for Health and Ageing, Senator Kay Patterson, to reconsider her decision not to allow the use of liquid based cytology in cervical cancer screening and to make the right decision for the health of Australian women. Also, in thanking my opposition colleagues for supporting me in this motion and in thanking members of the government for participating in this motion, I urge and encourage my colleagues on the government benches to request a briefing from ThinPrep—from either Di Ford or Marie Ficarra, and I can provide you with their contact details or arrange for the briefing myself—on the benefits of liquid based cytology over the 50-year-old pap test for screening for cancer of the cervix. We must act to save the lives of more Australian women.

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

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

Dr WASHER (Moore) (1.22 p.m.)—I thank the Member for Charlton for bringing to the House this important debate on cancer of the uterine cervix, as this is the eighth most common cancer in women. It is also noted that, as a result of the National Cervical Screening Program, the incidence of and mortality from cervical cancer have been falling for many years. In particular, I agree with the need to encourage all women in Australia to undertake regular screening using the pap test to detect the cytological changes indicating the possible presence of precursor lesions—lesions that could give rise to invasive disease if not removed. Thus, the main role of this screening test is to identify patients who require further evaluation and possible cervical biopsy.

Pap smear screening should begin when a female becomes sexually active or reaches 18 years of age and should continue annually for at least three years. If three or more pap smears are negative and the patient’s risk of cervical cancer is average, further testing can be performed at the physician’s discretion—perhaps every two to three years, although the optimal frequency in this situation has not been established. Continued annual pap
Cervical cancer is typically a disease of women in their fifth and sixth decades, whereas premalignant cervical lesions are often discovered in women younger than 40 years of age. This rather large gap in the age distribution between precursor lesions and invasive cancer is indicative of a long latency period for malignant transformation. Infection with human papilloma virus, HPV, most commonly subtypes 16, 18, 31, 33 and 35, is largely responsible for the development of precursor lesions and subsequent transformation to invasive disease. Not surprisingly, factors that predispose to transmission of this sexually transmitted virus are associated with an increased risk of the development of cervical cancer. A history of smoking and immunosuppression confers a high risk.

George Papanicolaou MD, from whom the pap smear derived its name, had a PhD in zoology. In 1943 Dr Papanicolaou, together with Herbert Traut, a gynaecologist, published ‘Diagnosis of uterine cancer by the vaginal smear’. This publication demonstrated how lesions could be detected in their preinvasive phase, creating a turning point in the management of cervical cancer, the most deadly form of cancer at the time.

No randomised controlled trials have been done in Australia demonstrating ThinPrep to be better than the normal pap smear. However, a US paper showed that ThinPrep decreased the amount of inconclusive pap smears in US women. In Perth, WA, Path-Centre, a large pathology unit, have demonstrated that ThinPrep has a 0.8 per cent better pick-up with high-grade lesions. They also noted that the unsatisfactory pap smear rate was lower using ThinPrep compared to using the normal pap smear—that is, it was 0.3 per cent compared to 1.5 per cent. ThinPrep was better with bloodstained and inflamed smears.

Scotland has moved to ThinPrep solely. Finland uses only normal pap tests but has total population compliance and has the lowest rate of cancer of the cervix at two per 100,000 of population. Western Australia’s rate is seven per 100,000. The Indigenous Australian rate is 14 per 100,000. ThinPrep requires demanding education for a screener and is much better performed by a computer, but huge costs are involved in computer screening. Finland’s experience shows complete compliance using normal pap tests is superior to ThinPrep used only in a selected population. In Australia money should definitely be put into achieving complete compliance using the normal pap test, as in Finland. ThinPrep should be used in bloodstained and inflamed smears.

The most common cancer of the cervix is squamous cell carcinoma, which generally originates at the transitional zone on the cervix. The second most common cancer is adenocarcinoma, originating in the endocervical canal. Skilled sampling of these regions when performing a pap test is critical. The big advantage of ThinPrep is that it is in solution—it uses liquid based cytology—which allows DNA testing to subtype human papilloma virus in patients with this infection and other venereal diseases such as chlamydia.

(Time expired)

Ms VAMVAKINOU (Calwell) (1.27 p.m.)—I was happy to second this motion by the member for Charlton, who is well known in this place for her passionate advocacy for women’s health issues. As has been said by the two previous speakers, cervical cancer is one the most preventable and curable of all cancers. However, it remains the eighth most common cancer amongst Australian women. Every year more than 1,000
women face diagnosis of cervical cancer, with over 300 dying from the disease.

A method for detecting cervical cancer in its early stages was developed in the 1920s by Dr George Papanicolaou. This significant screening procedure came to be known as the pap smear. It involves collecting cells from the cervix wall, placing them on a glass plate and sending them off to the lab for examination. Over the last 80 or so years the method and the nature of the test has changed very little, and it has in fact been a very effective test for screening for cervical cancer. As has been stated, up to 90 per cent of the most common form of cervical cancer can be prevented through early detection and early treatment. The operative word here is ‘early’, because early detection of any cancer is the key to maximising best chances of survival. As I said, the pap smear has served us all very well.

In 1991, the federal Labor government set up the National Cervical Screening Program. The incidences of cervical cancer and related mortality have been falling ever since. The program is one of our great national health success stories, encouraging Australian women to have pap smears every two years by educating them on the benefits of the regular tests throughout their entire lives. It is recommended that once women become sexually active they need to have regular two-yearly pap smears. Women should have their first check-up around age 18 or a year or two after first becoming sexually active. Pap smears should be regular, as chances of contracting the disease increase with age.

The success of the program was augmented through the 1998 national advertising campaign. The aim was to bolster screening rates and to raise awareness. State and territory statistical reports now show that the current national screening rate is approaching 70 per cent. The focus of the program was on women between the ages of 35 to 70, who were found to access screening less frequently than younger women.

The incidence and mortality from cervical cancer have fallen steadily from about 1992, with a drop in incidence of 6.2 per cent and a decrease in mortality of 4.2 per cent per annum. The preventative nature of the Cervical Screening Program works to maintain women’s health and prevents further medical and financial costs. Women undergo this test for peace of mind, but, like all tests, the effectiveness of the pap smear depends on the cytologist’s reading. Increasingly there is concern that the current manner of collecting cells and placing them on a film of glass does not offer cytologists the best and clearest scope for reading or analysing the cells. As a result, the margin of error can result, as has been shown in recent American data, in a large number of women being diagnosed with cervical cancer as a result of wrong diagnosis.

In recent years we have seen an extension of the standard pap smear develop into what is known as ThinPrep. Although direct examination of the cervix has not been replaced, technological advances have changed the way tests are conducted and screened. ThinPrep involves the collection of residual cells that would otherwise be discarded during the pap smear, floating them in liquid and sending them to the lab for examination. Doctors and cytologists agree that this method is far more effective because it provides better clarity. Cytologists can see the cells better and, therefore, the chances of accurate readings are increased and the chances of wrong readings are, of course, decreased.

Many Australian women are now choosing the more accurate but costly ThinPrep test for screening, but women who want their slides prepared for ThinPrep have to pay an
extra $20 for the service. The motion before us calls on the government to allow free access to the more reliable ThinPrep test for all Australian women. The test is endorsed by the medical profession, offers greater accuracy and, from what I am told by my own GP, is preferred by cytologists. In the long run, its wider use and application would have benefits for all.

Doctors do not see a situation, of course, where the ThinPrep necessarily replaces the pap test; it is just a case of giving women the opportunity to take advantage of advances in screening technology. Women must be given the freedom to choose the best possible care without the worry of financial constraints. As policy makers, we have a responsibility to facilitate access to improved medical practices and technology which are for the benefit of all Australians. I endorse the motion and call on the government to make this test available free of charge to all women.

Ms LEY (Farrer) (1.32 p.m.)—I rise to support the motion put forward by the honourable member for Charlton. The demand for programs to combat cervical cancer is strong. All across the developing world women’s health care providers regularly see women with advanced, incurable cervical cancer. Increased participation in cervical screening is important in reducing the number of women who present with this condition and the number who will ultimately die of the disease.

Screening to detect abnormalities has been available since the 1960s. In 1995 the National Cervical Screening Program was initiated and included the adoption of a national policy of two-year screening intervals, recruitment programs to encourage high levels of participation by Australian women, and special initiatives to promote high levels of participation among underscreened groups, including older women, women from culturally and linguistically diverse backgrounds, women from Aboriginal and Torres Strait Islander backgrounds, women of low socio-economic status and women who live in rural and remote areas. The last group is of particular interest to me and my electorate because in the far west of New South Wales we do not have the same access to screening and other health tests as is available to women who live closer to larger cities and on the coast.

The establishment of cervical cytology registries in all states and territories has been an important initiative because these registries promote the regular participation of women and the follow-up of women with abnormal pap smears. They assist with accurate reporting of pap smears by pathology laboratories and facilitate the evaluation and monitoring of the program. There is heightened awareness of the importance of the quality assurance cycle in the screening program, including the development of performance measures for laboratories that report pap smears.

Policy makers and providers in many developing countries are well aware of the toll that cervical cancer takes on women’s health and have attempted to develop workable approaches to reduce the morbidity and mortality associated with the disease. However, inadequate attention has been paid to client and provider education about cervical cancer and to the development of effective information systems. In the end it is every woman’s responsibility—where they can, where they have the education and where they have the information—to take their health as their own concern and to have regular tests.

Screening and the necessary follow-up care for gynaecological cancers are considered integral parts of reproductive health by a range of international organisations and were included in the program of action.
adopted at the International Conference on Population and Development. We know that cervical cancer is a significant reproductive health problem. Close to 200,000 women die from the disease each year. It is the third most common cancer worldwide and is the leading cause of death from cancer among women in developing countries.

The pathway to preventing cervical cancer deaths is a simple and effective one. When precancerous changes—which can linger for months or years—in cervical tissue are found and the abnormal tissue is treated, women will not develop this cancer. Screening and treatment services are cost-effective interventions when compared to expensive and often futile hospital based cancer treatments, and they can be integrated with various women’s health services at the primary care level.

Overall, it is quite clear that the incidence of cervical cancer can be reduced by appropriate screening, treatment and follow-up techniques. More specifically, to reduce morbidity and mortality, programs must increase awareness of cervical cancer and preventative health seeking behaviour among high-risk women, who are most often in their 30s and 40s; screen a high proportion of women in the target group at least once; treat all women with high-grade dysphasia; and collect service delivery statistics that will facilitate the ongoing monitoring and evaluation of program activities and outputs.

Cervical cancer, as we know, is caused by abnormal cellular changes and it is the only gynaecological cancer that can be prevented by regular screening. Failure to receive regular examination often eliminates the opportunity for early diagnosis by pap smear screening. The policy that was introduced in 1991 introduced the concept of considering cervical screening as a whole program rather than simply a test. Screening in Australia is one of the great public health success stories, as witnessed by the continuing dramatic fall in the incidence of carcinoma of the cervix and mortality from the disease since the introduction of the National Cervical Screening Program.

The motion talks about the ThinPrep pap smear—which enables more than 80 per cent of a woman’s sample to be preserved in alcohol—being sent to the lab where obscuring factors are filtered away, which gives a much clearer view of the cervical cells. Universal access to this technology will result in improved health benefits for all Australian women, increase productivity in pathology laboratories and make overall savings in the national health budget. I conclude by re-emphasising that women are responsible for their own health and, where they do have the information and the education, they need to seek out regular screening on their own behalf. (Time expired)

Ms HALL (Shortland) (1.37 p.m.)—It gives me great pleasure to rise to support this motion. In doing so, I would like to congratulate the member for Charlton on bringing this very important matter before the House today. This is a motion that focuses on public and preventative health; one that brings to the attention of the House the need for all women to ensure that they have proper screening in order to prevent cancer of the cervix. The word ‘cancer’ engenders fear in many people. It is a disease that is often treated as a death sentence, which in turn leads people to ignore symptoms or avoid having regular screening. That is deadly when it comes to this particular form of cancer. The one thing that is more important than anything else is to ensure that women have regular screening. Currently, the most common type of screening is the pap smear. It has served women very well over the years. Most cases of cervical cancer take up to 10 years to develop. The pap
smear has been able to very effectively diagnose any change in the cervix. Most cases of cervical cancer occur in unscreened and poorly screened women, which emphasises just how important it is for all women to undergo regular screening. This is a cancer that is very preventable, and the way to prevent it is by screening.

In 2001, there were 252 new cases of cervical cancer in New South Wales—that is, 1.8 per cent of all cancers in women in that state—and there were 82 deaths from cervical cancer. Based on 2001 figures, about 0.6 per cent of all females—that is one in 177—will develop cervical cancer by the age of 75. Remember, this is a preventable cancer. If all women were properly screened, this figure could be decreased dramatically. It is important also to note the age spread of the cases of women who develop cervical cancer. It is most predominant between the ages of 45 and 54. That is followed in predominance by the age group of 35 to 44. Very few women under the age of 25 develop cervical cancer.

The cause is unknown. It has been found that there is a correlation between the human papilloma virus and cervical cancer but not all women with cervical cancer have had the virus. Smoking also produces chemicals that may cause damage to the cells of the cervix. Having first sexual intercourse at an early age has been considered to be a cause, and having several sexual partners has also been considered to be a cause. Some women get cervical cancer without any of these factors being present, which brings me back to what I was saying at the beginning: the absolute importance of screening. If a woman waits until she has symptoms—such as vaginal bleeding between periods, longer periods, bleeding after intercourse, pain during intercourse, unusual discharge, bleeding after menopause, excessive tiredness, leg pain or swelling, and lower back pain—then quite often it is too late. They could also be symptoms of other diseases, so I think testing is very important.

I would like to touch on the other aspect of this motion: the ThinPrep test. This is a follow-on test from the pap test, which has served us so well. It costs an extra $20 for that service. I am prepared to pay that $20. I think it is more advanced in that the layers of the cell can be more easily examined. It is moving with technology. It is a very useful test. I congratulate the member for Charlton for bringing this important information before the House. (Time expired)

Mrs HULL (Riverina) (1.43 p.m.)—I would like to begin today by quoting a number of comments from a woman who was diagnosed with cervical cancer, as it raises the importance of education for women in preventing the incidence of this disease. Christine says:

Many women don’t understand exactly what a Pap smear is—that it’s actually aiming to detect something that’s pre-cancerous and stop it from becoming cancer. I don’t think I knew that before I was diagnosed with cervical cancer.

Christine is referring to the barriers that prevent many women from having a pap smear. She goes on to say:

As a member of a cervical cancer support group, I’m aware of all the barriers against women screening, but I’ve also seen the devastating impact this largely preventable disease has on women and their families.

Christine further states:

Women tend not to go to the doctor unless they are sick and yet the pap smear is a well woman’s test. It is a big shift in mind-set going to see a doctor to prevent getting sick one day. I know that some women with young children go to the doctor and they think, “I’ve got the kids with me, so I’ll have a Pap smear next time I come.” But next time never comes.

The aim of the National Cervical Screening Program is to reduce the incidence of and death from cervical cancer with a more or-
ganised approach to cervical screening. The national policy provides a set of guidelines on who needs to be screened and how often women should have a pap smear. These guidelines have helped enormously to increase the number of women being screened and to reduce the mortality rate of cervical cancer. The guidelines have also assisted in the education of women concerning this disease. This was the eighth most common cancer in women, as has been noted here. It has dropped to the fourteenth most common cancer in women, but it still remains largely misunderstood.

The SPEAKER—Order! It being 1.45 p.m., the debate is interrupted in accordance with standing order 106A. The debate may be resumed at a later hour and the member for Riverina will have leave to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS
Veterans: Health Services
Ms O’BYRNE (Bass) (1.45 p.m.)—As I rise to my feet, hundreds of disabled veterans, their families and supporters are outside Parliament House demonstrating against the Howard government’s failure to deal with the myriad of issues affecting their pensions and benefits. If I am not wrong, this matter is going to be touched on by another of my colleagues very soon. The reality is that this government remains prepared to send more Australians to armed conflict overseas. Equally real is that the government seems totally oblivious to the need to adequately provide for those service men and women and their families, as well as for those who have gone before them.

I visited the rally early this morning. They told me that they have taken this step because they have reached the conclusion that cabinet is just not listening to what they have to say. They want to know why the government has failed to honour its 1996 election promise to stop Centrelink treating TPI disability pensions as income. They want to know why the government has allowed TPI pensions to erode by around $60 per fortnight since March 1998. They want to know why the government will not benchmark the TPI pension as it does other major pensions. They also want to know why the wife and child of SAS Sergeant Andrew Russell, who died in the service of this country in Afghanistan last year, cannot get adequate compensation for their tragic loss.

What saddened me most of all was the fact that those who have served this country and who have suffered disability as a result look upon the government of this country as being ‘mean and tricky’. Like the ex-servicemen, their families and supporters outside today, I want to know why this government fails to treat them with the dignity they deserve.

Queensland: State Government
Mrs MAY (McPherson) (1.46 p.m.)—It was reported in the Gold Coast Bulletin last week that the Gold Coast is shaping up as a key battleground for the Labor Party at the next state election. There are seven Labor members on the Gold Coast. These seven are often referred to as the ‘silent seven’. The concern raised in the article was the low profile of these members and the fact that four of the seven seats are high risk. According to the Labor state secretary, Cameron Milner:

At the end of the day they, the silent seven, are part of the Beattie team and they are Peter Beattie’s local representative in their electorates but, ultimately, Peter is the Premier and the leader, and they have a huge amount of input and influence but, as a team, we get the leader to speak.

One of those at-risk seats is Mudgeeraba, held by Dianne Reilly, one of Peter Beattie’s local representatives. Just how much input and influence did Mrs Reilly have when it came to the location of the new Mudgeeraba
school and the enrolment boundaries, about which Mrs Reilly had admitted she knew nothing? Apart from the very real traffic problems that will occur in the area of the new school, local residents now find out there are unfair enrolment boundaries that will prevent local children from attending the school. Why wouldn’t the Mudgeeraba state seat be at risk when it has a member who does not represent the community or, indeed, the wishes of its residents, who were against the location of the school in the first place? It is very obvious that the state Labor member for Mudgeeraba has no input and no influence in Brisbane.

Qantas: Services for the Disabled

Mr EDWARDS (Cowan) (1.48 p.m.)—I am one of many people with a disability who rely on a wheelchair. For people like me, air travel with Qantas is often a stressful and worrying time. I know from my own experiences that, after being reunited with my chair following a flight, I often find the frame is bent, spokes are broken or wheels are buckled. Indeed, one wheelchair manufacturer in Perth tells me that a lot of his repair work comes from those who have recently travelled by air. If such damage is not enough, I find that you also need a great deal of patience as a person with a disability. We are always first on and last off, and often we are forced to wait—as I have on many occasions—up to 20 minutes for a wheelchair to arrive at the cabin door before we can alight from the plane.

These things I and other people with a disability do without complaint. But I have had enough. Last night for the second time in 12 months I arrived in Canberra only to be told that my wheelchair was still in Melbourne and would not arrive in Canberra for another couple of hours. I cannot understand how a company—an Australian company—is so incompetent that it can lose a person’s wheelchair not once but twice. Qantas enjoy a monopoly in our skies. They do not deserve it, and the sooner we get some decent competition the better.

I direct my remarks at the management of Qantas—not the cabin crew or ground staff, who are always pleasant and a delight to deal with. I direct my remarks at the management of Qantas, who think that the needs of people with disabilities are insignificant and that this is an area for constant staff cutback. I say to the management of Qantas: you are a disgrace.

Moncrieff Electorate: Gold Coast Medical School

Mr CIOBO (Moncrieff) (1.49 p.m.)—The Gold Coast is Australia’s sixth largest city, the fastest growing city for the past 30 years and, contrary to the trend in every other city in Australia, getting younger. The swelling of the younger demographic means there is increasing demand for tertiary study in our city—a cause I have championed since my first day in this parliament. Last Thursday, 12 June, the Minister for Health, Senator the Hon. Kay Patterson, travelled to my electorate to officially announce the allocation of 50 medical school places to Gold Coast City. This was a very important announcement on an issue I have been campaigning on since day one in this chamber.

I thank Senator Patterson for listening to our strong arguments and for acting in a decisive and expeditious manner, delivering for our region. I also thank Senators Brandis, Mason and Santoro for their support, as well as Margaret May, the member for McPherson. I congratulate Glyn Davis and his committed and wonderful team at Griffith University. I look forward to watching the development and growth of this new facility,
and I am sure it will bring many opportunities for Gold Coast residents in the future.

**Immigration: ChilOut Report**

Mr ORGAN (Cunningham) (1.50 p.m.)—On 27 May 2003, ChilOut, a group of Australian parents and citizens opposed to the incarceration of children in Australian immigration detention centres, released a detailed report on the treatment of children in those centres. This report had been presented to the minister and the Department of Immigration and Multicultural and Indigenous Affairs in February 2003. I seek leave to table this report.

Leave granted.

Mr ORGAN—The ChilOut report, entitled *The heart of the nation’s existence*, presents a litany of examples where ACM, the private firm which managed these detention centres, has failed to abide by the terms of its contract. This report clearly reveals that, when cases of abuse were revealed, the minister and his department failed to adequately police this contract—that is, they failed to enforce any sort of compassionate and rational quality assurance program. This report is a scathing indictment of the government’s handling of this issue, and it highlights the fact that mandatory detention must be halted immediately. Australians cannot stand idly by and witness the mistreatment of children, carried out in our name and on our behalf. Any child in detention is one child too many.

**Roads: Scoresby Freeway**

Mr BARRESI (Deakin) (1.52 p.m.)—This morning the Leader of the Opposition, in claiming victory, reinforced his desire to talk policy—to debate the policy issues that matter to the people. In the eastern suburbs of Melbourne—a region the Leader of the Opposition will be well familiar with—there is one overriding policy area of interest: Scoresby and roads. Last Tuesday a public meeting at the Karralyka Convention Centre, Ringwood, organised by my colleague the member for Casey and me, was attended by over 600 angry people. The question was often asked but never answered: what will federal Labor do with Scoresby? The people in my electorate are still waiting for the Leader of the Opposition to declare whether or not he fully backs the Bracks government’s betrayal in tolling the Scoresby Freeway, or whether he fully backs the Honouring of a contractual commitment between the Victorian and the federal governments. The coalition has committed $445 million for a Scoresby toll-free road. What will federal Labor do with this $445 million? Will it insist it be spent on the Scoresby or will it divert it to other parts of the state? Where is federal Labor on this vital policy area? Are we once again led to believe that Labor is a policy-free zone on the one issue that matters to the people in Melbourne’s east and south-eastern suburbs, an area partly covered by the member for Hotham’s own electorate?

**Greenway Electorate: Youth Ambassador Program**

Mr MOSSFIELD (Greenway) (1.53 p.m.)—I want to speak about an excellent program run by the Blacktown City Council that encourages young people to take an active part in community life: the Youth Ambassador Program. Each year two young people from local schools are selected to represent the youth of our city at major civic functions such as citizenship ceremonies, the city festival and youth functions throughout the state. I was fortunate to be able to attend this year’s selection function, where five young students addressed an audience of 100 local residents. The topic for discussion was the effect of the drought on regional and rural Australia. As expected, the standard was very high. The successful students were Karina Whelan from Nagle College and Tania Sadagehi from Blacktown Girls High School.
School. Karina and Tania are already working together on how they can best represent the youth of Blacktown. Collectively, they are drafting their first speech for the next citizenship ceremony, which will be held on Thursday, 19 June. I wish Karina and Tania all the best for the coming 12 months as youth ambassadors for the fastest growing and best city in Australia: Blacktown.

Bond, Mr Sydney Arthur

Ms GAMBARO (Petrie) (1.54 p.m.)—What do you give a man who has turned 107, has experienced three different centuries and is Queensland’s oldest man? He has already received certificates of congratulations from Her Majesty the Queen—twice—the Prime Minister, the state Premier and his federal member. But Sydney Arthur Bond, who turned 107 on 15 May 2003, is also a Slim Dusty fan. Given this information, my office set out to find some Slim memorabilia for Mr Bond as a surprise gift. Many believed it could not be done, but we were successful. Last Thursday, I presented Mr Bond with a framed autographed photo of Slim Dusty and an autographed copy of his book Another Day, Another Town. He was absolutely delighted by that. Mr Bond was born east of Roma, western Queensland in 1896 and married his sweetheart, Ivy, in 1929. He worked on the land for 45 years before moving to Woody Point in the Petrie electorate in 1975. He cherishes his four children, seven grandchildren and eight great-grandchildren. Mr Bond has led an amazing life in that he was 102 before he came to live in the Ozanam Villa nursing home. He loves a laugh and he even gave me the challenge to have Slim Dusty in person for his 108th birthday next year. Sydney Bond, on behalf of the Petrie electorate, I congratulate you on this outstanding milestone.

International Justice for Cleaners Day

Mr KERR (Denison) (1.56 p.m.)—First, I acknowledge the presence in the gallery today of a number of persons concerned about the interests of those who hold TPI entitlements. What I want to speak about today is International Justice for Cleaners Day. It is a campaign that lobbies employers and companies to provide better conditions for their cleaning work force. The campaign began in the mid-1980s in the United States, a country where there are large and growing numbers of working poor—people who work full time yet live below the poverty line, with barely enough money to feed and clothe their families. Sadly, this state of affairs is also present in the Australian community. The fact that the campaign is now a global one, and is extremely strong, tells us that the rights of low-paid workers are still not well addressed either by governments or by employers. The Australian leg of the campaign this year focuses on cleaning staff at Westfield shopping malls. The rights of low-paid workers are vital to the fabric of Australian society. I, and most members of this parliament, do not want to live in a society that does not value and respect the work done by those behind this campaign. That means we have to do more—and all within our means—to make sure cleaning staff have their rights and entitlements protected, so that we do not see Australia’s work force slip into the working poor society that is so tragically seen in the United States and that is so close to emerging in this country.

Wentworth, Hon. William Charles, AO

Mr KING (Wentworth) (1.57 p.m.)—I rise to express my condolences, and those of my electorate, at the passing of William Charles Wentworth yesterday. The antecedents of Mr Wentworth go back to the earliest days of the colony. William Charles Wentworth was one of the great pioneers and ex-
plorers of this nation, and his character of robust criticism and reformist tendencies is one that was inherited in full by William Charles Wentworth, deceased. Amongst his achievements in this parliament was the success in being elected for 12 successive terms and proudly representing the people of Mackellar—no doubt we will hear a little more about that in a moment. In particular, one of the achievements of Mr Wentworth was to promote the recognition of the Australian Aboriginal people, which led to the passing of the important referendum in 1967. Furthermore, he was also of great importance and moment in ensuring that single-gauge railways were properly recognised in Australia. He died aged 95. He is survived by his wife, Barbara, and children, grandchildren and great-grandchildren. It is my honour to note in this House his passing.

Oxley Electorate: Ipswich Hospice

Mr RIPOLL (Oxley) (1.58 p.m.)—The Ipswich Hospice care facility in my electorate is more than just a place that cares for the terminally ill; it is a place built by the community. It is a place that cares for people and their families through a dedicated staff and even more dedicated volunteer network. That support was demonstrated last Friday night with a fundraising art exhibition and auction, where some 46 works from local artists were put under the hammer. The evening was a tremendous success, raising many thousands of dollars and bringing together people that care for others. Special thanks need to go to the director of Ipswich Hospice, Jan Wilton, who did a splendid job on the night, and all her staff and helpers. Special thanks also need to go to Martin and Christine Sammut for the donation of the infamous Bodega restaurant champagne bottle and glass, which has been an Ipswich icon for decades. I would also like to thank our local media, the Queensland Times, and Ipswich’s own for their support of the event, along with Mathew and Vanessa Cobbin from Newtown Art gallery and local artist Gordon Hanley. The evening proved that through hard work, a solid community network and a vision amazing things can happen. The people of Ipswich dug deep into their pockets to ensure the night would be a total success. The people that will benefit from the Ipswich Hospice services are eternally grateful, as is the community that get behind this growing charity event every year. It is another one of the great institutions that has become legendary in and around the Ipswich region.

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

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Minister for the Environment and Heritage will be absent from question time today and for the remainder of the week. The minister is attending the 55th annual meeting of the International Whaling Commission in Germany. The Minister for Agriculture, Fisheries and Forestry will answer questions on his behalf.

I also inform the House that the Minister for Trade will be absent from question time today until 24 June inclusive. The minister is travelling to the United Kingdom and Switzerland for meetings on trade related issues. He will then travel to Egypt to attend a World Trade Organisation ministerial meeting and various bilateral meetings. The Minister for Foreign Affairs will answer questions on his behalf today, and the Minister for Immigration and Multicultural and Indigenous Affairs will answer questions on his behalf for the remainder of the week while the Minister for Foreign Affairs is overseas on ministerial business.
I will advise the House of further arrangements next week. The Minister for Ageing has been delayed and will not attend question time today. The Minister for Education, Science and Training will answer questions on his behalf.

SHADOW MINISTRY

Mr CREAN (Hotham—Leader of the Opposition) (2.01 p.m.)—I inform the House today that I have appointed the member for Werriwa as Manager of Opposition Business. I have also appointed the member for Lalor as the Deputy Manager of Opposition Business. I further advise the House that the Deputy Leader of the Opposition and shadow minister for employment, education, training and science will also serve as the acting shadow minister for health and ageing.

CONDOLENCES

Wentworth, Hon. William Charles, AO

Mr HOWARD (Bennelong—Prime Minister) (2.02 p.m.)—I move:

That the House record its deep regret at the death on 15 June 2003, of the Honourable William Charles (Bill) Wentworth, AO, former Federal Minister and Member of this House for the Division of Mackellar from 1949 to 1977, places on record its appreciation of his long and meritorious public service, and tenders its profound sympathy to his family in their bereavement.

The death of Bill Wentworth in Sydney on Sunday at the age of 95 removes one of the great political characters who have served in this House since World War II. Bill Wentworth was for most, but certainly not all, of his political career a member of the Liberal Party of Australia. He was elected to represent the division of Mackellar in 1949, and he held the seat of Mackellar until the 1977 election. He in fact resigned from the Liberal Party prior to the 1977 election and stood for the Senate at that election. Almost 20 years later, at the age of 87, he ran again for federal parliament as an Independent candidate in the by-election for the seat of Wentworth—which, of course, is the seat carrying the name of one of his illustrious ancestors—that followed the resignation of John Hewson, the former Liberal Party leader.

During the time that Bill Wentworth served in the federal parliament, he identified himself with many causes. By today’s standards, it would be quite impossible to categorise Bill Wentworth. He was certainly not an economic rationalist. He was a great believer in government intervention. He was a person who loathed what he regarded as the policies of globalisation. He wrote to me incessantly and often came to see me—as recently as less than 12 months ago—to rail against some of the policies now embraced by the side of politics that I am pleased to lead in this parliament. Equally, however, throughout his life he was a passionate believer in the cause of liberal democracy in the long struggle through the Cold War against communism. I do not think I have met in the federal parliament a person who was more passionate in his opposition to communism, a more stoic defender of the values, as he saw them, of Western civilisation in the years of the Cold War.

He was well ahead of his time in relation to many causes. More than any other individual within the Liberal Party, I believe he was responsible for persuading the then Holt government to hold a referendum in 1967 to remove unfair provisions in the Australian Constitution in relation to Indigenous people. He was a passionate advocate of removing the anomalies of rail gauges in Australia. His long campaign to standardise rail gauges across the huge Australian continent is something that all people who were around in the 1960s and early 1970s of Australian politics will remember.
Bill Wentworth was almost an occupational rebel within his own party. He was a constant critic of the Menzies government. He often rebelled against decisions of the Menzies government. He did not achieve ministerial preferment inside the Liberal Party until the election of John Gorton as Prime Minister following the death of Harold Holt at the beginning of 1968. He served as the first person specifically responsible for Aboriginal affairs in the Gorton government, a very significant first for which he deserves very special credit. Although losing responsibility for Aboriginal affairs after the resignation of John Gorton as Prime Minister, he did retain a ministry in the McMahon government, unlike some other members of the Gorton ministry who disappeared after the change in March 1971.

Bill Wentworth was born in Sydney on 8 September 1907. He was the eldest son of William Charles and Denise Wentworth and a descendant of D’Arcy Wentworth and his son William Wentworth, amongst the first explorers to cross the Blue Mountains west of Sydney. He was educated at the Armidale School and later at New College, Oxford, where he earned a Master of Arts. Upon his return to Australia he became an economic adviser to the New South Wales Treasury, from 1933 to 1936, during the term in office of the Stevens government. On 30 June 1935 he married Barbara Chisholm. In 1941 he enlisted with the Army Reserve and served as a captain with Headquarters 1st Division until 1942. Even during those times he displayed a streak of rebellion. It is recorded, I believe accurately, that he led a party which captured the police station at Waterfall, south of Sydney, in order to demonstrate the inadequacies of home defence.

In 1949 he was elected to the northern beaches seat of Mackellar, a seat—as I mentioned earlier—he held for a period of 28 years. He became a founding member of the Liberal Party of Australia and he served for many years on the New South Wales state executive. I, in fact, first made Bill Wentworth’s acquaintance in the early 1960s when I became a member of the New South Wales executive. In his colourful contribution to all debates, he never lost enthusiasm. No matter what issue was being debated, Bill Wentworth had a vigorous, colourful and always very interesting view. His maiden speech of 24 February 1950 was very interesting. He chose to speak about only one subject: resolving deadlocks between the House of Representatives and the Senate. It provides some very interesting reading. He was, through his long parliamentary career, an active member of several parliamentary committees—the House of Representatives Standing Committee on Aboriginal Affairs and the Government Members Committee on Rail Gauge Standardisation. He was also the parliamentary representative on the Council of the Australian Institute of Aboriginal Studies.

When I first became a member of this House in 1974, Bill Wentworth of course had ceased to be a minister—we were in opposition. But he was one of the most colourful people that I had the privilege of working with as a colleague. He was always an encouragement to new members in that he never lost interest in any subject that was being debated. He always had a view. He sometimes drove the whips crazy by talking without warning, but he always had something very interesting to say. It is impossible, I think, for anybody to say that they always agreed with Bill Wentworth, because Bill’s views were unpredictable. They were always passionately expressed. He was a person of enormous intellect. Many people would describe his views as eccentric, but nobody could regard him as a person who lacked enormous courage. He had a very strong commitment to his political values. He was
an interesting mixture of the conservative, the radical, the liberal and the illiberal. Depending on what the issue happened to be, Bill could often confound you. I found him, in the best sense of the word, an immensely likeable person. He gave an enormous amount to this country. He may have been the scion of what is regarded as one of the established families of Australia—he was nonetheless a powerful advocate of the cause of underprivileged people. Can I say on behalf of the Liberal Party we thank him for his great contribution to Australia.

We thank him for his passionate commitment to the cause of liberal democracy and anticommunism during the years of the Cold War, a battle that many members of this House remember with increasingly distant recollections but nonetheless something that consumed all of the passions in all of the interested people through the 1960s and into the 1970s. There was no stauncher defender of the cause of the West against Soviet communism than Bill Wentworth. There was no person more ready to identify what he saw as the threat of Soviet imperialism than Bill Wentworth. There was no person more ready to identify what he saw as the threat of Soviet imperialism than Bill Wentworth. He will be remembered for that and he will be remembered for his commitment to the cause of Aboriginal people. To his wonderful widow, Barbara—a delightful person who endeared herself to all who met her—and to their children and grandchildren, I extend the deepest sympathy on behalf of the Liberal Party of Australia, as a former colleague of his and as a person who regards him as having been a very fine Australian.

Mr CREAN (Hotham—Leader of the Opposition) (2.12 p.m.)—I join with the Prime Minister in expressing from this side of the House condolences for the death of William Charles Wentworth. He was a member of this House for 28 years and he was a minister for four years, Minister for Social Services and minister for Aboriginal affairs. His 28 years in the House coincided, all but two of them, with the years that my father served in the House. I can remember on many occasions as a young person being in the gallery in this chamber hearing Bill Wentworth rail forth. He was one of the most colourful and outspoken members to ever sit in this House. While many disagreed with his sometimes extreme views, he was respected for his honesty and for his energy.

His nephew, Mungo MacCallum, in the *Australian* today points out that during his days as an MP Bill Wentworth was both out of date and ahead of his time. Like his namesake and ancestor, the original William Charles Wentworth, he was at times both radical and reactionary—but he was never predictable. He was strongly—perhaps, we would argue, hysterically—anticommunist. But he was a visionary in championing uniform rail gauges for Australia. He also played a leading role in convincing his parliamentary leaders to conduct the 1967 referendum to include Indigenous people in the census. While it did take the election of the Whitlam government and later the Fraser government to make concrete gains for Indigenous Australians, William Charles Wentworth promoted equal rights for Indigenous Australians, William Charles Wentworth promoted equal rights for Indigenous Australians, supported moves towards granting land rights and helped shift the tone of national policy away from outright assimilation and towards integration.

He does take us back to an older era, when the federal government’s overriding concern was nation building. The Prime Minister talks about his antieconomic rationalist views, but he was a very strong advocate of nation building. That, in the current context, is an era whose time is coming again, as we have identified as part of our agenda for going forward. We on this side of the House would like to think that the radical side of William Charles Wentworth will carry his true legacy. Our condolences go out to his family: his wife Barbara, their four children,
Mr ANDERSON (Gwydir—Minister for Transport and Regional Services) (2.15 p.m.)—I rise to join the Prime Minister and the Leader of the Opposition in paying tribute to William Charles Wentworth, undoubtedly one of our most colourful and passionate politicians. He was a member, as has been noted here, of one of Australia’s most notable families, the great-grandson of the first William Charles Wentworth who crossed the Blue Mountains in 1815 and became a prominent colonial politician.

It is said that Bill Wentworth inherited many of his great-grandfather’s qualities: he was strong-willed, passionate and independent. They are all important qualities for a politician to have, but his ferocious views and his love of controversy meant that he only held ministerial office for a small part of his long political career. I did not know him but I got in touch this morning with Ian Sinclair, who was in cabinet during the period from 1968 to 1972 when Bill Wentworth was a minister. Ian remembers that Bill Wentworth insisted on personally writing his own cabinet submissions, thereby setting a high bar that not many of us, I dare say, were aware of, let alone seek to clear today. They were discursive, wide-ranging and idiosyncratic—something of a reflection of their author. He resigned from the Liberal Party in 1977 after a falling out with the Fraser government. He ran as an Independent for the Senate, and continued to press his ideas in the media—and with many of us—until late in his life.

He was a pioneer supporter of John Gorton and became Minister for Social Services and minister in charge of Aboriginal affairs. Ian Sinclair recalls that Bill Wentworth insisted on personally writing his own cabinet submissions, thereby setting a high bar that not many of us, I dare say, were aware of, let alone seek to clear today. They were discursive, wide-ranging and idiosyncratic—something of a reflection of their author. He resigned from the Liberal Party in 1977 after a falling out with the Fraser government. He ran as an Independent for the Senate, and continued to press his ideas in the media—and with many of us—until late in his life.

He believed passionately in our country and its future. He was a great Australian—of that there can be no doubt. Today, we honour his memory and express our sincere condolences to his family.

Ms MACKLIN (Jagajaga) (2.18 p.m.)—I join with the Prime Minister, the Leader of the Opposition and the Leader of National Party in recognising the achievements of William Wentworth. In particular, he will be
remembered by me for his very active role in correcting what has to be said to be the grave injustice that this nation inflicted upon our Indigenous people over the first 1½ centuries of our modern life. The former member for Mackellar was instrumental in convincing the federal government of the day to hold a referendum to include, for the first time, Indigenous Australians in the census. It was a groundbreaking, though very long overdue, move that paved the way for full citizenship rights for Aborigines. It says a lot about Mr Wentworth’s unconventional character that he is remembered for such an achievement.

A member of a very famous and wealthy family—and as a founding member of the Liberal Party—he nevertheless exhibited a very genuine concern for some of the most disadvantaged people in our community. This concern was borne out when Mr Wentworth became Australia’s first federal minister for Aboriginal affairs in the Gorton government. It was a portfolio that he took to with his customary energy and zeal until his commission was terminated by the incoming leader, Billy McMahon.

Mr Wentworth also showed himself to be ahead of his day, and certainly ahead of many of his Liberal colleagues, in his determined push to standardise rail gauges. It was thanks, in no small part, to his efforts that the Sydney to Melbourne line was standardised. As his nephew, Mungo MacCallum, wrote today:

These days it is easy to see Wentworth as something of a caricature of the old-style conservative ... But in fact his approach to domestic issues, especially national standards and Aboriginal affairs, was ultra-modern ...

I am sure that everyone in this House will remember him for these very significant contributions that he made to the most disadvantaged in our community.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Reconciliation) (2.21 p.m.)—Like the Prime Minister, I had the great privilege of serving in this parliament with the honourable William Charles Wentworth. I claim, amongst others here—I think, the members for Mitchell and Fadden—to be one of those who knew him well. He campaigned for me in my first election campaign, the by-election for Parramatta, in 1973. I recall it well when people mention a colourful individual because those who remember John Armitage, who was then the member for Chifley, would recall that he was equally colourful. Bill Wentworth took me in a truck with speakers on top and we found that John Armitage was already ensconced in the Ermington shopping centre. He proceeded to have a parliamentary debate up and down the streets of Ermington. I am not sure it was to the amusement of all those who were there. Yes, Bill Wentworth was colourful but Bill was a great Australian. He was 65 years of age when I entered the parliament and when he was campaigning for me. He would still be driving out into the Gibson Desert in a four-wheel drive vehicle with his wife, Barb. He moved later to Kuranda in north Queensland until Barb had a stroke and he had to move back to Sydney. The fact is that Bill Wentworth was still very much alive, vital and interested.

The hallmarks by which I remember him are first and foremost in the area of Indigenous affairs. Let me just say that, when I came into the parliament, the interest that I have now was not something that came with me—other than from the time that I had been at Tranby at the University of Sydney as a student. But Bill was keen to involve me in Indigenous affairs. He was a member of the House of Representatives standing committee with me, he promoted my candidature for
chairmanship of that committee and he sought out references for the committee. It is interesting that, just as the Prime Minister wants to see an emphasis today on domestic violence and its impact upon Indigenous people and Indigenous families—and Mick Dodson joins him in relation to that—the issue of substance abuse amongst Indigenous people was a top of the agenda item for Bill Wentworth at that time. As an Anglican, Bill was interested in the Church Missionary Society’s involvement at Oenpelli. He was seized by anger at the establishment of a site that was known as Robinsons Store, on the East Alligator River. Alcohol was purveyed to Aboriginals well away from the centre but had a most deleterious impact upon them.

Mention has been made today of his involvement in the referendum campaign in 1967, but for me his work to have established, and his later sitting on the board of, the Australian Institute of Aboriginal Studies was particularly important. The reason that I see it as being important is that it brought together the Strehlow collections and a lot of other anthropological data so that it could be secured and protected for the future. He continued to have an interest. He was there only a year or so ago for the opening of the institute’s new premises at the edge of Lake Burley Griffin and again later for the dedication of a monument in the grounds of the centre. Bill Wentworth had a great and abiding interest in the standardisation of railway, and in this he was very much ahead of his time. Those who allowed the situation to develop to where we did not have standardised railway were very much behind the times. People mentioned land rights, but Bill had also a keen interest in the development of mining; not just infrastructure but mining developments around Australia. He had an interest in the utilisation of mining to earn resources for Australia and to enable us to maintain our standard of living.

They were the three key issues that Bill pushed, but I notice in the obituary today by Mungo MacCallum that he records some of the issues of colour. Let me use two examples that I think reflect upon the unwillingness of people of Bill’s time to treat him seriously in relation to these issues. The first was in relation to the standardisation of railway. He had been the driving force but he was not invited to the ceremony by the government at that time. He was obviously hurt about that. Barb realised that, and as Mungo MacCallum recalls:

His indefatigable wife, Barbara, appeared on the platform instead, bearing a placard demanding: “Where’s Wentworth?” Its publication in several newspapers made the point.

There was to be a curious echo of such pettiness—
as MacCallum, not me, records—by the government of the day many years later at the anniversary of another of Wentworth’s great achievements: the referendum to include Aborigines in the census, which made it possible for the federal government to legislate on their behalf. Wentworth persuaded Menzies to agree to the poll, which was finally held under Harold Holt in 1967. It was a seminal moment in Australian history, yet Wentworth was again left out when the Labor government celebrated the referendum’s 25th anniversary in 1992.

I regard Bill Wentworth for the time that he was friend and from the time that he was foe as being an absolutely great Australian. He had a significant impact upon me and upon my interests in this parliament. I miss a great Australian, but I celebrate the fact that he had 95 years of life.

Mrs BRONWYN BISHOP (Mackellar) (2.27 p.m.)—Billy Wentworth, as he was known in the electorate, was a ‘49er. He was one of the ‘49ers who came in and swept to power with Menzies and he remained there for 28 years. He was recognised, finally, for his talents by Gorton and he served for four
years, as we have heard. He had a brilliant and an active mind. We know him as coming from a historically important family; from a family that included an explorer and newspaper proprietors. And, of course, it included Bill himself.

His passion was economics and mathematics. He died in his 96th year but, in his 95th year, while he was 94, he would still ring and say, ‘Let’s have lunch at the University and Schools Club.’ I would say, ‘Can I pick you up, Bill?’ ‘No,’ he would say, ‘I’ll catch the train to Wynyard and I’ll walk up the hill.’ We would meet up there and have a stimulating lunch. His well-known views on protectionism and mine—not being so well known—ensured we had always a vigorous conversation. But his love of mathematics went much further. He would engage in correspondence with all sorts of important dignitaries. On one occasion, he mentioned to me that he was engaged in correspondence with a particular professor concerning the method of calculating infinity. I said it was an active and inventive mind, and it was; it was a brilliant mind and a passionate mind.

As a commitment to the electorate, there was a proposal at one stage that Prince Alfred Parade and Hudson Avenue be joined together. Bill owned the estate in the middle, and he made damned sure that those two roads never joined up. Even when he sold the estate before they went to northern Queensland he ensured that embargoes and caveats remained on the land to prevent those roads ever being joined up in what he saw would be a speedway to Palm Beach.

His love for his beloved Barbara was legendary. In the electorate they were a couple. Everything they did was as a couple. He was a man who, when Bar had her stroke, wanted still to be together, and so he moved into the same aged care facility. He had a suite of rooms in the low-level part; she needed high-level care. But I well remember the last luncheon we had together. I went across to his rooms and Bar came up and we had drinks; we took sherry. We went down to luncheon, and again the conversation was stimulating, bright and characteristic of both of them. He was a man who stayed on the telephone and stayed in touch. His love of indulging in debate and making his point of view always heard was something that I will always remember about him. He is survived by Bar, which in itself is an irony, because they were an inseparable couple. He may have gone, but in her love he will still be with us. He was a remarkable man who led a remarkable life and he will be missed in my electorate.

Question agreed to, honourable members standing in their places.

The SPEAKER—I thank the House.

QUESTIONS WITHOUT NOTICE

Environment: Murray-Darling River System

Mr CREAN (2.32 p.m.)—My question is to the Prime Minister. I ask if he is aware that his 2001 Environmentalist of the Year, Professor Peter Cullen, together with his colleagues in the Wentworth Group, has called for an increase of a minimum of 1,500 gigalitres of environmental flows to restore the health of the Murray River. Is the Prime Minister also aware of reports that his agriculture minister has told irrigators that the final allocation of environmental flows to the Murray River will be closer to 200 gigalitres, not 1,500 gigalitres? Which position does the Prime Minister agree with—that held by the Wentworth Group or that held by his agriculture minister? Will the Prime Minister now adopt Labor’s plan to save the Murray River through our riverbank proposal to restore environmental flows?

Mr HOWARD—I thank the Leader of the Opposition for a question on an important
issue. My advice is that the 200 gigalitre figure referred to and attributed to the minister is a preliminary figure only. We have set in train a series of actions that will provide a solution to this challenge. The starting point is to get an effective system of water title rights, enforceable and recognised throughout the entire nation. Until that is done there is no fair long-term solution to this issue. The people of South Australia are entitled to a Murray River that flows effectively and certainly one that is much fuller than at the present time. Those who have to make a contribution to that in various parts of Australia can only be expected to make a contribution on two conditions. One of those conditions is that entitlements they have acquired over years if taken from them should be the subject of compensation and what is left should be covered by an enforceable title. That can only happen if there is cooperation between the Commonwealth and the states. We at the Commonwealth level do not control water title. We do not control the allocation of water. I would say to the Leader of the Opposition that, if he is serious on this issue, he will tell all his Labor mates as state premiers to cooperate at the COAG meeting later this year, when this matter will come on for discussion.

National Security: Terrorism

Mrs BRONWYN BISHOP (2.35 p.m.)—My question is addressed to the Minister for Foreign Affairs. In the light of recent terrorism arrests in Cambodia and Thailand, would the minister advise the House what Australia is doing to promote counter-terrorism cooperation at a regional level to address this serious security threat?

Mr DOWNER—I thank the member for Mackellar for her question and for her interest. We have been working tirelessly with our regional partners on the issue of counter-terrorism. Tomorrow I will be going to Phnom Penh for a meeting of the ASEAN Regional Forum, as well as the ASEAN postministerial conference later in the week. A very important component of the discussions in the ASEAN Regional Forum will be a focus on counter-terrorism. I remind the House that Australia recently co-hosted with Singapore an ASEAN Regional Forum workshop in Darwin on managing the consequences of a terrorist attack. I talked about this in the House on a previous occasion. The outcome of that meeting will be part of the discussions in Phnom Penh.

It is true that it would be quite wrong to claim that the battle against terrorism in our part of the world—in South-East Asia and the east Asian region more generally—is a battle that is won; it is far from won. There is a long way to go and there is still a lot more work to be done, but there has been an unprecedented level of cooperation between countries in the region, particularly on sharing of information, law enforcement and so on. This has not come quickly; it has come more slowly sometimes than we would have liked. But the House does not need reminding of the excellent cooperation between Australia and Indonesia, particularly on the Bali investigations. There is also very good cooperation now on the question of Jemaah Islamiah and its activities in South-East Asia, including Indonesia.

Recently I have been delighted that Cambodia has arrested three people suspected of having Jemaah Islamiah connections. On 11 June, Thailand arrested three people suspected of planning attacks against Western interests in Thailand at the time of the APEC Leaders Summit in October. One of the targets was alleged to have been the Australian embassy. We are delighted that the Thais have now taken action against Jemaah Islamiah. We have been very concerned about Jemaah Islamiah activities in Thailand, and on many occasions we have drawn our con-
cern to the attention of the Thai government. It is a good development that they are now taking decisive action against Jemaah Islamiyah.

We were reminded of the dangers just the other day, when a Thai national was arrested in Bangkok trying to sell radioactive material. According to media reports, the material originated in Russia and was smuggled through Laos into Thailand. Incidents like that not only reinforce the great dangers of terrorism but also remind us of the links between terrorism and weapons of mass destruction. The meeting this week of the ASEAN Regional Forum will coincide with the continuation of the Bali trials. Those two events should help our region to focus substantially on our continuing work on counterterrorism. As I said earlier, there is still a long way to go to win the war against terrorism in our part of the world, but enormous progress has been made.

Education: University of Western Sydney

Mr CREAN (2.38 p.m.)—My question is to the Prime Minister. I ask him whether he is aware of statements by the Vice-Chancellor of the University of Western Sydney that her university will lose $300,000 under the government’s inequitable university changes. Is the Prime Minister aware that two-thirds of the students at the University of Western Sydney—around 18,000 Australians—are the first-time members of their families to have attended and studied at a university? Prime Minister, how will universities such as the University of Western Sydney, whose students and their families cannot afford the $100,000 full fee, make up this funding shortfall that you have given them?

Mr HOWARD—As to the funding shortfall, I will check the claim made by the Leader of the Opposition—

Mr Crean interjecting—

Mr HOWARD—You sometimes verbal people, including some on your own side.

The SPEAKER—The Prime Minister will address his remarks through the chair.

Mr HOWARD—Let me say to the Leader of the Opposition that the claim implicit in his question—that, in some way, the number of HECS funded places will be fewer under our policy—is wrong. There will be more. The claim implicit in your question that students will have to pay $100,000 when they become entitled to a HECS place is wrong. The current situation is that 98 per cent of students who attend Australian universities are the beneficiaries of HECS funded places. There will be more HECS funded places under our scheme. We will give the same treatment, in relation to full fee paying students, to Australian citizens as we have for years to foreign citizens. I think that is fair, and I am amazed that the Australian Labor Party is opposed to it.

Economy: Business and Consumer Confidence

Mrs DRAPER (2.40 p.m.)—My question is addressed to the Treasurer. Would the Treasurer update the House on the state of business and consumer confidence? What are the factors helping to sustain confidence in the Australian economy?

Mr COSTELLO—I thank the honourable member for Makin for her question and her interest in economic policy. The recent NAB monthly business survey showed that, notwithstanding a very difficult international situation, business conditions rose by one point in May to an index of plus seven per cent. In addition to that, consumer confidence remains sound. The Westpac Melbourne Institute has indicated that consumer confidence is around 10 per cent above its long-term average, at 110. Last week, when the House was not sitting, the May labour force statistics showed that, for the month of
May, employment grew by 29,000 people; unemployment fell by 10,200; most of the job creation was in the full-time sector; and unemployment fell to six per cent. For the first time in a very long period of time, the Australian unemployment rate stands below that of the United States. The United States has a much more flexible labour market than Australia. It is generally assumed that that probably gives the US a two per cent edge against the Australian unemployment figures at the same point in a cycle. The fact that Australian unemployment is now lower than the United States, notwithstanding that structural inhibition we have in Australia, is indicative of the fact that the cycle has been much stronger here in Australia.

What could be done to create further job growth here in Australia? First of all, there is the issue of labour market reform. If the Senate would get out of the way—if it would pass labour market reform—more Australians could have jobs. That would be great for young Australians and home buyers. If the Senate would get out of the way, we could pass the government’s budget changes in relation to the Pharmaceutical Benefits Scheme and disability support pension. We could also heighten work incentives and start reforming the welfare system if the Senate would get out of the way and allow the government to get on with restoring economic confidence. Again, this would be one of the great things that would help sustain the Australian economy.

Notwithstanding that, in the midst of a very difficult international environment—a US recession, a downturn in Europe, the Japanese recession and SARS—the worst drought in 100 years and Senate obstructionism, this government has laid down a strong economic program that has kept more Australians in jobs than would otherwise be the case. It has kept lower interest rates than would otherwise be the case. It has allowed young Australians to buy houses, which otherwise would not have been the case. These are the pay-offs from good economic management, all of which have been opposed by the Labor Party. The best thing the Labor Party could do for economic management in this country is to get out of the way and let the government get on with the job.

Workplace Relations: Bargaining

Mr McCLELLAND (2.44 p.m.)—My question is to the Minister for Employment and Workplace Relations. Is the minister aware that the dispute at the Morris McMahon can factory, in my electorate, will soon enter its 15th week? Does the minister recall telling the Morris McMahon workers on 23 May:
You have every right to ask for a collective agreement. Every right in the world.
Is it the case that, under the government’s workplace laws, the employer can simply ignore their employees’ request? Is the minister aware that Labor’s good faith bargaining proposals would give employees a genuine right to seek a collective agreement with their employer? If the minister believes in the right of the Morris McMahon workers to genuinely bargain collectively, why won’t the minister make that right enforceable by supporting Labor’s proposals?

Mr ABBOTT—I thank the member for Barton for his question. Obviously, no-one likes strikes. The tragedy of this strike is that those workers who have listened to the AMWU are thousands of dollars out of pocket. That is because of this strike. I should point out that, while there are some workers still on strike, the majority of the work force of this particular factory are back at work under Australian workplace agreements which have been facilitated by the policies of this government. Yes, it is true that workers have every right to seek a certain sort of agreement. But employers have
every right to seek a different sort of agreement, and that is what our system is about. It is about facilitating choice.

Mr Bevis—Just say one word!

The SPEAKER—Order! The member for Brisbane!

Mr Bevis—Just one word!

The SPEAKER—I warn the member for Brisbane!

Mr Abbott—This government believes in an important role for the Industrial Relations Commission. The Industrial Relations Commission should be an umpire and not an adjudicator. The role of the Industrial Relations Commission is to ensure that the law is observed; it is not to try to settle every single dispute. If members opposite want to go back to the good old days of Bob Hawke riding in at the last minute to settle disputes, that is fine. But what this government has done under its system—a system which facilitates choice—is deliver more than one million new jobs, a 12 per cent real increase in full-time average weekly earnings and the lowest number of strikes since records were first kept, in 1913. That is the industrial trifecta for the workers of Australia.

Immigration: Visa Approvals

Mr Cameron Thompson (2.47 p.m.)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs. Would the minister advise the House on the number of visas granted under Australia’s orderly refugee and humanitarian resettlement program so far this year?

Opposition members interjecting—

The SPEAKER—Order!

Mr Ruddock—I thank the honourable member for Blair for his question, because Australia has a very charitable involvement—

Opposition members interjecting—

The SPEAKER—Order! The minister has the call.

Mr Ruddock—I reiterate what I said: Australia has a very charitable role in terms of resettling refugees in its refugee and humanitarian program. Something of the order of 12,000 places each year have been allocated. Of course, that program in the past has been reduced because of onshore claims—and I think members are well aware of that—but as at 31 May this year 9,811 offshore humanitarian visas had been issued. That comprises something in the order of 3,976 refugee places and 5,835 places in the special humanitarian program; 45 per cent of those went to people from Africa, 24 per cent to people from the Middle East and nine per cent to people from south-west Asia. That is a 50 per cent increase in the number of offshore humanitarian visas granted for the same period last year. Why has this happened? It has happened primarily because we have seen no boats arriving in Australia—none of substance—since December 2001. We are now able to offer more places to those who never have a chance to engage people smugglers and who confront us. We see those people coming through this program, with poor nutrition and high infant mortality, from camps around the world.

As a result of our policies, we have also seen a significant reduction in onshore protection places. This year 824 visas have been issued, and that is a 75 per cent reduction on the 3,776 onshore places that had been issued at the same time last year. Applications from people in Australia are also down significantly for this year. To the end of May they were down to 4,518. I have never seen
figures of that order in the time I have been minister, and I cannot remember when they have been that low before. It certainly compares very favourably with 8,122 for the same time last year.

Who are the winners in relation to this? The winners are refugees in the most deplorable situations abroad and, of course, the Australian taxpayer. We have been able to return something in the order of $467 million over four years as a result of the reduction in the number of unlawful arrivals. Contrast that with the programs that are spoken of by our opponents opposite, who want to set up a coastguard at a cost of half a billion dollars. They have other measures that add up to something in the order of $2 billion. While we have been delivering savings, they seem to be out there wanting to spend again.

Workplace Relations: Bargaining

Mr CREAN (2.51 p.m.)—My question is to the Prime Minister, and it also refers to good faith bargaining. Does the Prime Minister recall writing a letter to Premier Beattie on 4 June concerning arbitration in the sugar industry? The letter said:

... the Sugar Industry Commissioner will be unable to hear disputes in instances where one party is unwilling to participate in the arbitration process ... I would appreciate clarification on how growers can be protected from abuse of market power ...

Does the Prime Minister accept that all employees, as well as sugar growers, should be protected where an employer is abusing his or her market power by refusing to bargain collectively with them? Will the Prime Minister now support Labor’s good faith bargaining bill?

Mr HOWARD—The analogy that the Leader of the Opposition seeks to draw is not valid, because in the case of industrial relations there is no disadvantage test in relation to an Australian work force agreement.

Foreign Affairs: Weapons Trade

Dr SOUTHCOtt (2.52 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of recent international efforts to prevent the traffic of weapons of mass destruction and missile related items by rogue states?

Mr DOWNER—I thank the honourable member for Boothby for his question. I know he is very actively engaged in and interested in these issues. The government is very concerned about the possibility of weapons of mass destruction materials being traded internationally. Of course, it has happened over the years.

Australia is one of only 11 countries that took part on 12 June—that is, last week—in a meeting in Madrid to promote the proliferation security initiative, which is, initially, an initiative of the United States. That meeting strongly endorsed the need for new practical and imaginative measures to constrain trade in weapons of mass destruction materials. We are very happy with the way the meeting progressed.

The measures could include—and, at this stage, the proposals are somewhat speculative, because a great deal more work has to be done on them—the searching of transport planes and vessels and tightening of relevant domestic and international laws. Participants have agreed to meet again during the course of next month at a location yet to be determined.

The Madrid process complements very much the strong position Australia has taken over many years—and that includes the position taken by the previous government, not just by this government—to do all we possibly can to try to advance the nonproliferation agenda. This government brought to life the
Comprehensive Test Ban Treaty in September 1996 and the previous government was very active on the chemical weapons convention, and so the list goes on.

There has been a certain amount of speculation that this initiative—the Madrid initiative, as we might call it—is North Korea specific. It is not North Korea specific, but of course it is directly relevant to measures that are being taken or at least considered in relation to trying to stop the movement of weapons of mass destruction related materials in and out of North Korea. We had discussions during the course of last week with the United States and Japan in Tokyo on this very matter. The Australian delegation was led by the Secretary of the Department of Foreign Affairs and Trade, Dr Calvert.

Contrary to some speculation, Australia is not about to launch a blockade of North Korea, but we are looking at practical cooperation with key countries to deny North Korea further access to weapons of mass destruction related materials in and out of North Korea. We had discussions during the course of last week with the United States and Japan in Tokyo on this very matter. The Australian delegation was led by the Secretary of the Department of Foreign Affairs and Trade, Dr Calvert.

Mr Rudd—My question is to the Prime Minister and it concerns Iraqi weapons of mass destruction. I ask whether the Prime Minister recalls his statement of 30 May on radio when he said:

... they’ve certainly found and pretty clearly established to the satisfaction of the American agencies, that those trailers, two of them, were production facilities for biological weapons ...

Further, does he recall his statement on radio on 4 June when he referred to:

... those two trailers, which clearly were connected with biological weapons.

Is the Prime Minister now aware of a report in yesterday’s London Observer which said—

Mr Downer interjecting—

Mr Rudd—Settle down, Alex. The report said:

An official British investigation into two trailers found in northern Iraq has concluded they are not mobile germ warfare labs ... but were for the production of hydrogen to fill artillery balloons.

Does the Prime Minister today still stand by the accuracy of his 30 May and 4 June statements to the Australian people that these two trailers were part of an Iraqi biological weapons program?

Mr Howard—I thank the member for Griffith for his question. I assume that the report attributed to the London Observer is of a piece with the report in the Sydney Morning Herald this morning which says the same thing.

Mr Rudd—Only more extensive, Prime Minister.

Mr Howard—It sounds as though it says the same thing. As a result of reading that report, I had some investigations made through the Office of National Assessments, and I have been informed as follows. United States and United Kingdom intelligence agencies have concluded that at least one of the three vehicle trailers found in Iraq is a mobile biological weapons production facility and closely matches the description given to the United Nations Security Council in February by the Secretary of State.
Let me take the opportunity of saying this to the member for Griffith and to all members of this House: I, and the government I lead, remain intensely proud of what Australia did in relation to Iraq. I do not in any way retreat from the justification that I provided on behalf of the government for our entry into the war against Iraq. The legal justification for that entry was, of course, the non-compliance by Iraq with UN Security Council resolutions. I also sought—to a lesser degree but, nonetheless, importantly—to justify our involvement in terms of the importance and the centrality of the American alliance.

I note also, relevantly, that yesterday on the Channel 10 program the member for Brand expressed the view that perhaps in the end evidence of weapons of mass destruction would be found, which seems to run a little counter to the cacophony coming from the current frontbench of the Labor Party. I go on to say that I remain confident that the coalition’s investigations will uncover the full extent of Saddam Hussein’s WMD programs. Patience is needed as the process of investigating more than 1,000 suspect sites will take time. It will also require time to encourage the Iraqis involved in the program to come forward.

The intelligence community in Australia was firm in its assessments of Iraq’s WMD status. The Office of National Assessments remains confident in the judgment that there was a WMD capability in Iraq in the lead-up to the war and is continuing to assess the scope and the nature of that capability in the light of post-conflict investigations. Let me repeat: this country did the right thing in joining the Americans in waging war against Saddam Hussein’s regime. Those from the opposition who now seek to denigrate what this government and this country do are, in effect, calling for the restoration of Saddam Hussein as the ruler of Iraq.

Environment: Murray-Darling River System

Mr Forrest (3.02 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry and it goes to the announced Living Murray initiative, about which there is considerable community debate. Would the minister advise the House of progress with this initiative? Could he also advise what environmental benefits for the Murray River have already been achieved? Is the minister aware of any alternative policies?

Mr Truss—I thank the honourable member for Mallee for his question. He and other members who represent electors who live on the banks of the River Murray are very conscious of the importance of having a healthy River Murray. It is very much the lifeblood of a significant proportion of Australian agricultural wealth, but also rural and urban communities are critically dependent upon this river system. We are committed to having a healthy Murray system not only for the two million people who benefit from and use its water but also for the 40 per cent of Australia’s agricultural wealth that comes from that particular region.

The Living Murray initiative is a plan to improve the health of the Murray-Darling river system by increasing environmental flows in that system. The Commonwealth has been working with the states in a process of community consultation to look at the environmental, social and economic implications of various options that might be considered in relation to increasing the levels of environmental flows. When we make those assessments it is important that we look at what can be achieved for the amount of water that is available, the cost of those proposals and how that cost is actually going to be met. There are many communities and regions in which livelihoods are dependent on
that decision, and it is appropriate that they should be effectively consulted about that process.

We have already spent a considerable amount of money on improving the quality of the River Murray system—more than $60 million on new salinity management initiatives and $33 million on salt interception schemes—and a significant proportion of the $4 billion for the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust will be spent on those particular regions.

The honourable member for Mallee asked whether there are any alternative policies. I heard the Leader of the Opposition throw a number around a few months ago and again today but, frankly, I would have to say there are no alternative policies. The Leader of the Opposition went to the River Murray mouth and said that he is going to provide 1,500 gigalitres for environmental flows. He did not say what he is going to use it for. Is it all going to be used for flushing out the mouth? The honourable member for Mallee, who is an engineer, would have a better idea than the Leader of the Opposition as to whether that is a practical idea or not. The Leader of the Opposition has not done any engineering or hydrological studies to know whether that would do any good. Is he going to remove all the barrages from the system to enable all this water to get down? If so, what about the towns and the regions that will be flooded as a result of his decision to take this action unilaterally? Or is he going to put the water towards some of the 30,000 wetlands in the system that would like to have improved water flow? You do not have a policy when you do not even know what you are going to do with the water.

The next question obviously is: where is the water coming from? The Leader of the Opposition might think he can walk on water after this morning, but I do not think that even he thinks he can just command it to fall from the sky. If you are going to have 1,500 gigalitres extra going down the River Murray, where is it going to come from? Is he going to take it from the water supply for the people in the city of Adelaide or in the country towns, or from the industries that use it, or is it all going to come from the farmers? Are they going to have to give up the 1,500 gigalitres? And, if that is the case, how are you going to pay for it? Where is the money put aside for this significant new initiative?

The South Australian government have just introduced a new tax that they say is going to improve the health of the Murray, but that tax would have to run for more than 500 years to pay for 1,500 gigalitres of water. So where are the opposition going to get their 1,500 gigalitres from? Where is the money coming from? This is the policy: Labor are going to provide 1,500 gigalitres for the Living Murray initiative, but they do not know what they are going to use it for, they do not know where it is coming from, and they do not know how they are going to pay for it. If that is the best they can do for policy, it takes us back to the 13 years when they did absolutely nothing.

Honourable members interjecting—

The SPEAKER—Order! I probably should declare a vested interest in any question on the River Murray, but it irritates me, even if I did not have that interest, that I should actually find myself in a situation in which I am struggling to listen to an answer in which everyone in this room has a vested interest.

Iraq

Mr CREAN (3.07 p.m.)—My question is to the Prime Minister. I refer to media reports that a former senior analyst in the Prime Minister’s own intelligence agency—the
Office of National Assessments, ONA, which he referred to before—has been asked to give evidence before the United Kingdom’s House of Commons Foreign Affairs Committee inquiry into the conduct of the war in Iraq. Does the Prime Minister share Mr Wilkie’s assessment that the threat from Iraq’s weapons of mass destruction program was exaggerated before the war and that the suggestion of a link between Saddam Hussein and al-Qaeda terrorists was concocted? Will the Prime Minister now agree to Labor’s demand for a full independent inquiry into intelligence information concerning the war in Iraq?

Mr HOWARD—The answer is no.

Opposition members interjecting—

The SPEAKER—I have already asked that the Prime Minister be heard in silence.

Mr HOWARD—By way of further elaboration: Mr Wilkie of course is perfectly entitled as a private citizen to appear anywhere he wishes, and he is not in any way barred from giving his views. I do not share his views, and those views are not shared by the organisation he used to work for. I should refer the Leader of the Opposition to a statement made by the Director-General of ONA at the time of Mr Wilkie’s resignation in March when Mr Jones, who is the director-general, pointed out that Mr Wilkie had been an analyst working mostly on illegal immigration issues and in a branch that was not responsible for ONA’s coverage of Iraq.

In supplementation of the question asked by the member for Griffith, I might also specifically say, in relation to the media report claiming UK officials believe the suspect BW vehicles were for hydrogen gas production, that on investigation with our agencies I have been told that Australian agencies are not aware of any UK official view that gives any credence to these media reports.

**Education: Higher Education**

Mr TOLLNER (3.10 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House what the federal government is doing to maximise opportunities for seven out of 10 young people who do not go directly to university from school? What is the government doing to ensure these opportunities continue?

Dr NELSON—I thank the member for Solomon for his question. I had the privilege of being in Solomon last week, and in the suburb of Winnellie in Darwin we saw an outstanding program run jointly by the Territory Construction Association and the Northern Land Council in relation to the Alice Springs-Darwin railway line. Under this program, 1,200 Territorians have received formal training, 350 of whom were Aboriginal Territorians receiving training specifically in construction and civil engineering from certificate 1 through to certificate 4. Further to that, not only was that program supported by significant Commonwealth funding this year of $684 million in total to support new apprenticeships and training, but also the industry services training organisation has taken two lots of 15 Aboriginal Territorians recommended to it by the Northern Land Council and is putting them into a pre-employment training program for five to six weeks. This will enable those Indigenous Australians to go from having no skills at all to having formally recognised training that they can take to any part of Australia, having done their pre-employment program up to and including certificate level 3 in engineering and construction.

It is interesting that, when I visited the men who were working on the Alice Springs-Darwin railway, a couple of hours drive south of Darwin, I did not get many questions, as they toiled away, about their con-
cern for vets, dentists and lawyers and the kinds of HECS debts they might face. I can tell you that their concerns were far more fundamental than that.

On Friday, the National Council for Vocational Education Research released the latest data on this government’s initiatives in relation to apprentices and training. We have now got 391,000 Australians—54 per cent of them under the age of 25—in apprenticeships and training. That is 15 per cent growth in the last year. Commencements were up 264,000, which is a 14 per cent increase.

Ms Gillard—How many completions?

Dr Nelson—I am coming to that. Most importantly, there were 118,500 completions—that is, a 19 per cent increase. Four per cent of the commencements are now school based, and 37 per cent of all those in training are women—and it is increasing. Behind all of that data are the lives of everyday Australians, young people in particular.

This government has also just announced and offered to the states $3.6 billion to support training over the next three years. On Friday in Darwin, the states and territories agreed to discuss in detail the proposition that we will be further expanding training over the next three years. If the Labor Party wants to reflect on the problems it has, it should reflect on this: in 18 months I have had 17 questions without notice on universities and one on apprenticeships and training. Reflect on it!

Iraq

Mr Rudd (3.13 p.m.)—My question again is to the Prime Minister. I refer to his statement to this parliament on 4 February 2003 where he quoted from the British dossier on Iraqi weapons of mass destruction. He said:

Iraq continues to work on developing nuclear weapons. Uranium has been sought from Africa that has no civil application in Iraq.

Has the Prime Minister seen reports that this particular charge rested on forged documents relating to the alleged supply of 500 tonnes of uranium from Niger; documents purportedly signed by the foreign minister of Niger, Alle Habibou, in October 2000, although Mr Habibou had left his position as foreign minister more than a decade prior to that?

The Speaker—The member for Griffith must be aware of the obligation he faces not to introduce argument into questions. I will listen to his question closely.

Mr Rudd—I respect that, Mr Speaker. Does the Prime Minister today still stand by the accuracy of his 4 February statement that Iraq had sought to acquire uranium from Africa? With two inquiries running now in London and two in Washington on Iraqi weapons of mass destruction intelligence, is it not time now for your government finally to agree to hold an independent inquiry here in Australia?

Mr Howard—I have already indicated our attitude to an independent inquiry. I do recall reading reports in relation to one of the British documents. As to the relationship between that and my February statement, I will have a look at both of the documents. But nothing can alter the fact that this country—

Mr McMullan interjecting—

The Speaker—The member for Fraser will withdraw that statement.

Mr McMullan—I am pleased to withdraw it, Mr Speaker.

Mr Howard—Nothing can alter the fact that this House resolved to support the government’s decision to join the coalition against Saddam Hussein, legally based upon the noncompliance of Iraq with resolutions of the Security Council of the United Nations relating to weapons of mass destruction. That was the legal justification. I remain totally of
the view that that legal justification was sound. The moral justification for taking part is even sounder, and that moral justification has been reinforced by the successive discovery, since the end of hostilities in Iraq, of the atrocities practised by Saddam Hussein—atrocities that exceed in their magnitude manifold the casualties that were involved in the military operation.

Ms Jackson interjecting—

The SPEAKER—The member for Hasluck!

Mr HOWARD—Nothing can wipe away the fact that all of the doomsday—

Mr Sidebottom interjecting—

The SPEAKER—The member for Braddon!

Mr HOWARD—forecasts of those who sit opposite: the flooding of the Tigris-Euphrates valley, the hundreds of thousands of refugees and the hundreds of thousands of deaths forecast by the member for Fremantle—

Mr Rudd interjecting—

The SPEAKER—The member for Griffith!

Mr Sidebottom interjecting—

The SPEAKER—I warn the member for Braddon!

Mr HOWARD—On top of that, another issue has clearly emerged. Despite the terrible bloodshed that continues in the Middle East, the determination of the United States administration—born out of their successful prosecution of the war in Iraq—has now given those in the Middle East who want a peace settlement greater hope than we have ever had before. That is one of the bonuses of that military operation. I know those who sit opposite rail against the decision that was taken by the government. Go on railing against it, because you are railing against the judgment of your fellow Australians. You go on railing against it—

The SPEAKER—Prime Minister!

Mr HOWARD—Let me make this very clear, Mr Speaker: the judgment that we made in relation to the intelligence—

Mr Wilkie—No evidence—that is clear.

The SPEAKER—The member for Swan is warned!

Mr HOWARD—was based upon assessments properly made without any kind of improper influence by our intelligence agencies. They were judgments honestly made by, amongst other things, an organisation—the Office of National Assessments—that celebrates its 25 years of existence today. We went to war in a just cause, on a proper legal basis, to liberate an oppressed people, and I remain eternally proud of the role played by the Australian military forces and this government in the liberation of the people of Iraq.

Ms Jackson interjecting—

The SPEAKER—The member for Hasluck will excuse herself from the House!

The member for Hasluck then left the chamber.

Mr Rudd—Mr Speaker, in seeking to pursue the truth on this matter, could I seek leave to table reports from the Australian Financial Review on the question of the uranium link with Africa and from the Washington Post, quoting CIA reservations on the uranium matter—

The SPEAKER—The member for Griffith will indicate the documents, not detail what they have in them.

Mr Rudd—and further reservations from NBC quoting Condoleezza Rice expressing reservations on the uranium matter.

The SPEAKER—The member for Griffith will resume his seat. Is leave granted?
Mr Rudd interjecting—

The SPEAKER—The member for Griffith!

Mr Rudd interjecting—

The SPEAKER—I warn the member for Griffith!

Workplace Relations: Secret Ballots

Mr BARTLETT (3.19 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of the government’s commitment to requiring secret ballots before strikes? How can secret ballots help resolve difficult industrial situations? Is the minister aware of any alternative policies?

Mr ABBOTT—I thank the member for Macquarie for his question, and I can tell the member for Macquarie that the reduction in strikes is one of the most significant achievements of the Howard government. The strike rate today is just one-third what it was in 1996 and just one-thirtieth of what it was in the early 1980s. Strikes cost jobs, they damage industries and they jeopardise investment. The real victims of strikes are normally the ordinary workers, who lose hundreds and sometimes thousands of dollars in pay while strike organisers—the union officials—keep getting paid. Strikes should be the weapon of last resort, not first resort, in industrial disputes.

The government believe in industrial democracy. We believe in democracy in the workplace. Workers should not be railroaded or intimidated into strikes they do not support. Workers and not union officials should make the decision to go on strike, and that means there should be secret ballots before strikes. The Leader of the Opposition is a convert to the cause of secret ballots. When his leadership was being undermined by people who did not know the meaning of loyalty, he decided that he supported secret ballots. He decided that he supported secret ballots, and 58 lemmings cannot be wrong.

Mr Latham—Mr Speaker, I rise on a point of order. Under standing order 145, the minister has clearly strayed a long way from the question, Mr Speaker.

Mr ABBOTT—I was asked about secret ballots. I simply put it to the Leader of the Opposition, who has just been supported by people who have gone for the union candidate rather than the people’s candidate—

Mr Latham—Mr Speaker, I rise on a point of order. The minister is deliberately defying your ruling. The question made no mention of—

Mr ABBOTT—A rooster would do better than the member for Werriwa in this position.

Mr ABBOTT—Order! The member for Werriwa will resume his seat. The minister will return to the question.

Mr ABBOTT—I was asked about secret ballots. I simply put it to the Leader of the Opposition, who has just been supported by people who have gone for the union candidate rather than the people’s candidate—

Mr Latham—Mr Speaker, I rise on a point of order. The minister is deliberately defying your ruling. The question made no mention of—

Mr ABBOTT—A rooster would do better than the member for Werriwa in this position.

Mr ABBOTT—Order! The member for Werriwa will resume his seat. The minister will return to the question.

Mr ABBOTT—A rooster would do better than the member for Werriwa in this position.

Mr ABBOTT—Of course, Mr Speaker, and I apologise if you think I have transgressed. Let me simply put it to the Leader of the Opposition: if secret ballots are the way to resolve intractable political disputes, why can’t they also be used to resolve intractable industrial disputes?

Immigration: Visa Approvals

Mr LAURIE FERGUSON (3.24 p.m.)—My question is directed to the Minister for
Immigration and Multicultural and Indigenous Affairs. Does the minister recall telling the House on 29 May in relation to information about Mr Bedweny Hbeiche’s sisters in Australia:

It was not before me or the department at the time Mr Cameron wrote his letter but it was before me when I made the decision in January 2002.

And furthermore:

The substantial difference when this matter came forward again, which had never been raised before, was that this man had three Australian citizen sisters.

Does the minister stand by these statements?

Mr RUDDOCK—The statements I made were after I had read the brief that had been prepared for me for 2001. That brief set out those facts. The first schedule, in which I made a decision not to intervene, did not include reference to three sisters. The one letter I have seen from Mr Cameron to me did not refer to three sisters. So I stand by the explanation I gave. If you are going to say there is some other material that I have not seen and was not—

Mr Crean—Well, is there?

Mr RUDDOCK—I don’t know.

Mr Crean interjecting—

The SPEAKER—Order! The minister will resume his seat. I consider it a great honour for every one of us to be in the House and therefore I am reluctant to toss people out under standing orders 304A or 303. The standing orders simply require people to hear each other in silence. That protection is afforded to the minister, and I expect it to be extended to the minister by every member of the House, including the Leader of the Opposition.

Mr RUDDOCK—Do I read the file? I look at a very large number of requests for intervention, and I do not get the file in relation to every request for intervention. That is clear. I get a brief, and the information upon which I make up my mind as to whether I will intervene or not is the information that is disclosed in the brief. Of the two decisions I had to make, in the first decision it was not disclosed that there were three sisters. On the second occasion, when I made the decision, it was disclosed. If there is anything else on the file it was irrelevant to the decision I made.

Family Services: Child Care

Ms GAMBARO (3.27 p.m.)—My question is addressed to the Minister for Children and Youth Affairs. Would the minister inform the House of the government’s commitment to supporting child care, particularly family day care?

Mr ANTHONY—I thank the member for Petrie for her question. She is a tremendous advocate for children, particularly for Commonwealth funded child care in her electorate—indeed, I know she does a lot of work across in Lilley as well, because she knows she can get results on this side of the House. There is no doubt that family day care, along with many other forms of Commonwealth funded child care in her electorate, has been a tremendous success, giving families flexibility with children and with their care arrangements. With family day care specifically, we have seen a very large increase since 1996—a 17 per cent increase from 60,000 to 71,000 places. There are 113,000 families who currently use family day care. They receive about $240 million directly in child-care benefits, or about $2,100 for every child. What is interesting is that the average fee for family day care is around $65 a week. If you break that down to a per annum figure, it is about $13 a day. More interesting is that 30 per cent of those families using the average amount of care pay less than $5 a week. The gap fee is less than $5 a week. The reason for this is that we have significantly increased funding
through the child-care benefit. Another interesting note when it comes to family day care is that we spend $60 million through the broadband on family day care, which is about $1,000 per place going to family day care. I must say that we have had very good cooperation from all the key stakeholders, particularly in the development of how we can do it better in the appropriation of those resources to the changing nature of Australian families.

Ms Roxon—Can you just guarantee their funding?

Mr ANTHONY—I hear the shadow spokesman shouting out.

The SPEAKER—Order! The minister will ignore interjections.

Mr ANTHONY—It is interesting to note that Jo Comans, who is the Executive Director of the National Family Day Care Council of Australia, congratulated the government on the transparency of the process that we are going through. Unfortunately, we do not see that transparency, or even an appropriate debate, from the Labor Party—it is back to their stock standard ALP policy of scaring families. Far from me to comment on this, but I noticed a comment on the Insiders program by the main writer for the Sydney Morning Herald, Mike Seccombe, that I thought demonstrated this lack of policy. Far from me to comment on this, but I noticed a comment on the Insiders program by the main writer for the Sydney Morning Herald, Mike Seccombe, that I thought demonstrated this lack of policy. He was talking about the member for Lilley—perhaps the last swansong?—and if ever there was one example of everything that is wrong with the modern Labor Party, it is Wayne Swan. He is unimaginative and poll driven; he is a shocker.

Mr Costello interjecting—

Mr ANTHONY—I know, Treasurer. I am sure there are 58 people on that side who would agree with me. What it does demonstrate is that the ALP still lacks a policy position when it comes to work and family and when it comes to children. It is this government, with its example of increased funding for family day care, that is giving greater opportunities and more flexibility to Australian children.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Iraq

Mr HOWARD (Bennelong—Prime Minister) (3.30 p.m.)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr HOWARD—The member for Griffith asked me a question about weapons of mass destruction in Iraq. I would like to add to the answer gave by quoting from the transcript of an interview on 17 February 2003 on the Channel 7 Sunrise program. It involved the member for Griffith and the Minister for Small Business and Tourism. In the course of the interview, the compere said:

Kevin Rudd—that, Mr Speaker, is a reference to the member for Griffith—is there the evidence?

In reply, Kevin Rudd said:

Look, we’ve said from the beginning that Saddam Hussein does possess weapons of mass destruction.

He then went on to say:

The Labor Party doesn’t hide from that fact. The debate in the world today and within Australia is: ‘How should that be dealt with?’—by peaceful means or, if not by peaceful means, through the United Nations or outside the United Nations. They are the three options here.

I repeat the judgment of the member for Griffith:

... Saddam Hussein does possess weapons of mass destruction. The Labor Party doesn’t hide from that fact.
I might also add to that same answer that that was a statement also made on various occasions by the Leader of the Opposition. At the time Hans Blix tabled his first report this year, the Leader of the Opposition was even ahead of me in declaring that Iraq was in material breach of the resolutions of the Security Council. That is relevant, because the legal foundation—

**Mr Rudd**—Mr Speaker, I rise on a point of order. What do the standing orders provide for a Prime Minister or a minister to add to an answer to a question?

**The SPEAKER**—There is nothing out of order about the member for Griffith’s point of order—I am not raising that for a moment—but I would remind the member for Griffith that he has been warned. The Prime Minister was adding to an answer on weapons of mass destruction, and I was listening closely to his response. I believe that what he has said to date is relevant to the question he was asked about weapons of mass destruction in Iraq.

**Mr HOWARD**—The point I make is that the foreign affairs spokesman for the opposition himself declared unambiguously that the Labor Party did not walk away from the fact that Iraq possessed weapons of mass destruction. The argument the opposition had with us was not as to whether there was possession of weapons of mass destruction; the argument was as to the action that should be taken because of Iraq’s non-compliance.

**Mr Crean interjecting**—

**Mr HOWARD**—On the subject of non-compliance, can I say to the interjecting Leader of the Opposition that, when you declared in the wake of the first Blix report that Iraq was certainly in material breach, you were in fact supporting subsequent legal justification the government took for entering Iraq. Our legal justification was that Iraq had failed to comply with the Security Council resolution. You agreed that Iraq was in material breach, therefore you supported our legal justification.

**The SPEAKER**—I remind the Prime Minister of his obligation, even when adding to an answer, to address his remarks through the chair.

**PETITIONS**

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

**Medicare: Bulk-billing**

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

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

- That under proposed changes to Medicare, families earning more than $32,300 a year will miss out on bulk billing, and doctors will increase their fees for visits that are no longer bulk billed;
- That the rate of bulk billing by GPs has plummeted by 11% under John Howard;
- That more than 10 million fewer GP visits were bulk billed this year compared to when John Howard came to office;
- That the average out-of-pocket cost to see a GP who does not bulk bill has gone up by 55% since 1996 to $12.78 today;
- That public hospitals are now under greater pressure because people are finding it harder to see bulk billing doctors.

We therefore pray that the House takes urgent steps to restore bulk billing by general practitioners and reject John Howard’s plan to end universal bulk billing so all Australians have access to the health care they need and deserve.

by **Mrs Crosio** (from 45 citizens)
by **Ms Ellis** (from 437 citizens)
by **Ms Hoare** (from 9 citizens)
Medicare: Bulk-billing
To the Honourable the Speaker and Members of the House of Representatives assembled in parliament:
The petition of certain citizens of Australia draws to the attention of the House:

- That the rate of bulk billing by GPs has fallen by over 15% in Shortland Electorate since 2000 and is now in serious decline;
- That this year, 7.7 million fewer GP visits were bulk billed than in 1996;
- That the average out-of-pocket cost to see a GP who does not bulk bill has gone up by 51% since 1996.
- That public hospitals are now under greater pressure because people are finding it harder to see bulk billing doctors.

We therefore pray that the House takes urgent steps to restore bulk billing by general practitioners so that all Australians have access to the health care they need.

by Ms Hoare (from 4,540 citizens)
by Ms Vamvakinou (from 15 citizens)

Immigration: Asylum Seekers
To the Honourable the Speaker and Members of the House of Representatives assembled:

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

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

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

We, therefore, the individual, undersigned attendees at the Baptist Church Armadale Victoria 3143, petition the House of Representatives in support of the above mentioned Motion.

AND we, as in duty bound will ever pray.

by Mr Costello (from 18 citizens)

Roads: Outback Highway
To Speaker and Members of the House of Representatives in Parliament assembled:

We the undersigned recognise the Outback Highway between Winton and Laverton, via Alice Springs as a road of national significance. We acknowledge our support of this highway as a third strategic link and essential for further growth in tourism, trade, transport and community services for the townships and communities on that route as well as having benefits further afield.

We therefore ask that the House recognise the Outback Highway between Winton and Laverton as a road of national significance and that this petition be referred to the Transport and Regional Services committee to reinforce our request for Federal assistance towards upgrading the Outback Highway to an all weather surface.

by Mr Haase (from 2,148 citizens)

Immigration: Asylum Seekers
Petition on behalf of East Timorese asylum seekers facing deportation
To the Honourable Speaker and Members of the House of Representatives assembled in the Federal Parliament of Australia.

This petition of certain concerned persons in Australia draws the following to the attention of the House.

Tens of thousands of East Timorese people lost their lives as a result of their assistance to Australians during the Second World War. In addition, when Indonesia moved to annex East Timor in 1975, the Australian Government of the day underestimated the brutal impact which annexation would have on the East Timorese people, and failed for 24 years to support the East Timorese. Therefore Australia has a moral debt to the East Timorese, and on this basis there is a justification for the creation of a special visa class for East Timorese who sought asylum in Australia and do not yet wish to return to their homeland.

Your petitioners therefore respectfully request that the Minister of DIMIA create a special visa class for East Timorese people who do not yet wish to return to their homeland, to enable them to stay in Australia.

by Mr Melham (from 110 citizens)
Immigration: Asylum Seekers
Petition on behalf of Iranian asylum seekers facing deportation

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

This petition of certain concerned persons in Australia draws the following to the attention of the House.

While Iranian asylum seekers whose claims for refugee status have been rejected by Australian authorities should theoretically have nothing to fear by returning to Iran, there may be cases in which the risk of persecution has been underestimated by Australian authorities, and some individuals may face imprisonment or other adverse consequences if they are forcibly returned to Iran.

Your petitioners therefore respectfully request that the Minister of DIMIA not proceed with the threat of forced deportations, in cases where individuals do not accept the financial incentive to return to their country of origin.

by Mr Melham (from 78 citizens)

Insurance: Medical Indemnity

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

The petition of certain residents of the State of New South Wales draws to the attention of the House the Medical Indemnity Insurance issue. Your petitioners therefore request the House to

1. Develop a medical accident end compensation scheme that will see patients’ problems dealt with outside the courts.
2. Establish a National Accident Scheme to cover all injured patients.
3. Develop a standard procedure for settling claims rather than the present case by case system.
4. Develop a nationally co-ordinated system whereby the legal procedures are consistent across all states and territories of Australia.
5. Develop a way of resolving disputes without having to go through the legal system.
6. Prevent Legal practitioners from advertising “no win no fee” arrangements.

7. Set a period of three years in which a claim can be made.

by Dr Nelson (from 154 citizens)

Petitions received.

PRIVATE MEMBERS BUSINESS

Trade: Free Trade Agreement

Mr BAIRD (Cook) (3.36 p.m.)—I move:

That this House:

(1) takes note of recent progress towards a Free Trade Agreement with the United States of America;
(2) welcomes the increased opportunities the agreement will bring to Australia and Australian producers;
(3) congratulates the Government on the significant achievement of bringing this initiative closer to reality; and
(4) continues to place priority on working to negotiate free trade agreements that compliment the work of the WTO and APEC.

The SPEAKER—Is the motion seconded?

Ms Julie Bishop—I second the motion.

Mr BAIRD—As part of a generation brought up in Australia that was taught the importance to Australia of the US, it would seem a natural progression that not only do we have a close relationship in terms of ANZUS and defence but also we negotiate a free trade agreement. Australia has established its reputation as a respected world leader in trade liberalisation, an important member of the WTO and a significant negotiator in the current Doha Round. As trade minister Mark Vaile said in his speech on 23 May, the free trade agreement with the United States:

... is—without question—the most significant bilateral trade negotiation in Australia’s history, and a singular opportunity for Australia.

... ... ...
This negotiation is an extraordinary opportunity for improved market access for our farmers and manufacturers, stimulating exports and therefore economic growth...

When Prime Minister Howard and President Bush met in Crawford, Texas, in May, they agreed on a framework which would see the negotiations conclude by the end of 2003. The second round of the Australia-United States FTA negotiations, held in May, maintained the constructive and productive atmosphere of the March meetings and outlined a positive agenda for the third round in July. The meeting provided certainty for the broad working framework for the agreement, setting out its possible chapters, and continued the detailed information exchange in relation to key areas of negotiation. Central to the May negotiations was the timetabling of the Howard-Bush communiqué from Crawford for the finalisation of negotiations and the conclusion of the FTA by the end of the year.

The outcomes of the July meeting will be critical to the future of the FTA. Market access discussions will focus on the scope and timing of the elimination of tariffs on goods, which is the core element of an FTA, and on requests to eliminate or address specific regulatory restrictions in services and investment. Another objective for the July round will be to make significant progress in building a draft framework text, narrowing as many areas of difference as possible and indicating the progress forged by the two administrations.

Today it is well recognised that free trade leads to stronger economic growth, greater standards of living and better employment opportunities. Therefore, the government’s role in bring this free trade agreement with the US has to be noted and commended. The government’s commitment to negotiating a free trade agreement with the United States is an expression of Australia’s confidence in free trade and of our economy’s structural resilience to integrate and compete with the world’s strongest economy. Australia aims to ensure that the outcomes of the FTA negotiations complement and reinforce our objectives in the Doha Round of the World Trade Organisation negotiations and in the Asia Pacific Economic Cooperation—APEC—forums, and set a high standard for other FTAs in the region. It also follows the successful negotiation of the FTA with Singapore earlier this year. Australia’s shared approach with the United States on many issues in both the WTO and APEC provides a strong foundation for the realisation of our mutual long-term goals.

The improved economic activity that free trade brings will enhance the ability of this country to achieve fundamental economic and social policy objectives. Nevertheless, the government will make certain that outcomes from the FTA negotiations do not weaken Australia’s ability to meet fundamental policy objectives in health care, education, consumer protection, cultural policy, quarantine and environmental policy. There is no doubt that free trade agreements offer substantial benefits for Australia. This relationship with the USA does provide one of the best opportunities in terms of our economy that has been presented in recent times. The United States has the world’s largest economy. It is Australia’s second largest trading partner, the No. 1 source of foreign investment and now the largest destination for Australian direct investment overseas.

An FTA with the United States is not likely to do as some of our critics have claimed: shrink Australia’s economy and divert our trade with East Asia. This government has set a whole-of-government target of doubling the number of Australian exporters by 2006. It is estimated that this would create additional export revenue growth of over five per cent a year and add
$40 billion to national income and the EMDG initiative, which is vital to achieving those outcomes. In particular, the free trade agreement has the ability to lift barriers to investment, especially in financial services, and to ease residency requirements in the legal, accounting and architectural professions. It will also see the FTA leading much greater business integration as Australian and US companies realise opportunities in R&D, material sourcing, product development, marketing and of course information technology. It will also provide access to the huge US government procurement, through the FTA, which will be a major bonus for Australian companies wishing to work with US companies seeking access to US government contracts. To emphasise the importance of the FTA to the Australian economy, the Centre for International Economics estimates that the FTA with the US will offer the prospect of a boost to Australia’s GDP of between 0.3 per cent and 0.4 per cent over the next 10 years, with annual benefits of some $4 billion.

The government’s hard work and determination over almost three years has resulted in an opportunity to negotiate deeper integration with not only the world’s largest economy but also the world’s pre-eminent strategic power. Multilaterally, this FTA is a strategic opportunity to set benchmarks and elevate ambitions in the Doha Round of negotiations, while demonstrating how a comprehensive and genuinely liberalising bilateral agreement can support multilateral trade negotiations. This FTA is also a strategic opportunity to demonstrate the benefits of a genuinely liberalising agreement to other countries contemplating bilateral arrangements. In our own region, an FTA with the United States will send a powerful message—especially to China—about the type of liberalisation Australia want to see. Bilaterally, an FTA with the United States is an opportunity to create proper structures for handling policy misunderstandings and differences, and further developing the economic relationship.

This government has pursued a combined multilateral, regional and bilateral approach to trade policy, which is central to achieving its ambition of doubling the number of Australian exporters by 2006. As part of this policy Australia is open to completing regional and bilateral agreements that deliver substantial gains to Australia. Given the renewed interest in free trade agreements in our region, brought about by the success of the Singapore free trade agreement and the strong progress in terms of our free trade agreement with Thailand, the government believes that it is crucial that such agreements are integrated into the broader multilateral framework in which we operate.

Trade liberalisation in a regional context must remain central to forging a strong agenda in trade policy. However, we cannot afford to miss the opportunities presented by this FTA with the US. The continued expansion of the EU provides a strong incentive to Australia to look to a strong relationship with the world’s most significant economy. I congratulate Minister Mark Vaile for his efforts in bringing the negotiations to this point and wish him well for the future in bringing the negotiations to a successful conclusion. There is no doubt the free trade agreement with the world’s strongest economy presents many opportunities: opportunities in terms of service agreements with the US, opportunities for our manufacturers, opportunities for our mineral exporters, opportunities for joint agreements and for manufacture under licence agreements, and opportunities for a plethora of activities including taking part in bids for US government contracts. It provides a great opportunity for us and I commend these negotiations to the House. (Time expired)
Dr EMERSON (Rankin) (3.46 p.m.)—This motion notes progress on negotiations towards a US-Australia free trade agreement. That goes to the heart of the problem because the general community has no idea what progress has been made. The reason for that is that negotiations are occurring behind closed doors. If this is such a great deal, why is the public being denied access to the information that is held by the officials and members of this government? The negotiations are secretive and that is cause for concern. It is also cause, legitimately, for some suspicion.

The member for Cook spent some time talking about opportunity and spent no time talking about cost. I want to spend a little bit of time today talking about the costs so that the Australian public has a better understanding of what is at stake here. Some of the costs that may well be incurred as a consequence of these negotiations are in areas of vital importance to the everyday lives of the Australian community. For example, the Pharmaceutical Benefits Scheme is on the negotiating table. There is no point listening to the government saying, ‘It is on the negotiating table but we are not really negotiating it.’ It is either on the negotiating table or it is off the negotiating table. The fact is that it is on the negotiating table and American drug companies do not like Australia’s Pharmaceutical Benefits Scheme, which provides low-cost prescription medicines to Australian families. The reasons they do not like it are twofold: first, it suppresses prices that they can obtain for prescription medicines; and, second, if it were to catch on around the world then Australia’s world-class system of providing low-cost medicines would be replicated around the world and suppress prices received by these same American drug companies around the world. There is legislation before the Senate—a double dissolution trigger—where the government wants to impose higher costs on Australian families using prescription medicines. It raises the concern that the US-Australia free trade agreement may well be the backdoor way of getting through measures that the government has been unable to get through the front door of the Senate. Pharmaceutical Benefits Scheme changes are front and centre in that regard.

I move on to local content for Australian film and television. We have a right in this country to protect our culture and our cultural heritage. And yet on the negotiating table are the rules that guarantee a minimum level of Australian content for Australian television. Another very important issue that is on the negotiating table is Australia’s quarantine service that protects Australia from overseas diseases and pests. All Australians would want to see no watering down and no weakening of Australia’s quarantine system that has served this country so well—yet it is on the negotiating table. Again, the government says, ‘It is on the negotiating table, but it is not being negotiated.’ If that is the case—and it is not—then take it off the negotiating table. But to the question, ‘Is it on or off the negotiating table?’ the answer is, ‘Everything is on the negotiating table.’

The single desk marketing arrangements for wheat and other products are on the negotiating table. Also on the negotiating table is the foreign investment review board that screens foreign takeover proposals to ensure that they are in Australia’s national interest. In terms of the economic benefits that are claimed for this agreement, it would involve the full sale of Telstra and the abolition of the four pillars policy for Australia’s banks.

Finally, we need to be aware of the response of countries in East Asia, which takes 55 per cent of Australia’s merchandise exports, to Australia’s engaging in a preferential trade deal with the United States. If those countries formed their own regional trading bloc and retaliated against Australia’s taking
this initiative we would be in appalling trouble. Our nightmare scenario is the formation of an East Asian trading bloc where we would not be a member. We would have to go back to the United States and the other members of the North American Free Trade Agreement and seek entry to NAFTA on terms determined by the members of that agreement. That is a nightmare scenario. It is a significant risk, and this government should be honest and describe the full range of costs to the Australian community instead of simply talking about opportunities. (Time expired)

Ms JULIE BISHOP (Curtin) (3.51 p.m.)—I do not know where the shadow trade spokesman has been. He says that there is no information available to the public on the status of these negotiations. Nothing could be further from the truth. I just looked up Australia-US free trade agreement briefing No. 2 of 2003 on the Internet to get an update. This is a comprehensive summary of where the negotiations are up to in this second round. The lead negotiators can be contacted by e-mail by the public. There are details on the DFAT web site, including a full transcript of the conference for Australian media on this topic. The full text of DFAT submissions is available on the Internet, as well as a web page specifically designed for the Australia-US free trade agreement negotiations. The task force can also be contacted by e-mail. As well, the Minister for Trade has made numerous speeches and public statements about the benefits of an Australia-US free trade agreement.

I congratulate my colleague the member for Cook for bringing this motion before the House. Given the status of the current negotiations, it is a timely motion. It gives us the opportunity to restate the objectives of our government and the reasons it is undertaking negotiations for a free trade agreement with the United States. It also gives us the opportunity to address some of the myths and to put to rest, or to at least put in context, some of the concerns and criticisms that have been directed at this agreement or to at least challenge the basis or the assumptions upon which these criticisms are made.

Our trade policies are connected to our broader economic, political and security aims. Our trade strategy must reflect our national interest and our national values and aspirations. We have adopted a clear approach in the promotion of free trade. We will promote free trade globally, regionally and bilaterally. It is a policy of competitive liberalisation, embracing trade liberalisation on a bilateral and regional basis, thereby complementing and stimulating multilateral trade liberalisation. We hope to create a web of mutually reinforced trade agreements to meet our economic, commercial and political objectives.

We are not turning our back on the multilateral trade negotiations; we are fully committed to completing the Doha development agenda. But we are realists. We know the Doha agenda is ambitious and we know it will not be easy. There have been very encouraging signs. Networks of trade ministers, in both developing and developed countries, are continuing to work together. In fact, Minister Vaile hosted in Sydney an informal meeting of WTO trade ministers, which I believe reflects Australia’s commitment to the Doha round. We view Doha as the best way of pursuing global liberalisation, particularly in the agricultural sector. We will continue to work to reduce global barriers to trade through the WTO. But not all members of the WTO move at the same pace. Any decision of the WTO requires a consensus amongst its 145 members, and any one country can decide whether or not to move forward.
In the meantime, to multiply the likelihood of success of the Doha round, Australia is participating in the drive for regional and bilateral free trade agreements. We are pursuing them because they can foster significant links in the areas of commerce, economic reform, investment, development and security in free societies. We are not being selective. We are not being elitist. We are open to free trade with all regions and with both developing and developed economies. But given the opportunity to negotiate a free trade agreement with the United States—the world’s largest economy—it is in our national interest to seek access to this gigantic, dynamic American market, and most, if not all, countries in our region would recognise that. In fact, most countries in our region are either involved in or would like to be involved in FTA discussions or negotiations with countries in the region or outside. There are numerous free trade agreement negotiations: with the United States, in the case of Singapore, and apparently South Korea is considering a proposal. Vietnam has concluded a trade agreement with the United States. The United States and ASEAN are looking at a free trade initiative. But there are other free trade agreements being considered across the Pacific, not just with the United States—for example, Japan and Mexico; Korea and Chile; and Singapore with not only the United States but also Canada—but also between the ASEAN countries and China and the ASEAN countries and Japan.

It is a furphy to suggest, as the Labor shadow trade spokesman has, that there are concerns that our negotiations with the US are giving a signal that Australia is placing less emphasis on our Asian trading partners. That is not the case. Australia enjoys strong bilateral trade links with Japan and China. We have completed an FTA with Singapore and consideration of an FTA with Thailand is under way. Given the recent successful negotiation of the liquefied natural gas contract with China—estimated to be worth around $25 billion; the largest export deal in Australian economic history—the future of trade relations between Australia and China appears bright. I support wholeheartedly this motion. (Time expired)

Mrs CROSIO (Prospect) (3.57 p.m.)—I rise and join my colleague the honourable member for Rankin in speaking against the motion before the House that was introduced by the member for Cook. I too believe that the public debate has not been as open as it could be, considering the momentous economic changes that will eventuate from this agreement. I would ask the member for Curtin, who has just spoken, why, if we are so open in what we are doing and in the information we supply, the Congress and the Senate of the United States have a vote on whether they go ahead with the free trade agreement with Australia, but we in this country have no vote whatsoever?

The conservative side of the House, as well as a number of people in the corporate sector, have expressed their strong support for the agreement and, as in today’s motion, they have argued that Australian exporters will benefit by a significant increase in access to the US market. They seem to have a firm belief that US companies will gladly open up access to Australian competition, particularly in the agricultural sector. However, history indicates that the US agricultural sector is amongst the most protected in the world, with only the EU and Japan exceeding the level of subsidies provided to US farmers. Will US farmers gladly open up their markets to the highly efficient Australian farmers? I doubt that they will accept competition and, politically, I doubt that the relevant political parties in Congress would risk losing seats on this issue. What I can see coming out of this FTA is that Australia will have to open its doors further to US multina-
tionals, and that we will do this on US terms. That is why I am expressing my strong opposition to this FTA.

A number of economists, including my colleague the member for Rankin, are opposed to the agreement, due to the fears that they have for the world trading system. At the moment, a disturbing trend is emerging where regional trading blocs are slowly being developed. This can only be harmful for Australia and Australian exporters. There is no doubt that, for a middle sized economy like Australia, a strong, workable multilateral trading system is best. Our efforts through the late 1980s and early 1990s in establishing the Cairns group during the Uruguay round of talks show what a government can achieve if it is willing to roll up its sleeves and do the hard yards through what are often long and arduous negotiations to bring about what we have seen; that is, agriculture on the GATT agenda.

Governments have a duty to do what is in the national interest, not what is in their political interest. I have a horrible feeling that the Howard government are in the midst of indulging in what they have developed as an art form—pushing domestic political considerations into the foreign policy domain. They believe that an FTA with the US will be popular with the community; however, I think they have miscalculated this time around. The government is also breaking another golden rule, mixing trade with foreign and security policy. These should not be intertwined; in fact, great dangers could present themselves in the future if disagreements on the trade front affect strategic relationships.

The American security alliance is a bedrock of Labor’s foreign policy. It is one of the three pillars. Even though we disagreed with the US about the invasion of Iraq, we are still close, and we know full well that US involvement in our region is crucial for our national security. With trade, things are different. Our farmers compete with US farmers for access to global markets, and we are constantly disturbed by the lack of access to the US market. My understanding is that opening access, particularly in the agricultural sector, will take many years.

I would like to turn to the Pharmaceutical Benefits Scheme. This scheme, as we all know, has been part of our Australian health system for half a century. The PBS, we have been informed, is now on the FTA negotiating table. What does this mean? It means that the scheme of providing affordable medicine to those in need is now under threat in this country. The giant US pharmaceutical companies do not want the Australian government to subsidise the cost of medicines. They want to be able to charge consumers at the market rate. This would have a terrible effect on the frail and elderly in our communities. A group of pensioners in my electorate wrote to me recently, expressing their concern about the proposed AUSFTA. In particular, they were concerned about the future of the Pharmaceutical Benefits Scheme. We already know that the government is trying to increase the cost of essential medicines by 30 per cent and that this is being thwarted in the Senate, but what will happen if this comes up as part of the agreement?

Another reason I am opposed to the proposed FTA relates to the impact it will have on trade in our immediate region. Asia currently buys 55 per cent of Australia’s exports; it is overwhelmingly our largest market. However, this government has been eroding that market share over the last seven years, and in recent times while our exports have slumped dramatically the imports of our major trading partners have increased. In other words, those economies are growing and are ripe for our exports. What is occur-
ring is that the EU is grabbing a greater share of the east Asian market, at the expense of our exporters, and this FTA will not help them one bit. *(Time expired)*

Mr McARTHUR (Corangamite) *(4.02 p.m.*)—I have delight in supporting the member for Cook’s very good motion. I have a longstanding interest in free trade for Australia and the world. This particular free trade agreement with the USA is a step in the right direction, although I would also advocate a freeing up of world trade under the WTO. Free trade with the USA is a chance to seek access to the world’s largest economy and our major investment partner. The agreement is seeking to get market access for Australian farmers and other exporters, particularly in beef, dairy, sugar, utilities, fast ferries, magnesium, canned fruit, services and telecommunications.

I know that the dairy industry are making representations tomorrow in seeking access to the US market, because they feel they have been excluded because of internal tariff barriers. The sugar industry likewise has been facing difficulties because of the heavy lobbying capacity in the US. It is well known that beef has been excluded on many and various grounds, due to the undue political influence of the Midwest. The cotton and peanut industries also suffer. There is a tariff on wool, horticultural products, wheat, gluten rice and vegetable oils—not to mention the high levels of domestic agricultural support by the US Congress. The Jones Act on industrial goods prevents imports of shipping and shipbuilding materials and that is part of the reason for the lack of access for the high-speed ferries.

I would like to quote, in the short time available, from a very good paper given by Gary Banks, the Chairman of the Productivity Commission. It is called ‘Gaining from trade liberalisation: some reflections on Australia’s experience’. The paper was given under the heading ‘New horizons in trade: the WTO round and Australia’s free trade negotiations’. In it, Mr Banks makes the comment that as a consequence of the effective cut in assistance for manufacturing here in Australia:

... from almost 25 per cent in the mid-1980s to 5 per cent today ...

Australia has played its part in being a more liberal trader in its own right in a domestic sense. He then goes on to say:

As well as dismantling import barriers Australian governments have undertaken a comprehensive program of pro-competitive reforms across the economy, including in utilities and other infrastructure and in labour market deregulation ... For a start Australia’s exports and imports as proportion of GDP are now one-third higher than they were in the mid-1970s.

We can see from Mr Banks’s paper that world trade and access to other markets and reducing our own tariff barriers has improved our own productivity and our standard of living. He goes on to say that unilateral reform has been the main source of benefit:

Australia of course has not been alone in reducing barriers to imports. For example, the average tariff levels for manufactured goods in industrialised countries have fallen from over 40 per cent after World War II to 4 per cent today. However, unlike the liberalisation efforts of Europeans and North Americans, most of Australia’s liberalisation has been unilateral, undertaken voluntarily rather than in return for reciprocal ‘concessions’ from other countries.

So we see that Australia has a good track record in opening up its trade, reducing tariff barriers and ensuring that it has acted in good faith and in its own interest, contrary to what is said in a lot of the politics at the electorate level. In terms of the AUSFTA treaty, Mr Banks goes on to say:
For example, among issues identified in the context of the AUSFTA, I see no reason why we should not provide an undertaking to review our current arrangements for quarantine, government procurement, statutory marking anti-dumping, foreign investment and even the PBS.

What Mr Banks is saying is that, in order to act in a bona fide way on the FTA, we should look at our own tariff arrangements and our own internal barriers, to make sure that in our own interest we are looking at them over time and that we can review our arrangements and make sure that Australia is a good citizen in world trade liberalisation.

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

Vietnam: Women and Children

Mrs IRWIN (Fowler) (4.07 p.m.)—I move:

That this House notes:

(1) the very high levels of domestic violence in Vietnam and its consequences for women and children and urges international agencies and Vietnamese institutions to take action to detect and prevent abuse and calls on Non Government Organisations and AUSAID, in consultation with Vietnamese Government agencies, to initiate and promote education programs on gender equality, vocational rights and children’s rights in Vietnam;

(2) the high level of sex trafficking in Vietnam and neighbouring countries and related risks including increasing infection rates of HIV/AIDS and calls on Non Government Organisations and AUSAID to cooperate with the Vietnamese Government to train law enforcement officers to rescue and rehabilitate victims, to raise public awareness of the problem, to provide alternative employment and income earning opportunities for women and girls and to offer sex education for children; and

(3) the lack of safe and effective fertility control available to women in Vietnam and the resulting very high level of legal abortions performed and calls on Non Government Organisations and AUSAID to assist in the development of accessible, safe and effective fertility control measures for women in Vietnam.

Although this motion deals with domestic violence and related issues in Vietnam, I do not for one moment want to overlook the fact that, in Australia, we have our own problems with domestic violence. The cover story in last week’s Bulletin magazine described domestic violence in Australia as a big ugly secret. It went on to claim that one in four women in Australia will suffer from domestic violence. My intention is not to preach to a developing country about what it must do to reduce domestic violence but to seek assistance from Australian agencies to help Vietnam with this problem.

Let me first outline the extent of domestic violence in Vietnam. According to a 2002 report of the Vietnam Women’s Union, 80 per cent of Vietnamese women have experienced some form of violence. Alarmingly, the study found that almost all men and most women believed it was acceptable for a man to abuse his wife. Violent behaviour is seen as a normal way for men to educate their wives and children. Domestic violence is seen as a private matter, so there is a lack of public condemnation of all forms of domestic violence. Traditional gender stereotypes keep women and men in prescribed roles that maintain an unequal power balance between them. This in turn means there is little pressure on authorities in Vietnam to act to reduce the high levels of domestic violence. Despite legal protection of women’s rights in Vietnam, women are routinely denied equal access to land, education and employment.

As I said earlier, this problem is not unique to Vietnam—we have our own prob-
lems in our country, Australia—but it is an area where Australian aid agencies and other non-government organisations may be able to assist Vietnam to address the problem. We may be able to provide resources to promote educational programs on gender equality, vocational rights and children’s rights in Vietnam. While authorities in Vietnam should be expected to act more effectively in dealing with domestic violence, the underlying cultural factors also need to be addressed. In this regard, government agencies would be less effective than non-government organisations in bringing about the fundamental changes necessary to address the causes of domestic violence.

This motion calls for Australian and international agencies to play a role in developing education programs on gender equality. When negotiating AusAID programs, preference should always be given to projects that insist on equal access and in some cases provide for affirmative action. Over the years, AusAID has sponsored special women’s projects and a focus on domestic violence has become a core issue for these projects. Two years ago I visited an AusAID funded project in Guangjou, in China. At the request of local women involved in the project, its focus became domestic violence and exploitation of women in the workplace. It should not be surprising that domestic violence was placed at the top of the list of the most important issues affecting women in that country. The comments of women in China were no different from the reports from Vietnam and, for that matter, Australia.

Domestic violence is not limited to poor or uneducated families; it occurs across the range of incomes and status. As I said at the beginning, Australia cannot claim to be a model nation in the area of domestic violence. We cannot lecture other nations when we also have a major problem with domestic violence here at home, but that does not mean that we cannot offer what assistance we can to help developing countries to address this most important of all issues affecting women.

An issue related to violence against women in Vietnam and neighbouring countries is the increasing incidence of sex trafficking. According to the 2003 report of the United Nations Children’s Fund, its representative in Vietnam warned of the growing problem of trafficking of teenagers to China and Cambodia, who are often lured, by promises of lucrative jobs, to work in the prostitution trade. The representative said: This is a problem that has to be solved subregionally. It is a very complicated issue and is symptomatic of what is happening to the family here.

The regional nature of the problem is shown in figures from the World Human Rights Organisation, which confirms that one-third of prostitutes in Cambodia are Vietnamese. Tougher laws have been introduced to crack down on child trafficking.

In the two-year period to 1997, Vietnamese border guards uncovered 121 child trade cases, arrested 186 traffickers and freed 281 victims, including 31 under the age of 16. But this is just the tip of the iceberg. With tens of thousands of Vietnamese prostitutes in Cambodia alone, many thousands are sold each year, as one trafficker admitted, for between $US250 and $US350 each. Clearly there is a need for better training for border protection officers, as well as programs to rescue and rehabilitate victims, such as the campaign run by the International Organisation for Immigration and the Vietnamese Women’s Union, in Lang Son Province. The campaign provides information to increase public awareness of the trafficking problem and to alert potential victims to the increase in trafficking of women and children. Providing alternative employment and income earning opportunities for women and girls is
critical to reducing sex trafficking in the region.

The rate of HIV-AIDS infection is also increasing in Vietnam, with an estimated 56,000 cases at the end of last year. Sixty per cent of the population of Vietnam is under the age of 25, but few know that condom use can protect them from HIV-AIDS infection. The official approach, which regards HIV-AIDS as a social evil affecting drug addicts and prostitutes, does not help to raise awareness of the virus among the wider population. There is a critical need for NGOs to provide sex education for children in Vietnam.

Related to both of these issues is the lack of safe and effective fertility control available to women in Vietnam. Official government policy urges couples to have no more than two children, with coercive measures being used. The birthrate has dropped from six children per woman in the 1960s to 2.49 per woman today. The government has targeted a rate of 1.7 per woman. Abortion is legal and available on request. According to the UN Population Fund 40 per cent of pregnancies are terminated, with 1.4 million abortions performed in 1998—an abortion rate of 2.5 per woman.

Today, 80 per cent of women between 15 and 49 use some method of contraception, with IUDs being the most widely used. Many women experience side effects from these. There is clearly a need for the development of accessible, safe and effective fertility control measures for women in Vietnam. Again, this is an area in which non-government organisations and AusAID may play a useful role in assisting the women of Vietnam.

Of all the means of assisting women in Vietnam, the most important is access to education. With a quarter of all girls leaving school before completing fifth grade, it is not surprising that women face such discrimination. Education can result in reduced fertility rates. It can have a major impact on improving the health care of women and families. Education can open up career opportunities for women. It can lead to vocational training that can improve employment prospects and contribute to the economic growth of the country. Investing in women’s education is the surest way of ensuring equality of women in any society. Governments such as Australia’s, with the participation of non-government organisations, have to assist that country. (Time expired)

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

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

Mr JOHNSON (Ryan) (4.17 p.m.)—I am pleased to speak on the motion in the name of the member for Fowler, and I commend her for the motion. I know that she has a deep interest in Vietnam and particularly in some of the serious issues her motion raises. Like the member for Fowler, I have a very deep interest in Vietnam and the welfare and wellbeing of its people. The genesis of my interest in Vietnam and issues that relate to Vietnam has been encouraged by the fact that I am married to a wonderful lady, Huyen Giang Johnson, who is of Vietnamese heritage—a special individual in my life who I have had the privilege of knowing for almost a decade.

The second reason I am pleased to speak on this motion—which, as I said, I commend the member for Fowler for raising—is that I am chairman of the Australia-Vietnam Parliamentary Friendship Committee. In that position I have had the opportunity to be exposed to the issues and concerns that are raised in this motion and to develop an appreciation of them at a deeper level than might otherwise have been possible. The fact
that living in my electorate there are also many Australians who have Vietnamese heritage is an added bonus. These Australians, who have now made our country their home, come from suburbs like Darra, Oxley, Corinda and the Centenary suburbs.

When the country of Vietnam is mentioned, most Australians might think first of the Vietnam War. Given our involvement in that tragic conflict, that is not surprising. But I say to my fellow Australians that, when I think of Vietnam, I think of a country rich in history, culture and tradition. As anyone who has either been to Vietnam or glanced at photographs knows, it is also an incredibly beautiful land with scenery that can be breathtaking.

But, as the member for Fowler said, there is another side to the equation—and this motion goes to the heart of it. Firstly, like all countries, Vietnam suffers from domestic violence. Secondly, it suffers from terribly high levels of abuse of women in the form of sexual harassment and, especially, sex trafficking. Thirdly, it suffers from the lack of safe and effective fertility control available to women.

The Australian government acknowledges that it can play a role in addressing those issues in the context of being a friend and neighbour in this part of the world. The vehicle through which assistance can be rendered is our aid program. Let it be stated at the outset that the bilateral relationship is very important to Australia. This country regards itself as a friend and supporter of Vietnam and will do all it can to help promote the economic and social issues Vietnam faces. As one member of this parliament, I state for the record that I would certainly subscribe to any policies that would help Vietnam. A specific initiative that can be pointed to where the Australian government has acted is its support for two Vietnamese NGOs to raise awareness of domestic violence issues and responses in rural communities in Vietnam. This was achieved through our global human rights fund.

The issues of women’s rights and HIV-AIDS prevention will be discussed at the upcoming Australia-Vietnam dialogue on international, legal and human rights issues to be held in Canberra on 27 June 2003. At that dialogue, Australia will be in a position to offer technical assistance to the Vietnamese government on both women’s rights and HIV-AIDS prevention related issues. This assistance will be in addition to the substantial effort the Australian government is already making to tackle HIV-AIDS in Vietnam and elsewhere in the region through many programs. It is a sign that we are interested and a sign that we are dedicated to making a difference, as far as we can, to the society of a neighbour.

The federal government also takes the crime of trafficking in persons very seriously, and no offence is more abhorrent than the trafficking of sex in a developing country. The government has developed a program valued at some $15 million in response to this terrible issue in countries like Vietnam. This includes victim support measures and projects aimed at developing appropriate responses by local police, local authorities and local agencies.

I regret very much that time does not permit me to expand on my contribution to this motion. Again, I commend the member for Fowler for raising it. It is vitally important that members of this parliament focus not only on issues in our backyard but also on a bigger picture vision. We must look beyond our backyard and support the countries in our region that we are in a position to contribute to. For my part, as a member of this parliament, I subscribe very much to that view. (Time expired)
Mr HATTON (Blaxland) (4.22 p.m.)—I commend the member for Ryan and the member for Fowler for their contributions on this motion, which I am extremely happy to cosponsor. I recently hosted Mrs Jackie Bong-Wright, the Vietnamese-American human rights campaigner, who also met with Mr Henry Dang, the vice-president of the Buddhist community in Australia, and a number of other key officials of the Vietnamese community here. I was happy not only to host them in my electorate but also to initiate a meeting between them and Jenny Macklin, the Deputy Leader of the Opposition—which was an extremely frank exchange of views on various matters—and to facilitate Mrs Jackie Bong-Wright attending the parliament to speak to the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade.

In all of those situations, I and the others present were enormously impressed by not only her past—what she had achieved throughout her life and her work in the United States—but also the manner in which she briefed us. For me, the critical issue was the fact that she took a pragmatic, practical approach to the core human rights issues that deeply affect the women and children of Vietnam. She extended to the Vietnamese government a helping hand towards practically dealing with the problems that that government faces. What she suggested, and what is embodied in the three parts of this motion, is that assistance should come from outside. Our government, the United Nations High Commissioner and non-government organisations should assist the Vietnamese government in grappling with these fundamental issues.

I will start with the part of the motion that deals with the question of domestic violence. I will quote the recommendation incorporated into our motion. It encapsulates so well how she thinks things should proceed. It states:

That the U.N. Human Rights Commissioner ... monitor the work of Vietnam's Women’s Union and the National Committee for the Advancement of Women (both state-sponsored entities), and urge more official legislation and action from the justice officials, the medical professionals, and the social organizations to detect and stop abuses. NGOs, AUSAID & international agencies in particular AUSAID operate education programs on gender equality, vocational training and children's rights.

This is a positive agenda to put the past behind us and to seek to address the current problems that women and children have in Vietnam. We can do it by global cooperation between the UN and its agencies, by the work that the Australian government does through AusAID and by linking the people in Vietnam together with the communities in the electorates of Blaxland, Fowler, Ryan and Oxley. We can join together across the seas to help to solve these fundamental and deep-seated problems.

The second part of the motion deals with the enormous problem of prostitution in Vietnam. The recommendation here is that all of those international agencies should:

… cooperate with the Vietnamese Government to train law enforcement officers to rescue and rehabilitate victims, to raise public awareness of the problem, to provide alternative employment and income earning opportunities for women and girls and to offer sex education for children …

A graphic story is told by Jackie Bong-Wright and members of the Vietnamese community about the desperate situation of poverty in Vietnam which has driven women and children into the sex trade. That needs to be addressed but it cannot be addressed by words alone; it has to be addressed by practical, pragmatic action which brings together the communities in Australia and Vietnam, non-government agencies, our government
agencies and United Nations agencies to actively cooperate in solving these deep-seated social problems.

I congratulate Jackie Bong-Wright for the manner in which she has brought to us an understanding of these problems and the Vietnamese community in Australia, which is so utterly dedicated to continuing to redress the fundamental problems faced by their confreres in Vietnam. (Time expired)

Mr RIPOLL (Oxley) (4.27 p.m.)—Firstly, I would like to put on the record my great admiration for the Vietnamese community. In particular, I admire their hard work, their entrepreneurship, the way in which they conduct their affairs and their efforts to ensure that those in their community not only maintain their own culture but also work very hard to become Australian and to contribute to this society. Like other speakers to this motion, I am not here to preach to the Vietnamese or to the Vietnamese government. Australia also has problems of its own in this regard. Vietnam is a developing nation. It is working very hard but, as with every country around the world, more needs to be done. Australia has a role to play, and I believe it has a responsibility to assist Vietnam in dealing with this very important issue. I believe it is very important for us in this place to take an interest in issues that face the global community, not just issues that face our country.

Violence against women is a worldwide phenomenon. It transcends boundaries of nationality, culture, religion and socioeconomic status. Domestic violence in particular is perpetrated against women. Not only does it impact on their physical and emotional health; it also leads to a loss of self-esteem. Domestic violence is a leading cause of death among women around the world. In Vietnam domestic violence against women is still common. Social attitudes are perpetuating inequality, and violence exists at all levels. Violent behaviour is regarded as the normal prerogative of men in educating their wives and children. This is not an acceptable practice in Australia, nor should it be an acceptable practice in Vietnam or in any other part of the world.

According to a United Nations study, 80 per cent of Vietnamese women have experienced some form of violence, including neglect, verbal abuse, physical abuse and forced sex. This figure is too high and needs the attention of government agencies, in particular AusAID and other NGOs, through education programs and through the role they play in that country.

The denial of equal opportunities to women, despite protections for women in Vietnamese laws, encourages the social acceptability of domestic violence, thus underpinning the maintenance of an unequal power balance between the genders. Despite legislative protection, Vietnamese women are denied equal access to land, education and jobs. In addition to this—like in most parts of the world, including Australia—they often work longer hours than men work and they do so for less pay. Again, this is not acceptable here, nor should it be in Vietnam or any other part of the world.

The most crucial consequence, though, of violence against women and girls is the denial of their fundamental human rights. International human rights instruments such as the Universal Declaration of Human Rights 1948, the Convention on the Elimination of all Forms of Discrimination Against Women and the Convention on the Rights of the Child affirm the principles of fundamental rights and freedoms of every human being no matter where they live. This is an important aspect that should be promoted right throughout the world. Vietnam should be encouraged to enforce existing laws protect-
ing the rights of women and children and to review those laws within the context of relevant United Nations conventions. It is not acceptable in this day and age that domestic violence in any shape or form be allowed to continue in any part of the international community, and we all have a role to play in trying to stamp it out.

Unofficial estimates say that there are as many as 15,000 prostituted persons in Phnom Penh and up to 35 per cent of them have been smuggled into Cambodia from China and Vietnam. One-third of the 55,000 prostitutes in Cambodia are under the age of 18, and most of them are Vietnamese. Most women and children trafficked from Vietnam are kidnapped from brothels by deceptive methods, such as job offers, tourist trips or matchmaking with foreigners who often sell or re-sell women abroad.

It is somewhat comforting to know, though, that between September 1995 and March 1997 Vietnamese border guard forces uncovered 121 child trade cases, arrested 186 traffickers and freed 281 victims. This sort of effort should be promoted by the Australian government and other agencies. Considering the number of prostitutes throughout South-East Asia and the spread of the HIV-AIDS virus in the past decade, we all need to take some responsibility in dealing with this problem.

I support the motion moved by the member for Fowler and I commend the work of the Vietnamese government to stamp out child abuse, sexual abuse and the abuse of women. Australia should do all it can to assist the Vietnamese authorities on this issue. This problem is not one that belongs solely to Vietnam; it is one that belongs to the whole world. It is a problem for which we all have a responsibility and it is something that we should not walk away from.

Ms GAMBARO (Petrie) (4.32 p.m.)—I am greatly honoured to speak on this motion on women and children in Vietnam, and I thank the member for Fowler for proposing it. I have had the opportunity to visit Vietnam on two occasions. Vietnam has a population of 77 million across 60 different ethnic groups, which produces some great challenges. While a vast majority live in cities, a large proportion live in rural and regional areas. In considering this motion, any call for changes to social and health policy in Vietnam really has to be viewed against the cultural forces that impact on what is very much a patriarchal society and against the changing economic conditions in Asia.

Since 1988 the growth in tourism and the spread of consumer cultures across Asia have contributed to the commercialisation of the sex industry. This has resulted in a dramatic increase in the number of drug users and people infected with HIV-AIDS. A study published in 2001 by the World Health Organisation noted that HIV cases were found in 57 of 61 Vietnamese provinces and that 67 per cent of the known infected cases were among drug users, while the incidence among sex workers remained low. Any program that aims to target HIV-AIDS must therefore reflect the increase of this disease among drug users. In an article appearing in The Lancet in 2001 a World Health Organisation adviser noted:

When sex workers are heavily penalised, implementing effective prevention programmes is extremely difficult

I include this statement as a reminder of the very different cultural paradigm towards sex workers that exists in Asia and of the need for positive dialogue.

At the upcoming Australia-Vietnam Dialogue on International, Legal and Human Rights Issues to be held in Canberra on 27 June 2003, this will be one of the areas that
will be discussed, and the government will offer technical assistance to the Vietnamese government with regard to women’s rights and also HIV-AIDS prevention. This is in addition to the substantial efforts which are being made by, in particular, the Australian government to tackle HIV-AIDS through existing programs.

It is estimated that the global sex industry is worth $US20 billion a year, of which $5 billion is believed to come from child prostitution. It is estimated that there are still almost one million children in child prostitution in Asia, living in conditions which are akin to slavery. In many cases, even in those poorer regions, poverty and the profitability of prostitution are the two factors sustaining an otherwise illegal industry and one that suffers as a result of its clandestine nature.

The Vietnamese government has recently ceased its two-child policy and subsequent penalties. I believe this will have a very positive impact on the influx of children, particularly in regional Vietnam, entering the people-trafficking industry. We welcome this move and support the implementation of this policy. We will also continue to support an approach to family planning that is based on freedom of choice and access for all to the widest possible range of safe and effective family planning methods. I support the member for Fowler in her call for that.

In addressing people-trafficking the Australian government has developed an integrated program, valued at $15 million, which includes victim support and projects that provide appropriate regional responses by police and authorities. It also includes a small pilot project in a northern border province of Vietnam for returned trafficked women.

But, in addressing these issues, we must not shy away from the paradigm shift that must occur to address issues such as child prostitution, people-trafficking and the spread of HIV-AIDS. It is for this very reason that projects sponsored by the Australian government must incorporate the cultural elements of Vietnam and work with the local authorities; otherwise they will not work. Australia is involved in assisting Vietnam to address the issues of both domestic violence and people-trafficking. Two separate studies on domestic violence among the Vietnamese both stressed how authority was gender based with males dominant.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! The time allotted for private members business has expired. The debate is interrupted in accordance with standing order 104A. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member for Petrie will have leave to continue speaking when the debate is resumed.

GRIEVANCE DEBATE

Question proposed:
That grievances be noted.

International Justice for Cleaners Day

Ms O’BYRNE (Bass) (4.37 p.m.)—Today I grieve for low-paid workers and the very raw deal every one of them is getting from the Howard government. Today we celebrate International Justice for Cleaners Day. Cleaners are a group of workers who I had the privilege to represent in my previous employment. The day is being commemorated not only in Australia but also in other countries such as the United States, the United Kingdom, Canada and New Zealand.

It is perhaps with a touch of irony that John Farnham’s For the Last Time concert, which was broadcast nationally last night, was brought to a climax with a performance of his first hit song, Sadie, the Cleaning Lady. The reality today is that there is now a very real chance that the words of that song,
‘Scrub your floors, do your chores, dear old Sadie, looks as though you’ll always be a cleaning lady’, will no longer provide the option of certainty of employment which once prevailed. For no matter how hard she works, there is far from any guarantee that she will retain her job.

Certainty of hours and employment for cleaners is now very much a day-to-day proposition. We have begun to experience in this country the real downside of the tidal wave of contracting out which has washed through the cleaning profession. This phenomenon has turned decent jobs into precarious part-time and casual positions with low respect for the workers who fill them. Cleaners are the forgotten workers: because of the time of day that they work, they are often never known on a one-to-one basis by those to whom they provide service and support, and they are very rarely thanked; in fact, the sad thing is that the only occasion where there is communication is when someone has something to complain about.

These days cleaners almost invariably work part-time or on a casual basis. Many are provided with inadequate briefs, poor equipment and inappropriate material with which to fulfil their responsibilities. Sadie, as we all know, had a trusty scrubbing brush and a pail of water. Many cleaners are unlikely to have even these meagre tools. Their health is at risk and they have little chance to do their job with any level of pride in their work. All too often they are allocated insufficient hours to do each job properly—a factor which, through no fault of their own, leads to a lack of respect from those who work in or use the premises which they clean.

Cleaners are amongst the lowest paid workers in Australia and have very poor working conditions. A large percentage are women and many, like Sadie, are the sole breadwinner for their family—Sadie, as we recall, ‘Worked her fingers to the bone for the life she had at home, providing at the same time for her daughter.’ Just how well Sadie could do this today, when she would be given limited hours with no accompanying benefits, is sadly all too clear—she simply could not.

Cleaners were once real employees who felt part of the company that they worked for. They had decent jobs with decent pay and, importantly, they were given an adequate amount of time to do the job properly. In other words, they were members of a team and could take pride in the contribution they were making. Now they can feel neither. How often do we hear the Minister for Employment and Workplace Relations salivating in this House with claims that this government has created better working conditions, more jobs and more pay for Australian workers? If this is the case in any way, then it is a classic case of statistics being manipulated to say just about anything. The reality is that this government’s régime of individual contracts and the like is a time bomb waiting to go off. Of course there will be some workers who, armed with an extra 15 per cent per hour in their pay packet, will be happy with their immediate lot, and of course there will be some workers who will temporarily be happy to work for fewer hours for more dollars per hour. The crunch, however, will come very quickly in each case when they realise the downside of no provision for sickness or holidays.

The mirage is able to be perpetuated with the rhetoric of the likes of the minister. This is because there will often be another worker willing to fill a worker’s place when they first hear about the conditions, which appear on the surface to be okay. But this only lasts a brief time until that worker, in turn, finds out that the silver lining is quickly enveloped by a pretty big cloud. The worker and their
family soon discover the failings of the great new order. This will continue to happen because the concept is fundamentally flawed. The crunch will always come for the individual. Eventually this experimentation with ideological madness will come back to bite society where it most hurts government—in increased health costs, increased social welfare benefits and the like.

I use as an example the outrageous contract provided to low-paid workers at a meat works in Launceston in my electorate of Bass. ‘Take it or leave it’ is the only option offered to these workers, many of whom have loyally served the company for years without any recourse whatsoever to industrial disputation. The key tenets of this offer include: an acknowledgement that there is no employee-employer relationship; no guarantee of any work; an agreement to receive only an unspecified agreed amount per hour for actual on-site hours; no holiday pay, no long service leave, no sick pay or similar payment or leave entitlements; and an agreement by the worker that the employer has no responsibility or liability to the worker other than the payment for actual on-site hours worked. What happens when things go wrong for the worker? As we know from the song, Sadie’s aching knees were not getting any younger.

This is a free kick given by this government and by the Minister for Employment and Workplace Relations, in particular, to greedy and unscrupulous employers to manipulate workers for their own benefit. The contracting system has created a race to the bottom of the heap: which company can get away with doing as little as possible for as little cost as possible. It seems that profits are all that matter to the company and to this government. It is reported that some big companies are allowing their premises to be cleaned for as little as 15 to 20 minutes per day—spot cleaning. No cleaner believes they can do the job properly in such a time, and they are right. No wonder they feel they lack respect for what they do. Apart from being grossly unfair to the cleaners, policies such as this are fraught with danger, not the least with respect to the health of the workers and customers who work in or come to those premises. The contracting obsession and the elimination of unions from the workplace allow companies to opt for the cheapest tenderers, who then in turn make their profits at the expense of low-paid workers with few, if any, rights.

What happens when a worker gets sick or wants to take his or her family on a holiday? This is the most basic of all of the flaws of this unjust system. The very fabric which underpins Australian society—the principles of equality and a fair go—is stripped away when we have some workers who have adequate and proper conditions and others who do not; when some can afford to get sick while others cannot; and when some can take a holiday or take a day off in the interests of their own or their family’s health while others cannot. This, sadly, is another example of the quickly emerging long-term strategy of this government: to create a divided Australia with an underclass completely dependent on the remainder.

It will be not only the low-paid contract workers and their families who will suffer as a result of this government’s callous and ill-conceived approach to workplace relations. We will all pay when more and more workers—with their income-earning capacity marginalised by casualisation and increased contracting in the work force—are forced towards, and then into, the poverty trap of the working poor. I, for one, will not be subscribing to the theory that ‘it sounded like a good idea at the time.’ It is not, it never has been, and it will not work.
This is not the only direction in which the government’s strategy is taking us. A sad example of this government putting its ideology on workplace relations ahead of the interests of all Australians is the Tullamarine Mail Centre. We were told originally that we needed the mail centre to properly screen mail items before their delivery into Australian mailboxes. Given the strong position taken by the government in relation to a range of other security matters, one would have thought that no obstacle would be allowed to get in the way of such an important construction and consideration. But an obstacle has emerged—one which is entirely of this government’s own making. The obstacle, the government says, is that it cannot find a tenderer which can comply with its philosophy on workplace relations. It cannot find a tenderer that fits in with the government’s ideological obsession—pathological obsession—with workplace relations.

We saw the same logic applied to a contribution which was requested from the federal government towards the redevelopment of the Melbourne Cricket Ground in time for the 2006 Commonwealth Games. Fortunately in this case, despite the minister’s intransigence, these games will go on. Now we see the government at it again; this time it is trying to impose its obsession with workplace relations as a condition for grants to universities. The universities have said that they will not have a bar of those conditions. Let us hope that the message gets through to the government and that will be the last we hear of that nonsense.

Sadie held the No. 1 position on the Australian popular music charts for five weeks in 1968. It was a time when she and her fellow workers could take pride in the job that they did. Sadly, this is no longer the case— to the great shame of this country and to the great shame of this government. I commend all the people who are involved in International Cleaners Day—or International Justice for Janitors Day, as it is known in the US. This is an important recognition for some of the lowest-paid workers in our country. It is an important recognition of our failure to do the right thing by them, as we push them further and further into the casualised and marginalised employment of the working poor.

Wine Industry: National Australia Bank

FRAN BAILEY (McEwen—Parliamentary Secretary to the Minister for Defence) (4.47 p.m.)—I rise this afternoon to bring to the attention of the House the attitude of one of this nation’s largest banking institutions towards the viticulture industry in Australia. The National Bank is circulating an internal alert, warning its banks to beware of lending to the wine industry. This warning is based on a series of dire predictions in a four-page, in-house document known as an ‘industry risk alert’ on the Australian wine industry.

The National Bank has deliberately targeted the wine industry for close scrutiny because it claims that the industry is at significant risk due to a softening world wine market. In real terms, this means that our winemakers may find themselves without the financial backing they need to carry them through these tough times. Growers of red grape varieties are being particularly punished because, according to the National Bank, there is an oversupply of lower-end red wines in Australia. The threat of global oversupply, the maturing of overseas wineries and intense domestic competition are other reasons given for this strike against our winemakers. But this is the very environment in which our wine industry has made its mark so successfully. The National Bank is effectively saying that future lending cannot be guaranteed, because our wine industry is a player in the world market. Family and boutique vineyards that have invested significant sums over the past few years, at the urging of
... their bankers, are most likely to find themselves without backing.

The document highlights wineries in the $10 million to $20 million turnover range as being most likely to experience a tightening of profit margins and therefore to seek to increase their borrowings. Bankers have been told to look out for customers exhibiting signs of stress and to assess 'as best they can' any financial hardships that customers may be having. According to the National Bank industry risk alert, customers requesting increases without clearly indicating a reason is the type of behaviour that should be ringing alarm bells. Further, the bank is determining support for loan applications based on the perceived value of a wine label or whether or not a winery has won any awards.

The National Bank is compounding the concerns of the wine industry by also warning its banks about lending to operators in the tourism industry, because of the expected downturn as a result of the Severe Acute Respiratory Syndrome—known as SARS. A National Bank industry risk alert identifies the tourism industry—particularly places of accommodation—and requests that all relationship managers within its branches review their portfolios and identify clients who may be affected by the outbreak. Based on the National Bank assumption that visitor arrivals over the next few months will be down by around 20 per cent—which it recognises could also be a result of the ongoing war on terrorism—local tourism operators in established regions, such as the Yarra Valley and Macedon Ranges, could be severely affected.

The drought has already had a profound effect on the agricultural sector in my electorate and, while we are now seeing federal funding helping our local farmers, the last thing we need is for another major rural sector to bear the brunt of factors they have no control over. The National Bank approach undermines not only the tourism industry but also associated industries. The wine industry relies just as strongly on a successful and buoyant tourism industry as it does on successful harvesting and production.

I represent an electorate in which vineyards and associated tourism industries inject millions of dollars each year into the economies of my local communities. My colleagues on both sides of this House have no doubt enjoyed a glass or two of the best wines from award-winning vineyards in my electorate—probably the Yarra Valley or the Macedon Ranges. Established wineries are also located throughout the rural landscapes of my electorate in Kilmore, Seymour, the central highlands and the Plenty Valley.

Our wineries are as much a part of our rural make-up today as sheep and cattle grazing, and are responsible for much of the renewed interest in rural lifestyle living. Nationally, exports have been the key driver of growth in the wine industry—so much so that Australia is now the fourth-largest exporter of wine, with sales last year over $2.1 billion. Strong investment, supported by the banks, in grape plantings nationally has increased from 67,000 hectares in 1993-94 to an estimated 148,725 hectares in 2001. Australia enjoys a strong reputation as a winemaking nation because of the distinct quality of our vineyards, our winemaking infrastructure and our marketplace expertise. Austrade’s Chief Economist, Tim Harcourt, confirmed this when he recently said that wine exports are strong because of the capability of our producers to provide quality wines. The ability of our winemakers to keep up to date with trends and developments abroad also means that global interest in our wines is set to continue, he said.

This is sound endorsement of an industry that has contributed so much not only to our relaxed country lifestyle but also to the eco-
nominal viability of our rural and regional areas. Victoria boasts over 350 wineries in 22 distinct wine regions, with an estimated value to our economy of $394 million—up over $100 million from the 1998 figure. Wine regions around Melbourne, such as the Yarra Valley and the Macedon Ranges in my electorate, share in $194 million each year, according to the Victorian Wineries Tourism Council. Visitor numbers to wineries within an hour of our capital city have almost trebled since the mid-nineties, from around half a million to almost 1½ million a year in 2000. McEwen is certainly a major benefactor. Visitors to our region spend many thousands of dollars each weekend on food, accommodation, fuel, cellar door sales and souvenirs. Wineries in my electorate employ hundreds of local people in positions ranging from maintenance to cellar door sales, not to mention seasonal work.

That is why it is so disappointing that a major bank—one that would, no doubt, consider itself an institution in this country—could put such a black mark beside our wine industry. The wine industry has led the way in promoting new industries in rural and regional areas, generating significant investment and employment opportunities for small rural economies. The major banks were interested in getting in on the ground floor for the expansion of these industries, and their bottom lines improved as a result of their investment. But winemakers share a common bond with primary producers: both are reliant on factors beyond their control, such as rainfall and temperature variations. Winemakers could now find themselves sitting opposite hostile bank managers who, only years earlier, signed off on start-up loans for their vineyards’ first plantings.

The National Bank has, effectively, stripped the confidence of winemakers and replaced it with an uncertainty that threatens the whole industry. It is laying down the law, warning bankers away from sectors of our wine industry and, worse, seeking out customers to peg as potential bad creditors. This is simply not good enough. They were very keen to get in and support our wine industry in the early days. How dare they now take a sniff at what is happening globally with the SARS epidemic, and cash in on the frustration that has bedevilled so many of our tourist operators and winemakers as a result of a decrease in tourist numbers. It is just not good enough that they are sending out these internal warnings. I condemn them for these actions. I seek leave to table the industry risk alert that the National Bank is sending around to its branches. I regard this as a form of intimidation of the excellent winemakers and tourist operators within my electorate.

Leave granted.

Howard Government: Policies

Mrs CROSIO (Prospect) (4.57 p.m.)—I rise in this House today to bring to the notice of members of parliament the concern being expressed by people in my electorate that the Howard government is creating a two-tiered society—the have and have-nots. I suppose, when one looks at it, it is the perfect scenario for a man who has lived his whole political life by a ‘divide and conquer’ motto.

The vast majority of my electorate work very hard and they could not be classified as wealthy. Some are more comfortable than others, but all are in need of some sort of a break to be able to achieve. This government has not provided them with a thing and is constantly undermining their attempts to get ahead, whether it be by making it more expensive to visit the doctor or more expensive to send their children to school. Life is becoming a greater struggle for my constituents.

For the long-term unemployed the news is even bleaker. Chronic unemployment is a serious social and economic problem in my
electorate, particularly in Fairfield. It distresses me to see so many working age people, for whatever reason, just loitering around the streets because they are out of employment. These people have been left with little self-confidence or pride. Some do not want anyone to help them and wish to blame everyone and anyone for their predicament. Others are genuinely in search of assistance and need just the slightest helping hand.

However, this government, in the latest round of Job Network contracts, has slashed the employment assistance providers in my electorate by 50 per cent—they have now gone from 10 to five. In the Fairfield-Liverpool region, the number of providers has been reduced by 18. Over the corresponding period, I do not believe that the unemployment rate has been slashed by half. We still have unemployment at over 10 per cent, whilst the national rate is six per cent.

But why would this government care? These people are just bludgers in its mind and have been called that by members sitting on the government benches. The Howard government is uncaring; it is nasty and unforgiving of the have-nots. If you have read any of the great Dickens novels, you would think that parts of this nation were in Victorian London. When I walk through Fairfield at times, they are the images I receive. With this chronic unemployment, there is the associated effect of crime and antisocial behaviour. When people have nothing to do and nothing to aim for, they will sometimes cause a disturbance and lash out at society. People may argue about whether or not this is right, but that is irrelevant. What I am trying to emphasise in the House today is the fact that it does happen. I am pleased to say that the Labor Party has always prided itself on assisting those less fortunate and on attempting to provide opportunities to those who want to have a go. Most of the people I represent want to have that go and indeed need that assistance. They do not need imposts on them to prevent them from succeeding.

The proposed university reforms have been greeted with great trepidation by my constituents. Parents are coming to me, even in the street, and asking how they are going to find the funds for their children’s higher education. The students are deeply concerned about the level of debt they will encounter before they even enter the work force—and this, of course, is before they enter the real estate market. Many of the young people in my area are first-generation university students. The students at the major university in our region, the University of Western Sydney—and I am pleased that the Leader of the Opposition visited it last week—are overwhelmingly first-generation students: 66 per cent of the students attending that university are first-generation students. These students have been provided with this opportunity due to the reforms first implemented by the Whitlam government, which believed that people should be able to attend university according not to their ability to pay but to their academic and intellectual qualities. I believe this reform was one of the greatest achievements of the Whitlam government, and succeeding generations have a lot to thank Gough Whitlam and Kim Beazley Sr for.

The overall cost of living is another concern for the people in my electorate, and this cost has increased under this government. The cost of medicines, the cost of the GST, the cost of sending children to school, the cost of child care, the cost of longer hours without the parallel increase in pay or leave and the increase in credit card debt are all hallmarks of this government. This government has made it trendy to go into debt. Many people are living beyond their means. But the government is encouraging this, be-
cause it suits its political agenda. History shows that all booms end. However, this great boom in the outlaying of debt has tended to create a squeeze in society. Unfortunately, many in my community are seduced into going further and further into debt. The attractions of greed and materialism seem to be greater than those of diligence and prudence. That is what the world that the Howard government has created is all about. The problem is that many people are being left behind and are being looked down upon by those who are leaving them behind.

People are working longer and harder to keep pace with the cost of living. The hours that Australians now work are longer than those worked in any other country in the OECD apart from South Korea. The government constantly argue that a more flexible employment environment will create thousands more jobs. What they do not say is that their proposals for greater flexibility really mean flexibility for only one side—that is, the employer. A number of bills brought into this House by the government allow employers in businesses that employ fewer than 15 people to sack people without those people having a redress mechanism. Other legislation sees the government allowing businesses to use transmission of business as an excuse to dismiss employees, and another initiative would allow the government to legislate to prevent the AIRC from providing low-income workers with the means to an annual pay rise.

All this goes on while the top end of town can do what they like. There is absolutely no effort by the government to prevent the widespread rorts and flouting of corporate law that is constantly occurring in the corporate sector. The government say, ‘Oh well, we can’t get involved in the market.’ That is the most pathetic of excuses. I suppose, when the party is obtaining bucket loads of funds from certain companies, one would not feel inclined to stop corporate excess. However, people are now saying that enough is enough. The disgust the community feels towards the high-flyers that brought down once strong and profitable companies like HIH is justified. The government were quick to jump on and promote the problems of the building industry and, in particular, to engage in their usual exercise of union bashing, but are they so quick to implement corporate reforms? Of course not. They are quite happy to allow the top end of town to do as they like whilst punishing those who are at the bottom.

I should add that for the last six years I have tabled a private member’s bill to ensure employees get 100 per cent of their entitlements when a business becomes unviable. The government will not debate this bill, no matter how many times I introduce it. I believe the simple reason for that is that it does not care for the honest, loyal and dedicated employee. It just does not care. It is ideologically obsessed with providing employers with the right to hire and fire at will. The government would prefer that the courts rather than the AIRC settle industrial disputes. In other words, employees would never be able to combat unscrupulous employers, because it would be too expensive for them.

The society that Australia under Labor spent many years creating has been totally destroyed by this government. If you wish to live a life of greed, you will love this government. If you are struggling to make ends meet, then you are undoubtedly falling further and further behind. Another example I would like to briefly touch on—and it is something I have spoken about before—is the US free trade agreement. This government is doing its level best to turn this country back into a farm and a quarry. The scenario at the moment is really quite extraordinary with respect to some of the comments
that are being made regarding this agreement. My constituents keep telling me that life is getting more and more difficult. They feel like they are sinking under the torrent of increasing costs. The proposed reforms I have mentioned for both the health and education sectors are causing people to become anxious and concerned that life will become even tougher for them. In all my years in public life, I do not think I have come across a government as divisive as this one. It seems quite intent on creating a society of haves and have-nots. It appears that the community has only one choice to rectify this situation, and that is to elect a Labor government. (Time expired)

Environment: Water Management

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.07 p.m.)—The quality and adequacy of Australia’s water supply is clearly one of the key issues for our society this century. It has dominated the development of this nation—and debate about development—for the last 150 years. Of course, there is nothing new about water shortages in Australia or problems of algal blooms or fresh water turned salt. In 1829, explorer Charles Sturt happened upon the banks of the Darling River and declared the water too saline to drink. A year later, in 1830, at the same spot, he found that the Darling’s water, though sweet, was turbid and had a taste of vegetable decay as well as a slight tinge of green. He was probably observing for the first time in European literature a blue-green algal bloom.

The major problems of water management in Australia stem from the fact that both runoff and rainfall are extremely poorly distributed in time and space. One-third of mainland Australia has an average annual rainfall of less than 250 millimetres and is classified as desert. Another one-third has an annual rainfall of between 250 and 500 millimetres and is classified as semiarid. With the exception of the far north, with its regular summer rainfall pattern, and the far south, with its regular winter rains, Australia has no regular seasonal distribution of rain, and rainfall is erratic and variable.

Recent human responses to the Australian environment—that is, in the last 120 years—have seen the construction of very large storage reservoirs and a requirement to transport water over very great distances. Some people talk about the extraordinary fact that we have more water per capita stored in Australia than any other continent. But if you understand the aridity and the distribution and variability of Australia’s rainfall then that should come as no surprise at all. There are thousands of kilometres of channels transporting water from storage in highland areas to the arable land, where a security of supply has provided for the development of permanent plantings of vines, fruit trees, mixed horticulture, cereal growing, pastoral development and the dairy industry. In fact, S28 billion worth of produce now comes off just 0.5 per cent of the continent of Australia—the 0.5 per cent which is irrigated. This is a testament to the hard work and ingenuity of generations.

Although water use for irrigation and other purposes did not commence on a significant scale until after the 1880s, development was rapid during a time when we just did not understand all the consequences of drainage systems or the hydrology of this country. Over two-thirds of the water in the Murray river system is now diverted each year, and 90 per cent of this two-thirds is diverted for use in irrigation. Outflow from the Murray to the sea has been reduced from about 13½ million megalitres per year down to 4.9 million megalitres per year. Water ceased to flow to the sea at the Murray mouth in 1981, 1995 and 2002-03. While
this phenomenon would have occurred in very dry series of years before dams were built and diversions were made early in the 20th century, the reality is that the Murray-Darling Basin rivers now experience a drought-like situation in 61 in each 100 years compared to five drought-like years in each 100 years before damming, irrigation and urban development. Hence we have the death throes of some 1,200 kilometres of Murray red gum and box on the banks of the Murray from Euston towards Adelaide.

We know full well that the use of water for irrigation not only reduces dilution flows in streams where you have a salt-laden landscape but also mobilises salt, increasing salt loads in the streams. However, if we are looking for causes, if we are looking for someone to blame—which I suggest is not a very useful exercise but is one a lot of people indulge in—much of the salt affecting the basin’s major southern rivers—the Campaspe, the Goulburn, the Loddon and the Avoca—is coming from ground water systems originating on the northern slopes of the Great Dividing Range in Victoria. These slopes were initially cleared in the 1860s by goldminers and by those looking for blocks of timber to pave the streets of Melbourne and to put into the boiler boxes of the steam engines that drove the great manufacturing of the early days of Ballarat, Bendigo, Melbourne and Geelong. The salt is also coming from the western slopes of New South Wales, whose deforestation similarly helped in the development of the great cities of that state.

The national salinity audit showed that 60 per cent of the increased salinity predicted in the lower Murray will come from dryland sources rather than irrigation areas in the future. Of that 60 per cent, over half will come from the Mallee Region of the lower and middle Murray. The rest will come from the dryland parts of catchments in Victoria, New South Wales and Queensland. So we are not just talking about irrigation as the generator of the salt problems which are going to make water in Adelaide less than potable in about 50 years. While state governments once worked to build separate water law regimes and water supply infrastructure within the confines of their states, the challenge for us now is to integrate water management, resource management and water law across the states that share great basins like the Eyre Basin or the Murray-Darling Basin in eastern Australia. We must work across catchments, and we must deliver back to the environment more water—which may have multiple uses for tourism and recreation or which may also be used for irrigation—because we understand that the system as we now know it is not sustainable.

Professor Peter Cullen makes a number of very important points about the need for our future to be different. He argues, for example, that we must treat the causes, not just the symptoms. In particular, he argues that we could double GDP and halve water use if we invested in water savings—that is, in finding savings in current water consumption and directing these savings to environmental purposes. This, I think, is our great challenge. He also talks about the more efficient irrigation use and other water consumption uses coming about, in particular, as a result of a viable market for water. We have had a market for water, of course, in Victoria and in other states, including South Australia and parts of New South Wales, for quite some time. There should not be an argument anymore that separating water from land is a problem for farmers. The issue instead is who can buy that water and where that water can be transferred to after sale so that it does not exacerbate environmental problems and so that it delivers maximum benefit back to regional economies. That is the issue confronting us.
In recovering water for the environment, we must give security of entitlement to those who currently have rights to its use and who wish to continue to have entitlements or access to some water in the future. If there is no security of entitlement, we cannot expect banks and other lending institutions to invest in our great rural economic endeavours—in particular, in agribusiness. The licence, too, must be a percentage of storage, not a set volume. In that way the percentage of storage can move about in dry or wet seasons. It is a more equitable and sensible way to progress. We must integrate surface run-off, ground water systems and stream entitlement considerations. These are not separate, isolated hydrological systems; they are interlinked and one depends on the other. This needs to be understood in the way we allocate entitlements to ground water or surface flow.

Peter Cullen has talked about the development of an environmental trust. He talked about this recently in Adelaide, some two weekends ago. I support the exploration of the notion that some $100 million or so could be put into a trust and water could be purchased for the environment from those who offer to sell all or part of their entitlement in a voluntary and open market system. This environmental water trust would also be responsible for delivering and maintaining agreed environmental assets. It could also accept investments from super funds and others looking to purchase water for the environment as part of a philanthropic endeavour. The trust would be a customer of the Murray-Darling Basin Commission if it were in the eastern part of Australia and, therefore, it would pay its way in terms of its share of storage and delivery charges. We can imagine that this trust might trade in environmental flows by buying when there are flood conditions and selling in drought.

We have to consider all of these notions. But we must also ensure that we do not get carried away with the idea of a national market for water as if water were a kilo of coffee. Water has different characteristics and it is intimately associated with its own source and supply systems. It should be traded only in places where it can be transported without environmental, social and economic impacts on others who share the supply or ecosystem. There are examples from states where a water market is well developed. They have taken on board the issues of stranded assets; we have taken on board in Victoria what happens if too much water is sold from one region too quickly, potentially causing local economic collapse. All of these considerations must be part of the debate. (Time expired)

International Justice for Cleaners Day

Ms JANN McFARLANE (Stirling) (5.18 p.m.)—Yesterday, 15 June 2003, was International Cleaners Day. I would like to take this opportunity to bring to the House’s attention the appalling conditions that so many cleaners work under. As well, I would like to congratulate the efforts of the Liquor, Hospitality and Miscellaneous Workers Union, the Missos, in drawing the attention of the community to this issue and their campaign ‘International Justice for Cleaners Day’.

Much too often, cleaners are employed by contract companies who win their contracts by providing quotes that are so low that they cannot afford to give workers decent working conditions. Businesses blindly accept the lowest quote offered to them without any concern for the human costs of their quests for massive profits. Cleaners frequently face new contracts and the uncertainty that goes with them. There is often no guarantee that wages and entitlements will be protected from contract to contract. There is rarely any recognition of service or any long service
leave paid. There are many examples of these companies falling into financial difficulty and finding themselves unable to pay their employees’ superannuation and other entitlements.

To increase profit margins even further, cleaners employed by such companies are expected to meet impossible deadlines. Contractors further reduce their asking price by paying their staff for fewer hours while expecting the same amount of work to be performed. People who work in these jobs are some of the most marginalised members of our society. They are women, migrants and the young, primarily. Whilst the salaries of managers and executives continue to rise, those at the other end of the widening income gap are being forced to accept low wages and substandard working conditions. Big businesses have been able to exploit these people by reinforcing the belief that they are powerless against them.

Often cleaners are unskilled and have limited career options. Many are women whose families rely on the second income, many are migrants who are unaware of their rights and many are young people struggling to pay for an education. They need these jobs and they are being exploited because of their need. I would like to commend those companies who employ their cleaners on their staff and those companies who accept a higher quote for tenders and are socially responsible. There are too few of you. Hopefully this campaign and awareness raising will allow more of you to develop.

I would like to now talk about a situation within my electorate of Stirling. The Australian Liquor, Hospitality and Miscellaneous Workers Union is fighting to protect the rights of the cleaners who work at a large hotel in Scarborough, the Rendezvous Observation City Hotel on the beachfront. This company relies on its cleaners to maintain its good image. Unfortunately, when their job is performed well, customers rarely pay any attention, but they are being expected to perform more and more work in fewer hours. Cleaners need to receive greater recognition for the valuable contribution they make to our society. We need to support them in their fight for reasonable conditions and ensure their entitlements are protected if a cleaning company closes down.

Companies that allow such exploitation to occur, like the international chain that runs the Rendezvous Observation City Hotel and the contractor AHS, must be held accountable for their actions. They cannot be allowed to get away with treating the people who work for them so irresponsibly. Businesses like the Rendezvous Observation City Hotel are equally responsible for the wellbeing of their contract workers and they need to be certain that, in accepting the lowest quote, they are not forcing workers to accept substandard conditions of employment.

Security guards are another group of people whose work has been contracted out, and they are paying the price. For workers this means a lack of job security from one contract to the next, with wages and conditions that are well below the award. Often the burden of added costs, such as uniforms, is being placed on the workers as well.

This government created federal Australian workplace agreements with minimum conditions of employment and, supposedly, a ‘no disadvantage’ regime. Workers cannot negotiate from a position of power, especially if they are not in a union. If it were not for the unions, many people working under AWAs would be working well and truly below the poverty line. The International Justice for Cleaners Day is being jointly organised by two unions: in Australia by the LHMU—the Missos—with 130,000 members and, in the US, by the SEIU, with
1½ million members. It is being remembered with campaigns and celebrations. They do have wins, and it would be wonderful if the Howard government, MPs and senators, would come on board and acknowledge the good work of unions. It would be even better if the Howard government put their energy into ensuring just and equitable wages, conditions and protection for these workers. The community would benefit; families would benefit; we would all benefit.

Instead, the Howard government continues to tear down workers rights by continually denigrating workers rights and unions and by attempting to bully legislation through this House that keeps low-paid workers, particularly cleaners and security guards, with oppressive and unfair working conditions. Low-paid workers and their unions, the Missos and the SEIU, will continue to find new strategies to win some justice for themselves and for future workers. One meaningful and fair thing that the Howard government could do is work with the opposition on a global protocol of service sector tendering—one that takes into account the needs of workers and communities. As I have asked before in this place: when did we become an economy instead of a society?

To the people out there in the community who are listening to their parliament, I encourage you to do your bit: join in the Labour Start campaign with trade unionists in Australia, the US and elsewhere. Visit the campaign web site and send off your message to the company. The campaign web site address is www.labourstart.org. Forward this message to your fellow union members, your family and your friends. By sending in your emails, you are supporting the campaign, and, in supporting the campaign, you are supporting justice for low-paid workers. If you are not on the Net, send a fax or letter or make a phone call of support to your local Liquor, Hospitality and Miscellaneous Workers Union branch. By doing our bit, we can ensure cleaners and security guards get justice and a fair go—the Australian thing.

In participating in this campaign, you are also ensuring that your own working conditions are looked after. If it were not for the unions in this country, workers would be in a very parlous state. We do not want to have the Third World conditions of workers in India and some of the Asian countries, such as Indonesia and Burma, where people have to work in workplaces that are unsafe and insecure, where they are paid minimal wages, tiny wages, starvation wages, and they are expected to subsist on them.

It is always with some sadness that I look at issues like these and say to myself: why, in 2003, am I standing in this House talking about justice; in a country with a well-developed democracy and a well-developed economy, why do we have a situation where the widening income gap is creating executives, senior managers and other people on very high wages, but we still have this underclass of very low-paid workers and contract workers? Companies like the Rendezvous Observation City Hotel create a certain image for their employees but it is done on the back of exploitation and oppression.

Another issue of unfairness about the conditions of contract workers is their lack of knowledge and understanding of occupational health and safety laws and protections. Often these workers suffer injuries and they are not aware of the rehabilitation services available through workers compensation. Often they are sacked and they do not know about their rights, through the Industrial Relations Commission, to get their claim for workers compensation identified and lodged or to progress a case where they can get their job back or be treated with a fair payout.
It is with some sadness at times that I talk about justice. As I said, in a society like ours which is well-off, where there are many affluent people, why are these things still happening? We have intelligence in this parliament; we have intelligence among our senators and MPs to address these issues, to create laws, regimes and protections that give justice to all workers. But while we overlook and ignore the needs of our low-paid workers, we will continue to have campaigns like the International Justice Campaign for Cleaners, as well as for security guards. I bring this to the attention of the House, and I look to this government to take action to address these issues to create a fairer and more equitable Australia.

Herbert Electorate: Townsville Hospital

Mr LINDSAY (Herbert) (5.27 p.m.)—I would like to raise the issue of the ongoing problems of Townsville Hospital. Townsville Hospital is a very new hospital, having been commissioned only two years ago. It is a level 6 hospital. It is the most modern hospital in the state of Queensland. Wonderful people operate the hospital and it has very good infrastructure. But week after week, there are ongoing crises at the Townsville Hospital. Back in February, the hospital was branded the hospital with the worst waiting list in the state, and my community is not going to tolerate that. It is high time that the Queensland state government recognised that there are very serious problems. Fundamental to that, the state government has to understand the bureaucracy that runs the hospital system, where the root cause lies. It has to understand that the whole reason for having a hospital system is to look after patients. Time after time, incident after incident, I see a situation where the bean counters get a preference over the patients in relation to what is done at the hospital. That cannot be allowed to continue. My community are sick and tired of it and totally fed up with the treatment that they are getting in relation to the services provided at Townsville Hospital. It has to be fixed.

To that end, I have taken the lead on this issue, because the state members are not doing anything. They are basically out of sight on this particular issue; I have taken the lead. Last week I wrote to 50,000 people in Townsville and Thuringowa, asking them to give me their support to get a clear message to the Premier of Queensland, Peter Beattie, asking him to fix the problems at Townsville Hospital. The Queensland health minister seems incapable of fixing the problems and of getting her bureaucracy to know and understand that our community will not continue to suffer these kinds of problems. It might well be that these kinds of problems exist over the whole of the state of Queensland, but I am interested in Townsville. I am interested in the people that I represent, and I demand nothing short of proper service to people who need health care.

I have had some horror stories. Half of the mail-out went out and was delivered only on Friday. Already, this morning, my office has received over 1,000 responses. That is the level of concern that exists in my community. It has been an extraordinary result, and I hope that this extraordinary result will make the state government sit up and take notice—and know and understand that the people of Townsville and Thuringowa are not going to cop a health service that is second-rate.

Some of the responses that have come through today—and this is just a selection—are as follows. Mrs H. of Condon says:

I have a much-loved niece who recently received a very grim prognosis for liver cancer and has to temporarily reside in Brisbane to receive necessary treatment.

Why are patients having to travel 1,200 kilometres to Brisbane to receive treatment? From Ms P:
I have been waiting also for an appointment for a cancer to be cut out and have been forced to have it done privately. I am on a part pension.

The state hospital will not look after a person with cancer. Mrs S. of Condon says:

I am currently waiting for treatment at the hospital. I have been advised that it will take over two years even to have my first, initial consultation.

What a dreadful situation. From Mrs J., who is a theatre nurse at Townsville Hospital:

I have witnessed firsthand the cancellation of patients to avoid nursing staff doing overtime—

— that is, patients’ operations —

While nobody likes doing overtime, I do not like my patients waiting for hours unnecessarily. I especially do not like being told by my IT managers at the end of the month that data collected shows our theatre utilisation times are too low. It is impossible to maintain high theatre utilisation times if we are forced to cancel patients’ operations to avoid paying overtime. These cancellations occur on a regular basis, and they are a problem—a problem that could be solved with adequate public hospital funding.

Mr W. from Douglas suffers from myeloma and believes that, in order to obtain proper treatment, you will have to commute to Brisbane at the cost of ‘at least $1,000 a trip’. Mr M. visited the hospital for a cardiac test that had been booked weeks before. He was told that his test had been cancelled because the doctor had left the hospital’s employ the day before and there was no backup doctor available. His test had to be rescheduled for two weeks later. That is for a cardiac patient. Mr O’B.’s wife has been waiting for an operation for varicose veins since 1997. Mr T.’s sister has cancer and is caught up in the waiting list at the hospital. Mrs T. asks:

What is the point of getting early detection tests done if you cannot get early treatment?

I think that is a pretty fair question to ask. Mr U. has been waiting for 30 months for a throat operation to enable him to breathe properly. How could a hospital system leave a patient who needs to breathe properly on a waiting list for 30 months?

Mrs S. suffered an injury to her right eardrum in September 2002. It took six months before she could see a specialist at the Townsville Hospital, and she is now on a waiting list for an operation that could mean waiting another 12 months. Mr McD. has been on a waiting list for six or seven years for an operation on his legs. It is now too late for him to have the operation, as his doctor has now told him that he must not have any more operations. Goodness gracious—six or seven years on a waiting list, and you get to the stage where the patient cannot have the operation. What a way to clear waiting lists!

Mrs N. has been waiting for almost two years to have surgery which, at most, would mean half an hour in the theatre and a day in hospital, but two years later she has not been able to have the operation. Mrs C. has been on a waiting list for day surgery for over four years. Mr H.—listen to this one—was suffering severe chest pains in April 2002. He went to the emergency department, where he was told to come back the next day. He insisted on seeing a doctor. Four hours later, he had his blood pressure taken and it was found that he was having a heart attack. He was admitted to coronary care and operated on days later.

The list goes on and on. That is just a sample of what my office has received today, but there is a fundamental solution to this particular problem. I have asked my people to indicate this to Mr Beattie, the state Premier. The federal government, under the new Australian five-year health care agreement, have offered the states a massive increase in public hospital funding. For Queensland, it means an extra $851 million. That is money that can be spent fixing the problems of Townsville Hospital. All the federal government have asked the states to do is match the
increase that we are providing. It surely is eminently sensible that the state government and the federal government should participate in the funding of the hospital system, and they should do it in a partnership process.

We have also asked the state governments simply to spend the money that is given to them on hospitals. Some state governments have been found out—it is very difficult, but they have been found out—spending money provided for hospital systems on roads and other state government responsibilities. That cannot be allowed to continue, and the Commonwealth is not going to allow it to continue. We are making it a condition of the next five-year health care agreement that states spend money given for hospitals on hospitals. The problem for our community is that the state government and Mr Beattie have just said, ‘No, we don’t agree. We don’t accept the Commonwealth’s offer. We think those terms and conditions are too onerous.’

What is onerous about expecting hospital funding to actually be spent on hospitals? What is onerous about demanding that it be spent on hospitals? That is what the people of my community want. What is onerous about asking the state government to match the federal government’s increase? Queensland stands to lose $851 million; patients stand to stay on waiting lists, as I have indicated, for four and five years—or until it is just too late to have an operation. That is not acceptable to my community. I give a commitment to my community that I will do everything that I can to make sure that the state government stands up to and meets its responsibilities to the patients who need proper and timely treatment at the Townsville Hospital.

Aviation: Sydney Airports Corporation Ltd

Mr MURPHY (Lowe) (5.37 p.m.)—I rise in the grievance debate this evening on a matter of great importance to my constituents in Lowe and to those of the member for Grayndler, whom I was speaking to before he left the chamber. The issue concerned is the ongoing mismanagement of Sydney airport. This mismanagement goes to the facts associated with the announcement by the Sydney Airports Corporation Ltd, SACL, that it was commencing its response to its statutory obligations that there be a master plan for Sydney airport under the provisions of the Airports Act 1996. On 29 November last year, SACL presented its briefing to community representatives and other stakeholders regarding the preconsultation phase, prior to the formal commencement of the draft master plan exhibition and public comment phase as prescribed under the Airports Act. Time does not permit me to outline the provisions of part 5 of the Airports Act. However, needless to say, SACL has statutory obligations to produce a master plan for Sydney airport under section 70. The act also makes provisions as to certain attributes of that plan, for example under section 71: ‘Contents of draft or final master plan’. Also, under section 72, that plan must be for 20 years.

In June 2000, the Senate Rural and Regional Affairs and Transport References Committee published the Report on the Inquiry into the Development of the Brisbane Airport Corporation Master Plan, commonly referred to as the Brisbane Airport report. In the Brisbane Airport report, the Senate committee made eight recommendations, which highlight serious shortcomings of the statutory intent of the Airports Act with respect to the statutory obligations on the airport corporations and airport lessee companies. These eight recommendations can be summarised...
as: (a) the Airports Act to have objects and purpose provisions; (b) the Airports Act to specify the relationship between the master plan and the development plan; (c) the Airports Act to provide a more prescriptive consultation process; (d) the Department of Transport and Regional Services to develop protocols for community consultation; (e) the master plan process to provide a more open consultation process; (f) airports to disclose flight paths prepared by Airservices Australia; (g) a community consultation model to be developed; and (h) the dual role of Airservices Australia as government advisor and external consultant be critically examined as a conflict of interest. I cannot stress too heavily again to the House that, because Sydney airport is Australia’s largest airport, so too are the environmental impacts associated with Sydney airport and its operation the largest and most pervasive of all airport impacts.

The Commonwealth government has had since June 2000—that is, three years—to follow up the recommendations of the Senate committee’s Brisbane Airport report. Three years is sufficient time for the government to have at least initiated action in line with the Senate committee’s Brisbane Airport report. However, to date not one of the eight recommendations appears to have been initiated, let alone implemented. That is scandalous. The consequence of the government’s inaction is that those residents seriously affected by the environmental risks of Sydney airport—those people who live in my electorate of Lowe and in the electorate of Grayndler, for example—are now placed in the invidious position where they are now being called upon to participate in the formal consultation process for the Sydney airport master plan. This process arises under the same statutory scheme that was visited on Brisbane Airport and with the same tragic, all-too-late realisation of Brisbane residents as to the real efficacy, or lack thereof, of the master plan and its ancillary instruments. Sydney Airport should not be subjected to the pseudoplanning regime, as is currently the case with part 5 of the Airports Act.

I put it to the House again tonight that this situation is in need of immediate redress in the following ways: (1) halt the existing pre-consultation process and master plan process until the Senate’s eight recommendations are fully implemented; and (2) this House move that the Minister for Transport and Regional Services make the said statutory amendments and restart the master plan process for Sydney airport only after the statutory amendments are brought into line with the Senate’s recommendations. Whatever the expectations of the general public are regarding the master plan, when compared with the actual statutory obligations of the airport owner under the Airports Act the expectations differ radically.

On 31 March 2003, it was noted on my behalf at the Sydney Airport Community Forum that I had serious misgivings about the way in which SACL presented the intent and purpose of the master plan. In particular, the Brisbane Airport report emphatically and erroneously concludes that, once a master plan is made by the minister, it is ‘set in concrete’. Nothing could be further from the truth. The master plan can be amended in two ways: section 78 permits the replacement of the final master plan with another draft master plan, whilst section 84 permits the minor variation of a final master plan. Both legislative options may only be initiated by the airport lessee company.

Last weekend I was represented at the community consultation sessions convened by Twyford Consulting on behalf of SACL at Sydney airport’s international terminal. The meeting was attended by some 20 community representatives to participate in the mas-
ter plan preconsultation process. During the presentation on my behalf, I identified the amount of time that the community spent speaking to the issue of the government's failure to implement the Long Term Operating Plan and the serious concerns my constituents, from Drummoyne in the east to Strathfield in the west, have about the fact that, since the making of the Long Term Operating Plan ministerial direction in 1997, the Long Term Operating Plan aircraft movement targets to the north of Sydney airport have not once been met—not once!

As this House is aware, Sydney airport is directly governed by at least four discrete and mutually exclusive acts of parliament with respect to environmental impacts from that airport: the Sydney Airport Demand Management Act; the Sydney Airport Curfew Act; the Airports Act and its master plan, development plans, building control and environmental strategy provisions; and the Air Services Act—that is, the Long Term Operating Plan ministerial direction under section 16, for the purposes of this debate. All this is very confusing to the public, and debate on the topic is equally and justifiably confused because that is the way the government wants it.

The Brisbane Airport report shockingly shows that there is no relationship between the master plan and ancillary instruments under the Airports Act such as development plans, building control and environmental strategy provisions of that act. The Brisbane Airport report even recognises that there is no statutory purpose or objects for the existence of the master plan itself. Other than the necessity to have a master plan, the public—my constituents in Lowe, people of the inner west of Sydney—are left wondering what the purpose of this plan is. Given that it can be changed at will and that the plan does not affect the other Sydney airport legislation of critical importance such as the Long Term Operating Plan implementation, curfew and 80 movements per hour, this makes for a seriously flawed administrative regime and a waste of taxpayers' money.

No wonder the Senate’s report has as four of its eight recommendations that the Airports Act be amended. In light of the Brisbane Airport report, and most importantly in the interest of the constituents for whom I am fighting—from Drummoyne and Haberfield in the east through to Strathfield in the west, not to mention all the suburbs in between—I call upon the Minister for Transport and Regional Services to do the following: to adopt in full the eight recommendations of the Brisbane Airport report and to stop the process of the master plan for Sydney airport until such time as the eight recommendations have been put in place.

The people of Sydney, particularly in my electorate and in the member for Grayndler’s electorate, have been severely punished by this government in relation to aircraft noise. We were promised that air traffic movements to the north would only be 17 per cent. That is what we were promised, and we have been getting 50 per cent and 60 per cent—and sometimes 80, 90 and 100 per cent—more noise than we were promised. The government told us lies about that. The Long Term Operating Plan has not been implemented and must be implemented straight away. (Time expired)

Small Business: Growth

Mr HARTSUYKER (Cowper) (5.47 p.m.)—I wish to speak today about the business environment which is confronting a sector that is one of the major economic drivers of the Australian economy. Small business is very much at the heart and soul of the national economy, and that is particularly so in rural and regional Australia. Roughly 30 per cent of Australia’s gross domestic product is generated by the 1.1 million small businesses
which employ 3.3 million Australians. The latest statistics indicate that at least 35 per cent of all small businesses reside in rural and regional areas. That represents a crucial part of the economic and social fabric of our regional communities.

Since being elected to government in 1996, the federal coalition has had a proud record of removing many of the barriers which held up jobs growth and led to Paul Keating’s ‘recession we had to have’. This government recognises that if the incentives are put in place then more businesspeople will be willing to invest and that will have positive outcomes across the nation. That focus is one of the main reasons that Australia’s unemployment rate is down to six per cent and more than 1.2 million jobs have been created since 1996. It is also why this government continues to pursue reforms to the unfair dismissal legislation for small business—which, I note, continues to be opposed by members of the opposition.

We, the government, recognise that, by allowing small business to improve its productivity, efficiency and overall competitiveness, there are real results for business, employees, local communities and the nation as a whole. But, in creating a fair and productive business environment, it is important that, as a government, we respond to the ever changing dynamics of the commercial sector. In that sense, we need to ensure that small business is protected from the predatory pricing and unconscionable conduct which is carried out by some large multinational companies.

In the past, there has been a belief that the existence of section 46 of the Trade Practices Act provided sufficient protection for small businesses that were subjected to unethical and bullyboy tactics from big business. The adoption of such strategies as selling goods below production cost is not good for our economy in the long term. It is important that we have in place settings which encourage investment and that all stakeholders conduct their business with the long-term interests of the market and consumers in mind. Any intention by corporations to exercise their market power to eliminate a small competitor and therefore increase their market share once that competitor disappears must be a cause for concern for consumers, employees and therefore government.

Section 46 of the Trade Practices Act was intended to protect those small businesses from such anticompetitive behaviour. Section 46 does provide that a corporation that has a substantial degree of power in any market may not take advantage of that power for the purpose of: eliminating or substantially damaging a competitor of the corporation or of a body corporate that is related to the corporation in that or any other market; preventing the entry of a person into that or any other market; or deterring or preventing a person from engaging in competitive conduct in that or any other market.

The object of the Trade Practices Act is to enhance the welfare of Australians through the promotion of competition and fair trading and the provision of consumer protection. Essentially, section 46 was meant to ensure this occurred by restricting big business from either forcing small operators out of the marketplace or making it unviable for new competitors to enter the market. Recently I have received a number of representations with regard to this section of the act. There are numerous cases of small businesses, or the Australian Consumer and Competition Commission on behalf of small business, failing to successfully demonstrate to the courts that big business has used its market position to eliminate a small competitor from the market.

We should never immediately assume that any such legal claim of small business is
fact. However, there is widespread concern that the courts have consistently ruled in favour of corporations because of the inability of appellants to prove the purpose of the actions of big business. Of course that is understandable given that all businesses must be able to compete against any rival. However, there are those in the community who take the view that section 46 has become benign given the Boral decision earlier this year which effectively ruled that 30 per cent of a particular market was not deemed a large enough share for a large company to be viewed as taking advantage of its market position. The Boral decision has caused some concern among small business operators and raises the question: what percentage of a particular market represents an unacceptable dominance which results in an unfair advantage?

To the small business person, the courts are sending a message which says that if you are going to take on a big corporation and that big corporation has only 30 per cent of the market then you would be unlikely to succeed. A business environment where predatory and unfair practices occur has the potential to have a huge impact on smaller businesses, particularly in regional Australia, where innovation and a strong work ethic has the potential to rejuvenate many local communities. If eliminating a competitor simply comes down to either buying them out or making it impossible for them to remain viable then the implications for our nation are extensive. It is essential that we encourage strong competition so we can get new products on to the market and so that those products can be delivered to the benefit of consumers and the wider community. Ongoing jobs growth in regional areas depends on the viability of small business, but if they are to be run out of town by large corporations then regional Australia will be the loser. Instead of buying out their competitors or bullying them into submission, big business should look at investing in new technology and improved equipment, and using the more attractive business environment in which they now operate to compete on a fair and equitable basis.

My colleagues in the National Party, a party which represents many small business constituents, have been at pains to point out in the past that competition drives the economy and that without competition our economy stagnates. Any benefit to the consumer as a result of predatory pricing only produces a short-term improvement for the consumer. After the competition is eliminated from the marketplace, prices will rapidly increase again and perhaps the quality of products will be jeopardised. I believe we need to consider the current effectiveness of section 46 of the Trade Practices Act, with a view to ensuring that it is fulfilling the intention for which it was originally drafted.

Another area of concern in my electorate and in many coastal areas in New South Wales is the decision by the Dairy Farmers Cooperative to reduce the price paid to farmers by 3c per litre, or approximately nine per cent. This decision is causing great pain to our dairy farming families. These farmers have been through deregulation and drought and now are having to deal with this substantial drop in income at a time when they can least afford a reduction. Whilst the cooperative blames poor international prices and the rising dollar, there seems little future in prices at the farm gate that are unsustainable even in the medium term. Farming families desperately need a better deal with regard to farm gate prices, to maintain a stable milk supply to the processor and to continue to contribute commercially to the communities in which they operate.

The DEPUTY SPEAKER (Ms Corcoran)—Order! The time for the grievance
debate has expired. The debate is interrupted and I put the question:
That grievances be noted.
Question agreed to.

ASSENT
Message from the Administrator reported informing the House of assent to the following bills:
Therapeutic Goods Amendment Bill (No. 1) 2003
Criminal Code Amendment (Terrorism) Bill 2003
Crimes Legislation Enhancement Bill 2003
TERRORISM INSURANCE BILL 2003
Consideration of Senate Message
Message received from the Senate acquainting the House that the Senate does not insist on its amendments disagreed to by the House.

BILLS REFERRED TO MAIN COMMITTEE
Mr LLOYD (Robertson) (5.56 p.m.)—by leave—I move:
That the following bills be referred to the Main Committee for consideration:
Workplace Relations Amendment (Protection for Emergency Management Volunteers) Bill 2003
Acts Interpretation Amendment (Court Procedures) Bill 2003
Question agreed to.

AUSTRALIAN RESEARCH COUNCIL
Mr McGURAN (Gippsland—Minister for Science) (5.57 p.m.)—I present, for the information of honourable members, the Australian Research Council’s Strategic Plan 2003-05. I wish to congratulate the Minister for Education, Science and Training, in conjunction with the Australian Research Council—its Chairman, Mr Tim Besley and Professor Vicki Sara, the Chief Executive Officer, and their colleagues at the ARC—for the work and thought that has been invested in this landmark document. It continues the standard of excellence for which the ARC is so well known throughout the research and science community.

HEALTH LEGISLATION AMENDMENT (MEDICARE AND PRIVATE HEALTH INSURANCE) BILL 2003
Second Reading
Debate resumed from 5 June, on motion by Ms Worth:
That this bill be now read a second time.
upon which Mr Stephen Smith moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“the House rejects this Bill and the Government’s so-called “A Fairer Medicare” package for the following reasons:
(1) it will create a two tiered user-pays health system under which Australian families will pay more for a visit to the doctor;
(2) it will lead in time to Medicare becoming a second-class safety net in which bulk-billing is only available for pensioners and concession card holders;
(3) it will make it easier for those doctors who currently bulk-bill Australian families to start charging them co-payments for the first time, and those doctors who are currently private billing to increase their fees;

and commends Labor’s plan to save Medicare and restore bulk-billing for Australians families”.

Mr ANDREN (Calare) (5.58 p.m.)—The Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003 contains the government’s changes to our Medicare and bulk-billing system and the new private health insurance product that goes with these changes, as announced in last month’s budget. I touched on the proposed changes in my budget reply speech, but I would like to reiterate the views I expressed
then and provide some further analysis on the likely impact of this health package in my humble opinion. I said in that reply that I did not see any salvation for Medicare in this package and that the almost $1 billion of incentives to encourage bulk-billing of the poorest and concession cardholders amounts to little more than a slush fund to dismantle Medicare as we know it.

The ALP’s alternative plan for Medicare is essentially more of the same, save for the additional spending on increasing the patient rebate and incentives for GPs to bulk-bill. The major parties attest to the enduring need for a universal health care system for equity of access and the need to preserve what is a world-class approach to providing health care which is, indeed, the envy of the world. But neither side will dare recognise that the only way to preserve our world best system is to raise the level of the Commonwealth scheduled fees for health services, and thus the Medicare patient rebate, in line with both the AMA and Productivity Commission recommendations—and then raise the levy by, say, half of one per cent to help pay for it. No-one would dare mention increasing taxes—even a slight levy increase—to improve health services for all.

Both the AMA and a Productivity Commission report into general practice administrative and compliance costs recommended a $50 fee for an average consultation—a level B consultation. This level of consultation seems to be the benchmark on which the estimates being bandied about by both sides are based. The Commonwealth schedule of fees values a level B consultation at $29.45. The patient rebate—that is, the Medicare rebate—is then paid at 85 per cent of this amount: $25.05. The Commonwealth is lagging more than $20 off the pace when it comes to an average GP consultation. To any reasonable person this would suggest a need, or an opportunity perhaps, to increase the Medicare levy in order to address a recognised shortfall, which inevitably contributes to GPs charging above the Commonwealth’s scheduled fee, and their growing reluctance to bulk-bill their patients.

In recent weeks the feedback that I have been getting from my electorate about the Medicare package consistently returns to the question: why doesn’t the government or opposition suggest an increase in the Medicare levy? They both talk about their commitments to Medicare so why don’t they do something that will genuinely encourage doctors to bulk-bill and help preserve the system for the future? My constituents say to me, ‘We want universal health cover for the most basic of services, a visit to the doctor, so we need to find the resources to pay for it.’ They do not believe that people on $30,000 to $50,000—in particular, single-income families with two or three kids—should be faced with the real prospect of a $25 up-front fee for seeing a doctor. This is the most likely impact for low- and middle-income families under the government’s General Practice Access Scheme that is at the heart of this health package. The level of the gap—the difference between the Medicare rebate and the doctor’s total fee—that the patient must pay will be $25. That is the level to which the fee will head as a more realistic reflection of what should be charged for a consultation. At the moment the gap is kept in check by the fact that the doctor must charge a total fee and then the patient must claim a rebate.

Now we are all aware of how much we pay and how much the government pays in the total charge. Under the government’s General Practice Access Scheme a participating GP will only have to charge the gap portion of his fee up-front and claim the Medicare rebate from the Health Insurance Council online. Quite apart from any impact that might have on employment in Medicare of-
fices—and indeed I was only thinking at the weekend about the services delivered by rural transaction centres and others—it raises the question of how easy it will be for the doctor to charge what I call ‘a co-contribution’ to approach the $50 that has been suggested is a fair and reasonable price for a GP consultation.

The patient receives the benefit of not having to visit the local Medicare office to claim back the rebate but they lose the mechanism that effectively acted as a cap on the fees the GP charged. The act of handing over the total fee at some stage of the visit kept doctors’ fees in check through supply and demand, reflecting the disposable income of their patients. To illustrate this point, a $40 consultation that we pay upfront is made up of that $25 Medicare rebate and the $15 gap amount that we pay. If the GP joins the GP access scheme we no longer pay the $40 up front—only the $15 gap—and the rebate is claimed online. The gap can then be increased to $20, then $25; the GP is getting his $50 per visit—as is suggested is a fair return—and we are still handing over less than $40 despite the health care system paying more for our visit. This inevitably will be the scenario for those who are not concession card holders and whose GP chooses to participate in the GP access scheme, and will hit hardest those low- and middle-income families—those earning just enough not to qualify for bulk-billing. There may be a brief psychological advantage in not having to part with $40 and claim $25 back, but inevitably the upfront fee will increase substantially. The upshot of this will be that these families will be pushed to the already overburdened public hospital system for basic health needs, achieving a classic cost transfer from federal to state government. This is the trade-off under the GP access scheme: the doctor receives a bonus for bulk-billing concession card holding patients between $5.30 and $6.30 for regional and rural doctors, and the opportunity, as I have described, to increase their fees for non concessional patients who will not be eligible for bulk-billing. People know that their GP is not ripping them off—at least in my part of the world—but they also know that if the Medicare rebate offered to doctors was increased to $33 or $34, or perhaps a more realistic schedule fee was set—which seems to be a fee that both doctors and the public recognise, when they stop and think about it, to be around that $34 mark—then doctors could afford to bulk-bill and would be able to keep the differential gap fee down.

I conducted an informal survey of doctors in my electorate, to which 14 responded. The overwhelming majority want to see a parliamentary inquiry into Medicare. Two said the incentives would be sufficient to cover the costs of bulk-billing, seven said the incentives will not affect their bulk-billing rates, while three said the incentives will not cover bulk-billing costs. One respondent commented that the incentives would not be enough to encourage doctors who do not bulk-bill to begin doing so. Another backed the philosophy behind what is the government’s long-term agenda, saying bulk-billing and the Medicare system should be done away with entirely. The majority of respondents also believed it was a real possibility that low- and middle-income families would use the public hospital system for their basic health needs. The same number saw increasing the Medicare rebate as the best reform to encourage bulk-billing and to preserve Medicare. Other general comments were that the package is unfair for low- and middle-income earners and for GPs and that the crux of the problem is that Medicare does not recognise the true costs involved in general practice, especially administrative costs.

Dr Michael Guerin from Molong says to administer the changes it will cost him twice
as much a year as he will receive for the privilege of helping to run Medicare. The cost of administration of the system is being shifted from the Medicare offices straight to the doctor’s surgery. With 60 per cent of Dr Guerin’s patients holding concession cards, he believes he has little alternative other than to opt into the scheme. He says he has little choice. He also offers bulk-billing to some farmers, farm workers and others affected by the drought who do not happen to have a concession card. ‘What happens to them now?’ he asks. They will have to bear an extra $15 now and probably $20 to $25 down the track or Dr Guerin and others like him will subsidise the service through the goodliness of their heart. Certainly, that is no incentive to encourage doctors to the country. The government’s answer is a new private health insurance product to insure against the gap for non-concessional patients, but an extra $52 a year for gap insurance with $1,000 excess is hardly an attractive option.

In the last sitting week, I asked the Prime Minister about the possible implications of the new safety net arrangements also contained in this package. The government is proposing, for concession cardholding patients, to cover 80 per cent of all out-of-pocket, out-of-hospital expenses over $500 for the year. The safety net is designed to assist concessional patients with chronic illnesses who cannot access a bulk-billing doctor to cope with the costs of their treatment. According to the department, some 50,000 Australian families are in this group. I asked the Prime Minister in question time if the estimated cost of this new safety net had taken into account the likely GP fee increases pushed up by those participating in the GP access scheme I outlined earlier. Higher fees and higher patient contributions will mean that thresholds are met earlier, as well as there being the potential for fees to be raised further once the 80 per cent safety net kicks in. The result of this would be a considerable blow-out of the $67.1 million the government has designated for the safety net over four years.

The Prime Minister answered that he did not believe these outcomes—the higher fees and higher patient contributions and therefore the blow-out in the cost of the safety net—would occur. Wishful thinking, I would suggest, as was his contention that the additional patient contribution is not a copayment. Call it an out-of-pocket contribution, call it the patient contribution, call it what you wish; it is a copayment whether or not it is legislated. As surely as the sun comes up, so too will this copayment be free of its current shackles and head upwards. For the Prime Minister’s sake and the sake of others who are interested, let me quote from a 1999 Productivity Commission report on private hospitals, which offered the following definition of a copayment:

Portion of the cost of an insured health service met by the user...

I rest my case.

During the budget estimates hearing of the Senate Community Affairs Legislation Committee on 2 June, the Department of Health and Ageing representatives were also unable to provide a substantive case as to why a cost blow-out will not occur with this threshold. Far from offering any economic modelling, again there was only a belief that doctors’ fees would not rise. The Minister for Health and Ageing herself said that doctors are not rapacious and would not raise their charges when dealing with people with chronic illnesses and low incomes. Whilst this is probably true, the fact is the Commonwealth schedule of fees on which the Medicare rebates are based does not help doctors adequately cover their costs. That the government has chosen not to recognise that
GPs’ fees are likely to rise is a measure of the weakness of this package and perhaps a true indication of its intent to shift the costs of health in this country more and more onto the people—with the first stage onto the states and then onto the people.

In other parts of this package, GP access scheme doctors will also receive assistance with equipment set-up costs for the online claim system for their practice at a cost of some $24 million a year for this and the next four years. There will also be assistance to employ a nurse for 800 eligible practices. These measures, while commendable, are a patchwork approach to encouraging bulk-billing and ensuring the long-term future of Medicare.

I agree with some of the Labor second reading amendment, in that the GP access scheme will lead to a two-tier health system and more families will feel the impact of having to make copayments for their basic health needs for the first time. However, I have to stop short of supporting the ALP alternative. The opposition is prepared to increase the patient rebate to 95 per cent and then 100 per cent of the Commonwealth schedule fee, but where this fee stands, at $29.45, still lags way behind the real encouragement that doctors need to bulk-bill. As for the extra $3 on top of the coalition incentive payments, this does not attend to the core of the problem: how to properly long-term fund a universal health system.

The ALP should have taken the opportunity to do something quite revolutionary for the Australian political scene and hit the problem head-on by increasing the levy and truly supporting the future of Medicare and bulk-billing. Indeed, it was shown in a survey after the budget that some 70 per cent of people were prepared to pay more tax for a fairer health system, and, they should have added, for a fairer tax system too. This is despite the cobbling together of part-time and casual jobs, as was alluded to in an earlier speech in this place this afternoon—by the member sitting at the table, indeed—very clearly drawing on the example of Johnny Farnham’s Sadie, the Cleaning Lady.

I have just been reading Clive Hamilton’s latest book Growth Fetish. I am diverging for a moment here. It is depressing to look at the way he has pulled together all the elements of our environmental crisis, but then when he studies the impact on the low- to middle-income earners—as does Michael Pusey in his latest book—forgetting the pensioners and the poor for the moment, it is quite an appalling scene and outlook for them as they cobble together, in many cases, part-time and casual work. Yet even then they are prepared to argue for a fair society and a fairer tax system and they are prepared to pay even a little bit more to ensure that Medicare is universal and delivers that most basic of services. They know—and I am getting this feedback—that they are going to be severely ripped off by this process.

I cannot support a bill that will expose the low- and middle-income families in this country to significantly higher costs for their basic health needs, higher costs that should be borne by a broader, progressive tax system and a hypothecated Medicare levy that delivers universality, particularly to those middle- and lower-income earners. Nor can I support Labor’s second reading amendment, which is simply another example of piece-meal policy designed to avoid the electoral backlash they believe would result from increasing the Medicare levy. Show a bit of guts and get out there and recognise, as the public does, that you cannot have a universal health system or indeed a properly funded education system by funding it out of thin air—but do not go down the total user-pays path, particularly with health. An increase in the Medicare levy is the only way to provide
Mr MOSSFIELD (Greenway) (6.16 p.m.)—I rise to speak on the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003 and to support the amendment moved by the member for Perth. This bill makes the legislative changes that are necessary to give effect to the government’s Orwellianly named A Fairer Medicare package. How it can be fairer when it is going to cost most Australian families more for their health treatment is hard to understand, but then that is what newspeak is all about. This bill permits private health insurers to cover 100 per cent of out-of-pocket costs for all out-of-hospital Medicare services above $1,000 per family in a calendar year. In other words, families will have to pay a premium to a private company and then spend $1,000 before any benefit can obtain for a service that used to cost nothing if you were bulk-billed.

The bill also introduces a safety net for the cumulative cost of out-of-hospital medical services for concessional patients, covering 80 per cent of the out-of-pocket costs above $500 per family incurred for Medicare services in a calendar year. The bill permits patients of participating practices who are charged above the Medicare rebate to assign their Medicare benefits to the general practitioner and then pay only the gap amount charged by the GP. This last provision is the thin edge of the wedge that will see the end of bulk-billing as we know it and implement the 1987 election commitment by the coalition, which was soundly rejected at that time. That election commitment was:

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

These changes are a direct attack on the universal Australian Medicare system. The government claims they are necessary because of the dramatic decline in bulk-billing numbers across Australia. It is a crisis that has been deliberately created by this government through its utter neglect of bulk-billing services. The crisis has been designed precisely so that the government can fully dismantle the Medicare system. As Ross Gittins wrote in the *Sydney Morning Herald* on 7 May 2003:

Though it has suited Howard to give us an exaggerated impression of the decline in bulk-billing, it’s true that a growing number of GPs have shifted to charging ordinary patients more than the schedule fee.

Why? Because, since he came to office, Howard has not kept the GPs’ schedule fees (and, hence, the bulk-billing rebate) increasing in line with the rise in the cost of running a practice.

So Howard has been manufacturing the bulk-billing ‘crisis’ since day one. Sneaky.

Where have we heard the word ‘sneaky’ before? Labor’s answer to the bulk-billing crisis was outlined in Simon Crean’s budget reply speech. Labor’s answer is to create viable incentives to restore bulk-billing and to provide support to doctors who continue to bulk-bill everybody. This is one of the fundamental differences between the two sides of politics in Australia. There is a crisis in bulk-billing: on the conservative side of politics the answer is to do away with the system; on our side it is to restore the system. The government created a crisis in order to give itself an excuse to pull the system apart. Labor does not believe in a ‘it’s too hard’ basket. It will take on the challenge that this government has thrown down, and it will do what it takes to revive the universal Medicare system.

Labor created universal Medicare, and the conservative parties, led by the current Prime Minister, have been opposed to it since even
before it was introduced. Only Labor has solutions that will fix what the government has broken. Labor will immediately lift the Medicare patient rebate for bulk-billing 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-billing 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 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 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 areas will receive an additional $22,500 each year for bulk-billing 70 per cent or more of their patients. This rescue package will be funded by scrapping the $1 billion of tax deductions for big business, as well as by redirecting the $917 million that this government is spending on Medicare destruction packages. You see, it is spending $917 million to destroy Medicare. We will take that money and use it to save Medicare.

The balance of $500 million over four years will come from forecasted surpluses. To emphasise the damage that the proposal in this legislation will cause middle- and low-income earners, let me quote from an article by Mark Metherall headed ‘Low-income earners will end up as collateral damage from Medicare reforms’. He said:

The role of the Medicare rebate appears doomed to become a steadily smaller proportion of the ordinary patient fee. Unshackled from the restraint on charging above the Medicare rate, doctors can be expected to break away from it for all but their pensioner patients.

This is a very perceptive quote, and it is what lies at the heart of the current debate over the bulk-billing problem. At present, with the dramatic fall-off in bulk-billing numbers, patients are being forced to pay up front. They pay an up-front fee of around $40. They then have to claim the Medicare rebate from their local Medicare office—if the government has not shut the office down already—and therefore their out-of-pocket cost is around $15.

The government’s solution sounds very good on the surface of things, but wouldn’t it be easier to pay the $15 up front rather than pay $40 and have to fill in forms to get some of that back? On the surface it sounds good, but scratch that surface just a little and you will see the ugliness that lies beneath. Today it is $15, in six months time it will be $20 and pretty soon you will be back to the $40 up-front fee without a way to reclaim any of it. That is what is wrong with this package. It allows doctors to charge whatever they want up front, with no chance for the patient to reclaim any of it.

It is currently unlawful for private health insurance funds to offer insurance for medical services that are provided out of hospitals. Since 1983, Medicare has been the sole insurer for private out-of-hospital medical services, and all Australians have contributed to Medicare through their taxes. This has helped to keep medical costs down. The proposed capacity to privately insure against doctors’ fees, apart from being inflationary, is the thin edge of the wedge and is an Americanisation of our health system. It is also an admission that, under the Howard government’s package, health care costs will rise.

On the issue of a safety net for concession patients, there are already two safety net ar-
rangements in place to protect Australians who have high out-of-hospital, out-of-pocket expenses. Under the existing Medicare safety net, when a person’s gap payment exceeds $319.70 Medicare benefits increase from 85 per cent to 100 per cent of the medical benefits schedule fee for any further out-of-hospital services in the year. As well, the Medicare expenses tax offset allows a person with qualifying out-of-pocket medical expenses of over $1,500 in a financial year to claim a tax offset of 20 per cent of their net expenses above that $1,500. There is no upper limit to the amount that can be claimed. Although these measures exist to assist people who have high out-of-pocket costs, they are available to all Australians and they are not means tested. The proposed concession safety net is an admission that out-of-pocket costs will rise under the government’s package. Doctors will be free to charge concession patients higher fees in the knowledge that the government will be responsible for picking up 80 per cent of medical expenses above the $500 threshold. These measures will also create a two-tier system in which eligibility for assistance with health care costs will depend not on medical needs but on the person’s income. We will end up with a second-class safety net for the poor. The rich, of course, will be okay but the families in the middle will be squeezed, particularly those families on just a little below the average income.

An average family in Greenway faces mortgage payments of over $1,100 per month, which is higher than at any time in our history. On top of that, there are car payments, registration and running costs, credit card debts, school fees and HECS debts as well as a cost of living that is higher than anywhere else in Australia simply because they live in Sydney. If you add $15 or $20 every time somebody in the family gets sick, all of a sudden the squeeze is really on. Don’t forget that that $15 or $20 is only the up-front fee to the doctor. After that, there is the cost of prescribed pharmaceuticals, which under this government have also steadily increased in price. The squeeze is on, and the Howard government is twisting the handle of the vice.

On the issue of allowing participating practices to charge patients copayments and receive the Medicare rebate, doctors who agree to bulk-bill all their concession patients will be allowed to bill Medicare direct for all their other patients and to charge patients a fee on top of that. But as Mark Metherall, writing in the Sydney Morning Herald, states:

The introduction of the modest incentive payments to lock doctors into bulk-billing pensioners in return for helping doctors charge other patients more appears to be swapping one clanging bureaucratic lever with another. Has Medicare been a doomed dream that could never last? Was the idea of underwriting private fees for services with a socialised insurance scheme ultimately going to become a casualty of rising costs and community expectations?

While the measure has been described by the government as introducing additional convenience for patients, it is more correctly classified as a financial incentive for doctors to bulk-bill concession card holders by making it easier to charge non-concession patients more. As Ross Gittins said in the Sydney Morning Herald on 7 May:

So over time this package will be a big move in the direction of higher GPs incomes and this would cause the nation’s total spending on health care to grow a lot faster than otherwise. At the same time, however, it would reduce the proportion of the total bill being picked up by the federal budget and increase the proportion paid directly by the individuals.

There you have an independent commentator clearly spelling out what the end result of the government’s package will be—and it will be, of course, that a higher proportion of
health costs will be paid directly by the individuals. This so-called A Fairer Medicare package will make it easier for the doctors who currently bulk-bill Australian families to start charging a copayment for the first time and make it much easier for doctors who are already charging patients directly rather than bulk-billing them to increase their fees from, say, $20 to $25 than to increase them from $45 to $50. Whichever way you look at it, the unregulated fee structure under the government’s package will result in the Australian public paying increased medical charges. Indeed, an article in the Sydney Morning Herald a couple of days ago reported that the minister recognises there is a serious problem with rising costs to the patient out of this package but at the same time is not clear on how the problem will be resolved. For these reasons, the Labor opposition will be opposing this bill.

This legislation goes very much to the core of the Prime Minister’s credibility. I do not think there is any issue like this one, where over a period of time the Prime Minister has been making contradictory statements about whether or not the government would retain bulk-billing and Medicare. He has flip-flopped on this issue a number of times. It is notable that at one stage the Prime Minister was even being fairly conciliatory in suggesting that really there was very little difference between what the Labor Party and the government were trying to do. That was stretching the imagination a little bit, but somehow or other I think he recognised the difficulties with his package and was trying to soften the impact by suggesting that there was not too much difference between the two parties on this issue. That, of course, is a completely inaccurate statement. There could not be more of a difference on this issue. This is one of the fundamental issues on which there is a big difference between the two parties, and it shows that the Prime Minister is trying to cover up his repeated flip-flop. All you have to do is look at some of the statements he has made over the years on Medicare.

In conclusion, I will refer to what the now Prime Minister said when he was the Leader of the Opposition. In 1980 he said that Medicare was a ‘miserable, cruel fraud’, a ‘scandal’, a ‘total and complete failure’, a ‘quagmire’, a ‘total disaster’, a ‘financial monster’ and a ‘human nightmare’. He subsequently threatened to ‘pull Medicare right apart’ and to ‘get rid of bulk-billing’. In 1995 on radio station 3AW, 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.

You could have fooled me. Maybe he has changed his mind over the period since then. His then shadow health minister, Dr Michael Wooldridge, said in answer to a question:

Yes, that’s something we have grappled with for over a decade and the Party, now, is really unanimous on that. Medicare stays. Universal bulk billing stays. These are the things the Australian public demands and we accept that.

Certainly the last sentence is something that we would all agree with; these are the things that the Australian public demand and we accept that.

I can take this further. On the Sunday program on 4 June 1995, in answer to a question from Laurie Oakes, Mr Howard, the then Leader of the Opposition, said:

We absolutely guarantee the retention of Medicare. We guarantee the retention of bulk billing...

Can you blame the public for being confused? In answer to another question, the then Leader of the Opposition said:

...yes, well you’re questioning John Howard and nobody else, and I’m giving a guarantee that it is not going to be changed. I’m giving a guarantee about bulk billing.
What a lot of twaddle! Again, on 8 November 1995 he told the *Age*:

We're keeping Medicare full stop. There's no doubt about that. Let's have that absolutely crystal clear, we are going to keep Medicare lock, stock and barrel.

I would suggest there has been a very confused message, but I think most Australians now know that this government intends to destroy Medicare.

Ms HOARE (Charlton) (6.35 p.m.)—I rise to speak on the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003. The so-called A Fairer Medicare package is not fair for the majority of ordinary Australians who are struggling to hold down a job, provide for their families and meet the economic costs of the necessities of life. The A Fairer Medicare package does not provide better, fairer or more equitable access to health services for the majority of ordinary Australian families. The A Fairer Medicare package could be seen to be a better deal for GPs. We are all aware of the serious decline in the number of doctors who provide bulk-billed medical services. We understand the economic reasons why many doctors have been forced to cease bulk-billing. The Medicare rebate for general practice consultations has not risen in line with inflation for many years. The costs associated with running a practice have increased at a faster rate than the growth of the rebate. The introduction of the GST and the consequences of the medical indemnity crisis impacted badly on doctors' costs, and this has meant rising costs for patients.

Many of the surgeries and medical centres in my electorate of Charlton have been forced over recent years to curtail their bulk-billing services to only those patients with a valid concession card. Some doctors have provided bulk-billing only to established long-term patients and not to new patients, even when they hold concession cards. Some have been forced to cease bulk-billing altogether. Many families are severely disadvantaged when doctors are forced to demand payment in full and up front and they are then required to claim the refund from a Medicare office. This has deepened the divide between those who can afford health care and those who cannot. We all know that since the Howard government was elected in 1996 it has become harder and harder to see a doctor who is prepared to bulk-bill, making visits to the doctor much more expensive for Australian families. Under the A Fairer Medicare package, health care costs can only rise and families will be hurt even further.

In my electorate of Charlton, only 66.8 per cent of GP services are now bulk-billed. That is down from 78.6 per cent two years ago—nearly a 20 per cent decline. The majority of bulk-billed services are already provided to concession and health care card holders. This means that the percentage of working families who receive bulk-billed services is well below 50 per cent, and this percentage will plummet under the A Fairer Medicare package. The families that I represent are hurting already.

The proposed capacity to privately insure for out-of-hospital medical services—essentially, to privately insure against doctors' fees—can only be inflationary. Private health insurance is an optional extra, and no one should feel pressured into purchasing it simply to attempt to cover basic medical requirements that are becoming inaccessible to ordinary Australians. In the last year we have seen increases in the cost of private health insurance that have resulted in families paying additional premiums of between $150 and $250 each year. Private health insurance is fast becoming out of reach for most ordinary Australians.
Non means tested safety net arrangements already exist to protect all Australians who have high out-of-hospital, out-of-pocket expenses. The proposal to privately insure for out-of-hospital medical services is a very real admission that fees charged to non-concessional patients under the A Fairer Medicare package are going to rise and rise significantly. The proposal to allow participating practices to charge patients copayments and receive the Medicare rebate is simply a financial incentive for doctors to bulk-bill concession card holders by making it easier to charge non-concessional patients more.

How are the ordinary families in my electorate going to be able to cope with these escalating charges? Many of my constituents live on very strict budgets, and when they fall sick there is simply no money to pay for medical services. When the health of ordinary Australians is being threatened because they cannot afford to see a doctor, because doctors’ books are full or because there are no doctors prepared to bulk-bill, the government must act to ensure that access to health care services is there for all.

The proposed concessional safety net is also a tacit admission that out-of-pocket costs will rise for concession card holders. Doctors will be able to charge concessional patients higher fees. How will pensioners and other low-income earners, many with chronic debilitating medical conditions that require multiple ongoing doctors’ visits, be able to afford these higher fees? Where will they find this $500 each year before they reach the safety net threshold? They already do not have the same access to health care that other members of the community have, and now they will be thinking twice about going to a doctor when they actually need to go. This is simply not a good health outcome.

The Australian Medical Association, the Royal Australian College of General Practitioners, the Divisions of General Practice and the Rural Doctors Association have all concluded that this package does not adequately address the issues of access and affordability and have warned it will bring about a two-tiered system of health care. A survey conducted by the Australian Divisions of General Practice showed that 83 per cent of general practitioners did not support the government’s proposals. Unless current trends in the provision of health care services are reversed, the government will create a situation in which the emergency rooms of our public hospitals will face greater pressure than ever before. When people need to see a doctor but cannot, because doctors’ books are closed or because they are unable to afford the up-front cost of a visit, it is inevitable that public hospitals will pick up the burden.

The government appears to believe that it can shift the burden of responsibility for health care costs onto the states and onto individual Australians. This is patently unfair. Much has been said about escalating costs and, on this basis, the inability to continue the provision of bulk-billing for all. How, then, can the federal department of health and the minister justify paying $39,000 to a private company to coin the brand name ‘A Fairer Medicare’? How can the department and the minister justify paying $100,000 to a consultant for strategic advice on marketing the A Fairer Medicare package or spending $148,000 for newspaper advertising and a further $90,000 for a telephone hotline? Surely this money could have been used in a better way. How many general practice consultations would it have provided? What kind of rise in the rebate could it have subsidised? It could have been used to fund a regulatory impact statement to actually consider the likely inflationary effects of this policy. How can the government in-

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troduce this policy without adequately researching the impact that it is going to have on costs?

Labor maintains that bulk-billing services should be available to all Australians, irrespective of income. Medicare is a universal health care system. Labor’s new deal to save Medicare policy has shown that Medicare can and should cover all Australians. The new deal to save Medicare has been fully costed. It is affordable, and it can be achieved without raising taxes. The new package to save Medicare addresses the increasing problems of bulk-billing and is the first positive initiative on bulk-billing in 10 years. The proposed increases in the Medicare rebate will encourage doctors to bulk-bill all patients, no matter where they live and no matter who they are—not just concession card holders but all Australians, including hardworking, ordinary families who will be the hardest hit by the government’s current proposals.

Under Labor’s new deal to save Medicare, individual doctors can choose to access the increased rebate if they choose to bulk-bill individual patients based on their actual need and not just on geography. The package supports general practitioners who choose to bulk-bill low-income families and others who do not qualify for concession cards but who are experiencing difficulties with affording their medical treatment. This system has far more chance of being adopted across the country. It will provide access to quality care for everyone and will overcome the current inequalities of access between rural and metropolitan areas. Labor is absolutely committed to Medicare, and restoring bulk-billing is Labor’s highest priority in health.

My constituents in Cooranbong, Elermore Vale, Toronto, Warners Bay, Wyee, Cardiff and all the other towns in the electorate do not want a health system in which only the well off can afford quality health care and ordinary Australians are left without any guarantee of medical treatment. I have received many letters and many phone calls, and have presented petitions with thousands of signatures to the parliament, reflecting the very real concerns about the proposed changes to Medicare and the threat to bulk-billing. My constituents know that the proposed changes to Medicare can only destroy the health system and leave them and their families worse off. They overwhelmingly support Medicare and bulk-billing and they deserve to be considered.

I have a couple of examples of correspondence from my constituents. Mr and Mrs Robinson of Balclyon emailed me and said:

We are full pensioners and are fed up with all the unfair taxes, the rules for some in influence or part of the better than others elite, who can’t do anything wrong, and the ignorance of major problems by the media.

So then to our present gripes ... Health.

When we began with Medicare or Medibank as it was, the Government guaranteed 85% cover. When we joined what became Medibank Private we were covered for 75% and upwards cover with travel insurance and many other things included.

More recently bulk billing was introduced and has proved very useful.

With the private health funds, over the years, removing services from their insurance and continually reducing benefits on all services we are now doing well if we get 50%.

We now find Medicare subject to constant rises in what the Government pays the doctors, our money, and what we, the patients, pay the doctors ... also our money.

The email concludes:

The whole Bill is so conglomerated and confusing and unnecessarily complicated, perhaps deliberately so, to make difficult any comparisons or appreciate final outcomes. It appears to us that we will be paying extra on all aspects of Health cover with more for insurance gap cover which is conditional upon an extra annual cost of $1000 plus
we will still be paying our GPs insurance cover. The future is frightening. If we look at present costs we find we pay $2000 pa per couple plus gaps on MP items plus $5 pp per visit to GP.

That is from just two of my constituents. Bobbi from Cooranbong wrote to me to say:

I ask that you pass on our concerns re the demise of Medicare to the Senate as it seems that only the Senate can help us save a great general health insurance scheme.

She writes:

I returned from my unpaid government job today:-

*I collected and paid tax for the past quarter of this financial year (BAS).

*I paid tax (IAS) for my husband and myself for the past quarter, and I will continue to do this for the rest of our working lives.

At the end of the financial year both my husband and myself will have to pay personal income tax on top of what we have already paid out ... and we are not big earners. Together we earn less than fifty thousand a year; we have two dependent children and a mortgage etc.

We pay our Medicare levy with our tax and are happy to do so. Our taxes also go to pay the 30% private health rebate to those who can afford private health cover. Except for ambulance cover we cannot afford to pay for any private health insurance.

With an injection of the much bragged about surplus and a modest increase in the Medicare levy I am sure the scheme can be rescued.

She continues:

John Howard is ‘screwing us’. He wants to turn this wonderful country into an American state.

We are relying on Labor to save Medicare and our health system.

There are many people in this country with ideas and solutions to the Medicare problem. Please listen to them.

The government should restore bulk-billing, provide real incentives to make general practice sustainable again and instigate a national approach to overcome the current doctor shortages. We must ensure the provision of a robust world-class health system accessible to all. This is a basic human right for all Australians.

Mr GAVAN O’CONNOR (Corio) (6.50 p.m.)—Thank you very much, Mr Deputy Speaker, for your indulgence. The Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003 we are debating in this chamber today was cunningly conceived by the government to, over time, give effect to the Prime Minister’s stated intention to destroy Medicare. Labor will be opposing it with every means available, both within the parliament and outside it.

A leopard never changes its spots. The Prime Minister’s past statements on Medicare are an indication of his true position with regard to this great Labor initiative. He has in the past stated that he wanted to destroy Medicare and, in his own words, ‘stab Medicare in the stomach’. The Prime Minister has also called one of the world’s great health systems ‘a cruel hoax’ and ‘a fraud on the Australian people’, and he now expects the Australian people to believe that his government does not have plans to dismantle it.

The Prime Minister knows that to retain Medicare as the universal system of health cover for all Australians universal bulk-billing has to be retained, yet his government has deliberately let bulk-billing rates fall to such low levels that it will, under his package of measures, be available only to concession card holders. The Prime Minister knows that if he can run down bulk-billing rates under Medicare he can effectively destroy it and create the two-tiered Americanised health care system that has always been close to his heart and that he has always desired.

We on this side of the House are very proud of Medicare. It has provided all Australians with a quality standard of health care. Despite the system’s imperfections, it
now ranks as one of the best four health care systems in the world and is the envy of many countries. Medicare was introduced by Labor in 1984 and is based on the fundamental principle that need, not one’s capacity to pay, determines one’s access to quality health care. It is this principle which has fundamental appeal to Australians and is the reason that the scheme has been so strongly supported by the Australian public over the past two decades. Medicare appeals to their basic egalitarian instinct. They have on successive political occasions endorsed the scheme and forced the Prime Minister into a political position of grudgingly accepting the scheme’s existence.

We on this side of the House know the Liberal and National Party’s past attempts to destroy Medicare, and we do not intend to have it dismantled by stealth on this occasion. We are used to members of the government getting up in this place and telling Australians that they really do support Medicare and accusing members of the Labor Party of attempting to scare people about the future of Medicare. I put this simple series of questions to the Australian people, and they can make up their own minds. Who do you believe on this issue? Do you believe the Prime Minister, who, in the past, has threatened to destroy Medicare and who has called it a fraud and a cruel hoax on the Australian people and their families? Or do you believe the Leader of the Opposition, the member for Hotham, whose public life has been dedicated to the retention and enhancement of Medicare? Do you believe a Prime Minister who believes in non-core promises, who promised never, ever to introduce a GST; whose government lied to the Australian people on the ‘children overboard’ affair and is now defending itself against charges of doctoring the intelligence used to justify Australia’s involvement in the Iraq war? Or do you believe the Leader of the Opposition, who, before he entered the parliament and after, has on every occasion—not one occasion, not several occasions; not half-heartedly expressed support for Medicare—expressed support for this universal health care scheme. I simply rest my case.

We on this side of the House believe that health care is something that Australians, regardless of their economic position, race, colour or creed, are entitled to access. Indeed, they are entitled to access it, regardless of how much they earn. Australians in the past have emphatically stated at election after election that they do not want a health care system where the first thing they are asked for when they get sick is their credit card and not their Medicare card. The government can expect from us on this side of the House a vigorous defence of Medicare, and our opposition to this awful piece of legislation in this House is just the beginning.

We have serious objections to key elements in the government’s legislative package, which is enshrined in the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003. There will be several inevitable consequences to what the government is proposing. Firstly, the government’s measures will create a two-tiered health care system in Australia, with bulk-billing only accessible to concession card holders at the end of the day. The government has provided a $22,000 incentive for doctors to do this. The second consequence of what the government is proposing is that doctors’ fees will rise, and so will the overall cost of our health system. One of the great advantages of Australia’s health care system is that it provides universal coverage to every Australian, and it does it at a percentage of the GDP that is significantly lower than the cost of the system which the Prime Minister is attempting to drive Australia to. In the United States, almost 20 per cent of their GDP is consumed in health care costs yet
there are some 40 million Americans who receive substandard health care.

Doctors will be able to bill Medicare, as well as charging patients directly for the same service—something which was unlawful under previous legislative arrangements. It was made unlawful simply as a measure to put a brake on excessive costs in our health care system. There are other measures in this bill that are of concern to the opposition—for example, it is currently unlawful for private health funds to offer cover for out-of-hospital medical expenses. Medicare has always been the sole insurer in this area; that is why we all pay through the Medicare levy. What the government is proposing to do will ramp up the cost of medical services; it is inherently inflationary and it will give impetus to the creation of the two-tiered system that will at the end of the day destroy the universality of Medicare.

The government ought not to be under any illusions about the commitment of working people in my electorate to the defence of Medicare. Last week in the Corio electorate I held a public meeting—a Save Medicare campaign—which was very well attended, given it was a cold Wednesday night in Geelong with many other meetings taking place. I thank here the speakers at that particular rally. Councillor Heather Wellington of the City of Greater Geelong, who is also a doctor and who, I might add, is also a director on a private health fund, spoke passionately in defence of Medicare. The meeting acknowledged that we do have a dual health care system in this country. That is a reality that we do not deny, but of course at the core of our health system—and that which must be protected and enhanced—is the universality of the Medicare system. Councillor Wellington spoke quite passionately about the need for us to retain it and to defend it.

Speaking also was Barbara Fletcher of the Australian Nursing Federation, who spoke from a nurse’s perspective on the health care system. Nurses are at the front line of health care in our hospital system. When the public hospital system is denied funds, it is the nurses who bear the brunt. Ms Fletcher spoke eloquently and quite passionately about the role of nurses in our great public health care system in Australia.

Also speaking was Leigh Hubbard, Secretary of the Victorian Trades Hall Council. He spoke about the past support of the trade union movement for Medicare as a universal health care scheme. Leigh Hubbard made this very important point: when Medicare was introduced, wages were forgone so that the trade union movement and working people could have a universal health care scheme that their members could access. So they earnt this scheme; they paid for it through their wage packets. It is incumbent on the government of the day to acknowledge that particular fact and ensure that the critical elements of that scheme, which was introduced and which was agreed to by millions of workers around this country, are retained. Also speaking was Dr Tim Woodford of the Victorian Medicare Action Group.

That meeting unanimously passed a resolution in support of Medicare and its retention and enhancement—not its destruction, as contained in this pernicious piece of legislation. I thank those people who attended that public meeting in Geelong. A Save Medicare campaign committee was formed which will become a part of the network of the Victorian Medicare Action Group, and it has been tasked with elevating within my electorate awareness of the importance of this scheme and rallying political support for its protection.

We on this side of the House are quite used to the Prime Minister being out there in
the political arena accusing the Labor opposition of having no policies, of being a policy-free zone, and stating that the Australian people do not know what Labor stand for. Once again, unfortunately, the Prime Minister is attempting to sidetrack Australians on this issue. There is no doubt about our opposition to the full sale of Telstra. There is no doubt about our position on the pursuit of an Australian republic and a genuinely elected Australian head of state—something that the Prime Minister cannot even countenance. There is no question about our commitment to reconciliation and the fact that one of the first acts of an Australian Labor prime minister will be to say sorry to our Indigenous communities—something that this Prime Minister cannot do. On the environment, Labor will sign the Kyoto protocol—a point of significant difference between Labor and the government.

So let us put aside the hoary myth the Prime Minister is attempting to perpetrate that there is no real difference or that the Labor Party does not have firm policy positions on these matters. On one particular issue we are like chalk and cheese—that is, on the issue of the protection of Medicare and its enhancement. Labor announced a plan in the budget reply speech which was warmly received by the Australian people: a $1.9 billion package over four years to save Medicare and arrest the decline in bulk-billing. That plan provided for immediately increasing the patient rebate for all bulk-billed consultations to 95 per cent of the schedule fee, which means an increase of $3.35 per consultation, with plans to subsequently lift it to 100 per cent—an increase of some $5. There is also a provision to doctors of up to $22,500 as an incentive to them to bulk-bill and to retain and improve the central pillar of Medicare. These are elements, fully costed, of a Labor plan to save this great health care system. In my concluding remarks, let me reiterate once again my commitment to Medicare. Since I came to this parliament in 1993 I have articulated, on every occasion, very strong support for Medicare as a universal health care scheme for all my electors in Corio, and indeed for all Australians. There can be no doubt about my commitment to this particular health care scheme. It is a commitment that stands in contrast to that of the Prime Minister—who, in the past, indicated that he wanted to destroy Medicare. He regards it as a cruel hoax and a fraud on the Australian people. The Australian people are not stupid. They can see through a Prime Minister and a government which continually speak with a forked tongue on these key policy issues. The Prime Minister is on the public record as desiring to destroy one of the great health care systems of the world. Now, with a package of measures that he has the temerity to describe as the Fairer Medicare package, he expects the Australian people to believe that his ultimate intent is not to destroy what he has vowed in the past to destroy.

The Australian people are not fooled. They know very well that the Prime Minister has always been lukewarm about Medicare, and what they are coming to really detest and reject is a Prime Minister who cannot countenance the great Australian things in our society and defend the great Australian innovations and initiatives in public policy. He wants an Americanised health care system. He wants an Americanised foreign policy. He wants an Americanised industrial relations system. We saw the awful spectacle of an Australian Prime Minister grovelling at the feet of an American president on the recent issue of Iraq. Australians do not want that. They want a health care system that is uniquely Australian, and they want it to be defended—and Labor intends to do it. (Time expired)
Ms GRIERSON (Newcastle) (7.10 p.m.)—I rise to oppose the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003. This is the big one—the sleeping giant in the health legislation agenda of this government; the one that the Prime Minister and the health minister say will save Medicare and give bulk-billing to those who need it most. The last time I looked, those who needed it most included everyone in Australia except perhaps the very wealthy, who can afford whatever they need. We all need it: health matters to everyone. The last time I looked, this legislation did not seem to have the intent of saving Medicare or restoring bulk-billing, and it certainly will not have that outcome.

Even though the PM is selling the message, I do not think anyone is buying it. In my electorate of Newcastle, no-one is really even trying to sell it to us, apparently. The Minister for Health and Ageing, charged with the wellbeing of the nation, thinks that she only has to be accountable in electorates where she gets the red carpet treatment. Well, unfortunately for Senator Patterson, we are not really like that in Newcastle—we are not into that sort of pomp and pretentiousness.

One of my local radio stations, 2HD, have been trying to engage in discussion with the health minister for many, many months. Reporting, as they do almost daily, on the pressures in the health sector, they naturally wanted to take the issues directly to the person who should understand them the most. Well, unfortunately for Senator Patterson, we are not really like that in Newcastle—we are not into that sort of pomp and pretentiousness.

So what does the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003 actually say and what will its effect be? There are three components to the bill. The first component facilitates changes to private health insurance funds. This enables private insurers to provide cover for out-of-hospital expenses, to cover the gap between the Medicare rebate and the fee charged. That has not been available before, and obviously the government thinks we should be pleased that we can access more private health insurance just for visiting a GP. Does the government realise that families already pay well in excess of $50 every week of the year for private insurance? That is approaching $3,000 every year—after income tax, of course, and after the Medicare levy has been deducted. However, in this part of the legislation there is a $1,000 threshold before that private cover comes into play—so the patient must pay the higher premium to get additional cover and then pay the first $1,000 of expenses when they visit their GP before they can enjoy the benefits of these changes. Families will need to find the equivalent of buying a new fridge every year before they can redeem anything at all from this private health insurance. These changes presuppose out-of-pocket expenses of up to and above $1,000 per year to health consumers, perhaps exposing the government’s lie that GP fees will not increase.
This provision also significantly alters the operation and basic premise of Medicare by destroying the universality of Medicare that aimed to provide health insurance to all Australians. Medicare was designed to prevent GPs who bulk-billed from charging a copayment, therefore keeping prices from escalating out of control. Now we see that these changes actually presuppose increased costs. I would predict that, if this legislation is taken up by GPs, prices will escalate out of control. These provisions also include specialists’ costs. There has already been a reduction in the number of specialists offering bulk-billing services, because there are no incentives for them to do so. But specialists are to be included in these provisions dealing with their out-of-pocket expenses for patients, and I assume that means the government also anticipates an escalation of specialist fees. So in this component of the legislation everything is cleared for doctors to charge higher fees, private health insurers to offer a new product to consumers and patients to fork out more money on top of their income tax, their Medicare levy and their private health insurance. And I thought this was about health care. Not likely! With the Labor opposition, I will oppose this component of the legislation.

The second component of the legislation establishes a new concessional safety net. That sounds fair, but let us look at that a little closer. Closer examination reveals that there just may be a loophole that could encourage GPs to charge concession card holders, rather than bulk-bill them, for every visit. It is a complex loophole but needs close examination to avoid being exploited by GPs. It would appear that there are ways that this safety net can be used by GPs to make it more appealing. The new safety net is set at $500. So once concession card holders have spent $500 in out-of-pocket expenses—that is, the difference between the rebate and actual costs of the GP service—the government will cover 80 per cent of these out-of-pocket expenses. That will also be opposed.

The third component includes provisions to allow GPs to bulk-bill and charge copayments. Under these provisions, patients will be able to sign over their Medicare entitlements to the GP. Medicare was originally welcomed by GPs in the early 1980s, because bad debts were a problem for many doctors and Medicare ensured their payments were received and administration costs were kept down. In fact, Medicare administration costs are significantly lower than the cost of private health insurers. Perhaps in many cases credit cards did shift that debt problem, and of course the future bodes very well for people who have shares in banks. But it is not clear from the new provisions just what the costs of administering this new system will be to GPs. GPs already cite burdensome costs for online access to the Health Insurance Commission so that they can claim their Medicare rebate. I note some mention of government support for broadband access by doctors, but I do not think we should take on the whole broadband and Telstra situation here.

The AMA has already warned that the government’s Medicare package is no guarantee that GPs will take up bulk-billing or access the bulk-billing and copayments scheme if it is costly to operate. There are lots of questions left unanswered. How will GPs check the concessional status of patients? What happens if GPs are misled about a patient’s status and submit claims for rebate only to find that the patient is not an eligible concession card holder?

There are already growing complaints from GPs about the numbers of concession card holders in Australia, with the AMA saying that there are too many and that numbers should be reduced. So what about electorates
like mine, the electorate of Newcastle, where at least one-third of the total population have a concession card? Will GPs consider my region to be financially viable? Will GPs take up the government’s package? If the current decline in GPs and bulk-billing in my region is any indication, I do not think so.

The AMA has already warned that individual practices will have to do their own sums to see if these measures will be financially viable for them. The AMA has suggested that the package may be okay for practices with low numbers of concession card holders, as they will now be able to charge a significant copayment for other patients. But, in a GP practice where 80 per cent to 90 per cent of the patients are concession card holders, it is unlikely that they will consider this to be financially attractive to them.

This legislation actually builds in discrimination against GPs who predominantly service concession card holders. Just what will happen in areas like Newcastle with high numbers of concession card holders? Will GPs be allowed to simply close their books to concession card holders when they reach their ideal financially viable number? Who will provide services to those who miss out? The incentives in the government’s package are not going to be attractive enough for GPs to take up this offer. The Department of Health and Ageing confirms that the government has done no real modelling as to what the real take-up rate would be for GPs. Does this mean that GPs will try to ensure a financially viable mix of patients and, in doing so, exclude large numbers of concession card holders? Is that why GP closures in my electorate are already predominantly occurring in the less wealthy suburbs?

The government’s package introduces all sorts of anomalies and inequities into the Australian health system. For example, Australian families who have two children and earn just $32,300 a year are not eligible for a concession card. Yet self-funded retirees earning up to $80,000 for a couple or $50,000 for a single person per year will be eligible as concession card holders to access the new system through the Commonwealth seniors health care card for the purpose of bulk-billing. Where is the equity in that scenario? Those self-funded retirees have families, and they understand that what seems good for them will not be good for everyone else.

Let us get to some actual people in real places who will not be happy with this legislation. I draw the attention of the House to the people of Carrington, a suburb in Newcastle. Last week, their local medical centre closed. Until then, it was serviced by two excellent doctors who were held in high regard and affection by their patients, particularly Dr Omond, who had kept that practice going for some time and who bulk-billed almost everybody. He was faced with the situation that his partner was successful in gaining a position in a different field in Sydney, and he was unable to find anyone else to take over that practice with him. He can only provide a part-time service, having another role in our region, and that practice is now closing. The people of Carrington are certainly in panic. They know that they cannot find another doctor nearby who will bulk-bill. They know they have the option of going to the Hunter Street Medical Centre in the CDB. It has provided a total bulk-billing service after hours for a long time, but waiting times are two to three hours. When Dr Omond could not provide that service at Carrington, he left an answering message that advised patients to go to the local hospital’s emergency department. All of us here know about that problem, and we certainly do in Newcastle.
A new after-hours GP service will be opening at John Hunter Hospital next month. I have full praise for the Hunter Urban Division of General Practice and our local Hunter Area Health Service, which was successful in getting this government to support a trial and now extend that. We certainly need this service and a lot more. Perhaps the government should look at an emergency package that provides that sort of service 24 hours a day. We are facing the most dreadful dilemma in Newcastle: we are 20 to 30 GPs short. Of course the further you go out from the CBD to the region, the bigger the problem becomes.

But the people of Carrington are not going to be easy to placate. They are good working-class people with a great community tradition, and they will not give in on this. They are prepared to put up a good fight so that other areas in Newcastle do not suffer the same fate because of this government’s ability to look the other way when communities are suffering. I attended their public meeting in the middle of last week, when they reacted to this shock. Since then they have given me petitions with almost 400 signatures, and I know there will be more to come. They have public meetings planned for the next two weeks in my electorate, and they will keep this up—they have no choice.

That brings me to the people in Mayfield, another suburb in Newcastle. Their doctor of almost 25 years left a message on his answering service on the Friday before the June long weekend to say the practice would be closed over the long weekend and would resume and reopen on the Tuesday morning at nine o’clock. When people turned up, the door was locked. They knocked on the door; no-one came. They rang the phones; no-one answered. The closure of this practice happened overnight. It has been totally distressing for the people who have attended that practice. They were left absolutely with no information about why that practice had closed, what would happen to their medical records and where they should go for treatment. I feel for them. Many of them are older people, and they are emotionally upset by losing their GP and by losing their GP in these circumstances. Why has that happened? I have sympathy for the GP: he also has been trying to find another doctor to take over. He has been given an offer to work in a much larger medical centre on the Central Coast, where he is assured of more people with concession cards—self-funded retirees, perhaps, that will still get a concession payment—and of some patients on higher incomes. Mayfield is also a suburb where many people do not have a lot of spare cash.

People have been particularly distressed to find this week that their medical records, without any notification, were passed on to another GP, who is in the next electorate to mine, who has not opened her practice yet. They have been absolutely confused about what their rights in this situation are. I just point out, though, that they do have some rights, and doctors do have some responsibilities in these circumstances. They have to give an individual access to their personal information if they ask for it. But of course if you cannot get on the phone or through the door it is particularly hard to ask for it. They can be passed on to someone else as part of a commercial transaction—and I am not quite sure that that is the case here. The Privacy Commissioner’s guidelines on privacy in the private health sector suggest that in a situation where a medical practice might be closing it is good practice for health service providers to notify individuals of the closure or cessation of their service, where it is practicable to do so. I would have thought that would have been the case for the people of Mayfield.

It also says that, in the event that the health information is to be transferred to an-
other health service provider, consent for disclosure and collection may need to be obtained. No consent has been obtained, and certainly no information has been conveyed to the patients of the Mayfield practice—and that is particularly worrying for those people. I have had constituents contact me today to say they are being asked to pay a fee when they try to get those records. To get those records they are actually turning up at a chemist shop next-door to where this practice is proposed to be starting. That is just not acceptable, it is not professional and it is not fair. It is certainly distressing for people to have their private records transferred like that.

I urge the government to look into those situations. I urge the AMA to do the same. I have complete sympathy for GPs and the pressures they suffer. I know that they have had under this government no pay rise for seven years—I do not think this parliament has had the same situation. They have not had an increase in their rebate from patients, unless of course they increase to their paying patients the cost of each service. They do have different lifestyle demands. I think the general practice model worked very well when the man was the doctor, and the wife did not work but looked after kids, raised the family and integrated into the community—but times have changed. This government needs to look at those changes and say, ‘What do we need to do to make general practice attractive? What do we do when both partners are in professions and have high burdens on their time, as well as family demands and the demands of the general lifestyle we all live these days? What do we do when there is a shortage of relief doctors and locums?’ Doctors cannot work 24 hours a day, seven days a week. They are not businessmen and businesswomen. Perhaps we have made it very difficult for them to manage the many tasks we ask of them. Their costs are high and their rewards are few, but they mostly remain very dedicated to their patients.

The situations in Newcastle are just two examples of the continuing situation we have faced since I became a member of parliament. These closures continue. The Hunter Urban Division of General Practice executive director is quoted as saying, ‘We are facing an epidemic about to hit our city.’ It is very real. I call on the government to provide a rescue package for these extreme shortages and distressing situations. I also point out that what has happened—as has happened in many regions—is that local emergency wards of public hospitals are suffering. An article from the Herald on 5 May said that 12 ambulances and a rescue helicopter arrived within a 75-minute period at John Hunter Hospital, causing 40-minute to two-hour delays in just off-loading patients—let alone the delay they get when they actually get inside that emergency department. In Newcastle we are six physicians short in our emergency departments across our Hunter Area Health Service hospitals. We cannot get those doctors—we are trying very hard. I think we have recruited one from overseas. The government also needs to do something about its recruitment process so that we can expedite it in areas where there are shortages.

On 23 April another article said:
To fill rosters around the clock, which we are doing in our public hospital emergency wards, means specialist physicians are averaging one in four weekends on continuous 48-hour on-call duty.

We have major general work force shortages in health care and this package does nothing to alleviate them. I will oppose this legislation. I ask the government to look very closely at the situation in regions like mine. We are not a rural isolated area; we are a major city—the sixth biggest city in Austra-
lia. I will support the Labor package and promote it to my community. I certainly encourage them to demand better of this government. We once had the best public health system and the best health system in the world.

Ms LIVERMORE (Capricornia) (7.30 p.m.)—People out there listening to this debate over the past few sitting days could be forgiven for thinking that we have been debating two entirely different bills. On the government side of the House, speaker after speaker has risen to assure the House that this bill is no big deal. They would have us believe that it is simply a bit of minor tweaking to the Medicare system that this government has neglected and overtly undermined over the past seven years. On this side, we in the Labor Party know that this bill is a very big deal and represents a great danger to the future survival of Medicare as one of the essential pillars of equity in this country.

Of course the bill we are debating is the same. It is the attitude towards Medicare and the commitment to protecting Medicare that is different. It is a matter of fundamental difference between the Labor Party and the Howard government. On this side of the House, we are about protecting Medicare and restoring its value to the community—and particularly to working families—through an increase in the availability of bulk-billing. The government, on the other hand, is intent on dismantling it through measures such as those given effect to in this bill. Consequently, I join with my colleagues in opposing this bill and condemning the government’s disingenuously named A Fairer Medicare package. The Prime Minister can call it whatever he likes but we will make sure that the Australian public understands that there is nothing fair about taking away Medicare’s universality and creating an American style two-tiered health system where you are treated according to your ability to pay, not your medical need. As Professor John Deeble, the architect of Medicare, is quoted as saying:

What is fair about shifting the system from payment according to income to payment according to illness?

Let us give the Prime Minister the benefit of the doubt and take him at his word for a minute and see exactly what he means by a fairer Medicare. What is this package that he has proposed and how do its claims stack up? The main measures include incentives for doctors to bulk-bill Commonwealth concession card holders. Non-concessional patients will be charged the difference between the Medicare rebate and the doctor’s fee. The doctor will claim the rebate directly from the Health Insurance Commission, leaving the patient to pay the gap. There will be a safety net for concession card holders so that the government will cover 80 per cent of the out-of-pocket cost of all out-of-hospital Medicare services over a $500 threshold each year. Private health insurance will be available to cover the cost of out-of-hospital Medicare funded services—including general practice, specialist and diagnostic services—once a threshold of $1,000 is reached in a calendar year.

Other measures are directed at work force issues in the health sector and of course there is a $21.1 million advertising campaign in the wings. What is a Howard government package, after all, without a lavish taxpayer funded advertising campaign? No doubt we are in for another beauty! By the end of it we will be wondering what was so great about bulk-billing anyway and lining up to pay another $100 or so on our private health insurance premiums each year. The trouble for the Prime Minister is that his package has not been very well received by either the public, who are the ones paying medical bills, or by health sector experts and commentators. Maybe it is because nobody actu-
ally trusts the Prime Minister when it comes to Medicare—and who could blame them? The Prime Minister has attacked Medicare too many times in his career for anyone to take him seriously when he claims that he now has the answers to rebuilding Medicare and redressing the decline it has suffered under his government.

I know we have heard some of the Prime Minister’s most vehement denunciations of Medicare over and over during the course of this debate but I am going to repeat them. I am doing that because he needs to understand that the Labor Party will not forget—and we will not let the Australian people forget—his true colours when it comes to Medicare and health policy. The Prime Minister cannot trot out a package with a half-smart name like ‘A Fairer Medicare’ and expect that to overcome 20 or more years of strident opposition to everything Medicare stands for. His past record will be thrown back at him to highlight to the Australian public that—just like the ‘never, ever GST’ and just like ‘no worker will be worse off’—the Prime Minister will tell you anything to get himself elected but he will always return to his ideological themes that exacerbate division and inequality in our society rather than bridge them.

Here is a collection of beauties from the Prime Minister back when he was leader of the Liberal Party in the 1980s. According to John Howard, Medicare was a ‘miserable, cruel fraud,’ a ‘scandal,’ a ‘total and complete failure,’ a ‘quagmire,’ a ‘total disaster,’ a ‘financial monster’ and a ‘human nightmare’. Back then he told us he could not wait to ‘pull Medicare right apart’ and ‘get rid of the bulk-billing system’, which he described as an ‘absolute rort’. You have to hand it to the Prime Minister: back in the 1980s he was at least prepared to come clean with the Australian people and tell them exactly what he intended to do to Medicare if he won government. It was all spelled out in his 1987 election policy where John Howard stated that under a Liberal government, ‘Bulk-billing will not be permitted for anyone except the pensioners and the disadvantaged. Doctors will be free to charge whatever they choose.’ There it was in 1987. Back then the current Prime Minister told the Australian people what he stood for in black and white. Now he tells them that black is white. He will dismantle Medicare in this package just as he has always wanted but this time he will tell the public that this is all about making Medicare fairer.

The Prime Minister has learned a lot since 1987 and he is certainly a patient man. Instead of taking to Medicare with an axe immediately after his victory in 1996, he has simply chipped away, biding his time, while a combination of the government’s policies together with a distinct lack of action have created the current crisis in bulk-billing which is being used as a cover to introduce these changes. But instead of addressing the low levels of bulk-billing—and bulk-billing levels have been in free fall for a couple of years now—this package drastically reshapes Medicare in a way that spells the end of bulk-billing for a large proportion of the population.

One of the centrepieces in the government’s package is the incentive scheme for doctors to bulk-bill those patients holding Commonwealth concession cards. The government is certainly making much of this initiative as a social justice measure but, in reality, it does not amount to a great deal when you consider that it is already fairly common practice for doctors to bulk-bill pensioners and concession card holders. In fact, far from being a social justice measure, it is this incentive scheme that strikes at the heart of Medicare’s fundamental structure that up until now has guaranteed its fairness and strength as a universal health insurance
scheme for visits to a GP. It does that because the incentive offered by the government to encourage GPs to bulk-bill all concession card holders is to allow those GPs to claim the Medicare rebate directly from the Health Insurance Commission for all other patients.

So the government is holding out an increase in bulk-billing for concession card holders that will effectively be subsidised by all other non-concessional patients, because that is what will happen if this measure is allowed to pass. Doctors will increase their fees to other patients to subsidise the bulk-billing of concession card holders. Who are these other patients without concession cards? They are anyone earning more than $32,300 per year. According to figures quoted in the *Canberra Times* by Dr Gwen Gray of the ANU, there are two million households in Australia above the concession card means test but with earnings below $41,000. It is these households of working families who need a commitment to bulk-billing in this country to give them some security and peace of mind but who instead have been ignored by this government’s package and in fact will pay more to see a doctor if this bill is allowed to pass the Senate.

This is the government’s A Fairer Medicare. Bulk-billing is for pensioners and low-income earners only, and the rest of the community will pay more to see a doctor as a consequence. When the doctor only has to charge non-concessional patients the gap and can claim the rest from the HIC, you can guarantee that the size of the gap will rise. Why wouldn’t it when the government is making it easier for doctors to do precisely that? Think about it. Right now a GP who does not bulk-bill might charge a patient $45, which amounts to an out-of-pocket gap fee of around $20 after the patient has claimed the Medicare rebate. Under the government’s proposal, where the patient would only be paying the $20 out of his or her pocket anyway, it will be irresistible for doctors to push that fee up. The market pressure that would stop fees rising from $45 to $50 will not be there to prevent a rise from $20 to $25—or even higher, depending on what GPs determine the market will bear. It is a nice pay rise for doctors, paid for not by the government through an increase in the amount of rebate paid to doctors but instead by the Australian public every time they visit their GP.

The government members speaking on this bill have made much of the convenience this scheme promises for patients, because they will no longer have to visit a Medicare office to claim a rebate following a visit to a GP. It is a convenience that the Australian public will be paying for dearly through higher medical bills. The government members might consider that there is another way to provide that convenience to patients and do away with the need for them to make an extra trip to the Medicare office to claim a rebate from the HIC, and of course that is to expand the number of GPs who bulk-bill. That is something that we on this side of the House have been urging the government to do for years.

The government has its head in the sand when it comes to the implications of this package for the cost of medical care to the majority of Australians who do not hold a concession card. It is the same old routine of see no evil, hear no evil that we have seen so often when the government does not wish to be confronted with its policy failures. The Minister for Health and Ageing has been quoted as saying:

There is nothing in the Government’s Medicare package that would cause doctors to increase the fees they charge their patients.

We now know that it is easy for the minister to make that claim because she has deliber-
ately failed to analyse the effect of the package on either patient costs or the rate of bulk-billing. In a display of what is either extraordinary neglect or outright arrogance, the government has not prepared a regulatory impact statement for the Medicare package. It was admitted in Senate estimates two weeks ago that this package, which represents the most dramatic changes to Medicare—a key plank of our health system—in 20 years, has not been subject to any modelling by the Department of Health and Ageing of those two key questions.

The minister’s department might not have done any modelling but there is plenty of evidence that this package will make it easier for doctors to put up their fees and, in fact, will encourage that. Those increased fees will come straight out of family budgets that are already straining. Here is what John Deeble said in the *Australian* on 30 April:

* Bulkbilling was designed to give full coverage without a cost blow out. It has an inbuilt constraint. This new system gives doctors more freedom to charge what they like. It will increase costs.

Even more telling has been the reaction of doctors to the government’s package. The Labor Party is indebted to Mark Lipscombe, the Practice Manager of Westcare Medical Centre in Melbourne, for pointing out a few home truths to the health minister in an interview in the *Australian Doctor* journal of 9 May this year. The article reads:

* Contrary to the claims of federal health minister, Senator Kay Patterson he says if his outer-Melbourne practice enrolled in the scheme he would be forced to increase fees for non-concessional patients from the present $38 to about $45.

There you have it from two people who know exactly what this package will do to the cost of seeing a GP. The minister and the Prime Minister know too, but they persist with their charade of A Fairer Medicare. Other measures contained in this bill such as the new safety net arrangements and private health insurance for out-of-hospital costs are also clearly inflationary and are, in fact, proof in themselves that the government expects health care costs to blow out under its new package.

Medicare is an essential element of the fair go that we hold so dear in this country. Australians do not want to go down the American road, where health care is a source of division in society and where your status and wealth determine your access to quality health care. Here in Australia, Medicare has been an effective and fair system of insurance that has given Australians the security of knowing that they will get the health care they need, not the health care they can afford. And it is fair enough that Australians have that expectation of Medicare. After all, they pay for Medicare through their taxes and they are entitled to expect that it will be there for them, that it will work for them when they need it, and that means bulk-billing. You are not delivering on the community’s legitimate expectations of Medicare if you are not delivering on bulk-billing.

That is certainly not happening in my electorate of Capricornia. Bulk-billing rates in Capricornia are below the 50 per cent mark. Everyone in my electorate needs better access to bulk-billing for their basic medical treatment. I say ‘everyone’, and that includes pensioners, concession card holders and middle-income earners. Middle-income earners are the people who are ignored and forgotten by the government’s fraudulent A Fairer Medicare package. Australians, including those people in Capricornia, know that, if you want Medicare protected and rebuilt, you do not rely on John Howard to do the job. He has always been about tearing down Medicare. He is fundamentally opposed to the concept of universal coverage. This Prime Minister is about a society where
you look after yourself and you do not worry about anyone else.

Labor created Medicare and a Labor government will rebuild it by restoring bulk-billing to a level of 80 per cent of all GP consultations. We will do that by first of all lifting the patient rebate to 95 per cent of the scheduled fee and thereafter increasing the rate to 100 per cent of the scheduled fee. Further incentives will be given to doctors who meet bulk-billing targets, and those incentives will be targeted to lift bulk-billing in those areas where the rates are especially low, such as rural and regional parts of this country. Doctors in metropolitan areas who bulk-bill 80 per cent of services will receive an additional $7,500 a year, doctors in outer metropolitan areas who bulk-bill 75 per cent of services will receive an additional $15,000 each year and doctors in rural and regional areas who bulk-bill 70 per cent of services will receive an additional $22,500 per year.

The Labor Party have already indicated that we will oppose this bill here in the House and in the Senate. We will continue to fight the government over their package, because to give up that fight is to give up on Medicare. I can assure the government that the Australian community will back us all the way in that fight.

Mr SNOWDON (Lingiari) (7.46 p.m.)—I am pleased to be able to participate in this debate on the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003. This bill, as others have pointed out, is the greatest attack on the Australian health care system and the health of Australians in the last two decades. It will destroy one of the best health care systems in the world. This bill will also entrench the city-country divide in health care in this country, decreasing the already appallingly low level of access to health care for people in rural and remote Australia through general practitioners.

We will oppose this bill to the very end. We will oppose this bill both in this chamber and in the other place. Labor are determined to fight tooth and nail for the fundamental principle that every Australian is entitled to quality health care, based on their need and not their capacity to pay. The Medicare system enshrines this principle. It is the reason that the system has managed to provide a first-class service for all Australians. This bill attacks the universality of Medicare, and it is the start of the slippery slope towards the Americanisation of the Australian health care system. It is clearly the thin edge of the wedge that would see people denied health care because they did not have health insurance or because they were too poor to afford it. I will later in the course of my address point out an example of where that is happening now as a result of the government’s policies.

Labor will oppose this bill. It demonstrates that those who believe they are born to rule rule only for the few, because this bill ultimately says that quality health care is deserved only by those people who can afford to pay. I will also, I hope, if time permits, show the contradiction between the policies of the government in relation to private health care and private health insurance and the needs of Australians who live in rural and remote areas. The government’s euphemistically named A Fairer Medicare package will do three things. It will create a two-tiered medical system under which families in my electorate will pay more to visit a doctor—they already pay more than other people around Australia—it will create a second-class system where Medicare is only available to those with a health care or concession card and it will make it easier for doctors who currently bulk-bill to start charging copayments for the first time and
for other doctors to increase their fees. It will destroy the basic tenets of Medicare. Medicare is one of the great achievements of the Labor Party, and we will fight to save it.

I do not intend to go through all the major components of this bill, because they have been enumerated by others, other than to say that the proposals that have been put forward will not in my view solve the problems that we currently have in terms of the provision of health care to people who live in regional and remote Australia particularly—and it will not solve the problem for all Australians. All the measures that have been proposed will be opposed by Labor in this debate.

It is instructive to note that, when Labor left office in 1996, 80 per cent of visits to the doctor around the country were bulk-billed. Since the Howard government came to office, the rate of bulk-billing has steadily declined to where it is now: 68.5 per cent—the lowest level in 14 years. Not only has the rate of bulk-billing decreased; the average patient contribution has increased dramatically, from $8.32 in 1996 to $13.05 today. That is an increase of 55 per cent. The situation, as I pointed out earlier, in my own electorate is much worse than it is nationally. Territorians pay the highest patient contribution of any state or electorate in Australia. Territorians pay an average $18.61 more than the amount refunded by Medicare for a standard trip to the doctor. This compares to the national average contribution of $12.78. Indeed, there is a general practice in my own electorate where the up-front fee for a GP is currently $60. The patient contribution over the whole of the Northern Territory has risen by an incredible 13.7 per cent in the last two years.

It is important to note that some of those people who are paying the most for health care are some of the poorest people in our nation. While the quarterly figures show that Lingiari is approximately average in the number of bulk-billing consultations, these figures are seriously affected by the number of Indigenous clinics. The fact is that there are no bulk-billing private practices, apart from Aboriginal health clinics or government health clinics, anywhere outside Darwin or the Darwin rural area. If you are an average person coming in off the street, it is all but impossible to find a bulk-billing practice in the Northern Territory except for the Aboriginal medical services.

One of the most striking things about my electorate is its heterogeneity. A great diversity of people live in Lingiari, which is an electorate that includes everywhere in the Territory bar Darwin and Palmerston. There is a very stark contrast, therefore, between the haves and the have-nots. A very high number of families in my electorate earn below average weekly earnings, an income level which is difficult for a family to live on in any part of the country but is particularly so in the Northern Territory, where the cost of living is also very high. These people cannot afford an extra $20 here or there to take their child to the doctor or to go to the doctor themselves; it is simply not an option. But that is what the government proposals mean.

The latest figures on living costs show that the people in Darwin have the highest living expenses of any capital city. Unfortunately these figures are only available for capital cities, although in the last parliament I detailed at some length the cost of living survey that was developed by the Northern Territory department of health, which showed that in some remote communities in the Northern Territory people were paying 150 per cent of the cost of a basket of goods compared with the cost in capital cities across Australia. That is just one indication of the high living costs that people experience.
I have also relayed here on a number of different occasions, to the chagrin of the government, the high cost of fuel compared with the cost of fuel elsewhere in Australia. When you look at these figures it is very obvious that Territorians are grossly disadvantaged in terms of the cost of living. I know this is true for other parts of remote and rural Australia, but it is particularly pertinent to the electorate of Lingiari. Darwin has the highest weekly expenditure per household across Australia for food, household services and operation and transport and recreation. Darwin households pay the highest amount of income tax and have the highest mortgage repayments in Australia. In many parts of the Northern Territory, house ownership is not an option and, where it is an option, the cost of housing is extremely high. Another interesting indicator is that people in Darwin have the second-lowest health care expenditure—they cannot afford to visit the doctor. This is of grave concern. It is clear that the people in Darwin and the rest of the Northern Territory cannot afford the same level of health care as those in other capital cities.

The government’s Medicare package will mean even higher health care costs for Territory families. According to the ACTU, the government’s new reforms will cost working families an extra $500 a year in doctors’ bills. To extrapolate, given the average differences that I indicated previously between the costs paid by Territorians and those paid by other Australians, you can add another 20 per cent or 30 per cent to that $500 for people who live in the Northern Territory. One clinic is already charging a $60 up-front fee. It is clear that the Prime Minister and his government have no particular regard to or care for the impact this Medicare package will have on the people of Lingiari. He has no commitment to maintain equitable health care; instead, he is preoccupied with destroying Medicare, a system Labor built.

Throughout the 1980s and early 1990s the Prime Minister campaigned on a public policy to demolish Medicare. When the Prime Minister was the Leader of the Opposition in the 1980s, he said that Medicare was a ‘mis-erable, cruel fraud’, a ‘scandal’, a ‘total and complete failure’, a ‘quagmire’, a ‘total disaster’, a ‘financial monster’ and a ‘human nightmare’. John Howard’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.

They currently do that. In many practices now—and certainly in the ones I have indicated in the Northern Territory—doctors’ fees are a commercial decision, not a health decision. They are about maximising the returns for the medical practitioners at a cost to the Australian community, at a cost to Australian taxpayers and at a cost to patients. The Prime Minister intended to create a two-tier system, and he has done it. This bill will perpetuate that structure. In the lead-up to the 1996 election, he did a chameleon act. In an interview with Laurie Oakes on the *Sunday* program, he said:

Oakes: Do you agree that Medicare would not be touched under a coalition government?

Howard: We absolutely guarantee the retention of Medicare and guarantee the retention of bulk-billing ...

Oakes: You see that people will worry about that: the retention of Medicare is exactly the phrase Malcolm Fraser used about Medibank. He promised the retention of Medibank and it went.

Howard: ... yes, well you’re questioning John Howard and nobody else, and I am giving a guarantee that it is not going to be changed. I am giving a guarantee about bulk-billing.

What an absolute fraud to give an absolute guarantee about bulk-billing! What they are doing here is guaranteeing that the bulk of the Australian community will not have access to bulk-billing. As I have already
pointed out, under this government no-one in my electorate who goes to a private practice, apart from an Aboriginal health service or a public clinic, has access to bulk-billing. What sort of fraudulent undertaking did the Prime Minister give Laurie Oakes in 1996? What sort of fraud has he perpetuated on the Australian community since that time?

The government’s health care package will mean three things for people in rural and remote Australia: fewer doctors, poorer health care and increased pressure on rural hospitals. The measures in this bill will increase the cost of health care for families and will result in increased pressure on the public hospital system. That is clear. The government’s health care package will mean families with two children and an income of more than $32,000 will have to pay each time they go to a doctor. The government wants to remove the constraint on doctors’ fees, making it very easy for doctors who currently bulk-bill to start to increase their fees for the first time. It is much easier for a doctor to start off with a small fee than to move from bulk-billing, where it does not cost the patient anything, to a system where they charge a $40 up-front fee.

This new system is what doctors have always dreamed of—a universal benefit underpinning whatever fee they wish to charge. Again, this is a commercial decision and not a health decision. There will no longer be any constraints on doctors and prices will increase, and the government has as much as admitted that this will happen. Take careful note of the Prime Minister’s rhetoric on this issue, which has been that ‘prices need not rise’. He refuses to say that fees will not rise. I have already demonstrated that fees have risen and will continue to rise, certainly in my own electorate.

Professor Deeble, one of the architects of Medicare, has stated on many occasions that separating doctors’ fees from the Medicare benefit allows doctors to charge what they like and will lead to increased patient contributions. Any time you increase the cost of health care, you decrease people’s ability to access that health care. People will no longer be able to afford to take their very sick children to the doctor three times a week, perhaps, or to take each of their children. I am a parent of four children so I know what this means, and I have a good income. What are working families to do if they have four or five children and need to access a doctor on a regular basis over a short period of time under the proposals which have been put forward by the government? The government knows that emergency wards around the country are already under pressure, and this will continue.

In response to the pressure on the emergency ward in Alice Springs, the federal government has put $260,000 towards the establishment of an after-hours clinic to alleviate the problem and the Northern Territory government has put in $140,000. I have raised this issue in parliament a number of times already. But what you need to know is this: as a mechanism to take the pressure off the public hospital in Alice Springs, the doctors who are going to control this clinic propose to charge a $50 consultation fee to those who are health care card holders, a $70 fee to everyone else and $100 to tourists. In trying to take pressure off the Alice Springs public hospital system, what they are offering the people of Alice Springs—if they can afford to pay the $70—is an after-hours service. That is middle-class medicine, and it will not help alleviate the problem for many people in Alice Springs and around Central Australia who need to use the public hospital system, because they cannot and will not be able to afford to pay this fee.

The creation of this two-tiered health system will see only the lower tier of health care
available in the bush and will make it much harder for regional and remote Australia to attract and retain doctors. The lack of private hospitals in the bush is an example of market-driven, top-end private health care going only where people can afford it. There is no private hospital in my electorate, even though it covers 1.3 million square kilometres. If you are in that electorate, as I am, and if your income is over a certain level, you still have to take out private health insurance. If you do not take out private health insurance, you are slugged an extra one per cent on the Medicare levy. What return do you get for that? What you are doing is subsidising the health of the rich and those people who live in metropolitan centres who have access to private hospitals. Why do people in rural and remote Australia with no access to private hospitals have to take out private health insurance? Why do they have to pay the extra levy? What is the return for them? The answer is: a big fat zero.

It is already very difficult to attract doctors to remote parts of the Territory, and it is not just a matter of pay; it is about the conditions and the support networks as well. Despite offering salary packages of between $100,000 and $200,000, some remote communities are still unable to attract GPs. This is because of the difficult conditions and the perceived lack of support in some remote communities.

Labor wants to do things differently. It is worth pointing out that the Rural Doctors Association of Australia has dismissed the government’s package, saying it will have little impact in rural areas, where most GPs have already stopped bulk-billing—and I have demonstrated that already using the example of my own electorate of Lingiari. While a large part of the reforms are focused on encouraging doctors in rural areas to bulk-bill health care card holders, the Rural Doctors Association President, Dr Ken Mackay, said few rural GPs will be interested in the package the government is offering. Dr Mackay told ABC radio:

I said to the Prime Minister several weeks ago that I would estimate that something like 10 to 15 per cent would take up this package.

... ... ...

Most of the doctors I’ve talked to don’t feel as if they would take up the package.

A Crean Labor government, on the other hand, 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 four financial incentives to doctors to not only keep treating their patients without additional costs but also 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, and doctors in rural and regional areas will receive an additional $22,500 a year for bulk-billing 70 per cent or more of their patients.

I represent some of the most disadvantaged people in Australia. They are also some of the sickest people in Australia. I represent the remote electorate of Lingiari in the Northern Territory; 35 per cent of my constituents are Indigenous Australians. While I am very proud to represent the electorate with the largest proportion of Indigenous people, I am absolutely ashamed that they are possibly the sickest people in the country.
The statistics on Indigenous health are there for all to see. Rates of renal disease in the Indigenous community are seven times higher than they are in the non-Indigenous population in the Territory. Life expectancy for Indigenous Australian males is 20 years less than for their non-Indigenous counterparts. Not only is Indigenous health in the Territory poor; there are significant difficulties for all Territorians in accessing health care services. This bill should be defeated. This bill should be opposed. I would ask the government to look at the proposals the Labor Party has put before it.

Mr WINDSOR (New England) (8.07 p.m.)—I rise to oppose the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003 and the Labor Party amendment. Before doing so, I was very interested to hear the member for Lingiari’s comments on his electorate and some of the rural and remote issues which he raised. Although it is not as isolated as the member for Lingiari’s electorate, some of the same aspects of health care delivery are prominent in the electorate of New England.

I paused to think about some of the issues that are before the parliament and the press at the moment. One of those issues—if I can divert for a moment—is the Prime Minister’s proposed changes to the Senate. I have also been made familiar with some of the problems of representation that are going to come upon the Northern Territory. Having listened to the member for Lingiari, I think we as a parliament would occupy our time a lot better trying to help those people who are having difficulties in a representational sense because of the remoteness and broadness of their electorates rather than playing politics with the representational issues within the Senate.

Having spent a lot of time in the deserts of Australia, I can associate with some of the comments made by the member for Lingiari in relation to Aboriginal communities and the access, cost and social issues that are prevalent in some of those communities. I congratulate some of them, without mentioning them by name, on the way in which they have embraced some of those issues. I am sure the member for Lingiari would know some of those communities. It is not all doom and gloom out there; there has been a lot of positive stuff done and a lot of positive leadership shown within some of those Aboriginal communities.

But the bill being debated tonight is about Medicare. As I said, I will be opposing the legislation. Issues of concern have been raised by many members in the parliament. There are very real issues of concern from a country perspective. I have written to all the doctors in my electorate and asked my community to have some input on how they see this particular legislation impacting on their health care needs and the availability of health care, and my judgment is that the majority of people would not be in favour of this particular legislation. That is not to say that there are not good bits in it. Obviously that is the art of the political process, particularly when in government. I think the same thing applies in relation to the higher education reform legislation; there are some good things in that as well. But what we have to do as members of parliament is balance the good things against the bad things and make a determination on how to vote.

Health and education are very complicated in how they are promoted to the community. They are complicated and very significant issues. One of the things coming through very loudly and clearly to me on both of these issues is that the community do not particularly like to embrace a two-tiered system. I do not only mean a two-tiered system in terms of bulk-billing versus the other system; I also mean a two-tiered system in
relating to city versus country. I do not think city people would particularly like to identify with some of the issues that have been raised in both the health and the higher education debates. I think politics is probably too much about putting a gloss and a fairly simplistic argument over fairly complicated issues. Calling things ‘fairer’ and talking about giving people more access—and suggesting that that necessarily makes them good ideas—is, unfortunately, the way that the political process is run. It is unfortunate that a lot of people within the community are easily taken in by a number of fairly simplistic issues.

The vast majority of families, doctors and people I have spoken to do not believe that this piece of legislation, particularly from a country perspective, will increase the availability of doctors or care within a number of communities. Even the largest community within the electorate of New England, the community of Tamworth, has a massive shortage of doctors. It is favoured fairly well in the number of doctors, the number of specialists and the size of the hospital—it has the largest regionally based hospital within country New South Wales and, although I have not done the numbers, I imagine that means something in terms of country Australia—but, even there, there are difficulties in attracting doctors.

I congratulate the government on a number of initiatives, outside this legislation, that have encouraged doctors into country areas and that are putting in place longer term platforms, by way of scholarships and incentives, to get medical students to come to country areas. But the bill we are debating tonight is about Medicare. The Prime Minister says it is about a fairer Medicare; I doubt that, having talked to people who know the system a lot better than I do. A lot of people have spoken. I listened to the member for Calare, for instance, talk about the various threshold issues—the safety net issues for people who might be in some sort of chronic illness or disability situation where, because of their circumstances, they have to have a very large number of visits to doctors—and about the way in which those thresholds kick in. I think there is one threshold at $500 and another one at $1,000.

I believe—and the member for Calare raised the question with the Prime Minister last week—that there are certain cost issues in relation to those thresholds. I urge the minister in the Senate, when this bill gets through to the Senate, to examine the implications of some of the threshold issues and whether, through various medical manipulations, that system can be rorted to a certain extent. I do not think any of us would say that it never happens. I will not run through all the various issues that have been raised. I think I have raised the important issue from my electorate’s point of view, and my judgment is that people are not sympathetic to this particular piece of legislation.

My first attempt at federal parliament was at the last election. I will stand corrected, but I think I was one of the very few people who ran on a platform of increased taxation. That platform was very much based on encouraging the government—and at that stage I believed that the Howard government would probably be returned—to try and get the medical profession to locate and, in this case, bulk-bill in certain areas, rather than look at these fairly piecemeal approaches of $5 here, $3 there, and a few dollars elsewhere. I thought the government should recognise that health is the key priority for all of us. I think that anybody in politics would recognise that health is the key priority; education is probably a close second. In recognising that issue, the government should also recognise—as I think all of us recognise—that the health system is staggering under the load. It is feeling an enormous number of pressures, whether it be the declining per-
The percentage of bulk-billing doctors or whether it be the medical indemnity issue. There has been a real stress on people, particularly on specialists but also on GPs, as to whether they remain in the medical industry. Again, I congratulate the government on a number of the initiatives that they have taken to try and come to grips with that. There are still issues out there that have an impact on whether doctors are completely comfortable with the indemnity issue.

Given all those positive things that are happening, we are still finding that the medical profession is not tending to locate within country areas and is not comfortable with the remuneration it is receiving. The Productivity Commission and others have done a great deal of economic and other work to try to determine what the problem is and how to rectify it. As we were going into the last election, to me it was clear that it is a classic case, if we as a community do believe that health is the No. 1 priority, of having to spend more money on it. Some would suggest that is what this bill does. I would question the use of that money and, particularly from a country perspective, the benefits that money will deliver in relation to country people.

My view was that the community would accept an increase in the Medicare levy and that that would, in fact, overcome many of the problems there are now, particularly in relation to the number of doctors in country areas. Within the last fortnight I have spent some time with many of the doctors in country communities. I stand to be corrected once again, but I am led to believe that the average age of a GP is something like 52 or 53 years. I can identify with that because that is about the same age as I am. There are a number of circumstances out there that are encouraging people in their 50s to leave the medical profession. If we allow that to happen, the whole debate about whether there is bulk-billing or not and what the pricing structure is—whether it is high enough or low enough—will be for nought if the doctors are not there to deliver the professional services we need.

A conference was held in the city of Tamworth not long after the federal election, or it may have been just prior to the federal election. The conference looked at the issues that revolved around the lack of country general practitioners, country specialists and, just as importantly, the allied health professionals. There is a great lack of these professionals in many country towns, and that leads to a lack of other services. One of the things raised at that particular conference was the use of the Medicare provider number by government as a way of driving the medical profession to where the service holes were. Another issue that was raised was the use of differential Medicare rebates that could be used in certain circumstances to encourage professionals into areas where they might otherwise not feel comfortable. One of the things included in this bill is the use of some differential Medicare numbers, depending on location.

After that particular conference in Tamworth, the National Party in particular but the government in general saw that the crude use of Medicare provider numbers and the use of differential Medicare rebates was a virtual interference in the market. They saw that the market should determine where people go and that you cannot use those sorts of instruments to try and drive people into particular areas. My view at that particular time—and I think I was still a member of state parliament then—was that we had a system where the medical profession was able to access the public purse through the Medicare system by choosing to locate where it liked, irrespective of whether there was a business load there in terms of the number of people requiring services. There
was an inbuilt incentive to locate in city areas and rotate the patients to the advantage of those particular practitioners. Country doctors do not have that luxury. There are not enough of them to satisfy the needs of those communities.

The point I make is that, at the conference, the use of differential Medicare rebates and the use of Medicare provider numbers was pooh-poohed as something that could not be done. I was absolutely dismayed that in the 2002 budget, which was the first budget following my election as a federal member of parliament—I am pleased to see that the member for Lindsay is here; she would be well aware of all this and may well have been one of the people driving it, and good luck to her if she was—from memory, $80 million was expended in terms of using Medicare provider numbers and differential Medicare rebates to interfere with the market in an attempt to encourage the medical profession to go to certain areas; to encourage the development of the medical profession in certain areas of Australia where they were deemed by the government not to be filling the necessary needs of those communities.

I am sure the member for Lingiari is looking back and thinking, ‘I must have missed out on that, because surely they would mean the Northern Territory when they were talking about those sorts of issues.’ One would have thought they would have been talking about west of the range in New South Wales and Queensland, but no they were not. They were talking about Western Sydney, western Brisbane, western Melbourne—those areas where they believed they had to interfere with the market processes that normally allocated the doctors, to put in place some incentives and to interfere with the system so that a system was developed that would encourage doctors into the western areas of the major cities.

The very important point in all of this—and it is very important to the way in which, in my view, our current Prime Minister thinks—is that those areas are very important to the election of a government within this parliament. I think that is a great shame. What that one thing did for doctors who were looking at working in regional and remote areas was put forward a financial incentive for them to return to Western Sydney, western Brisbane and western Melbourne. I am not saying that those people in the west of those communities do not deserve medical facilities—I am not saying that at all. In fact, they are using their political muscle to achieve an outcome, and I congratulate them on that. Maybe that is something that country people should wake up to; maybe they should start to use their political muscle to a certain extent as well. I am saying that the need to interfere suggested to all of us that the system was not working correctly.

This bill does not necessarily address the circumstances that are out there, and I do not think the Labor Party’s amendment does at all either. The government and the opposition are both playing with the existing system and hoping they can buy time in relation to keeping a lid on Medicare. As a nation, at some stage we are going to have to address the issue of health. As a nation, in my view, we will have to increase the Medicare levy. We will have to design something that gives the practitioners of health the remuneration that they should have and recognise exactly what the Productivity Commission has recognised—that is, unless you remunerate people at a certain level, given their experience, the demands, the medical indemnity issues, the insurance issues and a whole range of other professional and social issues that are prevailing upon the medical profession; unless we take the lid off this and address those issues, we will see a system that is slowly strangled. *(Time expired)*
Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Health and Ageing) (8.27 p.m.)—in reply—I would like to thank honourable members who have contributed to the debate on this very important piece of legislation, the Health Legislation Amendment (Medicare and Private Health Insurance) Bill 2003. As the debate proceeded, I became very interested in the selective memories of members of the opposition. They can remember every single statement that the Prime Minister ever made about Medicare during the 1980s, but they appear completely incapable of remembering elementary design features of the Medicare system that they created in 1984 and ran until 1996.

The most outstanding memory lapse relates to the ability of doctors to bulk-bill or not as they see fit and to charge what they wish if they decide not to bulk-bill. That was a fundamental characteristic of the system announced by the then health minister in 1983, Neal Blewett. It remained a characteristic of Medicare from 1984 to 1996 under the Labor government. It has remained a characteristic of Medicare since then, and it will remain a characteristic of Medicare under the bill we are debating tonight. Yet those opposite appear to be suggesting that there will be some sort of inflationary impact from the changes contained in this bill, and this impact will arise because doctors will be able to decide whether to bulk-bill or not and will be able to charge what they wish if they decide not to bulk-bill. The opposition even quoted Professor John Deeble as claiming that this legislation will leave doctors free to charge whatever they like. Let me say again: that is exactly what doctors can do now and it is exactly what they have been able to do for the last 19 years. The fact is that this bill and the other elements of the Fairer Medicare package create an incentive for doctors to bulk-bill concession card holders.

The opposition referred to a quote from a general practice manager who has said that the benefit of the Howard government’s Fairer Medicare package is that it will allow doctors to offset the cost of bulk-billing concessional patients by charging other patients more. Wrong. The entire premise of this opinion—that there is a cost to bulk-billing concessional patients—is wrong. The heart of the government’s package is that the vast majority of general practitioners will be financially better off—I repeat, financially better off. There is no reason for doctors to charge any more than they do now, because they will be financially better off.

There is no disincentive for doctors to bulk-bill others. They will receive exactly what they receive under the current arrangements if they decide to bulk-bill. The vast majority of doctors will be better off if they decide to bulk-bill all concession card holders and continue with their present billing arrangements for other people. The opposition made much of the suggestion that this bill created a financial incentive for general practitioners to bulk-bill card holders by allowing them to bill other people more. Yet that is exactly what doctors have been able to do for the last 19 years. That is why the government has not made any assessment of the inflationary impact of this legislation. The bill does not create any incentives for doctors to raise their charges and, if there is no incentive for behavioural change, it is ridiculous to assess the impact of behavioural change.

The opposition also condemned the proposed private health insurance safety net as the thin edge of the wedge. It always sounds so impressive condemning something that is the ‘thin edge of the wedge’. The problem with this particular condemnation is that it is not clear what the thick edge of the wedge is supposed to be about. The fact is that some 30,000 people or families who are not con-
cession card holders pay more than $1,000 in out-of-pocket costs for medical services annually—in fact, they pay an average of over $2,500. The proposed private health insurance safety net will allow any Australian family that can afford a modest premium, estimated to be $1 a week, to insure against unexpected but potentially crippling costs for out-of-hospital expenses.

It is in relation to the proposed concessional safety net that the opposition really reveals its lack of understanding of the current system. The opposition seems to imply that this safety net was not required because of the two existing safety nets. The first is the current Medicare safety net, covering the difference between the 85 per cent rebate and the schedule fee once the difference exceeds $319 in a year. The second is the income tax medical expenses rebate, covering 20c in the dollar for costs in excess of $1,500 in a financial year. The fact is that what we are proposing is far more comprehensive. It covers the difference between what the doctor charges and the 85 per cent Medicare rebate, and it covers 80 per cent of expenses over $500 rather than 20 per cent of expenses over $1,500. I believe most concession card holders would prefer access to a safety net covering 80 per cent of the costs over $500, to one covering 20 per cent of costs over $1,500.

The opposition have also made much of the coincidence that the savings against the forward estimates flowing from the changed indexation arrangements from hospital funding grants are very similar to the proposed increases in spending under the Fairer Medicare package. They conveniently overlook the fact that the government has committed to increasing spending on hospital grants by $10 billion, or 17 per cent in real terms, over the next five years—and this in an environment where public hospital admissions are flat and private hospital admissions are booming as a result of the success of the government’s private health insurance policies.

Before I leave the opposition’s contribution to the debate, I will turn to the amendment proposed by the former shadow minister for health on the motion that the bill be read a second time. The first proposition is that the bill and the Fairer Medicare package will create a two-tiered system under which Australian families will pay more for a visit to the doctor. Leaving aside the confusion between opposition members, as one member accused the government of fostering a three-tiered society, let me point out that concession card holders and their families are Australian families as well, and we are going to make it easier for these families to visit a doctor by encouraging doctors to bulk-bill them. As Professor Deborah Saltman from the University of Sydney so succinctly said to me last Friday, ‘We don’t have a two-tiered system; we have a multtitiered system, and we always have had.’

The second proposition is that the bill will result in bulk-billing only for pensioners and concession card holders. There is absolutely nothing in the bill or the package that will stop doctors bulk-billing anyone they wish to. In fact, by paying them more to bulk-bill concession card holders, doctors will be more easily able to afford to bulk-bill other people. The third proposition is that it will be easier for doctors to stop bulk-billing or raise their charges if they have already stopped bulk-billing. The fact is that this legislation, together with the other elements of the package, makes Medicare fairer. It creates incentives for doctors to bulk-bill people likely to be in the greatest financial need, and it targets those incentives to the locations where people are least likely to be bulk-billed under the current arrangements. It puts in place a greatly enhanced level of protection against high cumulative out-of-pocket costs for peo-
ple on limited incomes, and it allows any family that can afford $1 a week to buy insurance against the out-of-pocket costs of catastrophic illness, where many services may be delivered out of hospital.

The fact is that the government are prepared to improve Medicare to make it more equitable and more relevant. We are prepared to invest money in the health care sector to create a balance between private and public care, between acute and out-of-hospital care and between care and prevention. By contrast, the opposition’s plan simply to increase the Medicare rebate across the board would do nothing to redress the inequities between metropolitan and rural areas, nothing to ensure the affordability for concession card holders and nothing to help other people guard against the unexpected costs of catastrophic illness.

The member for Newcastle earlier this evening displayed the opposition’s ignorance on the issue of Medicare rebates. Her comments that GPs have not had an increase in their Medicare rebate for seven years not only are wrong but give me the opportunity to highlight the performance of this government compared with that of the previous Labor government. Under the coalition government, the Medicare rebate for a standard consultation has increased by over 20 per cent. By contrast, under Labor’s last six years in government the standard consultation increased by less than nine per cent. In addition, GPs receive an average of $18,000 per year in incentive payments to deliver quality programs such as the asthma 3+ visit program. Taking this into account, overall GP remunerations have increased by 30 per cent in the last six years. This government is very committed to a fairer Medicare system, and this legislation is central to that commitment.

Mr Snowden—Not even you believe that!
Ms Macklin—Come off it, Trish!
Ms Worth—Despite what the very newly announced shadow minister says—who seems to have a very heavy workload at the moment, and I sympathise with her in that respect—I certainly believe what I am saying. This government, and this parliamentary secretary, believe that we will have a fairer Medicare system. It is a very big commitment that the government is making. I commend the bill to the House.

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

Question put.
The House divided. [8.42 p.m.]
(The Deputy Speaker—Mr Jenkins)
Ayes…………… 74
Noes…………… 61
Majority……… 13

AYES

Monday, 16 June 2003

### HOUSE OF REPRESENTATIVES

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Question agreed to.

The DEPUTY SPEAKER (Mr Jenkins)—The question now is that this bill be now read a second time.

Question put.

The House divided. [8.49 p.m.]

(The Deputy Speaker—Mr Jenkins)

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AYES

| Abbott, A.J. | Anderson, J.D. |
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| Bailey, F.E. | Baird, B.G.    |
| Baldwin, R.C.| Barresi, P.A.  |
| Bartlett, K.J.| Billson, B.F. |
| Bishop, B.K. | Bishop, J.I.   |
| Cadman, A.G. | Cameron, R.A.  |
| Causey, I.R. | Charles, R.E.  |
| Coibo, S.M.  | Cobb, J.K.     |
| Costello, P.H.| Downer, A.J.G.|
| Draper, P.   | Dutton, P.C.   |
| Elson, K.S.  | Entsch, W.G.   |
| Farmer, P.F. | Forrest, J.A.  |
| Gallus, C.A. | Gambaro, T.    |
| Gash, J.     | Georgiou, P.   |
| Haase, B.W. | Hardgrave, G.D.|
| Hartsuyker, L.| Hawker, D.P.M.|
| Hockey, J.B. | Hull, K.E.     |
| Hunt, G.A.   | Johnson, M.A.  |
| Jul, D.F.    | Kelly, D.M.    |
| Kelly, J.M.  | King, P.E.     |
| Ley, S.P.    | Lindsay, P.J.  |
| Lloyd, J.E.  | May, M.A.      |
| McArthur, S. *| McGauran, P.J. |
| Moylan, J. E.| Nelson, B.J.   |
| Neville, P.C.| Panopoulos, S. |
| Pearce, C.J. | Pyne, C.       |
| Ruddock, P.M.| Schultz, A.    |
| Scott, B.C.  | Secker, P.D.   |
| Slipper, P.N.| Smith, A.D.H.  |
| Southcott, A.J.| Stone, S.N.   |
| Thompson, C.P.| Tieghurst, K.V.|

CHAMBER
Bill read a third time.

EXPORT MARKET DEVELOPMENT
GRANTS AMENDMENT BILL 2003

Second Reading

Debate resumed from 29 May, on motion by Mr Vaile:

That this bill be now read a second time.

Dr Emerson (Rankin) (8.52 p.m.)—The Export Market Development Grants Amendment Bill 2003 slices the EMDG pie more thinly. It is a piece of legislation born out of a necessity, a necessity created by the government’s cuts to the Export Market Development Grants Scheme. This scheme was a very important policy instrument under Labor. Labor was genuinely committed in government to promoting exports, to the point where Labor’s Export Market Development Grants Scheme reached a total of $202 million. One of the first moves of the incoming Howard government was, in its first budget, to cut both the Export Market Development Grants Scheme and the 150 per cent R&D tax concession—two crucial policy instruments for taking Australia on the high road to high skills and high wages. It cut the Export Market Development Grants Scheme from $202 million back to $150 million. To compound the felony, it capped the EMDG Scheme at $150 million.

The operation—a combination of that cut from $202 million to $150 million and the capping at $150 million—has meant that there has been a 36 per cent cut in the value of the Export Market Development Grants Scheme in real terms under this government. Under the pretence of increasing access to the EMDG Scheme for small business, the government is dishing out an ever smaller EMDG pie to more applicants. This is typical of this government. It is a government that claims less is more. In the great traditions of the Ministry of Truth in George Orwell’s Nineteen Eighty-Four, it claims that less is
more, that a cut is an increase. In fact, it is very well known for its capacity to cut a program, two years later to partially restore it and then claim it as an increase. But that has not happened with the Export Market Development Grants Scheme. It has not increased it at all—it has only cut it. It cut it once dramatically, in 1997, from $202 million to $150 million, and then let the corrosive effect of inflation in subsequent years reduce the value of the EMDG Scheme, in real terms compared with the level it reached under the previous Labor government, by 36 per cent.

Members of parliament and the broader community may not be aware of the term ‘modulation’. Modulation is what this government practices in relation to schemes such as this. Because the pie is fixed in total, it has to be sliced more thinly amongst the applicants. How does the government do that? The answer is modulation. Modulation means that any grant above $60,000 is then not paid in full. Two years ago in Senate estimates it was revealed that the government was paying grants in excess of $60,000 only to the tune of 75 to 80 per cent. More recently the government had indicated that, because the EMDG Scheme has been held constant and is therefore contracting in real terms, the modulation would mean that grants above $60,000 would only be handed out to the extent of 50 per cent. But in a more recent estimates hearing it became clear that modulation was having a greater impact than that—only 30 to 50 per cent of payments above $60,000 were being made.

Let us be clear about this. The Export Market Development Grants Scheme is the chief policy instrument for encouraging exports. It is quite astonishing that at a time when exports could hardly be said to be going swimmingly the government is slicing the EMDG pie more thinly, having cut its value by 36 per cent in real terms. When I say that exports are not going swimmingly, I could be accused of an understatement. In the last year, 2002, Australia experienced its biggest export slump since Melbourne hosted the Olympics back in 1956. That is a very long time ago, but we experienced our biggest export slump since 1956 just last year. It was no one-off event: already Australia has recorded 17 successive trade deficits, with no end to this succession of trade deficits in sight.

How is the government responding to these 17 successive deficits? The trade minister, in commenting on December’s trade deficit, which was $3 billion neat and the worst trade deficit in Australia’s history, welcomed that trade deficit as a sign of investor confidence in the Australian economy. Presumably, if the trade deficit had been $3.5 billion, he would have welcomed it even more warmly. If it had been $4 billion, he would have enthusiastically embraced it—because it seems that the bigger the trade deficit the better the news, the greater the investor confidence in the Australian economy. We were pretty amazed at that sort of response. It came to our notice that subsequently, in commenting on the next deficit, the trade minister said that it was not ‘cause for concern’. Then, in April, the most recent trade deficit—a new record of $3.1 billion—the trade minister said, at last, that this was ‘not good’. It was a bit of an understatement.

A $3 billion trade deficit, a record in December, he welcomes as a sign of investor confidence. Subsequent trade deficits he says are not cause for concern. Then finally the penny drops. When we have another record trade deficit of $3.1 billion, the trade minister finally concedes that this is ‘not good’. You would think after 17 trade deficits in a row he had probably cottoned on to the fact that Australia had a problem—the problem is trade deficits that contribute each and every month to Australia’s record foreign debt,
which has now crashed through the $360 billion mark. I will have more to say about Australia’s foreign debt when I resume my comments on this bill at a later time, because I notice that the time is getting perilously close to nine o’clock.

When the government is asked, by way of explanation, ‘What’s the problem with these trade deficits? What’s causing them?’ the answer is, ‘The worst drought in 100 years.’ The worst drought in 100 years could not be responsible for each and every one of those 17 successive deficits, because there was not a drought when that succession of deficits started. I notice that the clock has struck nine, and I will resume my speech at a later time.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Family Services: Child Safety

Mr QUICK (Franklin) (9.00 p.m.)—Tonight I rise to make one of the more difficult speeches I have made in this House and to raise an issue that must be addressed immediately by all state and territory governments. I hold in my hand a photo of a beautiful 20-month-old girl, Zoe Dee Hart. This speech is about this lovely young girl who tragically died on 15 September 2002. Zoe Dee Hart was only 21 months old when she fell foul of something that is in just about every household in this country—a common blind cord. I will read an extract from a letter her mother, Deanne, wrote to me last week:

... Zoe was put down for her normal afternoon nap. My husband and myself were checking on her in five-minute intervals. The last time I checked on her she was jumping on her bed to look at her reflection in her bedroom mirror. My husband then checked her five minutes later.

He found her hanging from the blind cord in her bedroom. The blind cord was wrapped around her neck so tight that he had to unwind the cord to release her to start CPR. Tragically it was too late and as a result we no longer have our beautiful daughter.

Deanne goes on to say:

What upsets me the most Mr Quick is that Zoe’s death was preventable and if one person had spoken up we would still have our daughter.

Last Wednesday I visited Deanne and her friend Bronwyn to listen to what Deanne has been doing so I could ensure that this issue receives prominence nationally. One of the problems about living in this country is that we have six states and two territories. Trying to get state legislators to recognise there is a problem, let alone getting them off their bottoms to enact legislation that has national consistency, is so hard and so frustrating. New South Wales is the only state to have a ban in place—and that was put in place in January this year.

Deanne has conducted a crusade to find the extent of the problem here in Australia and overseas. There have been 144 deaths through blind cord strangulation within Australia, and in the United States of America one child dies every fortnight. What is Deanne asking us to do? She is asking, firstly, that all state consumer affairs ministers recognise there is a problem with blind cords; secondly, that they legislate and mandate that there be put in place warning signs on all blinds to alert consumers; and thirdly, that they mandate that all blinds installed have a safety mechanism attached to walls to prevent any further tragedies occurring. I have in my hand such a device. It costs less than $5 and if mandated by all state and territory government consumer affairs ministers it will save the lives of our youngsters.

The most frightening thing is that blind cords are not just found in the home; they are also in our child-care centres, creches and...
early childhood classrooms. I cannot believe that various state coroners have not picked up on this issue and alerted their consumer affairs ministers to the obvious danger. The left hand not knowing what the right hand is doing is jeopardising the lives of our most vulnerable citizens. I would like to thank Deanne and Steve for allowing me to raise this sensitive issue in the House tonight. I know that they and Bronwyn, their close friend, are listening down there in Tinderbox, Tasmania. I close with a last quote from Deanne:

We must have legislation put in place so that we can prevent this from happening to other innocent children and save other parents living with the grief we do every day.

Wentworth, Hon. William Charles

Mr JULL (Fadden) (9.05 p.m.)—I was saddened to learn of the death at the weekend of the late the honourable William Charles Wentworth IV. As was mentioned in the House earlier today, I am one of four members who served in this place with Bill Wentworth, the member for Mackellar for 28 years. I am sure Mr Wentworth was, as a member, what most of us on both sides would secretly love to be, and to achieve. For example, he crossed the floor frequently in his career—on more than 30 occasions. He proposed his own bills and motions, to the annoyance and discomfort of the government to which he belonged. He was one of the very last of the genuine rebels—or men of genuine independent spirit and will—in the House of Representatives and he served in a period when members not infrequently crossed the floor on matters of principle.

When I was first elected in 1975 and attended my first meeting of the joint parties in the party room in the old Parliament House, I found myself in the left-hand back corner, surrounded by the likes of Bill Wentworth, Senator Reg Wright from Tasmania, Peter Rae and others. I later learned that that particular part of the joint party room was known as ‘integrity corner’—and I can understand why. I still sit in exactly the same place and I hope I carry on the tradition of integrity corner in the joint party room. It was an interesting place to be—with people like Bill Wentworth and the late Kevin Cairns—to see how they played the business of government. I suppose because I served there, Bill Wentworth tended to stay in touch with me long after he left the parliament and was often on the phone with advice about what might be wrong with the economic policy, aviation policy, or some of the trade policies that we had.

I guess of all those who have served in this parliament since Federation, it was probably Bill Wentworth who contributed most to public policy and debate on public policy. His interests were many—foreign affairs and defence, the rights of Indigenous Australians, rail transport, urban traffic congestion, decentralisation, social security, economic policy and globalisation were amongst his subjects. When he was finally appointed to the ministry by the late John Grey Gorton in 1968, he became our first ever Minister for Aboriginal Affairs, a singularly appropriate appointment given his lifelong interest in Aboriginal Australians and his pivotal role in securing the passage of the 1967 referendum which enabled the Commonwealth to legislate on Indigenous issues.

Bill Wentworth was one of the most intelligent and knowledgeable members ever to serve in this place. He had an MA from Oxford, he was an economic adviser to the New South Wales Premier and he had published a book long before World War II—and long before he was elected to parliament in 1949. In his younger days, he was a great athlete at Oxford. In so many ways, he was ahead of his time, even though on issues of commu-
nism and national defence he was a reaction-
ary and ever proud of it. One of my favourite
speeches that I have heard over the years in
this place was that most succinct contribu-
tion that came from Bill Wentworth on the
death of the late Mao Tse Tung. After great
and powerful speeches had been given by
then Prime Minister Fraser, E.G. Whitlam, no
doubt Doug Anthony, Andrew Peacock and
the other leadership members of the govern-
ment team of the day, it was Bill Wentworth
who stood in his place and made his succinct
contribution to the memory of Mao Tse
Tung. That speech went thus:

Mr Speaker, Mao was a murderer.

And with that he walked out of the House
and refused to take any further part in the
debate or indeed in the condolence motion.

He railed against globalisation. He argued
passionately for the protection of our key
industries. He saw globalisation as almost as
big a threat to the national interest as he once
saw communism. But above all else, Bill
Wentworth was a passionate Australian. We
know that his great-grandfather was an early
explorer and one of our earliest politicians,
and Bill maintained his love for this country,
for our land and for our heritage to the very
end.

He was, at times, most eccentric, but in a
delightful way. I am sure he never knew dry-
cleaners existed or, if he did, I do not think
he knew why they existed. Sir James Killen
tells a delightful story about Bill Wentworth
arriving outside his place in Brisbane in a
hire car. He was there to discuss some policy.
Some hours later Bill left in the hire car, at
the ripe old age of 90 driving down the
highway with the driver’s door wide open,
flapping in the breeze.

He was married to Barbara for 70 years,
and they were a great couple. I am sure we
all extend our sympathy to her and to all his
family as we honour his memory and his
great contribution to this country.

Bowman Electorate: Youthco

Mr SCIACCA (Bowman) (9.10 p.m.)—

Although the budget papers predicted em-
ployment growth will fall from 2½ per cent
this financial year to 1¾ per cent in 2004-05
and drop further to 1½ per cent in the follow-
ing year, there has been virtually no addi-
tional investment in the labour market train-
ing or regional development programs
needed to stimulate job growth and improve
the prospects of the more than 4,300 job
seekers in my Brisbane electorate of Bow-
man.

The government is often heard crowing
about how wonderful its Work for the Dole
program is—about how it gives job seekers
the opportunity to develop new skills. Yet, on
submitting a series of questions on notice to
the minister inquiring about the employment
status of Work for the Dole participants in
my electorate after they had left the scheme,
I was disappointed to discover that the de-
partment is so superficial in its interest in
improving the job prospects of scheme par-
ticipants that it cannot even be bothered to
collect follow-up data. It certainly makes you
wonder if the answer would have been dif-
ferent—and if the figures would have been
readily available if they were good—if the
government were able to boast about the
high rate of employment amongst former
Work for the Dole participants.

The imminent closure of Wynnum based
employment service provider Youthco in my
electorate due to lack of funding is a disturb-
ing development that speaks volumes about
this government’s commitment, or lack
thereof, to job seekers in my electorate.
Youthco’s closure at the end of this month is
directly related to the changes to the configu-
ration and funding of Job Network an-
nounced by the government in May 2002.
Youthco is the trading arm of BABI, Bay-side Adolescent Boarding Inc., a community based youth services organisation that has assisted young people and their families in the broader Wynnum-Manly area for many years. Youthco operates as a Job Network member contracted to provide job matching services. Youthco has always strived to provide an excellent employment service to the local community, with a particular focus on meeting the needs of young people. Most local job seekers will tell you that Youthco is the only agency where job seekers are invited to sit down and talk to an experienced consultant about their employment needs. Youthco provides a caring, personal service that routinely goes well beyond the terms of its contract. This is important in building the confidence and self-esteem of its clients and is genuinely appreciated.

By the government’s own reckoning, Youthco has excelled as an employment services provider. The job matching performance of all Job Network providers is rated by the Department of Employment and Workplace Relations on a five-star scale. Performance indicators include proportion of contracted placements achieved, proportion of full-time placements, proportion of long-term unemployed people placed in jobs and proportion of placements from at-risk groups—that is, people with disabilities, people from a non-English-speaking background and Indigenous people.

Between February 2000 and February 2003, Youthco was given a four-star rating, second only in the south-east Brisbane region to large operators Mission Employment and Salvation Army Employment Plus. It is worth noting that some 62 per cent of Youthco placements went into full-time jobs. This is 15 per cent above the average for south-east Brisbane, and nine per cent above the national average. In addition to servicing the needs of local job seekers and employers, Youthco contributes significantly to BABI’s financial viability as a provider of accommodation, parenting, youth justice, youth support and counselling programs. Yet in late 2002, when BABI and Youthco submitted a tender to provide Job Network services to the small number of clients remaining in south-east Brisbane after the rollover of most intensive assistance contracts, they were unsuccessful. While they have been offered a job placement contract, management estimates their annual income under job placement would drop to as little as 60 per cent of income earned from job matching over the past year.

Youthco has demonstrated an extraordinary capacity to meet targets and deliver quality services on a shoestring. Its excellent performance was achieved by just three staff—two full-time, one part-time—based in one small office at Wynnum. But accepting the job placement licence offered would not be viable without cross-subsidisation and would mean risking BABI’s overall financial position. Understandably, it does not consider this to be an acceptable risk.

In closing, on behalf of Wynnum-Manly residents, I extend my very best wishes to the dedicated staff at Youthco, headed by Ann Chandra, whom I have known and respected for many years. Youthco’s closure will be a tremendous blow for the Bayside area of my electorate. Job seekers in the area will be denied access to an excellent employment service provider that has a proven record of delivering results, and the flow-on effects for BABI’s financial position may force BABI to reduce other important services it provides to young people in our community.

**Senate**

**Mr CAUSLEY** (Page) (9.15 p.m.)—I rise tonight to discuss some issues about the Senate in this particular parliament. This is nothing new: I did see recently in the media that
the Prime Minister had proposed that there
should be some changes to the way the Sen-
ate operates in this country. Obviously, he is
not the first Prime Minister to propose those
types of changes; I do recall a previous
Prime Minister who had some derogatory
comments to make about members of the
Senate. But something I think that is fairly
common about this is the fact that the Senate
has moved from what I believe was its origi-
nal intended function.

If we go back to Runnymede and the be-
ginnings of our democracy, from my under-
standing anyway, the principal motivation at
that particular time was to see that the com-
mon people, the ordinary people, had some
say in the governance of their country. There
is no doubt in my mind that the House of
Representatives, or the House of Commons
as it is in the British parliament, was deemed
to be the principal house, where those people
who were elected by the commoners, the
people, the majority of the people, repre-
sented their constituents, and the House of
Lords was considered to be a house of re-
view. Again from my knowledge of it, in
those days the commoners as they were
called were very poorly educated people and
the landed gentry who occupied the House of
Lords had an education, and the idea was
that anything that the lower house wanted
would be polished, if you like, in the upper
house into law that could certainly be gov-
ernable with in the country.

I dare say that if you look at our Constitu-
tion—and anyone who went through the cen-
tenary has probably done that—you will find
that it is different. I think it was Prime Min-
ister Deakin, our second Prime Minister,
who said that in many ways federation was a
miracle. You have to go back and understand
some of the negotiations that went on be-
tween the states to get a federation. One of
those things, of course, related to the power
of the Senate. The smaller states believed
that the larger states, New South Wales and
Victoria in particular, which were the most
populous states at the time, would have too
much power and therefore there had to be
some curb on that power—and that curb was
to have equal representation in the Senate.
There was also some debate, I think, about
the money bills and how the money would
be distributed amongst the states, and we
then get the formula which is still argued to
this day at every premiers conference about
how the money should be distributed.

I did note that the Prime Minister pro-
posed these changes to the Senate, and I also
noted that a former Prime Minister, Gough
Whitlam, agreed with the Prime Minister’s
statement that in fact the Senate had become
a house of obstruction. I think that in any
upper house, whether it be a state house or
whether it be the Senate, they have to under-
stand that they are not the elected representa-
tives of the people; that it is legitimate for
them to scrutinise bills and to send bills back
to the lower house and suggest amendments
to legislation, but it is not their position to
govern. They are not the elected representa-
tives of the people. It is the lower house
members who are the elected members and it
is the lower house members who go to the
people with policies and with an agenda that
is either accepted or rejected by the people. I
do not care which side of politics is in gov-
ernment, I believe that a government has the
right to put forward its policies and have
those policies accepted by the parliament. It
would not be any surprise to members of this
House that I disagreed strongly with what
went on in 1975. I have made that view very
clear. In fact, when I was on the constitu-
tional committee that went around Australia
regarding the referendum on the republic, I
questioned the former Prime Minister, Mal-
colm Fraser, very closely about his involve-
ment in the events of 1975.
I was however alarmed in this debate to see that the Clerk of the Senate became involved in a political discussion publicly. I do not believe it is the role of any unelected member of the parliament to become involved in a political discussion, whether it be the Clerk of the House of Representatives or the Clerk of the Senate. I think that it is quite wrong of the Clerk of the Senate to get involved in a political debate. If the Clerk of the Senate believes that he should have some say in this, he should resign his position as Clerk of the Senate and stand for an elected position. Otherwise, I believe the parliament should deal with him. (Time expired)

Menzies, Dr Bruce Lambton

Mr Murphy (Lowe) (9.20 p.m.)—On 30 June 2003 one of Sydney’s longest serving general practitioners will finally retire. Dr Bruce Lambton Menzies, aged 86, from my electorate of Lowe, has served the Drummoyne community as a general practitioner since 1948, an incredible 57 years. Tonight I would like to pay tribute to Dr Menzies on behalf of his family and thousands of his grateful patients and friends.

Firstly, I thank Dr Joanne Williams, who shares Dr Menzies’ surgery on Lyons Road, Drummoyne, for inviting me to join in a farewell afternoon tea for Dr Menzies at the Drummoyne Community Centre this Thursday. Unfortunately, as parliament is sitting this week, I am unable to attend. Secondly, I am indebted to my friend Mr Alan Gill, who kindly provided the following wonderful account of Dr Menzies’ distinguished career.

Dr Bruce Menzies’ father, the late Dr Guy Menzies, was also a medical practitioner in Drummoyne, resulting in 90 years unbroken faithful family service to the people of Drummoyne. Dr Bruce Menzies is regarded as a fine, old-fashioned—and I use that term in the nicest possible way—family doctor of a type now rarely seen outside nostalgia TV series. His smile is like a tonic, as is his courteous style of greeting, and all this before he has even asked a patient the nature of his or her visit. He is painstaking in his approach, and the phrase ‘bedside manner’ must surely have been invented for him. In the surgery and on calls he is a dapper and immaculate figure, always in his white coat. When off duty, he is likewise a familiar figure with a nod and a few friendly words for those he meets in the neighbourhood.

Bruce Menzies was born on 2 March 1917 and graduated from the University of Sydney with an MBBS in 1944. He was elected to membership of the AMA on 30 June 1944, and after two years at the Royal North Shore Hospital he commenced general practice in Drummoyne in 1946. His father, the late Dr Guy Menzies, also spent much of his working life in Drummoyne, having founded with two others the old Seacombe Private Hospital, now a home unit block, in 1912. His son’s entry into medicine was interrupted by war service in the RANVR, which he joined under the Yachtsmen Scheme for skilled sailors. After a spell on destroyers, he was sent to England for officer training but was pulled from the course to resume his medical studies on the eve of his passing out. He had the satisfaction, nevertheless, of being gazetted as a surgeon-lieutenant in that branch of the service.

World War II brought Dr Bruce Menzies other setbacks and disappointments, including the deaths of both of his brothers. In January 1931, his elder brother, also Guy Menzies, achieved fame as the first man to fly solo across the Tasman. The journey in an Avro Avian biplane, Southern Cross Junior, took 12½ hours. Guy Menzies achieved additional fame for his habit of ‘looping the loop’ and performing similar stunts when flying over his parents’ home in Wolseley Street, Drummoyne. He was posted missing in 1940 while serving with the British RAF.
Dr Bruce Menzies’ younger brother, Ian Menzies, was tragically killed in an accident in Brisbane while working as a flying instructor with the RAAF.

In addition to his work in general practice, Dr Menzies has had a close association with Balmain Hospital and with residential homes for aged people in the district. For some 40 years, Dr Menzies has been responsible for the immunisation program for all children in Drummoyne. For this, the City of Canada Bay Council recently honoured him.

Sadly, five years ago his only daughter, Dr Jane Pike, was also killed in a plane crash, along with her doctor husband and four other friends. Dr Menzies bore this loss bravely, hardly departing from his normal routine. When his beloved wife, Constance, died last year it was a similar story. He was back in his surgery within 48 hours after the event. He now has only one sister, Kathleen Henderson, and four grandchildren as remaining family.

Formerly a keen sportsman, Dr Menzies played tennis until well into his seventies and is still an active golfer. Until recently, retirement was a word never mentioned in his company. However, a fall whilst golfing left him in a degree of pain and led him to consider the inevitable. In conclusion, on behalf of Dr Menzies’ family, many friends and countless deeply appreciative patients, I salute a great Australian tonight in the House of Representatives and wish him a long, healthy and happy retirement.

Robertson Electorate: Tourism

Mr LLOYD (Robertson) (9.25 p.m.)—Tonight I would like to talk about the tourism industry in Australia, particularly on the Central Coast of New South Wales. As most Australians would be aware, the tourism industry is one of the major industries in Australia and employs many hundreds of thousands of people in a whole range of diverse occupations. I worked in the tourism industry myself for a number of years, as ferry master and skipper of the cruise ship Lady Hawkesbury. I saw first-hand how important the tourism industry was to employment for young people.

The reason I think the tourism industry is so important is that it takes in a whole range of occupations. It is a career where you do not have to have high educational qualifications. Although qualifications and degrees are a great asset to many people, there are many people who do not have the opportunity to gain those qualifications. On the Lady Hawkesbury, we took on many young Central Coast people who had very few skills and very little higher education. If they had a good work ethic, we gave them the training they needed as galley hands, dishwashers, waitresses and bar people. Years on, many of those young people are still working in the tourism industry and have made it not just a job but a career.

I want to pay tribute to the role of Central Coast Tourism, which is based in Terrigal on the Central Coast of New South Wales, in my electorate. Central Coast Tourism is under the chairmanship of Peter Hale and CEO Horst Endrulat. The organisation is always on the lookout to promote the beautiful Central Coast of New South Wales. Certainly we have a lot to be proud of in respect of tourism. We are blessed with some wonderful beaches, beautiful national parks and glorious waterways, which we are keen to promote.

The tourism industry has gone through very difficult times over recent years, and particularly in the last 18 months or so. The September 11 tragedy, the tragedy in Bali in October last year and the threat of further international terrorism have certainly restricted international visitors. The SARS virus has restricted the number of international
tourists coming to Australia, who would have in turn come to the Central Coast. But certainly the Central Coast tourism industry is not standing still. We are working very hard to promote domestic tourism and to ensure that the people who decide not to travel overseas come to the Central Coast—to Gosford, to Wyong and to the rural areas of our beautiful Central Coast—to enjoy a short break or maybe stay a little longer.

I was pleased to announce only this week that the Howard government has provided a grant of $36,498 to Central Coast Tourism under the Regional Assistance Program. The purpose of this project is to promote nature tourism. Central Coast Tourism’s role is to promote the Central Coast as a holiday destination beyond its coastline and beaches by identifying and promoting many of the existing opportunities for nature based tourism, such as our national parks, state forests, rivers and lakes. This will be achieved through the enhancement of existing products, the development of new initiatives in products and infrastructure and the promotion of the region, highlighting natural attributes such as our waterways—including the beautiful Hawkesbury River and Brisbane Water—and some of our national parks.

The Australian Reptile Park is a major venture on the Central Coast that not only allows Australians and international tourists to learn a lot about Australian wildlife but also plays an important role in scientific research on the Central Coast. With regard to accommodation, we have many major hotels and bed and breakfasts, such as the B&B Cockle Bay House, which is run by Richard and Clare Keogh.

We have a lot to be very proud of on the Central Coast with respect to the tourism industry. The federal government is supporting the tourism industry strongly. I pay tribute to the Minister for Small Business and Tourism, Joe Hockey, for the release of the green paper, which shows that the federal government is doing all it can to support this very important industry now and well into the future.

Question agreed to.

The SPEAKER—Order! It being 9.30 p.m., the debate is interrupted.

House adjourned at 9.30 p.m.

NOTICES

The following notice was given:

Mrs Moylan to move:

That this House:

(1) acknowledges the suffering and hardship experienced by the Iraqi people from years of neglect of essential services and the dictatorship of Saddam Hussein;

(2) notes the grave consequences of this neglect to human health, contributing to the second highest infant and child mortality rates in a list of some of the poorest countries in the world;

(3) notes the consequent poor state of essential services in Baghdad and other areas of Iraq and commends the efforts of the coalition, the United Nations and non-government organisations to provide emergency services to the people of Iraq;

(4) notes the major ongoing challenges facing the people of Iraq including the need for continued rehabilitation of essential services such as sewerage and sanitation and notes that a major effort is underway to improve these services;

(5) commends the Australian Government for the substantial contribution to humanitarian aid and reconstruction in Iraq, notably in relation to agriculture, where Australia is taking the lead with the United States;

(6) notes that Australia’s contribution of $100 million is the 5th highest of the 15 main contributing countries; and

(7) acknowledges the contribution of AusAID and Australian non-government organisations in the delivery of health services, water and
sanitation work, co-ordination and logistics, food distribution, refugee preparedness and mine action and agriculture.
The DEPUTY SPEAKER (Ms Gambaro) took the chair at 4.00 p.m.

APPROPRIATION BILL (No. 1) 2003-2004

Second Reading

Debate resumed from 5 June, on motion by Mr Costello:
That this bill be now read a second time.

upon which Mr McMullan moved by way of amendment:

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

“whilst not declining to give the Bill a second reading, the House condemns the Government for:

(1) its obsession with shifting the cost of health and education from the budget to Australian families;
(2) imposing higher costs of doctors visits on families without concession cards and a 30 per cent hike in essential medicine prices;
(3) allowing HECS fees to rise by 30%, introducing a loan scheme with a 6% interest rate and doubling the number of places reserved for full fee paying students;
(4) its cynical attempt to distract the public from these higher costs by offering miserly tax cuts of $4 a week for the average family;
(5) its failure to address the complexity of superannuation and its determination to offer super cuts only to the wealthiest families;
(6) its willingness to deliver tax cuts to corporate Australian while imposing a record tax burden on Australian families;
(7) its failure to protect the superannuation savings of Australian families by protecting them from corporate greed;
(8) its decision to hire yet more tax officials rather than take steps to ease the BAS compliance burden on small business; and
(9) its failure to provide leadership on environmental issues and in particular its failure to address water reform”.

Mr SCHULTZ (Hume) (4.00 p.m.)—I rise once again to speak on an appropriation bill—more specifically, the Appropriation Bill (No. 1) 2003-2004. Over the years when we have come into this place after a budget has been brought down, we have looked to the budget with a great deal of apprehension and hope to see what benefits have flowed to the communities that we represent. Invariably, every year when a budget comes down there is good news for people. If there is no increase, very rarely—that I have seen in my lifetime in politics—is there a decrease in a particular area. In most cases, there is an increase in the budget for specific projects: for example, from 1 July 2003 there will be $51 million for residential aged care providers as part of an extra $311 million in new money for aged care homes which was announced in this budget, a $17 million funding boost to community aged care packages that deliver personal care to people in their own homes, and a further $65 million for the next four years for the 65 Commonwealth Carelink Centres across Australia that provide information about aged care services.

In 2003-04 the government expects to spend over $31 billion on health. From reading the budget papers, that represents an increase in health spending of around 65 per cent since the
government came to office. The budget is also taking pressure off families by cutting income taxes for every Australian taxpayer. From July 2003, the income tax threshold for each taxpayer will be lifted and the $10.7 billion in tax cuts will mean that Australian families will get to keep more of their pay packet in their pocket. With regard to rural and regional areas—which I am representative of—farmers, small businesses and regional communities will receive about $750 million in 2002-03 and the two following years to assist them through the most extensive drought ever recorded. This funding will provide direct income support, personal counselling, tax relief and interest rate relief for those in need. I have said something about that in the last two or three weeks. Specifically, I commented on the way in which the system needs to be tidied up—in fact, the criteria within that particular system probably need to be replaced in their entirety.

Nevertheless, the point that I am making is that, every year when we come into this place, under successive governments treasurers of the Crown get up and talk about the wonderful thing that the government is doing in terms of increasing expenditure. But, despite the fact that oppositions of the day are there to criticise the government and talk about what the government should have done in terms of further increasing funding for specific areas of the budget, we never seem to get to the point where we talk or think about where all this money is coming from and what influences it. That is something I want to talk about today.

Quite obviously, when you see all of the self-interest groups that pop up leading up to a budget and during the budget process, you tend to be concerned about the ever increasing demand from those self-interest groups for governments to spend more and more money on issues and/or projects that they believe governments should be spending money on in an environment where there does not seem to be much thought given to where that money is coming from and who makes a contribution in the way of the taxes which then become revenue of the government. The point that I am making here is that it is conveniently overlooked from time to time that the people who are supporting the government's revenue are those people out there earning a living. They have other pressures placed on them following on from a budget such as the one that I am talking about.

Let me go back in history and then come up to the present day so I can tell you a few things about what I am concerned about. I do this taking into consideration that things do change and there are significant pressures and contingencies that we have to adjust to and accommodate over the years which create pressure on the government and thereby the taxpayer. I am talking about natural disasters and things like that. In June 1991-92, there were 917,000 people unemployed in this country. In the latest figures which I have, which are from April 2003, that figure had been reduced to 622,700 people, a net lowering of the number of unemployed by 300,000—300,000 people going back into the work force. That is a very positive thing because it does a number of things: it takes an enormous amount of pressure off the taxpayer and, more importantly, it puts people back into the work force earning money and paying taxes. The unemployment rate had a very significant reduction, from 10.7 per cent down to 6.1 per cent. That is a very significant contribution by the government—and indeed by people who have been given the opportunity to find work and who have gone and found work—to the economy of this country and, more importantly, to the revenue for the budget.

I would also like to point out that personal income tax revenue in this country in 1999 was about $73 billion. In the current financial year it is about $88 billion. That is a pretty signifi-
cant contribution to the revenue and the coffers of government for the budget by the personal
income tax, pay-as-you-earn people out there in the community.

That is another indication of the sort of thing that I am talking about and that we need to
think about from time to time when we are calling on and squealing to the government to find
more money for all of the projects of all of the groups of people in the community who be-
lieve they have a right for government to support them in anything and everything that they
do. They have forgotten the fact that they also have responsibility as individuals in the com-
munity to do something about supporting themselves.

With regard to those social security recipients, in most democracies the modern welfare
state—which developed mainly after World War II—was driven by the need to stabilise societi-
es following the ravages and dislocations of the Depression and wars, and one of its essential
features was a system of social security payments for people in various situations of relative
disadvantage. They were financed either by contributions to a separate social security fund or,
as in Australia’s case, from general taxation collections. By 1970 this system had become an
integral part of society and the function absorbing the biggest proportion of the Common-
wealth government’s outlays. Since then the system has continued to grow. It is driven by the
desire for society to remain inclusive following the many demographic changes: the ageing
population; social changes, which include family type and composition; and economic
changes, for example, the massive increases in unemployment which have taken place that I
alluded to before.

Thus, the safety net providing assistance to those in need has spread to include new groups
of people, particularly those not in receipt of payments in the 1970s—I refer to sole parents
and low income families—and also to accommodate sometimes massively increased numbers
in already existing groups, for example, the unemployed and aged pensioners. The age pen-
sioner issue is going to be an ongoing problem for governments of all political persuasions
because our population is ageing very rapidly and those people that came through the baby
boom era are now in their late 50s or mid 60s.

Whilst all of us would agree that there are sections of the community that need assistance
through remuneration and services, we should look not only at the system we operate in today
and the amount of money we are spending budget to budget but also, more importantly, at
whether we are managing that money as efficiently and as professionally as we should do. In
my time in this place, through some of the committees I have been involved in, I have seen
significant evidence that we are not addressing as efficiently as we ought to be the profes-
sional accounting requirements of the money that we allocate, on behalf of the taxpayer, to
various groups in the community.

I say this—and I know many of my parliamentary colleagues, having given some thought
to what I am saying, would probably agree—because if you look at one example of where our
money goes, at the social security and welfare budget, you will see that, whilst the mix might
have changed and created some pressure on that over the years, it has gone form $46.7 billion
in 1995 to $71.3 billion in 2003. That, to me, is very disturbing, because we are talking about
an area of the budget that made up 37 per cent of the total budget revenue outcomes in 1995
to a portfolio which has now resulted in 48 per cent of the total budget being allocated to it. It
is a very serious issue and it is something that we really should be looking at.
Those comments are made in the context of the recipients of social security and welfare, which in 1970 were 779,000 Australians. In the year 2000, which is the latest figure that I have, it was 1.73 million. It really makes you wonder how we are going to maintain that sort of pressure on the government. It does not matter whether it is a coalition government or a Labor government. Those are my reasons for raising it.

It is also true to say that we have to not only manage the distribution of taxpayers’ resources through the budget in the various portfolios but also look very seriously at some of the people who are dudding the taxpayer by using the extensive neutralising activities for paying taxes. The most recent classic example is the massive payouts of chief executive officers of corporate companies throughout the country. In my view, these payouts are not carrying the requisite tax penalties and thereby make a significant contribution to the coffers of this country and take the pressure off the hardworking pay-as-you-earn taxpayers—men and women earning an income to try and stay alive in a very demanding and pressured environment.

It is interesting to note that there have been some pretty savage reactions from the opposition and people on our side of politics to the outrageous way in which some of these executives are being paid—most of them in an environment where they have been abject failures. When are we going to address the issue and make them pay their taxes, either through their corporations and companies or by themselves to take some of the pressure off some of the more needy sections of our community, which are crying out every year for more money?

I have painted a bleak picture. My comments on those particular aspects of the budget and where it is going seem to be negative, but I really feel that we need to address this matter. I know that may not go down well with some people in this place, particularly with ministers of the Crown. I view ministers of the Crown as managing directors of large companies. Like managing directors of large companies, they have a moral responsibility and indeed a statutory responsibility in this case to ensure that, when they are allocating funds for whatever purposes, they are fairly and equitably distributed. That is the first point I make.

The second point is that all of the dollars that are allocated to the specific portfolios or projects that might come out have to be accounted for in the interests of the taxpayer. The taxpayer ought to know what happens to the dollars that they are putting into the government’s coffers to be distributed to fellow Australians. The majority of Australians do not mind paying large taxes to help their fellow Australians. In most cases, those people we commonly refer to as middle-income earners pay 40-odd cents in the dollar when they are over a certain level of income. They carry the great burden of taxation in this country. I was talking to a number of them yesterday at a function and they said, ‘We don’t mind paying this level of tax as long as it is going to assist those more needy in the community, but we would appreciate it if you fellows would think a little more about what you are doing with our money and how you are handling it.’ That was a very valid point. It was something that I have been thinking about for some time.

I was the manager of a large export abattoir in the mid to late seventies and early eighties and my responsibility was to cut out all of the waste that was occurring—the job duplication et cetera—so that the company could get on with making a profit in an environment where there was enormous pressure on the industry and many of the abattoirs around it were closing down. That is what we need to think about very seriously. Whilst I am always going to graciously accept any remuneration to any group in my community—whether it be for a project
or for helping aged people, war veterans or whomever—the reality is that it cannot go on indefinitely. We have to look at where else we can save money. I know some work is being done in that respect, but there is absolutely no doubt in my mind that there are hundreds or perhaps thousands of millions of dollars out there being wasted or being absorbed by industries that should not be there and that are only there because governments have been very generous. We ought to tackle them as a matter of priority so that next year’s budget and the budgets after that will not only be beneficial to the community but be responsible in the extreme. (Time expired)

Mr BEVIS (Brisbane) (4.21 p.m.)—Budgets are quite rightly judged on two or three key criteria. They are judged on the extent to which they provide good economic management; they are judged on the extent to which they provide fair and equitable social justice for those in our society; and, if we are honest about it in this place, they are also judged on the political spin that you are able to give to these things in the environment in which we operate. This government has found over a series of years now that it can ignore the first two and rely on the third—with a compliant press gallery that does not delve too deeply into these matters, it can guarantee itself a public spin with a political take that it wants.

This budget took the economic management of Australia nowhere. There were no significant initiatives that dealt with economic management. There were sadly a number of retrograde social justice initiatives, and I intend to refer to a number of those. Before I do, I want to refer to the work of the Senate committee looking at poverty at the moment, because it relates directly to some of the concerns I have about initiatives in this budget that I think disadvantage those who are already in a disadvantaged position.

The evidence that has been given before that Senate inquiry should be compulsory reading for everybody in this place. Two and a half million Australians presently live in poverty. That is an increase of 134,000 Australians since 1995-96. There are nearly one million working families who are not earning enough to lift them above the poverty line. That is officially a million working poor. Our version of the American working poor now numbers one million people. In my electorate of Brisbane there are more than 4,700 families with incomes of less than $500 per week. That $500 per week is to cover all of their costs—the roof over their heads, the clothes on their backs, their children’s education; all of the expenses that we know go to making a family’s existence reasonable in our society. That is a small amount of money on which to raise a family, yet I have 4,700 families in my electorate whose income is less than $500.

On the other side of the coin, in the last five years we have seen the annual income of our nation’s millionaires grow by more than 300 per cent—from $1.1 billion to $4.6 billion. In the life of this government, since John Howard was Prime Minister, we have seen the number of people in poverty increase by 134,000 and we have seen the wealth of the very rich in our society grow by 300 per cent over exactly the same period. The total earnings of the top five per cent of annual income earners is now $62 billion, which outstrips what the entire nation spends on all social security benefits and family payments. That is a cause of worry to anybody with a small interest in social justice issues. Yet in this budget we see an attack on core values that go to improving the lot of ordinary Australians—in health, in education, in skewed tax cuts and in Medicare in particular, but across the board. Because I have on another occasion had an opportunity to speak at some length about Medicare, I will not focus on that at the
outset, although if time permits I will certainly make some comments about it. I want to refer, though, to a couple of other important aspects within the budget.

Education is, for me, one of the key issues confronting our society. One of the reasons I got involved in politics as a teenager was a very strong commitment to two things: a firm belief that every person in this country had the right to quality education to reach their potential and, equally important, a view that everybody in this country had the right to quality health care based solely on their health needs irrespective of their means—not related to their bank account or whether they had a credit card in their wallet—and background. We now see those fundamental beliefs that certainly motivated me in my youth—and I know many others as well—and that have been pursued by governments of both persuasions to varying degrees for the last 30 years or so undermined by this government and in this budget.

This government is making tertiary education more difficult for ordinary families to attain. If you happen to be particularly poor, there will be some support. If you are particularly rich, you can buy your way into a university course. This government has now opened the door for the rich in this country—and I have just described what this government has overseen in the last five years: the poor getting worse off, the number of working poor growing and the very rich prospering dramatically—to get two bites at the cherry when it comes to education. If they are smart enough and get a good enough mark, they can take a HECS funded place. But, if they are not smart enough to do that, they get a second go at it if they can afford to buy themselves a place. There is no equity in that; there is no principle of social justice or even labour market development that would justify such an outrageous practice being adopted by a government. Yet this budget is going to double the number of fully funded positions. It costs $150,000 at the moment if you want to get a medical degree through a fully funded position in a university today.

Mr Danby—How much was that again?

Mr BEVIS—It costs $150,000, and you will find that the government are saying that they will support someone by giving them a loan of $50,000. Most of those families I described who live in my electorate and who rely on $500 a week to live on—to pay for all their expenses—would think borrowing $50,000 for their child’s education insurmountable, and it would be. Yet, if you are rich enough, you can buy your way in because this government has adopted a double standard. There should be one requirement for people gaining access to undergraduate courses—your ability. If you are good enough, you go; if you are not, you do not. And mummy and daddy being filthy rich is not a good enough excuse to get you in the door. The government think being filthy rich is the other qualification. Being filthy rich can buy you a doctor’s degree now, and that is a disgrace. It turns 30 years of social progress in this country on its head.

The government is going to increase HECS fees by 30 per cent. Actually it is not increasing them, because the way it will do it is allow the universities to raise their fees by 30 per cent, we know that will occur. We have already seen the competition in the debate between some of the vice-chancellors about this. That increase will occur. At the tertiary end of education, this government’s budget is elitist and rewards those who are rich irrespective of their intellect and, by virtue of doing that, makes it harder for ordinary working families to gain access to quality education irrespective of their abilities. Interestingly there was no mention of TAFE in the Treasurer’s
speech; there was barely a mention of TAFE in the budget documents. Both sides of this parliament need to focus much more on the important area of technical and further education. I look forward to Labor’s policy on that being made public in the not too distant future.

The political spin the government sought to get out of this budget was very much focused around the $4 tax cut. Do not spend it all in one shop, Mr Deputy Speaker. Do not take that $4 a week tax cut and blow it all in one go; you want to save that up. I thought it was most interesting to see Minister Vanstone, only a day or two after the budget, demeaning the whole idea with her comment about being able to buy a hamburger and milkshake for $5. Providing a tax cut of $4 has done nothing to alleviate the burden on ordinary working families. The reaction I received in my electorate and as I travelled around the country was one of absolute disdain.

In yet another sign of this government’s desire to help the well off at the expense of the rest of the community, the budget includes a reduction in tax on superannuation for the top four per cent of income earners in this country. Again, if you happen to be amongst that wealthiest group, the group I described before, whose wealth has gone up by 300 per cent in the last five years, this government is concerned that you are not rich enough. This government is concerned that you might be paying too much in taxes. This government, under John Howard, has said that it will actually reduce the tax on superannuation for that wealthiest four per cent of our population. We in Labor have quite rightly said that we will have none of it. Labor have quite rightly said that we will take that money and with it propose a cut in superannuation for all Australians—not just for the wealthiest four per cent in Australia. We will take that money and allow all Australians to benefit from it.

One of the things that this government has prided itself on since before the last election is the view that it has a franchise on issues of national security, border protection and things of that kind. I want to take one minute to refer briefly to that. When Labor left office, there were some 58,000 full-time troops in the Australian defence forces. Today that figure stands just over 51,000. This government has cut the number of permanent forces in Australia by nearly 7,000 troops. There are 7,000 fewer full-time personnel, and the forces are now stretched very thinly as they go about their critically important tasks. The spin doctors in this government have managed to gloss over that in all sorts of rhetoric and all sorts of ways.

It is not just the permanent members of the force, as I know you would be aware, Mr Deputy Speaker. When we left office, there were some 3,500 Ready Reserves. One of the first decisions this government took was to abolish those Ready Reserves. When we left office, there were some 24,300 reserves. These were the part-time Army, Air Force and Navy personnel in uniform. Today, that figure is 21,000. In all, when we left office, there were 85,716 men and women in uniform in the armed services of this nation. Today, that figure is 72,366. There has been a very substantial cut. There are 13,500 fewer people in uniform today, yet this government parades itself as a government that has placed a priority and an importance on national security.

Let the truth be known. The government has required an ever decreasing number of people in uniform to do an ever increasing amount of work with fewer resources. This government’s three-card trick in relation to defence has probably been a good lesson for students of politics. It is a great shame that its true record in these matters has not been fully exposed.

Against that background, we also now have a government and a Prime Minister who are so sure of themselves that they are rapidly losing touch with the Australian electorate and exhib-
iting all those traits of arrogance that incumbency tends to attract. A little while ago in the parliament, we saw reference made to the Prime Minister’s overseas trip to Italy. The taxpayer paid $44,000 for the Prime Minister to stay in a hotel in Rome for four nights. That $44,000 would have paid for 1,750 bulk-billing consultations—bulk-billing consultations that this government is now making less available to all Australians. That $44,000 would have gone a long way to helping ordinary Australians see a doctor.

The government says that it costs a lot of money to go overseas, and so it does. And prime ministers have to travel in prime ministerial style, I am sure. But the Prime Minister could have slummed it a little. He probably did not need a room at $11,000 a night; he might have been able to get a room at $5,000 a night, for example. I imagine that $5,000 a night digs would not be too uncomfortable. If you had a room at $5,000 a night, then 1,000 bulk-billing consultations could have been paid for. The Prime Minister could have slept very comfortably, I am sure, at $5,000 a night, and 1,000 Australians could have had their medical bills met by bulk-billing with the savings.

We learned today that the Prime Minister’s desire for overseas travel is not just limited to the example in Rome. The Prime Minister has now notched up enough kilometres on his overseas trips to have gone around the world 22 times. This is one of the most travelled and most expensive prime ministers this country has ever had.

But it is not just in his overseas travel that this Prime Minister is extravagant, out of touch and arrogant. A year ago in the Senate estimates there were questions raised about the government’s plan to purchase wine for the Prime Minister’s use. A bit over $43,000 worth of wine was purchased. At the time, the Labor opposition in the Senate asked questions about these matters in the estimates and was assured that this very substantial purchase of 58 cases of good wine was intended to be laid down for long-term use and that it was a good investment. You would hope so, because at $745 a case you would want to have some pretty decent wine, not the sort of stuff you would quaff tomorrow—a good quality red, maybe; one that you would lay down for eight to 15 years.

We discovered only a couple of weeks ago that of those 58 cases of wine that were bought a year ago—we were told to be laid down—52 cases have been drunk. That is not bad. That is a dozen bottles a week. When you consider that the Prime Minister has travelled as much as he has, that he has to be in Canberra and that his residence is in Sydney, that does not leave too many weeks of the year to knock off the 52 dozen bottles, all of which were supposed to be laid down for long-term cellaring.

Last year, at functions paid for by the taxpayer, the Prime Minister has managed to drink about $39,000 worth of wine. That is more than average weekly earnings. The average working Australian does not get paid as much as this Prime Minister drinks in wine. I shudder to think what would happen if the Prime Minister did go out and buy some expensive wine to lay down. Obviously at $745 a case the Prime Minister thought this was the stuff that you quaffed down at each week’s party—a case of it went every week! This is a Prime Minister out of touch; this is a Prime Minister who arrogantly flaunts his power; this is a Prime Minister who has little understanding of the lot of ordinary Australians.

This is a government and a Prime Minister which, in spite of that, have managed to get the spin right with the media. They have effectively done that by bludgeoning the ABC into submission. We have seen time and again ministers of the Crown make public statements directly
threatening ABC programming and funding. This is conduct more akin to that of thugs than of parliamentarians. It is a worrying trend that our national independent broadcaster has for years now been subjected to that sort of pressure. I hope the government understands the important role that the ABC plays, gets off its back and allows it to conduct its affairs, as it traditionally has, as an independent broadcaster.

In the couple of minutes remaining I want to say something about Medicare because, together with education, it is the critical aspect of this budget and, sadly, so many Australians have been disadvantaged by it. Two years ago in my electorate 83.9 per cent of services were bulk-billed. Today, it is 63.9 per cent. There has been a 20 percentage point decline in bulk-billing in my electorate in just the last two years. Why? Because this government has failed to provide the financial support to bulk-billing. Many doctors in my electorate who are committed to providing the service, after years of effectively running at a loss, finally realised that this government was not fair dinkum and that, in spite of its repeated negotiations and comments, was not going to do anything to support and enliven Medicare. Many doctors, having come to that conclusion in the last 12 months, have decided to cease offering bulk-billing.

Many who currently offer bulk-billing in my electorate do so on a restricted basis. I know one place where even veteran gold card holders can only get bulk-billed Monday to Friday. So if you are a veteran and you get sick on a Saturday or Sunday you are just out of luck. These are the direct outcomes of this government’s funding policy and attitude towards Medicare, which comes as no surprise from a Prime Minister who is on the record as saying that he would take the scalpel to Medicare. This government and this Prime Minister do not support what underpins Medicare, and they do not support bulk-billing. They have made no secret of that for the last 30 years. This Prime Minister made no secret of it, and he is now working to that long-held aim.

It is a little annoying to note that in the Prime Minister’s electorate of Bennelong today there is still 81 per cent of services being bulk-billed. I guess for the Prime Minister it is not much of an issue one way or the other. But for people in my electorate it is. This budget has been a savage attack on fundamental social justice aspects of Australian society. It is a very bad, regressive budget and, whilst it does nothing to improve the economic position of the country, it actively seeks to undermine the social infrastructure that so many Australians rely upon. It deserves to be the subject of the scrutiny in the Senate that I know it will be subjected to, and I look forward to the amendments to a number of its programs coming from the Senate.

Ms JULIE BISHOP (Curtin) (4.41 p.m.)—Observers of the proceedings of the House of Representatives, and I know there are many, would note that when the appropriation bills are introduced into the House there is a long list of speakers on both sides anxious to place on record their comments and opinions on the budget handed down—this year on 14 May. This year it is a list so long that we are now in the third week of debate and have moved to this chamber. It is the handing down of the budget that gives rise to the need to appropriate money from the consolidated revenue fund to provide for the government expenditure outlined in the budget and thus the appropriation bills.

In financial terms, this budget anticipates a cash surplus of $2.2 billion and a fiscal balance of $0.7 billion. Revenue is expected to be $178.3 billion. Revenue on the one hand and expenses on the other each represent about 22.4 per cent of GDP. The government commenced
the budget process with a likely fiscal balance of almost $5 billion. Revenue measures re-
duced the balance by over $2.4 billion, essentially in the form of personal tax cuts, to which I
will refer later. They are the big numbers, but the budget is far more than just the govern-
ment’s annual financial report. It is an important policy statement to the whole country in
terms of the government’s achievements over the previous year and in terms of its priorities in
going forward. This is the eighth budget delivered by the federal Treasurer, and I believe it is
worth restating that it is the sixth budget with a cash surplus since we came to office. The fi-
nancial management skills and the economic credentials of the Treasurer are without peer in
this parliament, and this budget is a testament to his strong and firm guidance in the Treasury
portfolio.

By any objective measure this is a credible, positive budget. No other comparable country
could boast—certainly not this year anyway—a budget that is in surplus, increases spending
and cuts taxes. In fact, given the current global economic environment, the state of the major
economies of the developed world and the added domestic challenges in Australia caused by
one of the worst droughts in recorded history, a Treasurer who is in a position to deliver his
eighth budget, the sixth with a cash surplus, which increases spending in the priority areas of
defence, security, health and education, and which delivers tax cuts, is indeed a rarity amongst
financial ministers the world over.

The major themes of this year’s budget very much reflect the times in which we live and, I
believe, the priorities of the Australian people. I could not disagree more with the member for
Brisbane—a master of the overstatement. All we heard from the member for Brisbane was
how bad it is to live in Australia and how dreadful the government is to Australian families.
Nothing could be further from the truth. But the old mantra, the old class warfare debate rears
its ugly head via Labor once more. It is not that I would want to suppress sensible debate on
government spending. The history of Federation shows that the Commonwealth has over time
claimed, and is now granted, much of the responsibility for not only the state of the national
economy, but also the welfare, health care and pension needs of our community, and the fields
of education, the environment and the like.

The age old debate about the role of government in our lives invariably arises at budget
time, and so it should. Some argue that the scope of government has expanded too much, that
it now intrudes into areas better left to individuals, to families or to the private sector. Some
argue equally that the government must do more, it must fund more programs and to take
more responsibility for its citizens. This is not just an ideological debate for, in fact, we each
may hold internally inconsistent views from time to time about what we expect from govern-
ment. But it is fair to assume that Australians share a number of basic goals for our society:
steady economic growth and prosperity; low inflation and high employment; reasonable op-
portunities for everyone to succeed in whatever they choose to do according to their abilities
and efforts; protection from the major hazards of violence, poverty and disease; respect for
basic values and individual freedoms; concern for the legitimate interests of others; an appro-
priate standard of living; and a quality of life that includes a clean environment—and I would
add a dynamic program in the arts.

This budget takes account of such national aspirations and more. It is a budget that looks to
the future. The government has reduced government debt consistently since coming to office.
The savings in public debt interest now amount to some $5 billion or $6 billion. That is a phe-
nomenial figure. This is now able to be directed to the priority services of health and education. We are not having to direct funds to pay off profligate Labor debt. We are not having to direct $5 billion or $6 billion to pay off interest on a debt run up by Labor. We can shift that spending to the delivery of services.

Like many members of the House, I sent out a budget newsletter to my electorate and I place on record my appreciation to Lisa Lehman, who works in my office and ensured that my budget newsletter was timely, hopefully informative and contained details of interest and relevance to my constituents. As Lisa will attest, there were so many items of interest that we wanted to include in the newsletter because there is so much of substance in this budget.

Let me start with one of the items of particular interest—the tax cuts of $10.7 billion. Given the budgetary demands because of the increased spending in the areas of defence and security and given the impact of the drought, few predicted that the budget could be in surplus as well as be in a position to provide for personal income tax cuts. So it was a much welcomed measure. As I indicated recently when speaking on the personal income tax reduction bill, which will give effect to these budget measures, the decision to deliver tax cuts at this time in this environment will be seen to be a profound economic and policy triumph for the Treasurer and the government.

The Treasurer subsequently indicated that because of the low public debt levels the government should be in a position in the future to continue to hand back surpluses in the form of tax cuts once the budget is in balance—low public debt levels, I add, because the government has assiduously repaid over time that gigantic, irresponsible Labor debt. Combined with the tax cuts that were effected in the year 2000 when we cut personal tax rates to the tune of some $12 billion plus the slashing of company tax to 30 per cent, we are now experiencing fairer tax rates. Personally I believe the top marginal rates for income tax could still come down, but I will leave that debate for another time and place.

The tax cuts mean that the thresholds for the various tax levels have been increased and there is a more generous low-income tax offset. Low-income earners receive the largest proportional reduction in income tax. So we have increased the thresholds for the various tax levels and provided a more generous low-income tax offset. Low-income earners will receive the largest proportional reductions in income tax under this legislation. I do not know what the member for Brisbane was going on about. Low-income earners will receive the largest proportional reductions under this budget.

The new tax thresholds are that no tax is payable up to $6,000 of income; 17 per cent applies up to $21,600—remember the applicable rate in 1996 when we came to office was 34 per cent after $20,701. The new tax threshold is 30 per cent for incomes up to $52,000. The applicable rate when we came to office was 47 per cent after $50,000—a difference between 30 per cent and 47 per cent. The new rate will be 42 per cent after $62,500—again the applicable rate used to be 47 per cent after $50,000. And the top tax threshold will be 47 per cent over $62,501. We have to put these tax cuts into perspective from when we came to office—a tax cut in 2000 and another in 2003.

A second issue that I want to turn to is that of increased defence spending. The fundamental responsibilities of any national government must start with the defence of its borders and the safety and security of its citizens, and this is reflected in the budget. Defence and security must be the No. 1 priorities for any national government, and for the second year in a row
defence has been at the heart of budget spending. This year we have announced an increase in spending on defence of $2.1 billion over five years. That now represents $38 billion in new funding to defence since we came to office in 1996.

It will be painfully apparent to all as to why there was such a focus on defence and security. In the weeks leading up to the budget, Australian defence personnel were engaged in military action in Iraq and in fact our troops started arriving back home at budget time and during the course of budget week. There were other vivid reminders of instability in our region during budget week. We were reminded again of the tragedy in Bali last October as the trial of the Bali bombing suspects got under way and is still proceeding during the course of this week. And during budget week we learned of further suicide bombings. An Australian was killed in the terrorist bombing in Saudi Arabia, there were further terrorist alerts in South-East Asia and there was further instability in our region, in Aceh and the Solomon Islands.

Of course, we are constantly reminded of the overarching spectre of North Korea and its nuclear capability, although hopefully, since the outcome in Iraq, North Korea, with its threat to restart its plutonium reprocessing plant, will see prudence as the better part of valour in dealing with the world’s greatest military power. I think North Korea serves to highlight the global concerns about this spread of weapons of mass destruction and the fear that we will witness a convergence of transnational terrorism and regimes that possess or have used or are amassing weapons of mass destruction, including nuclear capability, and harbour or support or sympathise with terrorists. For that scenario I believe represents the security threat of the 21st century. While Saddam Hussein has been removed from Iraq, North Korea has acknowledged a covert nuclear program and it is still a looming concern.

In any event, there is no doubt that since the last budget, the 2002-03 budget, global and regional security issues have dominated the national agenda. Accordingly, this year’s budget reflects the fact that in framing this year’s defence budget there has been the need to fund the operations of the ADF in Iraq and elsewhere. So what we see is substantial funding to cover not only the personnel and operating costs of the deployment to Iraq but also for the additional equipment that was necessary for the deployment.

The war in Iraq will ultimately and inevitably be judged by a longer-term view than any of us can currently take, but in the days leading up to and since the budget we have learned more of the horrors of the regime of Saddam Hussein. Recent discoveries include two mass graves, one with some 3,000 remains and the other with about 800—all victims, we can assume, of the Baath regime. And as more prisons and torture chambers come to light, anyone with any concern for the freedom and wellbeing of the Iraqi people should understand the morality of this war and our involvement in it.

As to the defence budget, there was also supplemental funding to meet the costs of our continued deployment to East Timor and costs associated with Afghanistan. The budget also recognised the need to develop the ADF’s capability to counter terrorism. In addition to funding for extra Special Forces, there will be funding for new capabilities in the reserves.

In the area of education, the government has invested in the future by strengthening our higher education sector with substantial reforms and increased spending involving $1.5 billion over the next four years. Education creates the opportunities for Australians to improve their standard of living, and the federal government has introduced wide-ranging reforms to ensure that the higher education system provides greater access to a high quality of education for all
Australians. We are making a substantial commitment to secure this vision. As I said, it involves more than $1.5 billion over the next four years, growing to an extra $870 million each year once fully implemented.

The major reforms include a $775 million increase over the three years from 2005 in base funding for universities, directly benefiting about 400,000 students. There will be more flexibility for universities in setting course fees, and $123 million over the next four years will be committed to regional campuses. An extended higher education loans program has been established to improve access to, and choice in, education. This will assist over 40,000 existing and new full-fee-paying students and, with the help of students, invest an extra $800 million in their education over the next four years. There will be $161 million over four years to provide higher funding for national education priorities. We are focusing on teaching and nursing, and there will be 1,300 extra Commonwealth supported places in these fields.

A $184 million package of scholarships and equity initiatives over the next four years is also included in the budget. From 2006 onwards over the forward estimates period there will be $211 million in further incentives to strengthen the quality of teaching and encourage diversity in the education system. The changes to HECS mean that existing and new students will not be required to repay their debt until their income reaches the minimum threshold of $30,000, which has been increased from the previous $24,365. This will improve the financial position of many graduates on lower incomes, and HECS will of course remain indexed to the CPI.

In health the major platform is the A Fairer Medicare package designed to make Medicare more affordable and sustainable—and I could spend the next 20 minutes talking about that. The big ticket items in the budget are tax cuts, defence and security, education and health. As my newsletter will attest, there are many other budget measures worthy of mention. For example, there is increased funding of some $19.5 million over four years for the Australian visual arts and crafts sector.

The government commissioned an inquiry into the contemporary visual arts and crafts sector headed by Melbourne businessman Rupert Myer. As a result of the Myer report and the response by the Commonwealth government to that inquiry, the 2003-04 budget will provide increased funding of $19.5 million. That funding will rise from $3 million in 2003-04 to $6 million from 2005-06. The additional $6 million per annum represents a boost of approximately 33 per cent in Commonwealth support for the visual arts and crafts sector, recognising the vital role that sector plays in Australia’s cultural life.

A couple of months ago, in March 2003, the arts community invited me and the member for Fremantle to a seminar which was held at the Alexander Library to listen to the concerns of the sector and hear their support for the recommendations of the Myer inquiry. It was a very robust discussion. I was not in a position to suggest that the budget would contain the extra funding, which was to be contingent on matching funding from the state and territory governments. At that meeting the Minister for Culture and the Arts in Western Australia indicated that the Western Australian government would support the need to respond positively to the Myer report. I am delighted that the Commonwealth funding package has been included in this budget—contingent, as I say, on matching funding from state and territory governments.

In addition to its funding commitment pursuant to the Myer report, the government is examining closely the recommendations in that report relating to matters such as taxation, su-
perannuation, copyright protection, resale royalties for artists and other proposals for administrative and/or legislative change. I thought that that was a rather delightful item of interest in the budget.

As I said earlier, there is a great deal in this budget and not all of it can be covered in one speech. I believe that the budget reflects the priorities of a responsible national government. It reflects the steady economic growth and the prosperity which the Australian people aspire to and which the Howard government has delivered over the last eight years. It reflects the defence needs of our nation in the changing global environment, with the current instability not only in our region but globally. It reflects the sad necessity for increased security measures for the citizens of this country and it certainly reflects the priorities of health and education in this nation. As I said, it also reflects support for the arts. This is a budget that ought to be supported in this place, and I commend these bills to the chamber.

Mr MURPHY (Lowe) (5.00 p.m.)—I welcome the opportunity to speak on Appropriation Bill (No. 1) 2003-2004 and Appropriation Bill (No. 2) 2003-2004 and I strongly support the second reading amendment moved by the member for Fraser and shadow Treasurer, Mr Bob McMullan. I will focus on the parts of the budget that impact on the hardworking families in my electorate of Lowe. Constituents from all over the electorate have flooded my office with letters, emails and phone calls expressing their outrage with the Howard government’s agenda in relation to Medicare and higher education fees. It is outrageous for thousands of families in my electorate as now they will, one, find it very difficult to locate a doctor that bulk-bills; two, face higher costs for essential medicines; three, suffer higher costs to educate their children; four, cop limited access to affordable child-care; and, five, have limited access to nursing home care. These are the basic issues that families worry about every day in my electorate of Lowe. They are entitled to ask what on earth is the government for and where are their taxes going?

For thousands of tax-paying families in my electorate and across Australia their most important priorities remain very straightforward—for they and their children to have good access to a public health system and good access to higher education, be it university or TAFE. These families now feel betrayed because this budget ignores these priorities to serve the ideological obsession the government has with transferring the costs to families, making them pay more for basic health and education. To add insult to injury, taxpayers are supposed to be grateful for a $4 a week tax cut. They understand that it is only a cynical attempt by the government to distract them from the higher costs of health and education they will endure as a result of this year’s budget.

My constituents have every reason to be angry with this betrayal and they have every right to feel let down by a government determined to serve its privileged constituency at the expense of middle-income Australian families. Australians know that this government does not believe in Medicare and they know that the government does not believe in a universal health care system. In my electorate of Lowe, 93 per cent of doctors offer bulk-billing. As a result of this, Australians with an income of over $32,000—that is Australians without a health concession card—will no longer be entitled to a bulk-billing doctor. Most families in my electorate will soon be paying four times for their health care. They will pay their GST, they will pay a Medicare levy, many will pay for private health insurance and now the government expects them to pay an up-front fee every time they visit the doctor, which will be $20, $25 or $30. In
addition, the burden will be heavier, when you consider that they will also be paying more at the pharmacy for essential medicines because the government is hitting them with a 30 per cent hike in patients’ copayments.

Choices concerning the basic health care of any family should never be about their ability to pay. This is not the Australian way. It may be the law of the jungle or the norm in a two-tier American style health system, but this is not what my constituents want and it is not what Australia wants. I need to put to the parliament some of the concerns of my constituents expressed in all the letters, emails and phone calls I have received since the Treasurer’s budget speech. The first is a message from a tax agent, Mrs Helen Lyons-Riley from Strathfield, and it is an example of the impact that these changes will have in my electorate of Lowe. Mrs Lyons-Riley says:

We were long time members of a private health fund however we found that three times we attempted to lodge a claim for three different events we were informed we were not covered for the event. Once was due to a monthly payment being late … we paid $3500 for private hospital treatment for our daughter. The second when our son was diagnosed as suffering from schizophrenia and the private hospital treatment wasn’t covered … that cost $4000 in hospital charges and a further $2500 for therapy. The third when my husband had cataract surgery … that cost $2500. We can no longer afford the premiums required. If our GP starts to charge we will be forced to attend outpatients. Please do not support any change to Medicare other than increased funding.

Another example comes from Mr Adam Gordon, a young father from Liberty Grove, whose message is as follows:

I’m writing this email to voice my discontent with the current government’s Health care policy. Our son was born 3 months prematurely in January 2000 and consequently has had a number of respiratory problems derived from colds etc. Hence we have discovered recently that we were no longer able to access our preferred doctor(s) at a surgery in Five Dock, as it is no longer sustainable for them to bulk bill. Therefore we took our son to another surgery that did bulk-bill. However the doctor was not very thorough and seemed to rush the consultancy.

We have also had to take our son to Westmead Hospital where we have had to wait for a number of hours before being able to see a doctor, probably due to over reliance on the hospital system, derived from less surgeries bulk billing. However, the service and care was very good. Could you please voice my complaint as it appears that the current government is attempting to dismantle the Medicare system to a level where nobody will be able to access affordable health care. It is appalling that a basic right like health care for children has to be compromised due to affordability. Yours sincerely, Adam Gordon

The government does not seem to understand that Australians want to keep Medicare and they desperately want a government committed to Medicare. All Australians—especially the thousands of families in my electorate of Lowe, who have grown up visiting doctors that bulk-bill and enjoy a reasonable access to essential medicines—know that Labor has a plan to save Medicare and restore bulk-billing. As you know, Labor 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. Under Labor doctors in the metropolitan areas, including doctors in my electorate of Lowe, will receive an additional $7,500 each year for bulk-billing 80 per cent, or more, of their patients. This will mean families in my electorate will be saved the $20, $25, or $30 up-front fee that the government wants Australians to pay.
I have to mention that the government is also failing the people in my electorate, because the health minister still refuses to grant Concord Repatriation General Hospital a licence to operate a Medicare eligible magnetic resonance imaging service—MRI. The health minister’s refusal is based on recommendations from the government’s MRI Monitoring and Evaluation Group—MEG—which says that there are sufficient Medicare eligible MRI services in Sydney. I do not accept this and, more importantly, my constituents do not accept this. I do not believe the MEG recommendation process is sufficiently independent or transparent.

As you are probably aware, I have now tabled three petitions on this matter in federal parliament—the third tabled earlier this month. A total of 3,700 local residents are demanding that the federal government match the commitment to the New South Wales government and grant Concord hospital a licence to operate a Medicare eligible MRI service. Concord hospital is currently not a Medicare eligible provider of MRI services. This means that sick, elderly and frail residents of the inner west of Sydney have to travel long distances to Camperdown, Westmead, or the North Shore for an MRI scan.

I have been saying for more than 12 months that I do not believe that this is acceptable to local residents. Not only is Concord hospital crucial to residents in the inner west, it has a proud history serving the veteran community and is a teaching hospital of the University of Sydney. While the government is refusing Concord hospital a Medicare eligible MRI service and failing the patients of the inner west, it expects families to pay more to see a doctor. The consequence of this policy inevitably means more pressure on all public hospitals as Mr Adam Gordon’s message explained. I will continue my campaign for an MRI licence for Concord hospital in this House, and I will continue fighting for the patients and the families in my electorate of Lowe and Sydney’s inner west.

Another important priority for families in my electorate of Lowe is their children’s education. Lowe is recognised as an electorate that has an above-average participation in higher education. It will be no surprise to members that the subject of many of the other angry messages that I have received since the Treasurer’s budget speech concerns the government’s plans for universities and its policy to abandon fair and affordable access to higher education in favour of mortgage-like student loans which will have a devastating impact and mean an impossible debt on students from middle-income families.

Recently, the Valpiani family from Drummoyne sent me the following email message which reads, inter alia:

Equal, affordable access to education is one of the most important ways of keeping Australia a just and egalitarian society. Coalition education policy seems intent on undermining this and creating a society of haves and have-nots while making increasing numbers of young Australians cynical and demoralised about their futures. I am asking for your support in improving the funding and resources for state schools as well as in fighting the proposed increase to tertiary education charges. Entry to tertiary education should depend on talent, motivation and hard work not on a student’s financial situation. Performance in three unit affluence should not be the deciding factor. Yours sincerely, Carlo & Catherine Valpiani.

Each year, 20,000 qualified young Australians—inevitably, many from my electorate—are denied a place at university. The changes outlined by the Howard government give little succour to them. The only certain outcome of the higher education changes announced in Treasurer Costello’s budget is that students and their families will be paying more. This will in-
clude a 30 per cent rise in university fees through the Higher Education Contribution Scheme, HECS, a $32 increase in HECS debt, and a doubling in the number of places for full-fee-paying students at the expense of talented or hardworking students who will pay up to $125 a week in education loan repayments. The new student loan scheme, with its six per cent interest rate for $50,000 to $100,000 degrees, will guarantee mortgage like debt and force far too many students to reconsider higher education altogether.

The Australian Vice-Chancellors Committee, AVCC, the people the education minister said run, live and breathe our universities, have outlined some other key problems in the government’s proposed higher education changes. These include inadequate assistance for students from disadvantaged backgrounds—for example, student loans capped at $50,000 and six per cent interest, which favours those most able to repay and which will not cover the cost of many undergraduate courses. The vice-chancellors also identified inadequate government funding for higher education tied to unwanted and unworkable changes to workplace and governance practices.

Labor will fight to make sure that university places are there for students on the basis of marks, not money. Labor will not allow wealthy students to jump the queue and take the university places that rightly belong to the hardest working and the most able young Australians.

There have been other concerns raised, such as the government’s failure to adequately support technical and further education funding for thousands of other students in my electorate despite a serious skill shortage across the entire Australian work force. In addition, primary and secondary school fees are a growing concern. Families who choose to send their children to non-government schools are not receiving the support they deserve. At the same time, support for public education in this budget, as Mr and Mrs Valpianti also pointed out, is non-existent.

Unfortunately, there are a number of other failures that anger my constituents because they go to the heart of their families, and their most important issues and choices. The first is the government’s failure in this budget to address the spiralling costs and chronic shortage of child-care places. Without adequate access to child-care places, many families cannot maximise their employment opportunities. The Daily Telegraph editorial on Monday, 26 May correctly argued this:

Adequate child care is as indispensable to family life today as the car, the fridge or the washing machine. Yet as the figures of more than 61,000 shortages in NSW alone show, the Federal Government has yet to change its mindset to catch up with this social revolution. It has been largely content to allow market forces determine where child care centres operate, leading to an uneven distribution of care.

Unlike the Howard government, Labor is committed to making child care more affordable and more available, to help families under increased financial pressure—a burden the government is contributing to.

The government is also ignoring the thousands of families in my electorate who agonise over the future of their ageing parents or grandparents. My electorate is an established one and has a high proportion of people over 65 years of age. It is scandalous that the budget does not offer one new residential care place despite a chronic and growing shortage of decent nursing home facilities and aged care places across Australia. I have 35 nursing homes in my electorate. The budget offers no new funding or initiatives to assist aged care facilities to remain viable. Instead, in a climate of uncertainty, too many families are left to agonise over the...
future care of their elderly parents or grandparents. This is reprehensible. Clearly the Howard government is not interested in the care of our most vulnerable senior citizens, the frail and the elderly.

Unfortunately, this budget fails both my electorate and Australia generally in many areas. In the time available, I will do my best to further outline some of my concerns.

The budget fails to address any of the major environmental issues facing Australia. Unfortunately, sticking your head in the sand and hoping these problems will go away is no substitute for policy and planning. Labor will save the Murray River; Labor will protect the Great Barrier Reef from mining; Labor will stop large-scale land clearing; and Labor will ratify the Kyoto protocol.

I take this opportunity to again highlight the government’s serial broken promises to my constituents in Lowe regarding aircraft noise and the sale of Sydney airport—and I will be saying more in the House shortly. The government promised noise-affected residents that Sydney airport would not be sold before aircraft noise problems were resolved. That is a joke for my constituents—and it is a really bad joke.

The government has had six years to honour its promises to the long-suffering noise-affected constituents in my electorate and people living to the north of Sydney airport, and what has it done? It has abandoned those people and the problem is only getting worse now that the government has sold Sydney airport. The terrible impact of aircraft noise over my electorate and the inner west still persists, and I will not let the government off the hook on this serious issue. In short, we were promised, under the Long Term Operating Plan, that we would get 17 per cent movements to the north, and it has consistently been averaging 50 per cent to 60 per cent above that—and that is a fact.

The budget also fails retirees in my electorate because it does not address the complexity of superannuation and does not protect from corporate greed the retirement incomes of my constituents. The government has further failed to address the difficulties many small business people have in complying with their de facto tax collector GST burden. The government continues to hire more tax officials rather than take steps to ease the business activity statement compliance burden on small business.

The government has also failed to address some of the outrageous holes and outright fraud in our taxation system—for example, the well-publicised dishonesty of many solicitors and barristers, who are supposed to be respected officers of the court, using family law and serial bankruptcy to avoid paying their fair share of tax. The government continues to turn a blind eye to this outrageous scandal. It is now rapidly approaching 2½ years since this very serious issue came to light, and not one amendment to any statute has occurred in the federal parliament.

Finally, the recent outrageous and unprecedented attack on the ABC launched by Senator Alston comes at a time when the government’s most important priority is, in my view, the Broadcasting Services Amendment (Media Ownership) Bill 2002. If passed, this legislation will give Mr Kerry Packer and Mr Rupert Murdoch the right to own, operate and control television stations, radio stations and newspapers in the same market. They will be allowed to own, operate and control the most popular sources of news and information in any given city in Australia.
This will mean less diversity of opinion in the Australian media and will do fundamental damage to the public interest and the future of our democracy. This is very serious. News Ltd own two-thirds of the metropolitan dailies, three-quarters of the Sunday newspapers, 50 per cent of the suburban newspapers, one-quarter of the regional newspapers plus a 25 per cent monopoly interest in pay-TV with Mr Murdoch—Telstra has the other 50 per cent. And the government proposes to give them more. This is a very serious threat to the public interest.

As for the alleged ABC bias, Senator Alston’s claims are absurd. Even if anyone were silly enough to believe him, I believe the ABC, viewed through Senator Alston’s glasses, could not effectively balance a conservative agenda and bias of Australia’s commercial media even if a Marx or Lenin ran it. The government wants to appease the commercial media moguls and simultaneously censor our public broadcaster. This is nothing but a shameful ‘I’ll scratch your back if you scratch mine’ arrangement—’You give me more media ownership and I’ll give you more support.’

In concluding, I support the second reading amendment moved by the shadow Treasurer because the government’s proposed changes to health and education will have a terrible impact on thousands of families in my electorate of Lowe. Our public universities must be available to Australian students based on merit, not wealth. Further, health care in Australia 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 health system from the government’s shameful attack. We will defend Medicare because people want access to bulk-billing. We do not want a situation where people have to pay more for medical care.

(Time expired)

Mrs BRONWYN BISHOP (Mackellar) (5.20 p.m.)—I rise in this debate on the Appropriation Bill (No. 1) 2003-2004 to speak particularly on the philosophical aspect underpinning the tax cuts which have been a feature of this budget. Many members will speak about different aspects of the budget. It is always timely to remind all that this is our sixth insurplus budget since we came to office in 1996. The fact that we have on this occasion acted in a philosophical way to return taxpayers’ money to them—the fact that we have provided well within our budget in accordance with our responsibilities and returned money to individuals who will always spend their own money better than governments spending it for them and on their behalf—is a very important aspect of this budget.

The two philosophical schools of thought which prevail in this parliament are, on our side, individualism and its principles and the philosophy of free enterprise and, on the other side, collectivism. From our point of view, the individual will always be in a better position to be master of his own destiny than someone who claims to be able to look after that person’s destiny on their behalf; in other words, it is fundamental to us that an individual must be allowed and have the opportunity to reach his or her maximum potential rather than have a decision made, as the collectivists do, that an individual’s aspirations can be sacrificed to the overall attitude of the collective or the group.

People have said that the scale of the tax cuts, beginning at $4 a week and moving up to a greater amount a week, is in fact only small and should therefore be discounted. I would make two points about that. Firstly, if it had been the other way round and it had been a tax increase of that proportion there would have been major headlines of ‘Shock, horror, tax hike.’ The sum would have been considered quite meaningful. The sum remains meaningful as a tax cut.
Two-hundred dollars a year can represent two pairs of pretty good school shoes at about $79 a pair, plus another $40 which can be used towards school excursions or other discretionary expenditure which parents and their families may choose as a necessary expenditure.

**Government member**—A winter gas bill.

**Mrs BRONWYN BISHOP**—Indeed, a winter gas bill, as my colleague reminds me. The fact of the matter is that $200 a year can make a difference somewhere along the line.

A Labor Party government would have the philosophy of collecting as much money as they possibly could and then spending it in the way they thought was beneficial for people. Our attitude is that you collect only as much money as is needful to carry out the necessary functions of government in accordance with our philosophy.

What is allegedly the business of government? According to the principles of free enterprise, the business of government is to do those things which the private sector either will not or cannot do and to provide for those people who cannot provide for themselves. This budget, I put it to you, performs precisely those two important functions.

Part and parcel of providing for those things which are not within the purview of the individual is a justice system. As we all realise, in our federated system we have nine jurisdictions, but what I have found as chair of the standing committee of the House on legal and constitutional affairs in the course of conducting the inquiry into crime in the community, including the fear of crime, is that the people of Australia are tired of hearing that crime is a matter for the states. They believe that the federal government has a responsibility as well. Indeed, they want leadership from the federal government, and hence the terms of reference that my committee has to look into, doing an audit of crime, if you like, across Australia which I think will be very meaningful for the future.

In this area drugs are an ever present category for discussion. But in the overall context an interesting paper was produced in May by the Australian Institute of Criminology. The article, paper and research were done by Pat Mayhew, who at the time of writing this was a consultant criminologist at the Australian Institute of Criminology. She worked with Dr Glenda Adkins, a lecturer at the University of Southern Queensland in Toowoomba. This paper is called ‘Counting the costs of crime in Australia’. It comes out with a bottom line figure that the cost of crime in Australia across all jurisdictions is $32 billion. It goes on to itemise those heads of crime which can then have a cost put against them. It is interesting in that context that the most expensive single entity of crime is fraud, which costs in the vicinity of $5.8 billion a year.

Drugs as an isolated item comes out at $1.9 billion a year. In the paper Pat Mayhew writes that a number of estimates were made to account for some of the human costs involved in coming to this figure. She writes that deaths due to drug dependence were estimated to cost about $510 million in 2001. Costs fell principally to lost productivity—assessed, for simplicity, as for homicide victims. Hospitalisations and emergency department visits due to drug dependence might cost in the region of $26 million. For the cost of other drug treatment, the Australian Institute of Health and Welfare data for 2000-01 on people registered for treatment were linked to the 2001 survey of clients of treatment service agencies, distinguished between residential and non-residential treatment. Costs for each were taken from Productivity Commission figures for mental health care, and this gave an estimated bill of $370 million.
Methadone as a program costs $100 million a year. Lost productivity, which may amount to nearly $960 million, was a figure that they pointed out might be overestimated if you considered that drug users were probably less likely to have productive lives, but this has been balanced by the omission of any lost productivity on drug users not in treatment.

I make those points about drugs in the community for a very special reason: those people who are interested in having drugs decriminalised or indeed legalised are often people who say that our laws against drugs do not work and therefore we may as well legalise them. This is a fallacious argument. Indeed, the figures bear out that, since we have had a Tough on Drugs policy—and it must be that, with a clear and decisive message—there has been a recorded drop since 1998 in the usage of every category of illicit drug, with the exception of ecstasy. Our Tough on Drugs policy has meant that we are starting to speak with a consistent voice and not the mixed messages that were in existence from 1985 onwards with the introduction of harm minimisation as a concept. That was when the messages became very mixed.

We were able to say that marijuana, for instance, was a drug that was very dangerous to the individual, was cumulative in the body and brought about psychosis—and the range of crimes that could be committed in such a condition were right across the board, including homicide. This drug, which was so liberally labelled as a ‘recreational drug’, had to be seen for the damaging drug that it is. Only last week my committee was taking evidence in two Indigenous communities in the Northern Territory: one at Wadeye, which is otherwise known as Port Keats, and the other at Bathurst Island. Here the problem of marijuana, cannabis, ganja—use whatever name you like—is seen by the community leaders as an ever-growing one. When I heard the principal of the school on Bathurst Island say that his competition for having 10-year-olds come to school was cannabis or ganja, one realised just how dramatic the problem was. Yes, alcohol is a big problem in Aboriginal communities, but it is a problem for adults whereas marijuana has become a problem for children as young as 10. It is scrambling their brains. They will never get a chance to live through those years and ultimately make a decision to also say no to alcohol.

The message that illicit drugs are just that—illegal—that they are drugs that are indeed detrimental to the functioning of the individual within our society, has to be strong and clear. Under our policy of ‘Tough on Drugs’ it has become that. The expenditure that we have put into those policies has borne good fruit. We have seen, as I have said, a drop in usage of all drugs from marijuana through to heroin, with the exception of ecstasy. I think two other figures are quite significant in this. In the five years leading up to 1998 and the successful introduction of our policy, only 2.5 tonnes of illicit drugs were seized. In the period from 1998 to date, it has been eight million tonnes. So the seizures program is relevant as well.

I would like to return to the question of the budget and the philosophical strategy underpinning it. To say that we have evidenced our belief in the individual being the better manager of his or her own resources is borne out by the tax cuts that we have introduced in this budget. I would repeat: those who say it is too little should realise that to some it will be a very meaningful sum indeed, particularly to someone who has just got a new pair of school shoes.

Mr SAWFORD (Port Adelaide) (5.33 p.m.)—The budget brought down in the Appropriation Bill (No. 1) 2003-2004 is one that sanctions the charging of $100,000 degrees and a budget that trashes universal health care under Medicare. It completes the Prime Minister’s personal wish list which he and his ministers have pursued during their three terms of gov-
government. In terms of health care, those three terms have seen the clock turn back to something approaching—though not nearly yet as bad as—the health care system in the final dark years of the Fraser government in which the Prime Minister was Treasurer. In those days, if you were rich, you had access to the best medical care available. Those on unemployment and other benefits—and remember this was a time of mass unemployment at levels not seen since—were given a paper card that allowed medical care as a charity. If you fell between those groups—and that was a large segment of wage and salary earning households—then health care was a major household expense which had to be budgeted for and was therefore often forgone. For some reason which escapes me, the Prime Minister and his government still cling to the view that the system was superior to the universal health care system, Medicare.

Medicare was introduced by Labor in 1984 and has remained a very popular publicly funded health program ever since. One of the main reasons why it is popular is that most Australians believe that their fellow citizens deserve the health care they require, not just the health care they can afford. Medicare is a program that is entirely consistent with the democratic and egalitarian nature of our society. But it is also a program that has stuck in the craw of the conservatives opposite for a very long time. It just does not fit with the preferred elitist model of society after which they hanker. Despite their protestations in various election campaigns, they have always had it in their destructive sights—and none more than the Prime Minister.

I do not need to quote the Prime Minister on this. There are hundreds of quotes attributed to him. His record of protest against Medicare is on the public record and cannot be denied. But, as we now know, words and deeds are two very different things with the Prime Minister. Throughout the past three terms, Medicare has been slowly strangled by the government, allowing schedule fees for GP services to slip way below a reasonable figure. Despite that, nearly 89 per cent of the GPs in my area bulk-bill. But they need some help. This has put enormous financial pressure on general practitioners and led inexorably to the current rapid decline in bulk-billing rates in many areas of Australia. That is exactly as the government schemed. The slow strangulation of our universal health care system led to the bulk-billing crisis, which then led to the measures in this budget to ‘fix it’. For that, read, paraphrasing, ‘Finish the job of returning health care to the elitist system which existed pre Medicare.’

The budget now offers the following: a charity health care card for those on pensions and benefits; the potential for private health insurance to cover the GP gap at ever-increasing premiums and an ever-increasing cost to general revenue; and a health no-go zone for those who have neither the charity card nor private insurance. This group consists mostly of average wage and salary earners who will still pay their Medicare levy but who will be unlikely to get any benefit from it whatsoever. Many who currently have private health insurance will, for one reason or another, be unable to continue to pay the premiums. Why would a government slowly but surely destroy a successful and popular universal health care program? The answer seems to be as simple as it is difficult to understand—pure ideology.

The same ideology-driven public policy making is evident in higher education. As I said earlier, this budget means that universities—those old, posh, sandstone universities—will be able to charge $100,000 to $150,000 for their degrees. They will love it, won’t they? In fact,
why stop at $100,000? In truth, it will not stop there. This will mean that a two-tier university system will emerge similar to the public and private school system. Guess what? Just like the sandstone private schools, the sandstone universities will have the most students from the wealthy backgrounds and become the best equipped, the best resourced and eventually the preserve of the very well heeled—again, just like it used to be.

The Whitlam government opened up the universities with free higher education. That must have been a shock for some of the conservative elite. In fact, up until 1949, the private schools in Melbourne used to complain about the public secondary school system having an open curriculum, daring to compete with the private system. The shock must have turned to despair when the Hawke and Keating governments followed up with a massive expansion of university places. John Dawkins’s egalitarianisation of the higher education sector in particular would have caused enormous consternation. How can it be surprising to anyone that the conservatives in government would again seek to turn back the clock? They did that with their very first budget when they cut $1 billion out of the sector—$1 billion. They have continued to restructure the sector in their own image ever since.

In this budget, they brought home the bacon—and the caviar. Once again, it is the well-heeled rather than the best qualified who will get the best education resources. If you are rich and stupid, there is no problem. If you are rich and thick—the Ardmona variety—you can buy a degree from the very best university. If you are less well off financially and smart, you will probably go to a cheaper university with inferior resources unless one of the better universities decides to offer some charity with reduced fees. That is the ideology kicking in again. Charity is a spoke in the conservatives’ wheel because it is through charity that they can own the success of those from lower income backgrounds. Hence the influence of the church in charity and welfare.

Another spoke in the conservatives’ wheel is lower taxes—at least, that is what they say; the truth is very different. The Howard government is the highest taxing government in history, and that is a fact. The government gave the impression that the GST would replace a raft of other taxes, but it did not. Then, to add salt to that particular wound, the government inflicted additional taxes, including the sugar tax, the dairy tax and the Ansett tax. You name it, they have a tax or a levy for it. The government has increased the Medicare tax and has done absolutely nothing about bracket creep. In this context of higher secret taxes, the Treasurer offers a measly burger and milkshake tax cut—I am using Senator Vanstone’s words—and expects gratitude for the contribution.

I can tell the Treasurer that this little smirk of a trick has fooled nobody. The average wage and salary earners in my electorate regard the tax cut as a joke and a bad gag. Mind you, I imagine that the tax cuts in this budget will be viewed much more favourably in Liberal-held electorates where many will benefit from cuts in tax of around $100 a week. I cannot see that it is fair to put $100 in the pockets of the well off in our society but just a few dollars in the pockets of those who are most in need. Perhaps that is just my ideology kicking in there.

Another part of my ideology that is evidently very different from that of the government concerns the role of government. I believe that one of the central roles of government is to undertake large-scale nation building—infrastructure projects that build the nation’s collective wealth. There is barely a cent for such programs in this budget—not a cent. There is no—

*Mr Billson*—What about Scoresby?
Mr SAWFORD—Scoresby? I will come to that in a minute. There is no sense of building for the future—just a cheap tax cut stunt for immediate consumption and political smirk. Take the River Murray crisis, for instance. This has to be the most worrying national problem facing governments today, yet there is nothing in this budget to help fix it. Take Telstra, half owned by the public of Australia; there is nothing to stem the ongoing job losses, nothing to deal with the hopeless management and nothing to help build the infrastructure it needs to continue to grow and provide decent services to everyone.

Take the nuclear dump issue, on which the government is treating South Australia and South Australians with contempt. South Australia must not become the dump for all the other states’ nuclear waste. Why should we? If this project is allowed to go ahead, a future government may well sell dumping rights in South Australia to foreign countries or even private companies. Of course, that is the idea. My constituents and the South Australian public generally are not fooled by the latest government spin that it will only be low-level waste. It will be medium-level waste, high-level waste and the waste of other countries; there is no doubt about that. People know that, once the area is established as a nuclear waste site, economic arguments and sheer opportunism will mean that it will become a dumping ground for all levels of nuclear waste.

My view is that every state and every country should be responsible for its own nuclear waste. That is the only way that we can be sure that the waste is being minimised and treated as carefully as possible. It is no different in that sense from general household and industrial waste. In Adelaide, the main city dump is at Wingfield, in my electorate. A few decades ago, Wingfield was a fringe residential area, but the dump has ruined the suburb and many surrounding ones, and no-one seems to care except the local residents.

I suggest that everyone would examine their dumping habits much more carefully if their rubbish had to be stored at a local dump just around the corner. Perhaps this point could be best explained by citing the case of Adelaide city’s next dump at the Victoria Park racecourse in the heart of the leafy inner east. What is most surprising about the nuclear dump is the deafening silence of the state’s Liberal MPs and senators. To my knowledge, not one of the government’s 15 senators or members has had much to say about the defence of their state or—in the case of the member for Grey, Barry Wakelin—electorate.

The vast majority of South Australians do not want a nuclear dump in their backyard. We do not mind looking after our own waste, but we will not be a dumping ground for waste from other states and territories and other countries. The Liberal MPs and senators remain silent. Are they happy with the proposal or are they simply too weak and too compliant to stand up for the people who voted them into office? I would like to know—and I am sure the people of South Australia would like to know—what Liberal senators think of this—people like Grant Chapman, Alan Ferguson, Jeannie Ferris, Robert Hill and Amanda Vanstone. We all know that Nick Minchin supports this. Once upon a time, he used to be in touch with the electorate. He was a pretty good election strategist. But he has been up in the ministerial ivory tower for too long and he seems to have lost his touch.

Let me make a prediction. At the next election in South Australia, the federal Liberals will lose up to four seats. Let us look at the seats in the House of Representatives. We have the Speaker, the member for Wakefield, Neil Andrew, who will probably retire; the member for Mayo, Alexander Downer; the member for Makin, Trish Draper; the member for Hindmarsh,
Chris Gallus; the member for Sturt, Chris Pyne; the member for Barker, Patrick Secker; the member for Boothby, Andrew Southcott; the member for Adelaide, Trish Worth; and the aforementioned member for Grey, Barry Wakelin. We have a redistribution. That is one seat gone. But there are four others to go. They will not win Adelaide, Makin or Hindmarsh, and they will lose Grey. They will lose seats because they have never stood up for the people in their electorates and they have never stood up for their state. Nick Minchin, once a good strategist, is so far out of touch—and does not recognise that fact—that it is just amazing. The whole point about representative government is that it is made up of members who are elected to represent local interests. On this issue, I think it is fair to say that the Liberal MPs and senators have failed. Nick Minchin has led them down the garden path to their oblivion. They will not succeed.

In contrast, we in Port Adelaide have recently campaigned successfully for significant new infrastructure which will ultimately be of great benefit to the entire state. That was a powerful grassroots campaign involving a diverse range of local interests, including residents, businesses, the tourism sector and the heritage lobby. The success was the announcement by the state government that the new road and rail bridges over the Port River would be opening bridges.

It was pivotal to the future of Port Adelaide that the bridges be able to open to allow large vessels like Navy ships and square riggers into the inner harbour. Closed bridges would have destroyed the inner harbour in the same way that the Jervois Bridge cut access to the harbour’s original lower reaches, including the Port Canal and Port Misery, and bled the area dry. Without access to vessels, the heritage infrastructure became denuded and was eventually demolished or—in the case of the Port Canal—the area was simply backfilled. For decades it remained a desolate wasteland before recent commercial and housing developments. If the new bridges were also built to be non-opening, the same tragic fate would await the inner harbour. That is why the community was up in arms at rumours that the state government would renege on its promise to build opening bridges.

I do not think I have seen before in my life a community so united and angry as people were on this matter. The Treasurer, and the local state MP, Kevin Foley, Deputy Premier, broke the good news to a packed meeting at the Port Adelaide town hall. The new opening bridges will release the heritage heart of Port Adelaide from the suffocating heavy road transport and aid the development of its enormous tourism potential. It is the most historic port in Australia, still in its almost pristine original condition. Further, the new development will fit in very well with the new Alice to Darwin railway and the enhanced port facilities at Outer Harbour that takes Panamax vessels.

This is a very good illustration of the importance of the role of government in infrastructure development. These transport developments will enable local business to thrive and will allow goods to be transported more quickly, efficiently and with greater safely. That can only point to more jobs—I estimate 2,000 jobs, greatly needed—and better prospects. We should be looking at job dividends for any expenditure on infrastructure. That is what the government should be about—putting together the building blocks of a nation in terms of both its infrastructure and its social policies. I noticed that, when we talked about the Murray, the member opposite got a bit agitated. Are there any moves to buy back the licences for those inefficient rice farms or cotton farms?
Mr SAWFORD—Really? I did have a look. I will be fascinated to see what happens. I will be fascinated to see that. Unfortunately, the government—and this budget in particular—has destroyed a successful and popular universal health care system and in its place brought back the unfairness and the shame of what was there prior to 1983.

I remember what it was like in a doctor’s surgery when I was a kid. I was lucky enough to win a scholarship from Rotary and part of the prize was five years of private health cover for me throughout my secondary and tertiary education—and it would have gone longer. My parents were both pensioners at that stage. I remember one morning we all came down with the dreaded lurgy. We all had an appointment to see different doctors at nine o’clock in the morning. I was seen at half past nine—it was a very busy surgery. I said to my parents, ’I will come back at 10.’ I returned at 10 o’clock, but they were still there; at 11, still there; at 12, still there; at one, still there. At two o’clock—after being there from half past eight—they were told to come back the next day. That is how people who did not have health cover were treated or if there was some doubt about whether they would pay on time. The government wants to bring that system back. I recognise it; I know it; I experienced it and I do not want that for anybody—certainly not for people in my electorate.

This budget has also taken higher education a few more steps back to its elitist, discriminatory past and removed the access and equity which came to characterise it with the Whitlam, Hawke and Keating reforms. The same thing has happened—more money is given to the richest private schools in this country than is spent on higher education. The richest private schools in this country get more money from this government than higher education. What an investment! Transferring money—this country was founded on egalitarianism, fairness and merit—from the public to the private good. The same thing has happened with education: the transfer of money from the public to the private good; the subsidy of huge numbers of Australian companies, of business transfers of money from public to private. I would hold my head down if I were you. Don’t look up and deny that.

One of the great tragedies of this country is that we have allowed the conservatives to do this surreptitiously, sneakily, thievishly. Have a look at the minister for immigration—$100,000 donations, $10,000 donations, $22,000 donations. Ministerial intervention in immigration is absolutely appalling. I would have thought we should have gone back to the times when we had ministers who refused to intervene on migration cases and be susceptible to the corruption that obviously the Liberal Party and the minister for immigration have allowed themselves to be involved and enmeshed in. If that was one of our people and we were in government, every page of every newspaper would be outraged by what was going on. It is about time the media got stuck into Mr Ruddock and his corrupt practices.

This budget is about ideology. It is about the government doing some social engineering to return its own cream to the top, and to hell with everyone else. That is the conservatives’ ideology and I am proud that the people in my electorate, at least, reject it.

Ms LEY (Farrer) (5.53 p.m.)—I am delighted to be here today to speak about the Appropriation Bill (No. 1) 2003-2004, to support the legislation and to speak about the budget and the positive effect it will have on the people I represent in Farrer and on rural, regional and metropolitan Australia. I am sure the constituents of the member for Port Adelaide would be very disappointed to hear his previous remarks. He appears to be obsessed with the Liberal
federal members of parliament in his state, their margin and what their position might be at the next election—such overriding negativity and bitterness. I am sure that within the realms of our different and quite legitimate philosophies we can find a way to argue our case positively, constructively and on the merits of the argument.

There are a lot of big numbers thrown around at budget time, and they do not mean a great deal to ordinary people. The average person with a busy life and a living to earn might not have the time to analyse the various programs and to consider their merits; but what they are always well aware of is what is not right: what annoys them, costs them or causes them difficulty. They know that, for example, interest rates are low and they are able to invest in their family home, see it go up in price and borrow against this unrealised equity to add improvement or invest in something else. I am pleased that more and more Australians are achieving home ownership and having the satisfaction of seeing their homes increase in value.

Small business people and farmers know the difference that just a few more points of a percentage rate can make to the budget bottom line and to the balance sheet. The small business people in the small rural towns that I represent—that are struggling with a huge drop in business because of the drought—and the farmers who are having to renegotiate overdrafts and bank loans know that the invisible line between remaining viable and going broke would come a whole lot earlier if interest rates were just a little bit higher. Farmers in the west of my electorate have some pretty chilling stories about interest rates of over 25 per cent in the late 1980s. Is it any wonder that many of them, at the time, put the keys on the bank manager’s desk and walked away? It is interesting when I explain to younger people—people in their mid-twenties who are just starting out in life—what it was like under interest rates this high. They almost do not believe me. It seems a fantastic scenario to them, but it was only too real for those of us who lived through it.

We are, of course, part of a globalised world economy, and we are exposed to outside shocks that will have an effect on us. The SARS epidemic, the drought and a weak world economy are all factors beyond our control. In spite of this, low interest rates do not happen by accident. They are a function of good government policy—as is low unemployment. One of the cruellest things a government can do is to deny people the opportunity for meaningful employment. The cruellest thing you can do is to operate a system that sucks the unemployed into welfare and leaves them there, floundering at the bottom of the social order—abandoned, on welfare and continuing a cycle of intergenerational unemployment, inequity and despair. But we have kept unemployment low, we have created over a million jobs and we have introduced initiatives like Work for the Dole, which gets people who are trapped by long-term unemployment back into work. Remember, if you are unemployed and receiving welfare, you are not part of the real economy; and everyone deserves a real place in the real economy. Three things are needed: first, a buoyant economy that actually generates jobs and constrains government spending in order to keep interest rates low; second, improved education and training in order to give people the skills that employers need; and, third, practical measures that give people incentives to work.

This government has been doing all of those things and continues to do them in its present budget. The 2003-04 federal budget makes a commitment to making Australia a safer, more secure place for everyone. We will further strengthen our coastline, ports and airports. We will provide a significant funding boost to the Australian Federal Police and the Australian Cus-
toms Service. Customs officers can now do their work more effectively. We are examining sea cargo 20 times more efficiently than we were, with new container x-ray facilities in Melbourne and Sydney now up and running and further x-ray facilities due to open in Brisbane and Fremantle soon. These are activities that are going on in the background of people’s lives. When there is a successful interception of narcotics or cigarettes, this may make the papers and come to people’s attention in a small way, but generally we do not think of them all that often. It is critical, nevertheless, that we continue with these measures, enhance them where necessary and remain responsive and flexible to changes in our national security environment. It is a responsibility we take extremely seriously.

To give an indication of how important these background activities are, I remind the House that, since the National Illicit Drugs Strategy was launched in 1997, more than eight tonnes of drugs have been prevented from reaching Australian streets. Compare this with the 2½ tonnes of illicit drugs seized during the preceding five years. How we manage drug addiction among our vulnerable young people is a constant source of debate, and people do feel very strongly on both sides of the argument. The heartbreak of parents who have a child affected by drugs is one of the hardest stories we have to listen to as local members. And those who think this is just a city problem are wrong. As a worker in an unremarkable, small highway town some distance from my electorate—and a long way from the coast—I recall hearing in the early 1980s that there were 11 heroin dealers operating in this town. That is a pretty horrifying statistic. I am not sure how many fewer there are now, but clearly we should, as a government, be preventing the stuff getting into the country at all. That is so much better than the alternative of dealing with it after it hits the streets. We will build on the achievements of our Tough on Drugs strategy with an additional $12 million, designed to reduce the supply of amphetamines, and continue the previous work which was aimed at limiting the supply of heroin.

This House has heard the Labor Party’s plan to save the Murray. Casting about for some nationwide wagon to which to hitch his star, the Leader of the Opposition waded into the mouth of the Murray and declared that it was a national disgrace and he would fix it. But the Labor Party have not thought this through. They have not done the research and they have painfully demonstrated their lack of knowledge about this important subject. Here we go again with a lot of nonsense about the dying Murray, irrigation filling the river with salt and farming activities killing red gums and causing blue-green algae—all based on myth and misunderstanding.

The Leader of the Opposition referred to the Murray as the lifeblood of our nation. Why is that? It is the lifeblood of our nation because of the irrigated agriculture that it supports. It is the lifeblood of our nation because in the Murray Valley alone, a part of my electorate which is one part of the country that the Murray traverses, we produce 20 per cent of Australia’s milk, 40 per cent of Australia’s potatoes, 50 per cent of the national rice crop and 75 per cent of the tomato harvest. If Labor put their rhetoric into action, all of this is threatened. They talked about some environmental bank and allocated a very small sum of money to it—window dressing and lip service. What they should do is spell out very carefully what their proposals will mean to the regional communities that I represent. They should keep their Country Labor branches in the loop as well. Maybe the local members of these branches could set them straight. An example is that the shadow minister for the environment had this
to say in a speech to the House a few weeks ago when talking about the amount of water that Labor will return to the Murray:

You need to understand that that involves putting back about 20 per cent of what we take out now. ... Viewed as a productivity target, I believe it is achievable without impacting on our agricultural productivity. ... It can be done over the course of the next 10 years.

The shadow minister for transport and regional services during debate on the same bill told us that he has sat down with the Wentworth Group of scientists and had a discussion about these matters. It is a pity that he has not sat down and had a discussion with the local farmers and small businesses along the length of the Murray River to find out what they think and feel. And how they feel is not very good. From their perspective, eminent persons like the Wentworth Group, scientists from freshwater laboratories based largely in Canberra and politicians like the shadow minister for regional services, the Leader of the Opposition and the Premier of New South Wales make decisions that go to the heart of all that matters in their lives, and they do so without even acknowledging them.

I repeat my call to all those who feel compelled to have their say on this issue: do not do so until you have visited us and spoken to us and heard what we think. Do you know why it is so important that you do this? Because when the Wentworth Group says that agricultural production will be doubled under the new water efficient, high-value horticulture era and comes up with production values of I think $150 million and basically tells Australia that we can have a win-win here, who do they think will actually be out there producing this wealth? They will not be. The Greens that have such a grip on natural resource policy in New South Wales will not be. The Labor Party will not be. The farmers who are already there are the ones who will have to make it happen. We are talking about a group of men and women who are progressive, educated, committed and used to dealing with change. I am sure we would all agree that they should be involved in the process; maybe even have some level of control over it, if that is not too much to ask.

We are entering an era where a title to land may be separated from a title to water so that water can flow to its most valuable use. This is a subject very much of discussion at the moment and one in which we must proceed with great care. Those who have, as the Prime Minister said at question time today, legal title and wealth attached to that title need to be compensated if that is taken away. So much is expected of our farmers, and that is no-one’s fault. They do what they do out of respect and love for the land and the lifestyle. But I have to say I am constantly reminded of the level of attachment and loyalty farmers have to the work they do. Often we are talking about land that has been in the family for generations. It has been my observation that, unlike so many of their compatriots, they represent an era that is slipping away.

Many people must look at the profit and loss history of farming operations, at the overcapitalised balance sheet, at the debt that can hardly be paid back in one lifetime, and wonder what these people are doing. Why not take the easier road? Why not sell up and get out and do something else? Buy a block of flats and sit on the beach. Get a nine to five job in the information or services economy and have every weekend off. The fact is that without the commitment and determination of farmers and regional small businesses we would lose so much of the value we have in regional communities, in terms of both the dollars they produce and the spirit within them.
The budget extends drought assistance. There was a deal of misunderstanding about this and at least one rural newspaper editorialised that we had cut our funds for drought support. This is clearly not the case. In fact, the provision of funds for drought support is open-ended. We have an exceptional circumstance process in place and whoever qualifies under the program will receive assistance. That is already predetermined. This assistance is administered by the Rural Assistance Authority, which is a New South Wales state government body and I am sure is more than happy to hand out federal funds. No point can be reached where we say, ‘Okay, that’s it, the budget limit has been reached and no more drought assistance is available.’ Clearly that is not how it works.

I want to say a bit about this drought that my constituents are experiencing. When I first mentioned the ravages of the drought in this parliament in the second half of last year, I had no idea that it would go on this long or be this bad. In fact, I have watched it like some silent creeping monster pass through my electorate from west to east until the whole area of southern New South Wales along the Murray from the South Australian border to the Kosciusko ridge line is affected. I am glad that we have had some rain, but it has been reasonably patchy. Although it has permitted the sowing of winter crops in most areas, it has been nowhere near enough and, of course, it will need to continue—not only to grow those crops but also to fill up the catchments and storages in the Murray and Murrumbidgee systems so that irrigators on those systems do not face their second successive year of vastly reduced water allocations.

People are starting sentences with ‘when the drought breaks’, because they have got to a point where all they are able to do is get through this day and this week. The future is not a happy prospect, and their lives are very much in a holding pattern until this situation improves. Farmers are facing feed bills of thousands of dollars a month to keep stock alive and they are making themselves sick in the process. Banks are getting edgy, and I note that the Deputy Prime Minister has called on them once again to look after the clients that have looked after them through so many good years. I endorse this and I thank the banks and financial institutions for the care they have taken on the occasions that they have.

I will finish on aged care and higher education. There is good news for rural aged care in this budget. There are 100 extra aged care places in rural Australia, and that comes at a cost of $1.2 million in 2003-04. These places will help small rural communities to continue to support older residents who require residential aged care. Home and Community Care program funding will increase by $58 million, or 8.6 per cent, which is significantly greater than the estimated increase in the population of frail aged and disabled people. Funding for community aged care packages, which provide personal and nursing care to people in their own homes, will increase by $17 million, or 6.2 per cent.

But, while we are addressing the aged care issues in our communities in a positive and constructive way, we are as a nation confronting some significant challenges in this area. Society is getting older, and the cost of maintaining quality of life is getting higher. People my age are probably a lot busier than they used to be and they may not have the time to devote to aged parents that they once had. I have some wonderful aged care institutions in my electorate, run by non-profit bodies and all providing a far better than standard level of care. The philosophy these aged care homes follow is an outstanding one and deserves the acknowledgment and commendation of this House. But I recognise that these homes are stretched. Running costs are increasing and nursing wages, which are set by New South Wales state government
awards, are poised to increase, leaving the administration of these homes at quite a critical point. The care of our frail aged can never be compromised, and I know that they are in safe hands in the homes that I have spoken about.

Higher education reforms have come under a great deal of criticism, but I must say that, in my electorate and the two rural universities near me, they are welcomed as being necessary. The rural incentives and measures for rural students they contain are also welcomed. I think that well over 70 per cent of my electorate does not have a tertiary education and I do not think we should necessarily be aiming to change that figure. I am sure that the factory workers, shearers, fencers and shop assistants that I represent would not think it particularly equitable for their taxes to go towards paying for the psychology, archaeology, anthropology or dramatic arts qualifications—valuable though they are—of other young people. I can only speak for myself when I say that I paid for the qualifications I gained after leaving school not because my parents could not afford it but because they passed on to me a philosophy of independence—of making your own way in the world and paying for the opportunities that come your way.

In conclusion, I thank you, Mr Deputy Speaker, for the opportunity to speak about the 2003-04 budget. I commend it to the House. Let me say that this government is building a modern, intelligent nation without the benefit of a modern, intelligent opposition.

Mr PRICE (Chifley) (6.09 p.m.)—Mr Deputy Speaker, out of deference to you, I just thought I should make a few remarks about the defence situation, but I might make those a little later in the speech. I will start with education because, in my part of the world—greater Western Sydney—we have the University of Western Sydney, and I think the changes in the budget are posing some real dilemmas for that university.

Before I start, I would like to look at the funding that goes to each and every university student and compare the sandstone universities like Sydney and New South Wales in my state with the new generation universities like the University of Western Sydney. From all sources of funding—government, fundraising and investment—each sandstone university has $25,000 per annum. For the new generation universities, that all sources of funding figure is $10,000 per annum. What is the point I am trying to make? There is already a significant difference in the disposable incomes of the University of Sydney and the University of Western Sydney—$25,000 per annum compared to $10,000 per annum. I think, Mr Deputy Speaker, that you would agree with me that this is a very significant difference.

In question time today the Leader of the Opposition mentioned a very significant factor about the University of Western Sydney. It was that two-thirds of its students are the first in their family to attend university. This is something that we are very proud of. Although we have increased numbers of students from Western Sydney going to university, the proportion of students going is actually decreasing. Why is that? More students from Western Sydney are going to university, but the participation rate is actually decreasing. It is decreasing because, for the rest of Sydney, the participation rate is going up much further and much faster. In areas like the North Shore, the eastern suburbs and the southern suburbs of Sydney, they are going to universities in ever increasing numbers.

In this House the Minister for Education, Science and Training has almost made it a sin for anyone to get up and talk about university education. I am always happy to talk about all forms of education, but I remain wedded to the fact that in Western Sydney we should get our
fair share of students going to university—to all universities but, of course, to the University of Western Sydney in particular. We want our fair share; we have never had it. Since the Howard government came in, the participation rate of students going to university in Western Sydney has declined.

The other fact I want to mention about the University of Western Sydney is that two-thirds of its applicants are mature age students. Approximately 55 per cent of the students who are enrolled, as opposed to the applicants, are mature age. This is something that we should be encouraging. Our economy is changing, growing and developing. As a nation we want people to be extending their skills, changing their skills and adapting to the needs of the economy. I think this is a very positive statement for Western Sydney. The problem is, of course, that the cost of going to university has always constituted something of a barrier. Ironically, one of the other interesting stats to do with the University of Western Sydney is that 10 per cent of its students pay up front, which is higher than the national average. That is an indication not of the wealth of those students but of people being averse to going into debt.

The government has said that you can increase the HECS fees by 30 per cent, but it has rightly precluded areas like teaching and nursing. That actually disadvantages the University of Western Sydney. Why do I say that? Not that I particularly want to see fees increase, but the University of Western Sydney has the second largest—or there is some debate about whether it in fact has the largest—cohort or training of nurses of any university in Australia. That very significant number of students and the health faculty will get a little bit extra from the government, but nothing like they would get should they choose to increase the HECS fee—and I will come back to that. The other area is education. Significantly, the University of Western Sydney produces many thousands of teachers each and every year. Those two faculties being, if you like, quarantined poses a financial difficulty for the university.

The university needs to act in good faith—that is, if the government has laid down a policy that you need to get extra revenue by increasing HECS fees by up to 30 per cent, the university cannot be like an ostrich and put its head in the sand and say, ‘We’re not going to do it.’ The university does in fact need to increase the fees because, after all, there is a significant disadvantage built into the system already—new generation universities versus the sandstone universities. If they were to refuse to increase the fees, clearly the quality of the education those students are getting would suffer.

My concern is that HECS fees have always presented a barrier to some students. Given the higher than national average mature-age students going into the University of Western Sydney, it is reasonable to presuppose that they already have commitments. They are not going straight from school to university. In many cases, they have families, mortgage repayments and all the costs that are associated with families. Often they are women who, after a period of being with their families, have decided to go back to university to increase their skills and get a job. So the issue of the size of the debt becomes a very critical issue. Increasing the HECS fee will be a barrier to students in Western Sydney—and the HECS fee will be increased under these arrangements.

I understand the university has declined to take the opportunity that the government has offered—that is, that all classes can have a 50 per cent component of full fee paying students. The university does have full fee paying students but they are overseas students, and I understand it is going to keep it that way. But of course, at other universities, if you cannot get into
a course on merit and you have parents who are able to pay, you will be able to pay for that place in the university. I think that is utterly sad and it lowers the whole idea of educational institutions operating on the principle of merit.

There are some other issues that I want to raise. One of the catch-22s that are part and parcel of this new legislation is that universities will be penalised if they over-enrol or if they under-enrol. To be quite frank, I do not quite understand how this is going to operate. The national average is that 25 per cent of all students fail their first year. If we are looking at a university intake for year 2, this means that you have to over-enrol by 25 per cent. So first year comprises 125 per cent of what second year will be. Every university over-enrols to that extent to get their budgeted second-year cohort. I might say that, in the University of Western Sydney, it is 28 per cent and I am sure that the figure bounces around for different universities. How can we so finely adjust this scheme? How can we be so sure of all the factors about each faculty in the University of Western Sydney that we know that we have to over-enrol by precisely 28 per cent? If you end up getting too many year 2 students, you get penalised; if you undershoot it, you get penalised. With great respect, I think that this is a crazy system.

I suppose the thing that really saddens me is that there are a lot of reasons why students fail. I do not argue in this place that someone enrolled should automatically pass their first year at university. But, as we have moved from education being a free good—as it is in infant, primary and high school—to a good for which people are paying significantly, either up front or via a long-term HECS debt, there is an increasing obligation to try to ensure that students are given every help and support to pass their exams. I am not talking about lowering the pass mark. There are some accusations that that is what is happening with full fee paying students. I am not arguing that at all. What I am arguing is that, firstly—intrinsically—it is in the national interest to ensure that people meet their potential. If, via some extra assistance at university, we can get these students through, that is meeting the national interest and it is a good investment.

For the 25 per cent nationally, or the 28 per cent at UWS, we have a double whammy. We are spending Commonwealth money—I understand that it is in the order of $1 billion a year in Commonwealth provided taxpayers’ money—for these students who end up failing in year 1. The students themselves—and I apologise that I do not have the figures—also get a HECS debt for that one year at university. This is an issue we need to address. I am sad to say that the failure rate for Indigenous students is 60 per cent nationally. I do not have the UWS figures, but there are significant numbers of Indigenous students at UWS. I think that that 60 per cent figure is an utter disgrace, and it is something that we really should do something about.

Last but not least, the University of Western Sydney services Sydney’s greater west. It has a sense of regional mission, by any test. We see that the Geelong campus gets regional funding and that the remote campuses of Wollongong University now get regional funding. Why does this university, with such a dispersed campus network and all the diseconomies of scale that that implies for Sydney’s west, not get some of that regional funding as well? I certainly hope that this is something we would be able to look towards achieving.

I wanted to say a couple of things about Medicare. As you know, Mr Deputy Speaker, bulk-billing will be out for those people who earn household incomes of $32,000 per year.

Mr Neville—that’s not right; it’s the doctor’s choice.
Mr PRICE—I accept that the doctors can choose. I guess the point that I was trying to make—and I take it that was an unofficial intervention, but I have a great deal of regard for the member for Hinkler, as he knows—is that I have got the highest rate of bulk-billing in my electorate—

Mr Neville—I have the lowest.

Mr PRICE—Well there you go.

An honourable member interjecting—

Mr PRICE—On whose authority? The Prime Minister’s during question time—98 per cent. It is the doctors’ choice and currently they choose to, but the point I am making is that I am not sure that that choice will be sustainable in the future.

The other point that I would make is that if you look at the income test for Medicare in my electorate, that is $32,000 per household income, 75.6 per cent of households in my electorate earn incomes of $33,000 or more—it is not $32,000, so a degree of conservativeness on my part—and will not be eligible. Using 2001 statistics of non-family households—where two people may be living together or someone is boarding with a family—and add that to all family households in my electorate then nearly 70 per cent will not be eligible. I was talking to a doctor who does bulk-bill and he said the great fear is that these changes will bring in a two-tier system.

I mentioned that I wanted to say a little bit about defence. Mr Deputy Speaker Hawker, during the committee that produced the report associated with your good self From phantom to force Senator Sandy Macdonald and I were told about proposals to develop a highly prepared reserves—they were not called high readiness reserves at the time. I have been continuing to ask questions about it because I was astounded by what I was told. I put questions on the Notice Paper about whether it was individual reserves, or whether it was company and how it would work. Some of those answers have been disappointing because they have not been as direct as I might have thought. But we are now going to develop high readiness units and part of that will be in a counterterrorist role. In this budget we are not spending $1 more on those reservists and we are going for a scheme of high readiness and active reserves that I am deeply troubled by. I do not say this in a partisan way. I thought some of the recommendations in your report, Mr Deputy Speaker, were very good. I have read the government response to them, and they have rejected things like having a principle of one unit deployed, one in training and one resting. I would have thought that it was utterly axiomatic to have an army configured in that way, but that recommendation is rejected in this report.

Both the white paper and your report, Mr Deputy Speaker, recommended we should be able to deploy a brigade and, concurrently, a battalion. But we get into a hell of a debate about what size a brigade is and what size a battalion is. We need some straight answers. Every time you try to look at the current situation of the inquiry into the maritime strategy, we need to understand what the sustainability model is that this new reserve structure is based on. We have not got it but I hope we do and, as a committee, we would need to handle it very sensitively. And the same with regard to threat scenarios. We cannot have proper parliamentary accountability unless committees like the one you chair have full access to information. We have not even had a ministerial statement about the new role of the reserves: how they are going to do it, how it is going to be funded and who is going to miss out. I sincerely hope that
we do have an opportunity in this parliament to get more answers from the defence depart-

Mr NEVILLE (Hinkler) (6.29 p.m.)—I normally would not have started my contribution
on Appropriation Bill (No. 1) 2003-2004 with a rebuttal. Firstly, let me say that I have the
highest regard for the member for Chifley. We have always been good friends in this place,
and he always holds a reasoned and principled position on issues. However, I would like to
take him to task on the health and education aspects of his speech on this bill because I feel
that he has fallen for the rhetoric that his frontbench have been using. It is quite obvious that
those who have been part of this rhetoric are not listening to what the bill says.

I will just touch on the point he was making about people earning under $32,000. He seems
to be under the presumption that, if you were to earn above $32,000, you would be ineligible
for bulk-billing. It is quite the contrary. I asked a bulk-billing doctor the other day how these
new measures would affect him. He said, ‘I will be further encouraged to bulk-bill because I
am going to be receiving more money for all the people in my practice who are welfare re-
cipients. So I am going to be more inclined.’ It is not just the people who earn under $32,000
who will be assisted; it will be all those who are on welfare payments and those who are on
pensions.

I know of some practices that do not give any concessions to these people. This arrange-
ment will encourage doctors to bulk-bill them. There are seven million of these Australians—
not just the few on $32,000—who will now be eligible to receive a safety net treatment by
way of the payment that will go to the doctor. It will start at a dollar in the capital cities; it will
move to $2.90 in the outer regions of capital cities. I think in my area—I have not come pre-
pared with the figures—it is up to about $5.90. In the remote areas of Australia, it is $6.50 or
$6.90. That will make a huge difference, it will create a great incentive for doctors to bulk-
bill, and it will put up to seven million Australians who are currently not receiving bulk-
billing under an umbrella.

I come from an electorate where, because of a supply and demand factor on the one hand
and the attitude of some medical practitioners on the other hand, I have the lowest bulk-billing
profile in Queensland. I am not comfortable with that. But I think it is more a measure of the
supply and demand aspect of doctors than of any sort of philosophy. I find that the bulk-
billing doctors who are there are willing to take on more patients, if they can get more doc-
tors. Contrary to the predictions of the opposition that bulk-billing will drop, I expect to see
bulk-billing in my electorate rise, and probably rise quite dramatically. That is one area where
we should put the record right and not pretend that people are going to be less well off. There
will be no restriction on doctors who already bulk-bill from continuing to bulk-bill—and
many of them will. In fact, some on the margins will be more encouraged to do it, knowing
that the lower end of their market, so to speak, will be reinforced.

The second area is education. I think, again, the opposition are putting a totally false case.
They are saying that, because fee-paying students will be admitted to faculties, this will
somehow spell the end of HECS funded places. That is not true. HECS funded places are not
staying at the same level as they are now. They are actually being increased. If the HECS
funded places are increased, all the government is saying is that there will be a second avenue
for people to undertake a degree and that, within the faculties, there will still be two scores.
There will be the score at which the HECS funded places are cut off. I do not know what it is
called in all the other states, but in Queensland I think it is called the OP score. If you reach
the required OP score, you get a HECS funded place; but if you get an OP score that is just
under that for a HECS funded place—in other words, you are a pretty talented student but did
not make the cut—you can opt, if you like, to take one of these loans. The loans will be at 3½
per cent interest plus the inflation rate. That is a pretty reasonable interest rate. There will be a
10-year period in which to repay these loans.

The other thing the opposition are not talking about is that, if you are a reasonably talented
student who misses out on one of the HECS funded places and you are prepared to back your-
self—or your family is prepared to back you by guaranteeing the loan—and if after the first
year you reach the grade point average of a HECS student, you will be offered a HECS
funded place. In other words, if you get up to that level in your first year in a funded position
where a loan has been involved, you will be able to move over to HECS and will only carry
the debt for one year. If you reach that level at the end of the second year, you will be able to
go onto HECS then.

So all it does is open up other avenues. This idea that dills who cannot get a reasonable OP
score are going to get into funded places is wrong; it is not going to happen. The universities
are not going to lower their standards to let in people who cannot reasonably undertake the
courses. There will be a cut-off OP score which people must reach to qualify them for the
course. It may not qualify them for HECS but it will qualify them for the course. I do not be-
lieve any university in Australia would be so silly as to have people who cannot reach a cut-
off OP score doing the more difficult courses—law, veterinary science, medicine and so on—and
try to get them through. That would be absolutely silly. It would lower the standard of the
university.

Another point the previous speaker made was that the universities are going to be forced to
stay within a band of five per cent in the estimated numbers that go into each faculty. I que-
rried that myself. I am on an advisory committee to one of the universities and I am a former
member of the university council. At first blush I thought that was a bit unreasonable, but
when you look through the thing you see that the universities that have undertaken over-quota
enrolments are going to be allowed to raise their levels over that quota. It is not as if, as the
member for Chifley said, they are going to be disadvantaged by a factor of, say, 25 per cent.
They will have established that figure within their existing profile. So I do not see that as a
problem. The opposition really need to have a good look at the budget bills and see all the
positives in them rather than just trotting out the negatives all the time.

I want to talk about housing because it is a key worry of mine. In an area like Gladstone,
which is in a state of rapid expansion, housing is an important issue. All forms of housing are
important. In addressing this Appropriation Bill (No. 1) 2003-2004 I would like to talk about
the funding arrangements between the Commonwealth and the Queensland government. Just
under two weeks ago the Queensland government brought down its own budget. While the
budget is still in the process of scrutiny and analysis, we find that Mr Beattie and his govern-
ment will continue to heed some of the public criticism which has come their way in recent
times. One such issue, which has hit the headlines in my electorate, is public housing.

Queensland Minister for Public Works and Minister for Housing Rob Schwarten is con-
stantly harping on about the lack of funding under the Commonwealth-State Housing Agree-
ment. Mr Schwarten has chosen to present his argument through the media. I hope that after I

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present the facts and figures in a clear light here tonight he might cease this shallow show-
manship.

It is a widely recognised fact that housing is primarily the domain of state and territory
governments. It is they that have the overall responsibility for the provision and distribution
of public housing. The Commonwealth does far more than its fair share in housing programs,
despite not having a dedicated department of housing. It funds each of the states and territo-
ries under the Commonwealth-State Housing Agreement. It also provides financial help
through rent assistance programs delivered by Centrelink. For example, it is estimated that in
2002-03 Queensland will receive $468 million in rent assistance.

While it is easy to rattle off all the Commonwealth housing program funding provided to
the states and territories, it is important not to lose sight of the fact that housing is all about
people: it is about helping Australians find suitable accommodation and it is about putting
roofs over the heads of Australian families in various circumstances—some in their own
homes, some in rental accommodation, some in welfare accommodation, some in aged care.
Housing is a whole range of things; it is more than just the narrow area of public housing,
important as that is.

It helps to put this argument in context by looking at per capita amounts flowing into
Queensland from the Commonwealth. For this financial year, 2002-03, the Commonwealth-
State Housing Agreement will provide $54.96 for every Queenslander. If you hold that up
against the national average of $52.44 per person, quite clearly the Queensland government
does well out of that deal—$54.96 against $52.44. Queensland is doing better than the Austra-
lian average.

But wait, there is more. The Commonwealth-State Housing Agreement is a jointly funded
program. The states contribute their own dollars to the agreement but, in Queensland’s case,
not all is as it seems. Looking again at 2002-2003, the Queensland state government will pro-
vide $17.96 per Queenslander towards the public housing sector, less than a third of the
Commonwealth’s contribution. The state government’s allocation is also well below the na-
tional average of $18.34. All the other states seem to think housing is more important than
Queensland does, so shame on you Mr Schwarten.

Let us turn to rent assistance and look at the way this is helping everyday Australians se-
cure private rental accommodation. For 2001-02, Queenslanders received almost $463 million
in rent assistance via Centrelink. That is the equivalent of 25.5 per cent of rent assistance ex-
penditure for the nation, bearing in mind that Queensland accounts for around 19 per cent of
our national population. Just imagine for a minute the burden that putting individuals, couples
and families into private rental accommodation takes off the state’s public housing system.

You could argue that this is quite a bad negative for the Queensland government. If Queen-
sland governments over the years had been keeping up with their responsibilities as all this
new population moved to Queensland from the other states and had been reinvesting some of
the funds that had come from that prosperity into public housing—and do not worry, Queen-
sland governments of both political colours have skited over the years about just how well
Queensland was doing, how this industry estate was expanding and how many cranes were
over Brisbane and over Gladstone and so on—we would not be in the situation where the
Commonwealth was having to pay 25 per cent of all rent assistance in Australia to Queen-
sland. So our state government is really doing quite well out of the scheme.

MAIN COMMITTEE
Mr Schwarten, the housing minister in Queensland, has also kept quiet about the amount of support given by the Commonwealth to the Supported Accommodation Assistance Program—the SAAP that opposition members talk about quite often. For the past two financial years, the Queensland government has contributed less than 40 per cent of the overall funding for the SAAP—or a total dollar figure of less than $36 million, compared to $54.5 million from the Commonwealth. Again, the Queensland government is not pulling its weight. I am also told—and I do not know if this has been corrected over last year or two—that, up until recently, Queensland was the only state government that was not indexing that. The other states index that. Mr Schwarten might also note that, for 2000-01, the Commonwealth provided $200 million to Queensland under the Commonwealth-State Housing Agreement. By comparison, Queensland contributed $66.6 million—a third.

Consider this: in 2002-03, the financial year finishing now, Queensland will receive from the Commonwealth $202 million; in other words, the Commonwealth contribution has gone up $2 million. But Queensland will provide $65.93 million; in other words, they have actually dropped their contribution to this housing sector which they claim to be so interested in. So, if Mr Schwarten is unhappy about the amount of money for housing in central Queensland, it is well and truly within his power to do something about it.

We have been told—and I am quite sure Queenslanders have heard it ad nauseam over the past few weeks—that the Queensland government has tipped an extra $53 million into housing assistance programs for 2003-04, lifting the total annual allocation to $528 million. I can only hope that this is the case. Mr Schwarten has run out of excuses, purely and simply, because the Queensland government has access to a considerable amount of GST revenue allocated to our Sunshine State. Between 2000 and 2004 Queensland will receive about $22 billion in GST revenue from the Commonwealth. In 2003-04 alone Queensland is due to receive $6.2 billion in GST revenue, which is $197 million more than it would have received if that form of taxation had not been implemented. In other words, the state is nearly $200 million better off than it would have been under the old system.

I ask Mr Schwarten and the Queensland government: why won’t you dedicate some of that GST funding to housing if it is such an important matter? Former Treasurer of Queensland David Hamill was well aware of the potential of the GST to help state revenues. In fact, in January 2000 he wrote to the federal Treasurer, Peter Costello, urging him not to grant exemptions. Listen to this; I will quote from the correspondence. This was a Labor Treasurer of a state government saying to a coalition Treasurer of a federal government, ‘Don’t give any concessions on the GST.’ His rationale was:

... 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 recognised it and Mr Schwarten obviously recognises it, but Mr Schwarten and his government just do not seem to be prepared to put that amount of money into state housing.

I have had a number of encounters with the Queensland Minister for Public Works and Housing. We have a friendly relationship socially, but he seems to run vendettas against me on this issue in the local Rockhampton and Gladstone media. I keep saying that we are putting the money in, and I will continue to say it. The other thing he does not recognise is that a lot of young people—some of them battlers too—have chosen to move into new homes. The first home buyers grants scheme has provided $800 million to Queenslanders to buy their own
homes. Imagine the amount of pressure that has lifted off both the public and private housing markets. It is also interesting that, under the first home buyers scheme, the Queensland government has received a stamp duty revenue windfall of about $400 million. Why wouldn’t you put some of that back into housing for the battlers?

Overall, in commending the Appropriation Bill (No. 1) 2003-2004, I say that we have done well in housing and that the states should recognise that. We have certainly done well in education and we have done well in health. I hope that in the coming years the opposition will recognise this and, rather than just wilfully opposing these things like they did last year with the Pharmaceutical Benefits Scheme, will take a more positive attitude and—though they might not agree with them philosophically—let the benefits of these schemes flow to all Australians.

Mr ORGAN (Cunningham) (6.49 p.m.)—When the Treasurer rose to deliver his budget speech on 13 May I, like many other Australians, was filled with a sense of foreboding. Coming from the electorate of Cunningham in the Illawarra with its long, proud history of working class activism, I had learned not to expect much from conservative governments. But I did not expect the shallow pea and thimble trick which is being played on the Australian people by the Treasurer and his colleagues.

Our worst fears were realised—cuts in funding to vital services such as health, education and welfare; increased defence spending, up to $15 billion per annum; a surplus; and a miserly tax cut. The Treasurer spruiked about the expected surplus of more than $3 billion for 2002-03 and a forecast of $2.2 billion in 2003-04. However, many Australians expected some investment by this government in the nation’s social capital—money for health, education and welfare, all of those things that invest in our future, in the future of this nation.

What did we get, Mr Deputy Speaker? The Treasurer’s hollow sham of a tax cut. The average worker on $45,000 a year will get just $4 a week, but faces higher health care and education costs thanks to changes to Medicare and higher education funding. Four dollars, Mr Deputy Speaker! And the Minister for Family and Community Services has the hide to try and talk it up by suggesting that families use it to pay off their mortgage, claiming that they will save $12,000 in the long run. She was right in the first place: $4 will not buy a sandwich and a milkshake in the local milk bar, though one of my constituents has pointed out to me that it is possible to get a toasted sandwich and a drink from a certain well-known, American-owned fast food chain. Four dollars every week! That is no less than a massive $208 a year while the average wage-earner faces up to a thousand dollars a year in increased health care costs because of changes to Medicare.

This is a classic example of ‘now you see it, now you don’t’, as the government gives with one hand, only to take away more with the other. What is the point of this measly tax cut? The best one can say is that the government is giving back some of the money it has taken from taxpayers over the last seven budgets. These tax cuts have been overwhelmingly rejected by the Australian people, as indicated in a recent Sydney Morning Herald ACNeilsen poll. The poll found that more than three out of every four Australians would rather see these tax cuts, worth some $2.4 billion a year, devoted instead to improving health and education. People expect their taxes to be used to promote the public good—for example, ensuring that we have a health care system which takes care of our basic health care needs, regardless of ability to pay.
Let me talk about Medicare for a moment. It is obvious that neither the Treasurer nor the man he would some day in the future like to replace, the Prime Minister, have ever struggled to raise a family on a tight budget. This government has a lack of affinity with those many ordinary Australians who are close to the poverty line and are struggling daily to put food on the table and pay their electricity bills, telephone bills, car insurance and school fees, let alone buy clothes for themselves and enjoy small luxuries such as a night out at the pictures or a restaurant.

The government, by this budget, continues to pursue the Americanisation of Australia, where the philosophy of ‘greed is good’ or ‘greed is God’ rules and ‘user pays’ applies to all services, whether public or private. The government has paved the way for doctors to charge uncapped fees to patients who do not have a concession card. Low-income families will be forced to think twice about visiting a doctor simply because they will not be able to afford health care.

This is the harsh reality of the Australian health care system in 2003. The crisis in health care is far from over. Apart from some token increases in the number of doctors and nurses, the government has done nothing to address the fundamental concerns in the community regarding health care, and is killing off Medicare in the meantime. The government has effectively introduced a two-tier health care system to prop up bulk-billing, rather than addressing the problem by increasing the rebate to general practitioners, particularly the more than 2,000 non-vocationally registered GPs whose rebate has been pegged at $17.85 since 1989. An independent tribunal has determined a figure of $50 as a fair and equitable remuneration for a standard visit to a GP.

In his budget speech, the Treasurer told us that the improvements to Medicare will make services more affordable and accessible, by the spending of $917 million over five years. But when you look through the detail, other papers say that the spending is over four years. Which is it? Four years? Five years? This year? Next year? Who knows? The reality is not more affordable health care, but rather the opposite.

And what about education—that other area which the Australian community looks to government to provide as a basic right? According to the ACNeilson poll I mentioned earlier, 72 per cent of Australians say they oppose the increased student fees outlined in the budget as part of the Nelson Crossroads reform. Crossroads? More like a dead end for many young Australians considering a university education. The government is forcing more of the costs of university study onto students and their families by allowing universities to increase HECS and up-front fees. The price of a degree is going up and ‘user pays’ is becoming more prevalent. Will this eventually extend as the norm to all areas of education, including primary, secondary and TAFE? I hope not.

The Nelson loan scheme, rather cruelly called HELP, will simply increase the debt burden on students. I know it will force many people in the Illawarra to think twice about enrolling in a university degree. A recent Sunday Telegraph article entitled ‘Working students count the cost of the budget’ demonstrated that students who are already struggling to meet the costs of a university education are concerned that increased fees will make obtaining a degree out of their reach. One contemporary dance student from the University of Western Sydney explained how she juggles four jobs to meet the costs of being an independent student. A rapidly increasing number of students struggle with multiple jobs to support their way through uni-
A third-year law student from the University of Technology in Sydney highlighted the reality for many prospective students when she said that, had she been faced with the proposed fee increases when she was considering tertiary study, university would not have been an affordable option. She said:

University will be unreachable for students like myself who are less financially capable, which means that there will be a return to education for the wealthy.

It is becoming increasingly obvious that this is precisely what the government has in mind. The education minister has misled the community—indeed the very people his proposed changes will directly affect—about the amount that degrees will cost in the future. At a recent forum, in response to a question from a year 10 student who asked whether the minister would have been prepared to pay $135,000 for his medical degree, the minister said:

No I wouldn’t … it wouldn’t be fair to make students pay $135,000 for a university medical degree, I couldn’t agree with you more …

It would not be fair, Mr Deputy Speaker. ‘It wouldn’t be fair,’ said the education minister. The vice-chancellor of one of Australia’s leading universities, as reported in the Sydney Morning Herald recently, stated that a medical degree could cost up to $150,000. This kind of expense is entirely out of reach for the majority of Australians. The government loves to sell its tertiary education package by arguing that it is providing more choice for Australians. This could not be further from the truth. By further enabling universities to charge up-front fees, this government is providing more choice for the wealthy, who will be able to buy their way into a university degree when they have failed to perform academically to the required standard for the rest of the population. This is about making it easier for the rich to do the degree of their choice whilst everyone else gets slowly squeezed out of the possibility of pursuing undergraduate and postgraduate study.

Rather than investing in the future of the nation, this government is denying opportunities to ordinary Australians. The coalition is ensuring that university education will become a privilege available only to a few, not the right of all Australians. The so-called ‘increases’ in university funding that have been announced by the government do not make up for the cuts to funding in this sector that the coalition has presided over since its election in 1996. The government is bribing universities to implement its ideological agenda by tying extra funding to industrial relations changes on campus. The only result of these changes will be conflict and resentment on those very campuses. The Australian Vice-Chancellors Committee has sold its soul for the 30 pieces of silver on offer—sold out the students and staff of Australian universities.

In my electorate, we have a world-class university which services the Illawarra region. This budget will ensure that fewer people will be able to gain access to it. It is locking ordinary Australians out of university study. In order to serve the needs of Australia—to keep us at the cutting edge of intellectual endeavour, new technologies and innovation—higher education requires a massive injection of funding. Once again, the government has failed to deliver in this vital area of responsibility.

The Illawarra has been served a double blow, as the University of Wollongong will not be included in the regional funding pool announced in the budget. This is a disgrace. In order to be eligible to benefit from the $122.6 million regional funding pool, so-called regional campuses need to be located outside a mainland capital city in a population centre with fewer than
250,000 people. The Illawarra missed out not because it is not a regional centre, but because the latest figures show that we have a population of 257,000 people. What an insult—what an absolute disgrace—that this government is to deprive an award-winning regional university, the University of Wollongong, of $2 million to $4 million of additional funding per annum due to some arbitrary, meaningless population figure.

For a long time, the Illawarra has been one of the most disadvantaged areas in the whole nation, with a youth unemployment rate of over 20 per cent. Yet this miserly government will not give this region even a small break by providing our university, the region’s major employer, a bit of extra regional funding. As the University of Wollongong’s Vice-Chancellor, Professor Gerard Sutton, recently pointed out:

... the Government is effectively saying that with a population of just over 257,000 we have the same opportunities as universities in the centre of Sydney with a population of 4.5 million ... What a joke! It is obvious that the University of Wollongong—like the University of Newcastle, which has been similarly excluded—should have been recognised as a significant regional university and that it cannot compete with the major metropolitan universities, such as the University of Sydney or the University of New South Wales. This is the government’s shortsighted and miserly approach to education.

It is the same story on the welfare front. The government has been laying the boot into the jobless at every opportunity, blaming them because they cannot find work, as though it is their fault. They cannot find jobs that simply are not there. The fact is that unemployment in the Illawarra is increasing because of government negligence and neglect. We need jobs, not excuses.

The national unemployment rate is increasing due to the international SARS epidemic, the drought and the war in Iraq. The Bureau of Statistics figures show that 76,800 full-time jobs have been lost in the past two months alone. Nationwide, almost 623,000 people were unemployed last month. The real figure is probably much higher, as the government’s definition of ‘employed’ is based on working just one day a month. Such a level of employment is completely unsustainable. The Illawarra has a disproportionately high rate of unemployment—one of the highest rates in the country. Regions like ours need the government’s urgent attention to ensure our economic future. The government is predicting a budget surplus of $2.2 billion but refuses to put the money back into the Australian economy where it is really needed, and where it belongs, as an investment in the future.

The government’s eighth budget has failed to invest in job creation despite rising unemployment. I am disturbed that this government appears to have accepted that Australia will permanently have six per cent of people without a job, many of them living in the same households, in the same families, trapped indefinitely on the wrong side of the economic divide—generational unemployment, with all the social and financial implications that entails. I am appalled that the government has failed to invest in job creation schemes, particularly for areas with high unemployment rates. For too long the unemployment crisis in the Illawarra has been ignored by both major parties; the Treasurer, our would-be Prime Minister, is continuing the trend. The budget fails to deliver any major new initiatives for the Illawarra.

The government is giving big business a $300 million tax break but has again failed to invest in job creation. It is simply not good enough to continue the sham of forcing the unemployed to become work-ready for a punitive welfare regime when there are no jobs for them
to go to. At the same time, a university education will become more expensive, and the government has handed access to higher education to the wealthy by allowing universities to increase upfront fees and HECS. Bribing universities to apply a regressive industrial relations agenda in return for extra funding is a nonsense when the additional money does not even cover the cuts already made to the knowledge economy. The changes to Medicare will also take money from ordinary people’s pockets by allowing doctors to charge more while reducing access to bulk-billing.

All this points to a budget of neglect, and this government will stand condemned for it. Rather than thinking of this nation’s long-term future, predictably this government is only thinking of its short-term political future and its backward ideological agenda. The Australian Greens remind this government that it would be well served to refocus on the things that really matter to ordinary Australians, rather than insulting them with a $4 a week tax cut. It is obvious that the people of Australia want the $2.4 billion tax cut to be reinvested into the nation—into the health care system, higher education and welfare safety nets to take care of those who really need help. One of the primary responsibilities of government is redistributing power and wealth to benefit the least powerful and the least wealthy. This can be achieved through investment in our health care system, in our education sector and in our social security system so that it can provide adequate support for all those in need.

It is clear that the government prefers to provide tax cuts to high-income earners, like the corporate tax cuts and tax breaks for multinationals announced in this budget. The government prefers to impose a punitive breaching regime on people unable to earn income, fining them $1 billion since 1996. This is taking money from people who struggle to meet their basic living expenses, when the government should be working to abolish poverty by providing an adequate social safety net and job creation policies. The great Australian dream is a dream of equality, egalitarianism and a fair go for all. This dream is about to be fatally undermined by a government more fixated on its electoral survival than on doing its job properly.

Government is supposed to serve the people, not vested interests. The Treasurer’s self-congratulation on this budget surplus is a sham and one that must be exposed. For the good of this nation, in the present and in the future; for the good of our children, who may wish to study at university one day; for the good of our families and their ongoing health; for the good of those Australians struggling, whose numbers are increasing, the Greens condemn this budget and the government’s agenda. This government is doing its utmost to destroy that which Australians most hold dear, and it will ultimately be rejected on that basis at the next election.

Mrs MOYLAN (Pearce) (7.07 p.m.)—It is a great pleasure to be able to rise tonight to make some points about the budget, particularly in relation to my electorate. I think it is always a great challenge for governments of any persuasion to balance the budget, not just in terms of dollars and cents but also in terms of the wide variety of interests in the many communities throughout Australia. There are many demands on governments and on the public in that respect, but I do think that the government—and the Treasurer, in particular—is to be highly commended for being able to yet again bring in a balanced budget, which is very important in terms of the economic security of all men and women and their families in this country. At the same time, I think it balanced some very important needs socially and addressed some of the international issues that have become pressing in this day and age. It is
very much a balancing act as to how you best cover the needs of a very diverse community—
communities, in fact. It is not one homogenous group, but many communities and many dif-
fering needs in many parts of the country.

Certainly in an electorate like mine of Pearce, we have probably a microcosm of the com-
munities in Western Australia, ranging from coastal areas where environment is a key issue to
inland farming and agricultural districts where clearly the issues of drought in some parts—
fortunately not in a large area of my electorate but on the edges of my electorate and other
parts of Western Australia—have become a key issue, as has how we best help farming people
through the hardship to be able to farm again when times are better and the seasons are better.
It includes small businesses striving to make their contribution to the community both in
terms of looking after their own economic needs and their families’ financial requirements
and also contributing to the national economic effort. Those businesses are looking to grow
and expand. So I think this budget has done extremely well in balancing the many important
issues as they relate to the electorate of Pearce.

In terms of balancing budgets these days and meeting the requirements, it has been made
particularly difficult by the particular conditions we are faced with internationally. The
economies of many countries have not fared well. We have come through what I think have
been some very difficult times in particularly good shape. I can remember when I first became
the member for Pearce and being made shadow minister for small business that I toured the
country extensively talking to small business people about what they felt the government’s
singular most important role was in terms of their good health in the long term. Almost uni-
versally, businesses said that government should get on with the business of governing and
ensure a smooth economic condition in which businesses can operate with some certainty. I
think that one of the main achievements of the government, and of this Treasurer in particular,
is that businesses have been able to operate in an environment of greater certainty, with low
inflation, low interest rates and a pretty good outcome in terms of our growing businesses and
our growing export opportunities.

The government has achieved what businesspeople want, and that is balancing the budget,
trying to do away with the high levels of debt to ensure that we have a much smoother econ-
omy with less peaks and troughs, which make it extremely difficult for businesses including
farmers to properly manage their enterprises and certainly make it very difficult for them to
do any long-term forecasting in terms of the growth of their businesses. We have to recognise
that we are also operating in an increasingly global environment. They used to say a few years
ago that if America sneezes Australia catches a cold, and I do not think that really has changed
considerably. So we do have to be mindful of what is happening in the international arena and
make sure that the Australian community is protected somewhat from some of the worst eco-
nomic outfalls that have affected other countries, particularly during the Asian meltdown.

My electorate of Pearce, as I said, is a broad community, a community of broad interests,
and I have a very large area of rural property in my electorate. I think one of the big concerns
of the rural community has been rural health. I met a couple of years ago with the doctors of
the wheat belt division of general practice and they raised a few issues with me then. It really
is very good to see that the government not only have addressed many of the problems con-
fronting people delivering rural health but also continue to make funds available to keep up
that momentum of ensuring health outcomes in the rural sector. Over the past five years there
has been an 11.4 per cent increase in the number of general practitioners in rural Australia, and certainly in the electorate of Pearce we have seen the benefit of increased numbers of general practitioners operating in the country towns where a few years ago there was a critical shortage.

Although there are some areas that are still having a little difficulty in retaining the services of GPs, the continuation of the Rural Retention Program incentive payments, which is costing $47.3 million over the next four years, will provide great encouragement for doctors to move to or establish their practice in these regions. In quite regularly visiting some of the country towns in my electorate, I can see that the problem seems to be well and truly under control.

The government has also recommitted to providing primary health care services to rural and regional communities through ongoing funding to the Regional Health Services Program, with $46.2 million being provided over the next four years. When my electorate was quite badly affected by drought a couple of years ago, I mentioned to the Prime Minister and our ministers that one of the things for which we needed funding in Pearce was mental health services. That funding has been made available. I received a report the other day from the Central Wheatbelt Division of General Practitioners—particularly from the person in control of delivering the new mental health services program. They have done remarkable things with the funding that has been provided to them. I am very pleased to see that funding will continue for rural retention programs and also additional health services programs in rural areas, because it is being put to good use and it is providing important backup services in the area of rural medicine.

The commitment to rural women is continuing in this budget, with $8.9 million provided over four years to provide female general practitioners through the rural women’s GP service. This program has been enormously successful, with over 19,000 consultations in over 104 rural and remote communities since its inception. For the electorate of Pearce, the continuation of the rural health program is enormously welcome.

Education is a very important issue in my electorate. There has been a lot of criticism about changes to the funding of university places. When I first came into parliament a lot of parents, a lot of students and a lot of schools raised with me the difficulty in finding apprenticeship places and traineeships for young people coming out of school. While we have an obligation to ensure that the people with the ability have the opportunity to go on to university and contribute to the professions, we also have an obligation not to forget the many young people who perhaps have other kinds of talents that need equal attention and that need to be developed to provide us with a skilled work force, to continue to maintain our place economically and to be able to continue to compete in the growing export market and the domestic market.

I have been very pleased to see the government continue to commit funds for traineeships and apprenticeships, which have grown tremendously under the Howard government. Those opportunities have been very welcome in the electorate of Pearce. It was only a few months ago that the automotive training industry came to me and asked me to make a representation to our minister to continue to fund some pilot programs in Western Australia to help young people get into the automotive industry. The average car these days has very sophisticated computer systems on board, and motor mechanics and technicians have to be pretty skilled in that area. There are young people with those particular abilities who ought to have an opportunity to develop those skills and contribute to our industries and to our economy.
The government has attempted to ensure that there is an education system that provides a place for all young people—not for just one group of people who, in the past, seem to have been tagged as an elite group. We need to make sure that all young people have an opportunity to do the best they can with the enormous talents that so many of them have. The Minister for Education, Science and Training, the Hon. Brendan Nelson, responded to the request from the automotive training industry in Western Australia, and I think there are now five or six pilot programs under way—including one up in Geraldton, which is not in my electorate, and one in the Swan electorate, which borders my electorate and caters for many young people within the Pearce electorate. It is very pleasing to see funding for these kinds of programs which provide opportunities for our young people.

It is very welcome news that Curtin University of Technology in Northam will be eligible for consideration in the 2004 allocation of additional loading. The Curtin University of Technology in Northam plays an important role in offering opportunities to students in the eastern region. We do not have a lot of universities. It has been a sore point in WA that university campuses seem to be located south and north of the city, with very little funding having gone east. So any opportunity to expand opportunities for young people in the eastern corridor of Western Australia, particularly up into the wheat belt, is appreciated and very welcome.

The other issues that have been very much at the forefront of people’s minds recently are the condition of roads and traffic issues. Through the electorate of Pearce run two major highways. One is the Great Eastern Highway, which runs from the eastern seaboard to the city, through to the wharves at Fremantle and to Perth airport. It is used by an increasing number of trucks carrying heavy loads—some of them B-doubles and some carrying triple loads. Those trucks come through a lot of built-up areas along the Great Eastern Highway, particularly through the area approaching Stoneville and the turn-off to the airport. People have become increasingly worried.

The government has been extremely responsive to many representations that I have made on behalf of citizens to fix difficult spots on the Great Eastern Highway, through the reinstated black spot funding program; and in the Pearce electorate the government will spend another $45 million in this coming year on the national black spot program. We in the Pearce electorate hope that we will get considerable benefit from that. There are a number of projects throughout my electorate—not just on the Great Eastern Highway but in other areas—which will address areas that do pose particular safety problems. It is a sad fact that in recent days we have had two deaths on the Great Eastern Highway. It is too early to say exactly what caused those deaths, but good road conditions can help to prevent serious accidents which can cause death. So we welcome the government’s commitment to continue to make our roads safer—particularly in the Pearce electorate. The other major road in my electorate is the road that heads up north, again carrying trucks with very heavy loads, servicing the Pilbara and the mining and pastoral region.

One of the greatest things about this budget is that the Treasurer has continued to build on the tax cuts. It is great that so many people benefited from the 2000 budget. I think 80 per cent of people now pay no more than 30 per cent tax—30c in the dollar. That was welcomed by many families in the Pearce electorate.

It is good to see that in this budget the Treasurer has announced further tax cuts to families of $10.7 billion—again very welcome. But what distresses me is the policy of the WA gov-
ernment, who are now the major beneficiaries of the GST but who, in three successive budgets, have stolen those tax cuts from our taxpayers in Western Australia by hiking the state taxes. For example, in the 2001 Labor government budget the essential services of water, sewerage and drainage went up by 3.5 per cent, affecting many pensioners and people on low-paid incomes. Water rates went up by 2.9 per cent in the 2002 budget and this year went up by 3.3 per cent. It is just outrageous that, as quickly as we alleviate the burden of tax from Australian families, the state governments start piling it on.

In addition to that, stamp duty on conveyances in Western Australia has gone up this year. The state government has put this up in the 2003-04 budget by 15 per cent. I know this is having a devastating effect on many young families and young people buying their homes. In relation to conveyances on general insurance policies, as if we have not had enough problems with insurance and people trying to get insurance, the state government has hiked the stamp duty from eight to 10 per cent this year and I think there have been increases in some insurances in past years, some that have affected farmers. Motor vehicle registrations and licences went up five per cent in 2001. And so it continues. There is a huge list of increases: for example parking levies in the city have gone up $30, from $150 to $180. That had gone up previously as well. So these increases go on and on. If you want to register a birth or marriage, it has gone up $5 to $35 and a change of name has gone up from $25 to $120. There is a huge raft of additional taxes on the people. As quickly as we try to alleviate the burden of taxation on our families, the state government in Western Australia in particular is loading up the rates and taxes and charges on families, making it extremely difficult for the poorest in our community. I welcome the federal government’s budget. It is of great benefit to the electors of Pearce. (Time expired)

Mr ADAMS (Lyons) (7.28 p.m.)—Before I talk about the Appropriation Bill (No. 1) 2003-2004, I note that the honourable member for Pearce mentioned training and training figures in her speech, and I also heard the minister talk about that in the House today. I think we should be looking at the quality of training in this country. Instead of producing figures in the House—which the minister does from time to time and says, ‘We now have this many more apprentices’—we should be looking at the quality of those apprenticeships and the actual people who are learning and moving forward with that sort of training. We are just producing figures, producing a few bits of paper, and we are not actually getting the depth for that training that people are making out.

Each year we go through this process of critically analysing what is in the budget papers and what it means for our particular regions. Sometimes we get lucky and some good comes our way, but under this government it has been a constant bad news story for Tasmanians. This is not a budget for the battlers. This is not a formula for families. Nor is it a panacea for the poor. This is the bonus for the business class, those that sit at the front of the aircraft and those who are unruffled at paying more and more private insurance for their medical needs. They do not notice up-front fees for little Johnny or young Cynthia to attend university because they can raise them without their beloved offspring going into debt.

It is a rich man’s budget and there are a lot of people out there who are really hurting and will hurt more. This budget is forming a deep divide in the community—something this government is becoming very good at. We looked at the election with the flare of the children overboard; we looked at Australia’s involvement in a war that seemed to be more of a specta-
cle of the Prime Minister fleeting around the world big noting about nothing. We now look at a budget in which the detail is being covered up by threats of security or whether the Prime Minister will lead his party at the next election. It is all smoke and mirrors—now you see a fact, now you do not. The detail of the government is missing. The overall direction in which this country is going is a mystery. There is a big wall being put around the boundaries of our land with only a select few people being able to sneak past the keeper. Yet the government is toying with free trade treaties around the place to make sure that our jobs are shipped offshore and that our manufacturers have to compete with low-wage countries. Even our dollar is causing difficulty with exporters because the US dollar has taken such a dive. It is not an atmosphere to put forward a budget and have it properly considered. We are being hoodwinked into flicking through major issues of health and education in order that the Prime Minister might drum up a bit of fear in the community to cover up the shortcomings. We have to do better than that.

Highlighting the terrorist discussion in the press is also giving people concern that there may be a copycat element at work. I mean, what is terrorism really? The injury of two flight attendants and two passengers in a recent security incident on a Qantas flight to Tasmania did give us cause for grave concern. We must congratulate and thank all those who helped defuse a very nasty situation. The two Qantas staff and the passengers were extremely brave and really saved the lives of all on board. I hope that this will awaken this federal government to the possible dangers faced by travellers in and out of the island state, which has been conveniently ignored in the propaganda. This shocking incident again shows that the federal transport minister has to do more practical things and less public talking about security.

The Civil Aviation Safety Authority has been under pressure from the airlines to reduce the minimum number of flight attendants on flights as a cost-saving measure. New Zealand allows one crew member per 50 passengers but Australia’s regulations specify a minimum of one crew for 35 people. Labor opposes a reduction because it reduces the security and safety performance on board. This shocking security incident shows the important security role performed by flight stewards. We must also take on investigating breaches to regulations as part of an overall security role. The minister cannot continue to ignore the need for rigorous and independent security incident and accident investigations. We must investigate any aviation safety incident in the same way that we investigate those incidents that occurred on the flight to Tasmania. The travelling public deserves that sort of safety and security.

Security at our airports should not have loopholes that allow this sort of incident to occur. But, by the same token, we do not need to have people knowing every detail of the incidents so that others are encouraged to find those loopholes. Tasmanians need to know that they will be safe travelling around our country, because we are reliant on air travel.

I am appalled by what we are doing with our health system. This government’s budget is stripping Medicare and handing it to the private sector. Labor will not allow Medicare to be replaced by an Americanised private system under which doctors ask for your credit card instead of your Medicare card and refuse to treat you unless you pay up front—the old system of medical delivery in Australia. Under John Howard, bulk-billing by GPs has gone down by 12 points, from a high of 80.6 per cent in 1996 to 68.5 per cent today. At the same time the average cost of seeing a GP who does not bulk-bill has increased by more than 55 per cent, from $8.32 in 1996 to $13.05 today.
A Crean Labor government will lift patient rebates to 95 per cent of the schedule fee and then take it to 100 per cent, an average rise of $5 for every consultation that is bulk-billed. Country areas in my electorate of Lyons have been affected by the Liberal government’s tinkering with the scheme. We have been crying out for some way of increasing the number of doctors in areas isolated from the bigger cities. I mention again Beaconsfield, New Norfolk and Sorell, which continue to seek assistance for better access to doctors—doctors who want to stay and work in the more isolated areas and be part of the community.

Labor has come up with a plan to do just that. Bulk-billing is declining faster in some parts of Australia than in others. Under Labor, to remedy this, doctors who meet bulk-billing targets will receive additional incentive payments. Doctors in metropolitan areas who bulk-bill 80 per cent of services will receive an additional $7,500 a year; doctors in outer metropolitan areas and major regional centres who bulk-bill 75 per cent of services will receive an additional $15,000 a year; and doctors in rural and regional areas who bulk-bill 70 per cent of services will receive an additional $22,500. This is the equivalent of increasing the patient rebate by as much as $6.50 for a doctor in a metropolitan area, $7.80 in an outer metropolitan area and $9.60 in a rural area.

To address the doctor shortage and make general practice sustainable and attractive again, Labor will also provide for more GPs in the areas that need them and more nurses to assist GPs in their work. Labor has also promised to review the system by which overseas doctors can be placed in areas of shortage and make it fit more realistically the needs and availabilities. Labor will also provide additional funds to ensure that veterans with gold and white repatriation health cards continue to have the access to bulk-billing that they deserve. Medicare is not only the most equitable health system we can have; it is also the most efficient.

We are having the same problem with education: it is only for the rich now. For some, the top is unreachable. Just ask students how hard it is trying to work either part time or full time, keep house, do assignments, attend lectures and seminars, go to the library, attend sporting fixtures and still have some sort of social life with friends. Unless their parents are professionals or very wealthy, all students are required to work just to survive. Often this income has to be added to the moneys their parents are expected to pay for the degree undertaken. Many parents just cannot afford to support a full-time university student, a child at primary school, a child at high school and a mortgage.

Added to all these set costs will now be increased medical costs, health insurance costs, more taxes and the list goes on. The Howard Liberal government is indeed the highest taxing government in history. Parents who have children now will have to save $44 per week to be able to afford to send their child to university. That is the assessment at this time. But, frankly, who knows where the increases will end? The Howard government’s plan for higher education—including a 30 per cent increase in the HECS fees, doubling the number of full-time university places and the introduction of loans of up to $50,000 at six per cent interest—would place an enormous financial burden on a great number of families. It has got to the stage now where I know of many families whose children are dropping out of university because the fees have become too much. They are trying to work for a few years to build up a small amount of cash to pay for the fees and, most of the time, they cannot get back. We are dumbing down our young people because the financial situation is too much for them. Many
of their parents are struggling to make ends meet on low to middle incomes and do not have the opportunity to borrow funds to educate them.

I turn to the ridiculous things that have happened where funds have been sourced by selling properties, such as Defence properties. In Brighton, in the outskirts of Hobart, a property valued at $2.4 million was, for some inexplicable reason, sold for around $150,000 to a Sydney developer. It was sold way below its market value, and it was not in the interests of the community. This highlights a very flawed policy in the way that the government disposes of surplus properties. To dispose of properties such as this for a throwaway price without some community consultation or involvement is ridiculous. An approach dealing with the local conditions should be adopted, which would allow the local government to acquire sites where no competitive bids are received so that the sites could be used for community purposes that would enrich the area.

If the land is sought after aggressively on the open market, where true value is likely to be achieved, then some funds for the community activities should be directed back to the community after the sale. The site that we are talking about has strong heritage values for the state of Tasmania. Many Tasmanians have had an association with this camp while giving service to their country. It is a nostalgic as well as a historical site. The gates, the hospital and the theatre should be preserved for their heritage values. The whole property could have been used as the site for a military museum and could have included activities that are still linked with its past, such as reserve and cadet training. The rest of the block is ideal for mixed housing, a retirement village and a caravan park. If the local council had bought the site for the sum of $150,000, work could have been done to put the site to a more active use for next to nothing. I am really angry that the federal government has given away a part of Tasmania to a mainland investor when they had no right to do so.

It is such a significant site for our local defence forces, especially as the percentage of Tasmania’s population who signs up into the forces is higher than in any other state. We owe it to them to honour the memories of their predecessors. All we can do now is demand that the federal government honour its earlier undertakings to the National Servicemen’s Association; that the former camp gates, guard house and hospital building be set aside for heritage value and preservation; and that the funds from the sale are provided to start a fund to pay for this as well as a yearly allocation for its continued maintenance. Our veterans believe that this site could be better used and more appropriately developed. I have heard that the buildings on the site are going up for auction in the middle of July and that the rest of the site will be broken up into development blocks.

But there is another interesting twist to this story. An inspection was done on this property recently and it was found that every single building had been relieved of its fittings. Not a single toilet bowl or basin remained. All the heaters and stoves had gone and at least $20,000 to $30,000 in fixtures and fittings seemed to have disappeared. We do not know whether this happened before the buildings were sold or afterwards, but it does not look like it was vandals. Each building has been thrashed with what appears to be a hammer attack on each side of each wall in each building—obviously in an effort to bring the price down—and all the carpets throughout the buildings were slashed. This camp was upgraded to act as a peace haven for the Kosovars who were stationed in Tasmania. There is a caretaker there and no-one is allowed on the site. I would like to know what is going on and how all that occurred.
This budget has some huge problems in the detail, and no-one in government has made me believe that anything has been done about the queries that I have raised. This is the highest taxing government in the history of Australia. It costs you more to get your kids to university, to get them a degree, and it costs you more to go to the doctor—and it will cost people more and more to go to the doctor. This government tries to force people into private health insurance as a replacement for Medicare. I believe that that will be at the expense of good health services for the Australian people. I also believe that the Australian people will reject that at the next election.

I believe that, under a Crean-led Labor government, at the next election we will have a real alternative to this government which is making people pay for everything. Changing from a system of delivering a service to people—like under Medicare, the universal health system—to a system where you make people pay individually for the service they receive is what is happening in Australia, and I believe that Australians will reject that into the future. I think the majority of Australians know that they are going to be worse off under this budget, and I believe that they will remember that when we all come to the next election in this country and I look forward to the majority of Australians electing a Crean Labor government.

Ms HOARE (Charlton) (7.48 p.m.)—The three bills that we are debating today form the basis of the budget for 2003-04 and were subject to budget estimates in the week beginning 26 May. The bills seek a total annual appropriation of $46.2 billion in 2002-03. Appropriation Bill (No. 1) 2003-2004 seeks $40½ billion, of which $10.9 billion is for administered items to be appropriated from the consolidated revenue fund for the ordinary annual services of government, Appropriation Bill (No. 2) 2003-2004 seeks $5.5 billion, and Appropriation (Parliamentary Departments) Bill (No. 1) 2003-2004 seeks $166 million for the five agencies. The Labor Party has moved a second reading amendment which says:

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

(1) its obsession with shifting the cost of health and education from the budget to Australian families;
(2) imposing higher costs of doctors visits on families without concession cards and a 30 per cent hike in essential medicine prices;
(3) allowing HECS fees to rise by 30%, introducing a loan scheme with a 6% interest rate and doubling the number of places reserved for full fee paying students;
(4) its cynical attempt to distract the public from these higher costs by offering miserly tax cuts of $4 a week for the average family;
(5) its failure to address the complexity of superannuation and its determination to offer super cuts only to the wealthiest families;
(6) its willingness to deliver tax cuts to corporate Australia while imposing a record tax burden on Australian families;
(7) its failure to protect the superannuation savings of Australian families by protecting them from corporate greed;
(8) its decision to hire yet more tax officials rather than take steps to ease the BAS compliance burden on small business; and
(9) its failure to provide leadership on environmental issues and in particular its failure to address water reform.
This budget is made up of various nasties. It will see Medicare copayments of $20 per GP visit and the eventual destruction of Medicare. It will see up to 30 per cent increases in already unaffordable higher education fees. It sees the cost of essential medicines under the PBS rising by 30 per cent. This budget sees public dental service waiting lists of three years and public hospital waiting lists of 12 to 18 months. This budget sees 20,000 people on public housing waiting lists and 365,000 people from working households living in poverty. This budget sees growing unemployment, underemployment and casualisation of the work force. This budget sees paid maternity leave as being deemed unaffordable. This budget sees $1.63 tax cuts for those on incomes of $20,000 per year or less and $4 tax cuts for those on incomes of $20,000 to $50,000. This budget sees continuing cuts to welfare and harassment of welfare recipients. It sees more money transferred from public and private schools. It sees tens of millions of dollars in handouts and tax cuts to the big corporations.

Like others, I will just touch on a few of the issues that have been raised in various speeches. The first area I would like to address is that of education. The so-called higher education reforms which have been presented in this budget provide extra opportunities to wealthy students to take up university places that would be denied to them on the grounds of their ability. These reforms put university study further out of the reach of low-income families. The Howard government has overseen $5 billion worth of cuts in higher education since 1996 and now tries to replace it with $1.5 billion in new funding for universities for the 2004-07 period. The government is also allowing universities to increase fees for courses by up to 30 per cent above what is currently charged under the Higher Education Contribution Scheme. It has been reported that students studying law, dentistry, medicine and veterinary science could face increases in fees from $6,136 per year to $8,355 per year and humanity students could face increases from $3,680 to $5,010 per year.

Currently only one-quarter of student places at universities can be offered to full fee paying students. This budget aims to double this figure to allow that 50 per cent of all students can be full fee paying. As we have seen at the beginning of the year, that means that if your family is wealthy you do not require the necessary TER score to enter university. If you are wealthy and have not achieved the marks required, you can enter university by paying for a decrease in the entrance requirements. Some of these degrees could cost more than $100,000 and some students are paying already up to $144,000 for a degree.

To pay for this, the minister generously announced a new federally funded loan system, HELP—help me pay for my education. The scheme would provide a study now, pay later loan of up to $50,000 towards the cost of a degree. It must be asked of the magnanimous minister where students are going to find the balance of up to $100,000. Universities might then well hang out a shingle which reads, ‘No matter how smart you are and how hard you have worked, poor kids need not apply.’ It could also be extended to working class women and sole parents. The Howard government’s plans for higher education are a recipe for higher debt for students and their families, with university education increasingly pushed out of the reach of low- and middle-income families.

I want to touch briefly on schools funding in the education budget. Non-government schools now receive funding from the federal government of $4.37 billion in the 2003-04 year with no accountability; they receive more funding than Australia’s public universities, which
receive $4.31 billion with strings attached. Funding for government schools come in a very poor third with $2.26 billion.

I now turn to the overseas aid expenditure in the budget. There has been a modest increase of about $31 million for investment in peace and stability through poverty reduction programs. However, this contrasts with the $750 million it cost Australia for the war in Iraq. Australia continues to remain at an all-time low in our overseas aid commitment: 0.25 per cent of GNI. Thus we continue to fall behind most other OECD countries, which have increased their aid spending to reduce poverty and build real human security. There is also $79 million as part of the ODA program to the department of immigration and multicultural affairs which relates to refugees in Australia. So now the treatment of refugees in our detention centres in Australia is coming out of our overseas aid budget.

The budgeted overseas aid for this financial year is $1.894 billion. That represents a raw 2.2 per cent increase in real terms over the previous year. As I said, Australia remains 14th out of the 22 OECD donor countries in relation to the percentage of gross national income which we spend on overseas aid. There is $87 million that has come out of the ODA program to be budgeted for offshore processing of asylum seekers in Nauru, and a further $48 million is the cost to DIMIA of supporting refugees in Australia—$17 million of this relates to defence cooperation activities and up to $45 million of this ODA budget will fund commitments to the reconstruction of Iraq.

ACFOA have put out a paper on the overseas aid budget and it refers to the long-term trend since the Howard government was elected. Since 1995-96 aid as a proportion of gross national income has decreased from 0.32 per cent to 0.25 per cent. Aid to the Pacific has increased by 17.6 per cent in real terms but in most other areas aid has decreased. It has decreased aid to Asia, decreased aid to South Asia, and decreased aid to Africa. However, aid to the Middle East has increased in real terms by 235 per cent because that includes the Iraq commitment. Funds to United Nations agencies have decreased by 51.3 per cent in real terms and funds to Australian and non-Australian NGOs have decreased by 35 per cent in real terms.

Australia lags far behind and we are going to risk getting lower and lower down the list of OECD donor countries if we do not address our overseas aid budget in the very near future. When we have a world in which terrorism thrives, that means there must be some real root causes and those causes are insecurity, poverty, the lack of natural resources and the lack of basic requirements for survival. The way that developed and wealthy countries like Australia can help address these issues is by increasing the overseas aid budget. In relation to Iraq, for example, the government has committed $100.5 million to recovery and rehabilitation to be expended between the 2002 and 2004 financial years as opposed to the $750 million the government saw fit to spend on war.

The submission of the Australian Council for Overseas Aid to the federal budget indicated that Australia’s aid needed to significantly increase in basic social sectors to adequately fund our commitments to the achievement of the internationally agreed millennium development goals. Budgeted expenditure in these areas demonstrates that Australia’s aid still falls well short of our fair share. As I said, if we do not lift our overseas aid budget we will not be ranked 14th out of the 22 OECD donor countries. By 2006 Australia is likely to be ranked 20th out of the 22 OECD donor countries. That is a national disgrace. I am sure a Crean led
Labor government would immediately increase the overseas aid budget from this country after winning government.

I turn now to the environmental programs. On the evening of the budget our shadow minister, the member for Wills, pointed out that the government was going to win the wooden spoon for underspending on environmental programs. He referred to the Howard government’s two flagship environmental programs—the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust. He went on to underline the underspending: in 2000-01, only $1.7 million was spent of the $5 million the government allocated and, in 2001-02, less than half was spent of the money allocated; at 3 March this year the government had only spent $15.5 million of $100 million allocated for 2002-03; and at 3 March only $35 million had been spent on the national action plan on salinity since its inception.

The Natural Heritage Trust has also been a massive underspender. The last three budgets have shown how underspending on the Natural Heritage Trust has been on average $100 million per year. This year it is even worse. Last year Minister Kemp trumpeted spending $250 million for the Natural Heritage Trust; in fact the government is likely to have spent just $80 million on the Natural Heritage Trust proper and around $20 million on the Envirofund. This represents an underspend of $150 million.

On Saturday in my electorate I attended a meeting of regional Landcare officers. They go right up the Hunter Valley but mainly meet in the Landcare Resource Office located at Fassifern which is funded mainly by local government and through the Commonwealth—through the Natural Heritage Trust and the Envirofund. There were concerns raised at that time that Landcare groups right across the country are unsure of their future. They have funding until 30 June. However, it was unclear in this budget and it has been unclear to them whether the Natural Heritage Trust and the Envirofund will continue and whether the Landcare programs are going to receive the funding that they require to continue to do their good work.

As we all know, the Landcare groups in our electorates provide an invaluable resource to our local environment in setting up different groups to look after different areas and in educating young people and encouraging them to become involved. I call on the government to ensure that all our Landcare groups in all our electorates are fully funded to continue to do the good work that they do.

I turn briefly now to women in the budget. I think that one comment from the Sex Discrimination Commissioner, Pru Goward, in her response to the federal budget, says it all. She says:

The Government’s decision not to support working families with any form of national paid maternity leave is sadly disappointing for Australia’s working families. It especially fails to take account of the need for Australian women to recover from child birth and nurture their children without financial pressure. The absence of a national scheme means that Australian women will continue to return to work early and leave their children early, hardly in step with a so called family-focussed nation such as ours. Meanwhile women in all other OECD countries, except the United States, are able to remain at home for at least those first precious months...

The same budget, which did not address anything about a nationally supported paid maternity leave, was able to redirect funds of $10.1 million out of a women’s domestic violence program to the National Security Public Information Campaign. It cannot address any work and family issues but it can take money out of the domestic violence budget and redirect that $10
million to spend on a fridge magnet to protect us against a terrorist threat. As I said, the government ignores the domestic violence reality of thousands of Australian women.

In conclusion, I turn briefly to the dismantling of the ABC. The government has failed again to properly fund the country’s most significant provider of information and culture. A newspaper article states that Terry Laidler, a Friends of the ABC spokesperson, described the budget as ‘Steady as she goes, dismantling the ABC’. In the article, Mr Laidler says:

In its Budget, the Government has failed in its responsibility to ensure the country’s independent national broadcaster will thrive.

We would have all had complaints about the axing of ABC Kids and Fly digital channels. One message from my constituent, David Bailey, reads:

It is with great disappointment to learn on Monday, 26 May that the ABC will discontinue the ABC Kids and Fly digital channels. I have approached you once before on a related issue ...

It goes on:

Many people, especially families, purchased standard definition digital set-top-boxes on the basis of the provision of ABC Kids and Fly digital channels.

The message continues:

The hardest part for me, as a parent, was explaining to my twin five year old boys that their favourite tv channel will finish.

ABC provided a channel which was both innovative and educational for children ... it was a valuable alternative to advertising-centred programming offered by the Free-to-air commercial networks and the children pay channels.

(Time expired)

Ms LIVERMORE (Capricornia) (8.08 p.m.)—I would like to focus my speech tonight on those areas of the Appropriation Bill (No. 1) 2003-2004 where the government has failed not only Central Queensland but also the rest of regional Australia. The Howard government’s budget proves its total disregard for regional Australia through massive funding cuts, under-spending and a failure to invest in the future of regional Australia. This budget fails regional Australia in health, education, drought assistance, regional development, transport, tourism and regional access to basic government services. Central Queensland has had its basic Commonwealth services slowly eroded, until now even the most basic of medical and education services are a problem for the people of my electorate of Capricornia.

The people of Rockhampton have been given no good news from this budget. There is nothing to encourage them to think that the Lakes Creek Meat Works might re-open and restore the 1,000 jobs that were lost to our community last year. There is nothing to give them belief in the security of Telstra services and Telstra jobs in our region. As a result of this budget, our one remaining large employer and source of community pride, the Central Queensland University, is now the subject of a takeover. Make no mistake that this is what the government’s higher education policy is—a takeover, a privatisation, of this nation’s universities.

The education minister, Brendan Nelson, has announced that universities will be given greater power to increase fees independently. The budget revealed that government funding to universities is to go down. If you put these two things together, it spells the virtual privatisation of universities. Universities like Central Queensland University will be turned into places where only those with plenty of money can attend. In the Prime Minister’s world, education is
a commodity to be sold at the highest price possible and, because of the limited size of the domestic market, the universities will be forced to rely on attracting rich, overseas students. This will be done at the expense of local, poorer people who will not be able to afford a place at CQU or any other university in Australia for their children. The legacy of this will be that Australia will become a less educated society with fewer of the much-needed highly skilled people we need to ensure our nation’s future growth and prosperity. As profit becomes more important than integrity and discovering the truth, the quality of teaching and research at our universities will inevitably be compromised. We are already seeing under the Howard government the emergence of a two-tiered education system which will deepen the divisions in our community.

Understandably, there are many in the community who will resist this attack on equity in our education system. Of course, the Howard government’s response to student opposition to its new program is to try to eliminate the student associations at the various universities. There are clear signs already that unrest on campuses around Australia is starting to grow. More activities are in the process of being organised for this year. This issue has ensured that students from all campuses are working together and involving the general student population in their associations’ activities more than at any other time in recent years. Who can blame the students? The simple message from the Howard government to existing and prospective students is: you will have to pay for your education and provide the extra funding to upgrade teaching at our universities.

Having said that, what does the government have to say about just how these same students are to fund their day-to-day living expenses? On this issue, the Howard government is silent. There is not one word on how students are to afford this. While the government may wish to ignore it, prospective students and their parents cannot. The Howard government’s reforms proceed as though student income is not an issue. From the point of view of most year 12 students contemplating university, living expenses are an overriding issue. On top of the financial stresses endured while studying, they now face the prospect of a much bigger HECS debt at the end of their course. The combination of these imposts may mean that many bright students from less affluent families will be put off studying altogether. Only a small minority of students receive any government support for their living and study expenses. Most have to rely on their parents for support. Only students from relatively affluent and accommodating family backgrounds can experience the luxury of full-time study without worries about the cost of living and studying. For those from modest backgrounds, the proposed increases in HECS and, in the case of some high-demand courses, the proposed increase in the share of places allocated to those capable of paying full fees add another burden to the decision to take on university studies.

The Howard government is imposing its user-pays philosophies on these people. This budget does nothing for the children of the great majority of Australian families on modest incomes, no matter how good their year 12 performance. It only places even higher barriers against the participation in higher education of talented young people from less affluent backgrounds. These students and their families will be forced into massive debt for a university degree under these new arrangements. The government’s plans will enable universities to increase fees by 30 per cent. This means that students could graduate with HECS debts of up to $40,000 or more. In addition, the number of $100,000-plus degrees is likely to double with an
increase in full-fee places. Universities such as Sydney University and Melbourne University already charge full fee paying students up to $130,000 for degrees in veterinary science and law. These students and their families will be forced in the future to take out loans to pay for these $100,000-plus degrees and these loans will then be slugged with a six per cent interest charge. This is indeed a bad budget for Australian university students and their families.

This Howard government has turned its back on the thousands of aspiring students who, despite having the marks, are locked out of university because of a critical shortage of places. This year, more than 20,000 aspiring students could not get into the university of their choice. In this budget, the Howard government provided for just 444 new university places. This is just one more symptom of a university system in crisis.

In speaking about universities, we must remember that this is not the start of the Howard government’s attack on tertiary education funding. They have been at it for years. They have cut $5 billion from university funding since coming to office. Our universities have been plunged into crisis by this government. Class sizes have blown out; buildings and equipment have been run down; our best and brightest teachers and researchers are going; and the morale of the staff left behind has plummeted. The 30 per cent increase in student fees announced in this budget means that, under the Howard government, HECS fees have increased more than 110 per cent. This latest rise will add $32 a week to average student debt.

Full fee places allow people with money but not the marks to buy their way into university ahead of students who have higher scores but not the funds to pay these very high fees. It matters not whether the family lives in Melbourne, Sydney or my home town of Rockhampton. If a student wants to go to university and the family cannot pay their way, the Prime Minister has said that the person is not good enough for a university degree. This is the most unfair change to Australian society in years. The Prime Minister has had his way and it is now user-pays universities for future generations of Australians. Many of the families I am talking about in Central Queensland live in rural areas. These people have enough to worry about and enough financial problems without this government now adding to them with its user-pays system that expects families to fully fund a university education for their children.

I turn now to the other areas in which this government has failed the rural people of Central Queensland with this budget. Let us first look at the debacle that this government calls drought assistance. Here was an opportunity for this government to do something meaningful for the rural people of Central Queensland and the rest of rural Australia. Again it has failed. Australia remains in the grip of the worst drought in 100 years. But this government thinks it is all over. This government in this budget has found savings of $160 million from drought funding by slashing 18 per cent from funding for assistance to drought-stricken families. In the ultimate act of political cynicism, total estimated Commonwealth drought expenditure to the year 2006-07 is $748.1 million. That is $160 million less than promised by the federal agriculture minister, Warren Truss, in February this year. On 6 February this year, the minister for agriculture said:

We estimate that the cost of the measures that have already been announced will go to around $900 million. But we have not limited the expenditure; we will provide whatever is needed to ensure that assistance to farmers ...
Now the $900 million has turned into $740 million, and the good people of outback Queensland around the towns of Alpha, Longreach, Barcaldine, Marlborough, Clermont and through up to Collinsville are left by this mean and tricky Howard government to fend for themselves.

A feature of this budget is the clarity of the Prime Minister’s broken promise on drought aid. On 9 December 2002, John Howard promised $368 million in new drought support over three years. This budget shows that that promised support has been reduced to just $170 million. The only drought measure in this budget is a planned meeting to discuss the drought once it is over. This promised drought meeting is little more than a cruel joke for regional communities already forced to endure the worst drought in a century. A talkfest at some indeterminate future date is no help at all to the people of Central Queensland. Due to the agriculture minister’s inability to work with the states and deliver timely and effective drought assistance, many farmers have missed out on help; others have received only temporary assistance. Those lucky enough to find their way through the administrative maze have been forced to wait long periods before receiving promised aid. It is important to point out that Mr Howard has not bothered to visit a drought-affected farm in Central Queensland. In fact, the only farm that John Howard has visited is in Crawford, Texas, in the United States of America.

It is these families—duded out of their drought aid and forced to now pay full fees for their children to go to university—who ask, ‘What has happened to our fair society? What has happened to the Australia we knew?’ They say, ‘What has happened to Australia? Will I have to think twice before seeking medical assistance for my family?’ That is what most families in Central Queensland will have to do after this Howard budget. I do not want the people of Central Queensland to have a second-rate health system. For the past 30 years, Australia had what was recognised as the world’s best health system. But the Prime Minister has never believed in Medicare and now sees an opportunity to destroy it.

I am sure the people of Central Queensland will remember when, in the 1970s and the 1980s, the current Prime Minister described Medicare as a ‘miserable, cruel fraud’, ‘a scandal’, ‘a total and complete failure’, ‘a quagmire’, ‘a total disaster’, ‘a financial monster’ and ‘a human nightmare’. The Prime Minister said he would pull Medicare right apart. He said he would limit bulk-billing to pensioners and the poor—and let doctors charge whatever fees they like for everyone else. We see all this now being attempted through this budget. With this latest package from the government, families who have two children and earn over the cut-off point for a health care card will pay even more to visit a doctor. And what is that cut-off point? This government says that it is $32,300, so any family with an income over $32,300 per year will be paying more to go to the doctor.

This government is so out of touch that it believes a family is rich if it earns over $32,300 per year. The people of my electorate know, as does the rest of the Australian population, that no family earning that amount of money is wealthy. These families struggle to make ends meet. But, as with university fees, John Howard has Australia marching directly down the road to an Americanised, user-pays, two-tiered health care system where your credit card is worth more than your Medicare card.

The changes to Medicare and higher education announced in the budget reinforce the ideological obsession that John Howard and Peter Costello have with transferring the costs of health and education from the government onto Australia’s struggling families. This squeeze on families will increase families’ costs far beyond any benefit from tax cuts, shift the gov-
ernment’s deficit to the budgets of Australian families, and will make our society less fair as this government withdraws from its crucial support roles in health and education.

It is not only in the vital areas of health, education and drought assistance that this budget fails the people of Central Queensland. I will give examples of other shortcomings of this budget that have so badly let down regional Australia. The 2003 budget continues this government’s relentless attack on the Australian Broadcasting Corporation. The budget further starves the ABC of the funding it needs to provide decent public broadcasting services to regional Australians. The Howard government has completely rejected the ABC’s funding bid for extended regional coverage. Significant regional population centres will continue to miss out on ABC radio programming as a result of this budget. The government has rejected the ABC’s bid to extend the reach of ABC services—such as ABC NewsRadio, Classic FM and Triple J—to many parts of regional Australia. The decision to reject extending ABC radio services affects at least 60 regional communities. My home town of Rockhampton will, as a result of this budget, continue to miss out on ABC NewsRadio. If ever there were proof that this government is not a government for all Australians, it is this determination to stop the ABC’s radio services from reaching so many regional Australians.

While driving around regional Australia with their radios tuned to the local ABC, motorists in Central Queensland will be concerned about their safety on national highways, as this budget has frozen the funding of critical maintenance. Instead, in what has become a recognised sleight of hand, the mean and tricky Howard government will expect local councils to contribute to the cost of both the maintenance of national highways and the disaster mitigation arrangements, without any increase of federal funding for regional roads.

If a local government is hoping for some relief from the federal government, it will find that in this budget $17 million has been ripped from regional programs and a further $2 million has been cut from the Sustainable Regions Program—the funding for which has also been pushed out from three to four years under a smoke-and-mirrors trick to dud regional services. The great tragedy of all this is the continuing drift of population from regional and rural Australia to the capital cities. This is forced on many regional families as they see the city-country divide continue to widen under this government, reinforced by this budget.

I have never been more convinced than I am now, in reading this budget, that regional Australia will now see through the Howard government—a government big on talk and small on vision and real expenditure in regional Australia. This budget is a litany of broken promises, underspending and missed opportunities. It is clear proof that the Howard government has no vision or regard for regional Australia, and that the National Party, supposedly the party of regional Australia, holds no sway in the citycentric Howard government or its draconian anti-regional Australia budgets.

Mr KELVIN THOMSON (Wills) (8.24 p.m.)—One of the things that I think the leadership debate in the Labor Party has focused attention on is the question of policies. Simon Crean made very clear in his response to the budget that Labor has indeed got some very significant policies which we believe will address issues which are of real concern to ordinary Australians. Simon talked about Medicare and promoting bulk-billing, he talked about affordable higher education and he talked about saving the Murray River. In picking up that theme of saving the Murray River, I want to take the opportunity tonight of the debate on Appropriation Bill (No. 1) 2003-2004 to talk about Labor’s policies in my own portfolio area of envi-
There are five policies in particular which we have developed and released in opposition during the course of this parliament which I want to speak about in a little detail.

First is the issue of water. I think water is the key environmental challenge facing this country at this time. The most pressing issue in relation to water is the health of the Murray-Darling river system. In response to that we have committed a Labor government to finding 450 gigalitres during our first term of office—450 gigalitres of extra water in environmental flows, which is necessary to keep the Murray mouth open. We have committed ourselves to finding over the course of 10 years some 1,500 additional gigalitres of water, which is what scientists tell us is necessary to maintain a healthy Murray-Darling river system. In order to do that we have said that we will establish the Murray-Darling River Bank, a Commonwealth corporation, with an initial injection of $150 million to be the vehicle by which we deliver those additional environmental flows.

The second policy I want to refer to is our policy to ratify the Kyoto protocol on climate change. There is no doubt in my mind that climate change is the most serious environmental issue facing the globe. There is no doubt that we need collective international action to deal with that problem. No one country can solve it on its own. The Kyoto protocol, whatever its sins and shortcomings, is the best available vehicle—effectively the only game in town—and we ought to be part of it. A Labor government would ratify the Kyoto protocol.

Thirdly, to meet the challenge of climate change in the longer term, we need to shift more to renewable energy sources, with the consequent reduction in greenhouse gas emissions. In order to achieve that, we have promised that a Labor government would set a mandatory renewable energy of five per cent by 2010. The fourth policy I want to refer to relates to land clearing and the need to get a halt in that year in, year out decline in our native vegetation cover.

The final policy I want to talk about this evening relates to the Great Barrier Reef and the need to extend the Great Barrier Reef region out to the borders of the exclusive economic zone in order to ensure that we do not have oil and gas exploration and drilling, with the consequent risks that that might pose for the Great Barrier Reef.

So there are five clear policies, indicating our concern for environment protection in the areas of water, climate change, renewable energy, land clearing and protecting the Great Barrier Reef. I will come back to each of those in a little more detail. I said before that water is the greatest environmental challenge that we face in this country. The health of the Murray-Darling river system is a matter which must be of great concern to all Australians. The mouth of the Murray River closed and it would not be open now if it were not for the dredging that is currently being carried out. This dredging may prove to be ineffectual but, without it, the Murray mouth would close, which would be an ecological disaster for the Coorong.

We have the blue-green algal blooms, we have native fish species declining and at risk of extinction, we have river red gums dying in many parts of the river system and we have increasing salinity. Everywhere you look, we have a Murray-Darling system which is in crisis. That is a matter of great ecological concern. It is a matter of great concern to people in South Australia. We have the prospect of the drinking water in Adelaide not meeting World Health Organisation standards two days out of five by the year 2020 if we continue at the present rate. It also has to be a matter of concern in terms of agricultural production because ulti-
mately, if that system is not sustainable, the agricultural production will not be sustainable either.

The scientists tell us that we need something like 450 gigalitres in additional environmental flows, and it is environmental flows which are at the heart of the problems facing the Murray-Darling Basin. The fact is that in an average year 12,000 gigalitres flows into the Murray-Darling system and 10,000 gigalitres of that is extracted, principally for irrigation, and not returned to the system. That has been a massive change to the Murray-Darling environment. It has not been a sustainable change. The scientists tell us that we need an extra 450 gigalitres put into the system to keep the Murray mouth open, but they estimate that, if we want a healthy river system overall, the system needs something like an additional 1,500 gigalitres. That will not be achieved readily, but Labor believes and the scientists tell us that, if we can achieve that over the course of a 10-year period, we will be able to restore the health of the river system. That means putting back into the river something like an additional two per cent each year. We believe that can be done, and our willingness to put forward $150 million for the creation of a Murray-Darling Riverbank is evidence of our bona fides in addressing that issue.

I was very concerned to hear today the agriculture minister indicating that he does not support returning 1,500 gigalitres to the system and asking really silly questions like, ‘Where is the water going to come from?’ when what is needed is a partnership between the federal government and the states—and that includes a financial commitment from the Commonwealth. The Prime Minister was asked a question by the Leader of the Opposition today concerning the Murray-Darling Basin, and he said that we need to fix up water property rights and that includes a financial commitment from the Commonwealth. The fact that there was not an extra dollar in the budget for the Murray-Darling Basin and that we are seeing cuts in the National Action Plan for Salinity and Water Quality is evidence that the government is not interested in a genuine solution to this problem. All they are interested in is a political solution to this problem. They say, ‘Yes, the Murray-Darling is in trouble, but we have to leave this matter to the states; they are responsible for fixing it.’

I indicated that Labor supports the ratification of the Kyoto protocol on climate change. In the last day or two, I noticed that in a submission to one of the inquiries regarding the bushfires in January an American scientist, Professor Karoly, said that the reason the bushfires were as severe as they were was because the Australian continent was hotter and drier than it had been on previous occasions. He attributed that to human induced climate change, greenhouse gas emissions, which caused the severe drought which has been devastating for many farmers and rural communities and has damaged Australian business and agriculture. In turn, this drought was responsible in part for the severity of the bushfires that we went through in January this year.

That is the sort of thing that is in store for us if we do not tackle climate change. We have the prospect of coral bleaching on the Great Barrier Reef. We have the prospect of a loss of snow cover in the Alps. We have the prospect of tropical diseases becoming more prevalent and more serious as our climate changes. We have the prospect of more frequent and severe droughts, floods, cyclones, bushfires and those types of extreme weather events. For that reason, Australia cannot afford to sit back and allow climate change to happen. We have to act. We have to be part of the collective international action to deal with it. I am confident that the
Kyoto protocol will come into force later this year when Russia ratifies it, and we ought to be on board that train.

Indeed, if we are not on board that train there will be costs for Australian business. Australian business will not have access to the clean development mechanism; we will not have access to the emissions trading regime that will be established; and there is a prospect that the nations that are part of the Kyoto protocol will meet and say, ‘What can we do to punish those nations that aren’t doing the right thing?’ You have the prospect of the Kyoto protocol effectively being used as a trade barrier against Australian exports. So we need to be part of that collective international action.

That in itself is just a first step. In this I agree with the environment minister: the Kyoto protocol is just the first step. It is a necessary first step, but if we are going to go further we need to look to encouraging renewable energy. There are a range of things that will give us action on greenhouse gas emissions but an important one is renewable energy. There is no doubt in my mind that, if we lift the mandatory renewable energy target, we will get a greenhouse gas emission dividend.

A study done by Origin Energy showed that, if we were to lift the mandatory renewable energy target to five per cent, we would get a one per cent reduction in greenhouse gas emissions in the next few years—during what is known as the first commitment period. Doing that would take us one-third of the way towards meeting the gap between the eight per cent target we have and the 11 per cent increase we are tracking for, so it would be a significant thing in the first commitment period. It would be even more significant in years to come, because through setting up alternative energy industries like wind power and solar power and getting into things like fuel cell technology we would be well placed to reduce our emissions still more—and all the scientific evidence shows that we need to make those greater reductions.

I also want to make further mention of our policy to produce a halt to net land clearing. We have had something like half a million hectares being cleared in Australia each year over the last few years. Land clearing is the principal cause of our salinity problems, a significant contributor to greenhouse gas emissions and the principal threat to our endangered species of plants, birds and other animals. We have to take action to put a halt to it; otherwise the damage to our soil and to our threatened species will be great indeed.

I note that the Howard government is now in discussions with the Queensland government, which has enacted a moratorium on land clearing. I welcome the enactment of that moratorium, but it is regrettable that the Howard government has taken so long to get us to this situation. Indeed, recent evidence shows that so many permits have been issued for land clearing that, even if those arrangements are put into place now, we can expect to see more land being cleared in the next few years than we have seen in the last few years. So the rate of land clearing is likely to increase, based on the failure of past policy and on federal government inaction leading to those permits being granted.

Labor has a policy to extend the Great Barrier Reef region out to the exclusive economic zone. We all love the Great Barrier Reef and understand that we have on our hands an asset of international proportions—I am told that it is one of the few things you can see from space. It also supports a massive tourism industry. I seek leave to continue my remarks later.
Leave granted; debate adjourned.

A division having been called in the House of Representatives—

Main Committee adjourned at 8.39 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Defense: Pre-emptive Military Strikes
(Question No. 1300)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

(1) What is the Government’s assessment of the impact on Australia’s relations of the Prime Minister’s comments in support of pre-emptive strikes against the sovereign territories of other nations in the region.

(2) Has his attention been drawn to comments from the Malaysian Foreign Minister on 7 December 2002 concerning the announcement of the new Howard doctrine.

(3) What is the Government doing to mend relations with our ASEAN neighbours.

(4) What is the Government doing to ensure that at the next ASEAN-ARF meeting, ASEAN countries do not need to address the issue of Australia’s threatening posture toward the region.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) Australia continues to have substantial and cooperative relations with countries in the region.

(2) Relevant statements made by my counterparts are brought to my attention as a matter of course.

(3) See the response to Question 1 above.

(4) Australia does not have a threatening posture toward the region.

Defense: Pre-emptive Military Strikes
(Question No. 1301)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

(1) What does the Government consider as grounds that could be used to justify under international law the use of a pre-emptive strike.

(2) Has the Government conducted any analysis in support of a change to international law so that a pre-emptive strike can be justified under the UN Charters provisions on self-defence; if so, what has been the content of that analysis.

Mr Downer—The answer to the honourable member’s question is as follows:

Please refer to my response to your question without notice of 24 March 2003.

Defense: Pre-emptive Military Strikes
(Question No. 1302)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

(1) Has his attention been drawn to the Prime Minister’s statement on 1 December 2002 about the circumstances under which Australia would be justified in undertaking a pre-emptive military strike against the territory of a neighbouring state.

(2) Did he state on 8 December 2002 that the only circumstances under which Australia would contemplate a pre-emptive military strike against a neighbouring state was if that state was aiding and abetting terrorists.

(3) Which states around the world does he believe are currently aiding and abetting terrorists and which states therefore would justify consideration for the application of a pre-emptive military strike.
(4) Will the Government rule out once and for all the possibility of Australia launching a pre-emptive military strike against any of its neighbours in South East Asia.

Mr Downer—The answer to the honourable member’s question is as follows:
Please refer to my response to your question without notice of 24 March 2003.

**Foreign Affairs: South-East Asia**

(Question No. 1303)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

1. Has he made statements after the Bali bombings about the paramount importance of working conjointly and cooperatively with regional Governments in a combined effort against terrorism in South East Asia, including the convening of a regional conference for Bali in December for the purposes of developing regional cooperative relationships for dealing with terrorism in South East Asia.

2. Has his attention been drawn to statements coming out of the region such as those by The Philippines National Security Adviser Roilo Golez who said that in view of the Prime Minister’s statement, Mr Golez has recommended that The Philippines review and go slow on the proposed anti-terror pact with Australia because it might be used for a pre-emptive strike agenda.

3. If so, how does he reconcile his and Mr Golez’s statements.

4. Is the Prime Minister’s statement on 1 December 2002 on the new Howard doctrine of Australian military pre-emption in South East Asia now fundamentally undermining Australia’s pre-existing policy of working conjointly and cooperatively with the Governments of South East Asia with the common objective of eliminating terrorism within our region.

Mr Downer—The answer to the honourable member’s question is as follows:

1 and 4) Australia continues to work cooperatively with countries in the region to fight the threat posed by terrorist networks.

2 and 3) I am aware of comments made by the Philippines National Security Adviser, Roilo Golez, on a number of issues. I signed a bilateral counter-terrorism MOU with my counterpart Mr Blas Ople on 4 March 2003 to underpin cooperation between Australian agencies and their counterparts in the Philippines.

**Defence: Pre-emptive Military Strikes**

(Question No. 1304)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

1. Is he able to say why the Prime Minister’s announcement of the new Howard doctrine of Australian military pre-emption in South East Asia on 1 December 2002 did not contain within it an explicit precondition that Australia would only act militarily within South East Asia in cooperation with the relevant Government in the region.

2. Did he state on the ABC’s World Today program on 2 December 2002 that he would hope that an attack would be done through regional co-operation.

3. Given that the Prime Minister’s statement about the new doctrine does not contain within it any precondition that Australia would first obtain the consent of regional governments before acting militarily but his statement about the new doctrine does contain such a precondition, does he or the Prime Minister speak for Australia on this fundamental question of national security policy.

Mr Downer—The answer to the honourable member’s question is as follows:
Please refer to my response to your question without notice of 24 March 2003.

QUESTIONS ON NOTICE
Foreign Affairs: South-East Asia
(Question No. 1305)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

1. Has his attention been drawn to a report by American academic Dr Zachary Abuza first released in February 2002 who claims that al Qaeda has been active in the South East Asian region for the last ten years.

2. When was the Australian Government first made aware of the report by Dr Abuza on al Qaeda’s well-established network of terrorist cells in South East Asia.

3. Did the Australian embassy in Washington first ask for a copy of the report in August 2002 and has the Australian Federal Police been receiving updated versions of this report.

4. What action did the Government take upon receipt of this report, given its detailed analysis of the extent of al Qaeda cells across South East Asia not just months but years prior to the Bali bombing.

5. Given the Government committed this country militarily to the elimination of al Qaeda in Afghanistan in November 2001, and given the knowledge that al Qaeda operatives were already well established in the region, what was the Australian Governments assessment of the likely al Qaeda retaliation through its cells in South-East Asia to the tens of thousands of Australians living in South-East Asia at that time.

6. When did the Government conclude that Australians were much more likely to become the target of al Qaeda operatives already well established in the region.

Mr Downer—The answer to the honourable member’s question is as follows:

1. Yes

2. and (3) The Australian Embassy in Washington received a copy of Dr Abuza’s monograph titled “Tentacles of Terror: Al-Qa’eda’s Southeast Asian Network” in early August 2002. The question of what the AFP has or has not received would be for my colleague the Minister for Justice and Customs to address.

4. Dr Abuza’s report did not add substantially to our general understanding of al-Qa’eda’s activities in South East Asia.

5. Travel advices for Indonesia, Philippines and Malaysia were adjusted over the period October-November 2001 to take account of the international coalition’s military actions in Afghanistan. I made public statements in mid-2002 expressing Australia’s deep concern about the terrorist threat in South East Asia posed by groups like Jema’ah Islamiyah and al-Qa’eda. I expressed similar concerns in response to a question in this House on 17 September 2002.

6. In response to credible threats concerning the region, most travel advisories for South East Asia were upgraded on 10 and 11 September 2002 to alert Australians to the potential for terrorist activity in the region. The warnings reflected in the travel advice were reported widely in the Australian media and were of course disseminated widely by my department. Prior to the 10 and 11 September updates, a number of the Government’s travel advisories warned about the possibility of bomb attacks, including the travel advice for Indonesia.

Defence: Pre-emptive Military Action
(Question No. 1307)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

1. Is the Government’s position in support of the creation of the new area of international law in favour of military pre-emption as expressed by the new Howard doctrine on regional pre-emptive
military action, valid for Australia and is it also applicable for other countries to apply it in the region.

(2) What consideration has the Government given to the application of the new Howard doctrine on regional pre-emptive military action by other countries in the South East Asian region.

(3) Would the Government support pre-emptive use of military force by Indonesia’s Special Forces, Kopassus, against organisations seeking independence such as the Free Papua Movement (OPM) and their support networks based on Australian soil.

Mr Downer—The answer to the honourable member’s question is as follows:

Please refer to my response to your question without notice of 24 March 2003.

Defence: Pre-emptive Military Action
(Question No. 1308)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

(1) In his meeting with ASEAN Heads of Mission on 5 December 2002, did he rule out the option of regional pre-emptive military action by Australia to security threats to Australians or did he leave the door open to the possibility that regional pre-emptive military action may be a possibility into the future.

(2) Given the diplomatic fallout, why did it take him four days to meet with the ASEAN Heads of Mission and explain the Governments new policy position.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) I addressed this issue in response to a Question Without Notice in the House from Mr Rudd on 5 December 2002.

(2) The meeting was well timed to discuss the relevant issues.

Foreign Affairs: Travel Advice
(Question No. 1309)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

(1) Has his attention been drawn to the report by Dr Zachary Abuza that al Qaeda established cells in the South-East Asian region in The Philippines in 1991, Indonesia in 1999, Singapore in the mid to late 1990s and Malaysia in 1993.

(2) Given that the Abuza report was prepared originally in February 2002 and that it is based in part on allied intelligence assessments of al Qaeda in the South-East Asian region prepared around the time that Australia sent Australian soldiers to Afghanistan, what was the Government’s prior knowledge of the extent of al Qaeda’s network in the South-East Asian region.

(3) Did the Government assess the possibility that Australians in the region would be at a greater threat at the time the Government’s decision to commit Australian forces against al Qaeda in Afghanistan.

(4) Did the Government adjust travel advisories at this time for the South East Asian countries to factor this assessment into account; if not, why not.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) The Government was aware of al-Qa’eda connections in South-East Asia from the mid-1990s. Detailed information on these links was acquired in late 2001 following the action against al-Qa’eda and the Taleban and arrests in Singapore and Malaysia at the end of 2001. As a matter of policy, I will not comment further on such intelligence matters.
(3) The basis of the decision to commit troops in Afghanistan was to remove the threat of terrorist networks that operated out of Afghanistan. This operation successfully removed the Taleban from power, destroyed al-Qa’eda’s training camps, disrupted al-Qa’eda’s networks and led to the deaths and capture of many al-Qaeda members.

(4) Adjustments were made to travel advisories for the Philippines, Malaysia and Indonesia around this time.

**National Security: Terrorism**

(Question No. 1310)

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 4 February 2003:

(1) Did he state on 22 October 2002 that the Government’s policy was one which required Australia to work intimately with the governments of the region, including Indonesia, against the common enemy of terrorism.

(2) Are regional governments such as Indonesia more or less likely to work with Australia against the common enemy of terrorism, now that the Government has announced a doctrine of pre-emption, whereby Australia in the future now contemplates the possibility of launching a military attack against the territory of Indonesia.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) The Government continues to work cooperatively with countries in the region, including Indonesia, to fight the threat posed by terrorist networks.

**Taxation: Bankruptcy Laws**

(Question No. 1420)

Mr Murphy asked the Attorney-General, upon notice, on 6 February 2003:

(1) For the purposes of section 263 of the Bankruptcy Act, (a) can he say whether Mr Stephen Archer, a declared bankrupt due to be let out of bankruptcy by his trustee in 2005, has attempted to conceal property of the bankrupt either during the term of this current bankruptcy or during the term of any other bankruptcy he has been the subject of s.263(1)(a); if so, what is that property and what action can the Director of Public Prosecution (DPP) take with respect to the provisions of section 263; if not, why not and (b) is he aware of Mr Archer’s wife ever having received such property in terms of s.263(1)(b).

(2) Upon a finding of any attempt by Mr and Mrs Archer to conceal property and given the history of the case of Mr Archer, will he encourage the DPP to pursue the full weight of the law, namely the indictable offence penalty of three years imprisonment; if not, why not.

(3) For the purposes of subsection 264(2), is he aware of any property previously owned by, in the title of Mr Archer, which has been disposed of, received, moved, retained or concealed by him that has been seized; if so, what is that property.

(4) For the purpose of section 263A of the Act, can he say whether Mr Archer has made any affidavits known to be false; if so, what are those affidavits and what action is being taken to bring Mr Archer to justice.

(5) For the purpose of section 263B of the Act, can he say whether Mr Archer has made any false proofs of debt; if so, what are those affidavits and what action is being taken to bring Mr Archer to justice.

(6) For the purpose of section 264A of the Act, can he say whether it is known that Mr Archer intends not to appear before the full examination at the Federal Court on 19-20 February 2003.

QUESTIONS ON NOTICE

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(7) If Mr Archer does fail to appear at this examination, can he say whether the DPP will take all punitive action to commence proceedings for Mr Archer’s arrest and trial to face charges under this provision that may impose a maximum sentence of six months imprisonment; if not, why not.

(8) If Mr Archer fails to appear at the full examination of the Federal Court, will he recommend to the DPP pursuant to subsection 264A(2) that further proceedings be initiated for contempt of court; if not, why not.

(9) In light of the fact that this is Mr Archer’s third bankruptcy, if Mr Archer fails to appear at the full examination, can he say whether the DPP will seek to arrest Mr Archer under the provisions of section 264B of the Act; if not, why not.

(10) If Mr Archer does appear at the listed examination and either refuses to be sworn or refuses to give evidence, can he say what steps the DPP will take to implement the punitive provisions of section 264C of the Act; if not, why not.

(11) Pursuant to section 265 of the Act, can he say whether Mr Archer is known to have failed to disclose property; if so, what is that property and what action under this or another provision has the DPP taken against Mr Archer for so doing.

(12) Can he say whether, pursuant to section 266 of the Act, whether the DPP has established whether Mr Archer has attempted to, or actually disposed of, property during any of the three bankruptcy applications after the presentation of a petition; if so, what action under this provision has been taken by the DPP and when was it taken.

(13) Can he say whether the DPP has established whether Mr or Mrs Archer has made any false declaration to the Court within the meaning of (a) section 267, (b) section 267B or (c) 267C with respect to any of the previous or current bankruptcies; if so, what are those declarations.

(14) Pursuant to section 269, can he say whether the DPP has established whether Mr Archer has obtained credit at any time during any of his three periods of bankruptcies; if so, what are the details of these credit applications including dates, borrower and amounts and what action has the DPP taken with respect to this conduct.

(15) Pursuant to section 270, can he say whether the DPP has established whether Mr Archer has kept proper books of account during his three periods of bankruptcy; if so, will he table these accounts in Parliament; if not, why not.

(16) Can he say whether the DPP has established what are the particulars of the trust that currently exists on Mr Archer’s bankrupt estate.

(17) Can he say whether the DPP has established whether Mr Archer’s bankrupt estate is a Part X arrangement or some other assignment; if so, what is that arrangement or assignment.

(18) Can he say whether the DPP has established whether Mr Archer has kept books as prescribed in section 277A of the Act; if not, why not; if so, will he table these books in Parliament; if not, why not.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) A public examination of Mr Archer was held in Sydney on 19 February 2003. I understand that Mr Archer denied that he had ever been a party to a transaction that might fall under ss 263 (1)(a) or 263 (1)(b) of the Bankruptcy Act 1966 (the Act). In relation to the two earlier bankruptcies administered by the Insolvency and Trustee Service Australia (ITSA) on behalf of the Official Trustee, I am advised that ITSA is not aware of any transaction that would have been covered by these subsections.

(2) It is a matter for the trustee of Mr Archer’s current bankruptcy to consider whether there is evidence of any offence against the Act to refer to ITSA’s Fraud Investigation Section or the Australian Federal Police (AFP).
I am not aware of any such property.

I have no knowledge of any affidavits that Mr Archer may have sworn that are known to be false. I understand that Mr Donnelly, trustee of the current bankruptcy, is continuing his investigations and has not reached any conclusions that may be relevant to that.

I am advised that ITSA is not aware of any false proofs of debt being lodged in relation to either of the bankruptcies that it administered.

Mr Archer appeared at his public examination.

Mr Archer appeared, so no answer is necessary.

Mr Archer did not refuse to be sworn and I understand that he did not refuse to give evidence.

ITSA, as trustee of Mr Archer’s first two bankruptcies, was not aware that Mr Archer had failed to disclose any such property. Mr Donnelly, trustee of the current bankruptcy, is continuing his investigations and I understand has not reached any conclusions.

ITSA, as trustee of Mr Archer’s first two bankruptcies, was not aware of any such disposals. Mr Donnelly, trustee of the current bankruptcy, is continuing his investigations and I understand has not reached any conclusions.

ITSA, as trustee of Mr Archer’s first two bankruptcies, was not aware of any such false declarations. Mr Donnelly, trustee of the current bankruptcy, is continuing his investigations and I understand has not reached any conclusions.

ITSA, as trustee of Mr Archer’s first two bankruptcies, was not aware of any such credit application. Mr Donnelly, trustee of the current bankruptcy, is continuing his investigations and I understand has not reached any conclusions.

The DPP, as the prosecuting authority, would have no involvement or role in respect of investigating books of account. If any relevant books were to exist, it would not be appropriate for me to table them as they would be under the control of the trustee and, ultimately, the Federal Court.

The DPP has no involvement or role in examining any of Mr Archer’s trusts, as no allegations of an offence have been made.

A Part X arrangement is not a bankruptcy. It does not require the DPP to establish that, it is a matter of fact.

Section 277A of the Act relates to the keeping of books during the course of the bankruptcy. ITSA, as trustee of Mr Archer’s first two bankruptcies, was not aware of any deficiencies in his bookkeeping. Mr Donnelly, trustee of the current bankruptcy, is continuing his investigations and has not reached any conclusions. If the books exist, I will not be tabling them in Parliament for the reasons set out in my answer to part (15).

Taxation: Privacy

Mr Murphy asked the Attorney-General, upon notice, on 11 February 2003:

Is he able to say whether, under the Privacy Act, (a) the word “record” includes an individual’s taxation return held by the Commissioner of Taxation, (b) the Australian Taxation Office is an “agency”, (c) the Commissioner of Taxation is a “record-keeper” and (d) the Commissioner of Taxation is bound by the Information Privacy Principles (IPP); if so, are there any exemptions.

Does IPP 11 preclude the Commissioner of Taxation from disclosing either (a) the tax return of an individual; or (b) information as to whether an individual has lodged a return for a particular year, without actual access to the information contained in a tax return itself but only information of the fact of lodgment.
(3) Does an act of the Commissioner of Taxation in disclosing information to a peak professional body for potential disciplinary action within that profession against a practitioner member of their association, including the Bar Association of New South Wales, the New South Wales Law Society, the Australian Medical Association, the Royal College of Surgeons and other equivalent professional bodies charged with chartered disciplinary responsibilities who maintain professional standards in their respective professions, constitute a breach of the IPP 11; if so, how.

(4) What is the procedure, if any, by which a professional body charged with disciplinary and professional standard responsibilities such as the New South Wales Bar Association and the New South Wales Law Society, may licitly obtain information critical to their disciplinary powers, including access to verifiable sources of taxation records of their members.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) (a) An individual’s taxation return held by the Commissioner of Taxation is a “record” for the purposes of the Privacy Act 1988 (Privacy Act).

(b) The Australian Taxation Office (ATO) is an agency for the purposes of the Privacy Act.

(c) The Commissioner of Taxation is a record keeper for the purposes of the Privacy Act.

(d) The Commissioner of Taxation is bound by the Information Privacy Principles of the Privacy Act subject to the exemptions provided under the Privacy Act.

(2) The disclosure of: (a) the tax return of an individual; or (b) information as to whether an individual has lodged a tax return, both involve the disclosure of personal information within the meaning of the Privacy Act. IPP 11 would therefore preclude the disclosure of a person’s tax return or information about whether the person had lodged a tax return, unless one of the exceptions listed in IPP 11 applies. The exceptions apply where: (a) the person to whom the information relates is aware or reasonably likely to be aware that this information is usually passed to that person, body or agency; or (b) the person to whom the information relates consents to the disclosure; or (c) the record keeper believes that the disclosure is necessary to prevent or lessen a serious and imminent threat to life or health; or (d) the disclosure is authorised by law; or (e) the disclosure is reasonably necessary for the enforcement of the criminal law, a law imposing a pecuniary penalty or for the protection of the public revenue.

(3) The disclosure of personal information to a professional body for the purpose of conducting disciplinary proceedings would breach IPP 11 unless one of the exceptions listed in IPP 11 applies.

(4) IPP 11 is not breached if the disclosure of personal information is required or authorised by law within the meaning of IPP 11(1)(d). Disclosure is authorised by law if legislation regulating disciplinary proceedings by a professional association authorises the association to compel the disclosure of that information.

IPP 11 is only a minimum standard regulating disclosure of personal information. The Commissioner of Taxation is also subject to special secrecy provisions, such as section 16 of the Income Tax Assessment Act 1936, which places further limits on the power of officers of the Australian Taxation Office, including delegates of the Commissioner, to disclose this information. Exceptions in secrecy provisions permit disclosures for specified purposes. The terms of each secrecy provision must be considered to determine whether the exceptions to the provision would permit the disclosure of personal information to a professional association for the purpose of disciplinary proceedings.

Taxation: Bankruptcy Laws

(Question No. 1598)

Mr Murphy asked the Attorney-General, upon notice, on 6 March 2003:
What action is he taking to amend laws to prevent Mr Bill Davison, SC, from using bankruptcy and family law on a third occasion to put his assets out of reach of the Taxation Commissioner and thereby avoid paying tax.

Mr Williams—The answer to the honourable member’s question is as follows:

The Government is not taking any specific action directed at Mr Davison. Suggested changes to bankruptcy and family law in respect of the activities of high income professionals are considered in an issues paper released in November 2002 by ITSA and the Attorney-General’s Department (AGD). The paper was open for comment from the community and professional bodies until 20 February 2003. The comments are being reviewed by ITSA and AGD and will inform the Government’s decision on appropriate action to take.

Taxation: Bankruptcy Laws
(Question No. 1599)

Mr Murphy asked the Attorney-General, upon notice, on 6 March 2003:

(1) Is he aware of reports that Mr Timothy Wardell, a barrister, went bankrupt in 2000 owing $1 million to the Australian Taxation Office (ATO); if not, why not.
(2) With regard to his News Release of 25 July 2001 titled Getting tough on lawyers who avoid tax, what changes to the law has he initiated to ensure that Mr Wardell cannot again use bankruptcy or family law to avoid paying income tax.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) No. It is not practical for me to be routinely informed about all operational matters relating to bankruptcy.
(2) The Government is not taking any specific action directed at Mr Wardell. Suggested changes to bankruptcy and family law in respect of the activities of high income professionals are considered in an issues paper released in November 2002 by the Insolvency and Trustee Service Australia and the Attorney-General’s Department. The paper was open for comment from the community and professional bodies until 20 February 2003. The comments are being reviewed by ITSA and AGD and will inform the Government’s decision on appropriate action to take.

Taxation: Bankruptcy Laws
(Question No. 1600)

Mr Murphy asked the Attorney-General, upon notice, on 6 March 2003:

(1) Is he aware of reports that Mr Wayne Baffsky, a barrister practising criminal law, went bankrupt in 2000 owing $442,000 to the Australian Taxation Office (ATO); if not, why not.
(2) Concerning his News Release of 28 February 2001 titled Attorneys-General to consider compulsory reporting of bankruptcy for barristers, has he reported Mr Baffsky’s bankruptcy to the New South Wales Bar Association; if so, when; if not, why not.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) No. It is not practical for me to be routinely informed about all operational matters relating to bankruptcy.
(2) The Government is not taking any specific action directed at Mr Baffsky. Suggested changes to bankruptcy and family law in respect of the activities of high income professionals are considered in an issues paper released in November 2002 by the Insolvency and Trustee Service Australia and the Attorney-General’s Department. The paper was open for comment from the community and professional bodies until 20 February 2003. The comments are being reviewed by ITSA and AGD and will inform the Government’s decision on appropriate action to take.
Taxation: Bankruptcy Laws  
(Question No. 1601)  

Mr Murphy asked the Attorney-General, upon notice, on 6 March 2003:  
(1) In respect to the Commissioner of Taxation’s Annual Report 2000-01 where it was reported on page 64 that the Attorney-General and the Assistant Treasurer had established a bankruptcy taskforce to determine any changes needed to bankruptcy, taxation or other laws to ensure that members of the legal profession may not use bankruptcy as a means of avoiding their tax obligations; what recommendations has the taskforce made to date.  
(2) Have any recommendations been implemented; if so, what are the details, if not, why not.  

Mr Williams—The answer to the honourable member’s question is as follows:  
(1) On 2 May the Assistant Treasurer and I issued a statement which outlines progress to date on the Taskforce recommendations. The table attached to that statement sets out the recommendations and the action taken in respect of each of them. The statement may be found at www.law.gov.au/olsc or www.itsa.gov.au  
(2) See my answer above.  

Taxation: Lodgment of Returns  
(Question No. 1619)  

Mr Murphy asked the Attorney-General, upon notice, on 18 March 2003:  
(1) Is he aware of reports that Mr Roger de Robilliard, a barrister, appeared before the Supreme Court of New South Wales on 5 March 2003 for not filing a tax return since 1997.  
(2) What action has been taken to ensure all barristers lodge their tax returns on time.  

Mr Williams—The answer to the honourable member’s question is as follows:  
(1) No, though I note that the Court’s lists are on the public record.  
(2) This question should be directed to my colleague the Treasurer.  

Transport and Regional Services: Program Funding  
(Question No. 1683)  

Ms Hoare asked the Minister for Transport and Regional Services and the Minister for Regional Services, Territories and Local Government, upon notice, on 19 March 2003:  
(1) Does the Minister’s Department administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Charlton can apply for funding; if so, what are the programs.  
(2) Does the Minister’s Department advertise these funding opportunities; if so, (a) what print or other media outlets have been used for the advertising of each of these programs, (b) were these paid advertisements, and if so, (c) what was the cost of each advertisement.  
(3) With respect to each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.  
(4) With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses or (c) individuals in the electoral division of Charlton received funding in 1999, 2000, 2001 and 2002.  
(5) What is the name and address of each recipient.  

Mr Anderson—The answer to the honourable member’s question is as follows:
(1) The Department of Transport and Regional Services (DOTARS) administers the following Commonwealth funded programs for which community organisations, businesses and individuals in the electoral division of Charlton can apply for funding:

- Natural Disaster Risk Management Studies Programme (NDRMSP);
- Regional Flood Mitigation Programme (RFMP);
- Road Safety Research Grants.
- Regional Solutions Programme (RSP);
- Regional Assistance Programme (RAP);
- *Dairy Regional Assistance Programme (DRAP); and
- **Newcastle Structural Adjustment Fund (NSAF).

* Closing date for final round applications was 5 December 2002.
** All NSAFs are fully committed.

Note: From 1 July 2003, funding assistance for regional communities will be directed through the Regional Partnerships Programme.

(2) (a) The Department of Transport and Regional Services does advertise these funding opportunities as follows:

The following programmes are promoted on the DOTARS Web site:
- Regional Flood Mitigation Programme - http://www.dotars.gov.au/regional/rfmp/index.htm; and

The annual funding round for the NDRMSP is advertised in the following newspapers:
- Weekend Australian;
- Koori Mail; and
- Local Government Focus.

Advertisements seeking expressions of interest in the annual funding round for the RFMP are advertised in the:
- Sydney Morning Herald;
- Melbourne Age;
- Brisbane Courier Mail;
- Perth West Australian;
- Hobart Mercury;
- NT News; and
- The Weekend Australian.

NB: In addition, correspondence regarding both Programmes are sent to Federal MPs and Senators, Local Government Area Mayors and Chief Executive Officers, Victorian Catchment Management Authorities and State Emergency Ministers.

Road Safety Research Grants are advertised nationally in the Financial Review and the Weekend Australian.

The RSP was advertised in “The Australian” and Regional Press. It was also advertised electronically on the Department of Transport and Regional Services website, www.dotars.gov.au and

The RAP is advertised electronically on the Department of Transport and Regional Services website, www.dotars.gov.au as well as through the Commonwealth Government grants website, www.grantslink.gov.au. It may also be advertised through various means by the Government’s Area Consultative Committees that have as one of their roles, the identification and endorsement of projects for funding under RAP.

For the NSAF, the Department did not undertake any paid advertisements. However, there was extensive media coverage on the closure of BHP, including the Federal Government’s Newcastle Structural Adjustment Fund.

(b) Where DOTARS advertises in print media such as local and national newspapers or in other media such as television advertisements, the advertisements are paid for.

(c) The costs of each advertisement are as follows:

Although the costs of advertising in newspapers varies from year to year, the costs for advertising the NDRMSP in 2002/2003 are as follows:

- Weekend Australian - $2,949.60;
- Koori Mail – $463.50; and
- Local Government Focus - $681.82.

Totalling approximately $4,094.92.

Costs for advertisements seeking expressions of interest in the annual funding round for the RFMP in 2002/2003 are as follows:

- Sydney Morning Herald - $2,599.36;
- Melbourne Age - $1,940.73;
- Brisbane Courier Mail – $1,658.89;
- Perth West Australian – $1,820.42;
- Hobart Mercury - $452.44;
- Adelaide Advertiser - $1,519.52;
- NT News - $388.89; and
- The Weekend Australian - $5,334.11.

Totalling approximately $15,714.36.

There are also postal and administrative costs associated with correspondence sent to all Local Government Authorities, State lead agencies and the Electoral Offices.

Road Safety Research Grants.

1999-2000
Newspaper – Financial Review: cost $1,013
Newspaper – Weekend Australian: cost $1,711

2000-2001
Newspaper – Financial Review: cost $1,138
Newspaper – Weekend Australian: cost $1,977

2001-2002
Newspaper – Financial Review: cost $1,293

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Newspaper – Weekend Australian: cost $2,120

The RSP was advertised throughout national and regional press following its launch on 27 October 2000 at a cost of $92,887. A smaller advertising campaign commenced on 16 June 2001. This campaign was designed to target major regional newspapers in regional Australia at a cost of $56,247.

(3) (a) The purpose of the NDRMSP is to encourage State, Territory and Local Governments to undertake worthwhile studies to identify, analyse and evaluate the risks from natural disaster through the provision of Commonwealth financial assistance towards the cost of these studies.

The Programme is also intended to stimulate the introduction by State, Territory or Local governments of measures to reduce those risks identified.

The RFMP is a Commonwealth Government initiative to assist State and Territory Governments and local agencies in the implementation of priority, cost effective flood mitigation works and measures in rural, regional and outer metropolitan Australia.

The Programme is designed to integrate with the Commonwealth Government’s approach to natural disaster mitigation throughout Australia.

Projects funded by the RFMP will be those which address flooding issues as part of regional floodplain management.

Road Safety Research Grants are offered as a means to:

• promote innovative worthwhile research into road safety; and
• broaden the base of effective road safety researchers by encouraging established scientists, recent postgraduates, and commercial and community-based organisations to undertake research in the road safety field.

Applications are invited from Australasian academic research institutions and Australasian commercial or community-based organisations. The research can be into any aspect of road safety. The maximum duration of a project is twelve months, and the maximum grant available is $25,000.

RSP is aimed at helping regional, rural and remote communities to build their capacity and to identify and implement development opportunities. It helps communities to move beyond planning by providing assistance to implement community initiatives, including community infrastructure.

The RAP generates employment in metropolitan, regional and remote Australia by encouraging local community action to boost business growth and create sustainable jobs. It provides seed funding for innovative, quality projects of value to the community.

Dairy RAP is designed to assist communities that have been impacted upon by the deregulation of the dairy industry. The programme facilitates long-term employment by supplementing business investment and provides support for services that will lead to on-going economic and social benefits for regions affected by dairy deregulation.

The purpose of the Newcastle Structural Adjustment Fund is to assist the local economy to adjust to the job losses following the closure of the BHP Steel Division. The Federal Government allocated $10 million for initiatives that would generate sustainable private sector employment growth within the Hunter Region.

(b) The responsibility for allocating funding under these programmes is:

Funding for both the NDRMSP and the RFMP is a joint arrangement between the Commonwealth, States and Local Governments. Each State provides a list of priority projects for funding, with the Hon. Wilson Tuckey, Minister for Regional Services, Territories and Local Government, approving the final allocation of funds.
Road Safety Research Grants applications are assessed by an expert panel drawn from the ATSB. Where appropriate, the selection committee seeks input from experts in other areas of the Department or from experts in the particular field of research to which the application relates.

Final decisions on all applications for RSP funding are made by the Minister for Regional Services, Territories and Local Government.

Final decisions on all applications for RAP funding are made by the Assistant Secretary, Stronger Regions Branch, Department of Transport and Regional Services.

For Dairy RAP, the Department of Transport and Regional Services is responsible for the allocation of funds.

For the NSAF, the Minister for Regional Services, Territories and Local Government is responsible for the allocation of funds.

(4) With respect to each of the Commonwealth funded programs referred to in part (1), the following (a) community organisations, (b) businesses or (c) individuals in the electoral division of Charlton received funding in 1999/00 2000/01 2001/02. The information provided relates to the financial year as the department records funding by financial year.

Regional Solutions Programme
1999-2000
Not applicable (RSP was launched in October 2000).
2000-2001
(a) community organisations: nil.
(b) businesses: not applicable
(c) individuals: not applicable
2001-2002
(a) community organisations: one
(b) businesses: not applicable
(c) individuals: not applicable

Regional Assistance Programme
1999-2000
(a) community organisations: nil
(b) businesses: nil
(c) individuals: nil
2000-2001
(a) community organisations: nil
(b) businesses: nil
(c) individuals: nil
2001-2002
(a) community organisations: one
(b) businesses: nil applications, nil recipients
(c) individuals: nil applications, nil recipients

Dairy Regional Assistance Programme
### Newcastle Structural Assistance Fund

**1999-2000**
- (a) community organisations: nil
- (b) businesses: nil
- (c) individuals: nil

**2000-2001**
- (a) community organisations: one
- (b) businesses: nil
- (c) individuals: nil

**2001-2002**
- (a) community organisations: one
- (b) businesses: nil
- (c) individuals: nil

### Regional Solutions Programme
Araluen Aboriginal Corporation
65 Faucett Street
BLACKALLS PARK NSW 2283

### Regional Assistance Programme
Lake Macquarie Tourism Association
72 Pacific Highway
BLACKSMITHS 2281 NSW

### Dairy Regional Assistance Programme
Hunter Area Consultative Committee
118b Belford Street
Broadmeadow NSW 2292
Newcastle Structural Adjustment Fund
Lake Macquarie City Council
Box 1906
Hunter Region Mail Centre NSW 2310.

Bankruptcies
(Question No. 1714)

Mr Murphy asked the Attorney-General, upon notice, on 20 March 2003:
(2) During the financial year ended 30 June 2002, how many people were declared bankrupt for: (a) a second time, (b) a third time, (c) a fourth time, (d) a fifth time, (e) a sixth time, (f) a seventh time, (g) an eighth time, (h) a ninth time, (i) a tenth time, and (j) an eleventh time.
(3) What is the maximum number of times an individual has been declared bankrupt.

Mr Williams—The answer to the honourable member’s question is as follows:
(1) The number of people declared bankrupt during the following financial years ended 30 June were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Bankrupts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>20,143</td>
</tr>
<tr>
<td>1997</td>
<td>24,246</td>
</tr>
<tr>
<td>1998</td>
<td>26,515</td>
</tr>
<tr>
<td>1999</td>
<td>28,309</td>
</tr>
<tr>
<td>2000</td>
<td>24,908</td>
</tr>
<tr>
<td>2001</td>
<td>25,313</td>
</tr>
<tr>
<td>2002</td>
<td>25,029</td>
</tr>
</tbody>
</table>

(2) In the financial year ending 30 June 2002, the following number of people declared bankrupt had been bankrupt more than once:

<table>
<thead>
<tr>
<th>No. of times bankrupt</th>
<th>No. of people bankrupt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second</td>
<td>2,768</td>
</tr>
<tr>
<td>Third</td>
<td>318</td>
</tr>
<tr>
<td>Fourth</td>
<td>92</td>
</tr>
<tr>
<td>Fifth</td>
<td>31</td>
</tr>
<tr>
<td>Sixth</td>
<td>12</td>
</tr>
<tr>
<td>Seventh</td>
<td>4</td>
</tr>
<tr>
<td>Eighth</td>
<td>7</td>
</tr>
<tr>
<td>Ninth</td>
<td>4</td>
</tr>
<tr>
<td>Tenth</td>
<td>3</td>
</tr>
<tr>
<td>Eleventh</td>
<td>3</td>
</tr>
</tbody>
</table>

(3) I understand that the maximum number of times an individual has been declared bankrupt is twelve.

Taxation: Information Sharing
(Question No. 1763)

Mr Murphy asked the Attorney-General, upon notice, on 26 March 2003:
Do the Australian Taxation Office, the Australian Securities and Investment Commission and the Insolvency and Trustee Service of Australia share information with a view to each body fulfilling its objectives laid out in its business plan; if not, why not.

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Mr Williams—The answer to the honourable member’s question is as follows:

Within the requirements of the Privacy Act 1988 and other relevant statutory secrecy provisions relating to personal information, the Insolvency and Trustee Service Australia (ITSA) shares relevant information with the Australian Taxation Office (ATO) and the Australian Securities and Investments Commission (ASIC) in connection with matters arising under the Bankruptcy Act 1966.

The ATO is notified by ITSA of new bankruptcies when the Commissioner of Taxation is a creditor. ITSA provides relevant information in respect of particular bankruptcies it administers to the ATO when requested to do so to assist ATO enquiries or investigations.

ITSA entered into a Memorandum of Understanding with ASIC in April 2002 which facilitates information sharing in connection with the regulation of insolvency practitioners, within the constraints mentioned above. ITSA also makes new bankruptcy information from the National Personal Insolvency Index regularly available to ASIC to assist ASIC administer its responsibilities.

ITSA will refer any information it uncovers that appears to relate to an offence against provisions for which one of the other agencies is responsible to that agency.

Bankruptcies
(Question No. 1782 and 1783)

Mr Murphy asked the Treasurer* and the Attorney-General, upon notice, on 27 March 2003:

(1) Is he aware that the Insolvency and Trustee Service Australia (ITSA) Annual Report for 2001-02 notes at page 16 that voluntary debtor petitions (bankruptcies initiated by the debtor) accepted by ITSA “account for 94 per cent of bankruptcies”.

(2) Were 22,668 debtors petitions accepted by ITSA in 2001-02; if not, what is the correct number.

(3) What is (a) the number and (b) the percentage of debtors’ petitions lodged by persons in the following occupations (Business Industry Code): (i) Barristers (78410), (ii) Solicitors (78410), (iii) General Medical Practitioners (86210), (iv) other Medical Practitioners (86221-86228 and 86230), and (v) Accountants and associated occupations (78420).

(4) Is it the case that the number of debt agreements under Part IX of the Bankruptcy Act 1996 increased significantly from 2,240 agreements in 2000-01 to 5,647 agreements in 2001-02.

(5) In respect of Table 23 on page 28 of the ITSA Annual Report within the Report on the Operation of the Bankruptcy Act 1966 for 2001-2002, can he identify whether legal practitioners are classified within the occupation category; (a) 2200 – Business Professionals, (b) 2500 – Social, Arts and Miscellaneous Professionals, or (c) another group.

(6) Is the ‘occupation group’ code referred to in the ITSA report the same coding system as the ‘Business Industry Code’ system used by Australian Taxation Office; if not, how can information published in the annual reports of the Commissioner of Taxation be compared with the ‘occupation group’ aggregations published in the annual reports of ITSA.

(7) In its efforts to effectively and efficiently administer bankrupt estates, is ITSA active in the areas of: (a) asset recovery, and (b) the claw back of superannuation payments designed to defeat creditors and other initiatives.

(8) Why are both the ITSA Annual Report and the Inspector-General’s Report on the Operation of the Bankruptcy Act 1966 for 2001-2002 silent on the high and increasing incidence of the abuse of bankruptcy legislation, including the abuse of lawful bankruptcy instruments such as those permitted under Part IX and Part X, to avoid or evade taxation or otherwise intentionally take assets out of the reach of creditors, in particular, the Commissioner of Taxation.

(9) Are the percentage and number of; (a) total bankruptcies and (b) bankruptcies initiated via debtors’ petitions, whose sole or principal creditor is the Commissioner of Taxation, published in any of the
following reports: (i) the ITSA Annual Report for 2001-02 or for previous years, (ii) the ITSA Report on the Operation of the Bankruptcy Act 1996 for 2001-02 or for previous years, (iii) the ITSA Office of the Chief Executive and Inspector-General Annual Report by the Inspector-General in Bankruptcy on the Operation of the Bankruptcy Act report for 2000-01 or for previous years; if so, where; if not, why not.

(10) What are (1) the percentage, and (2) the number of: (a) total bankruptcies, and (b) bankruptcies initiated via debtors’ petitions, for the years ending 30 June (i) 2000, (ii) 2001, and (iii) 2002, which have as their sole or principal creditor, the Commissioner of Taxation.

(11) Why are the ITSA Annual Reports and Inspector-General’s Report on the Operation of the Bankruptcy Act 1966 for 2001-2002 silent on the fact that the Commissioner of Taxation is the sole or principal creditor for a significant number of debtor petition and other bankruptcy applications.

(12) What action is the Minister taking to address the issue of debtors’ petitions, debtors’ arrangements and other lawful bankruptcy instruments being abused as tax avoidance and tax evasion devices; if no action is being taken, why.

(13) If action is being taken, why is this action not being reported within the ITSA Annual Reports and the reports of the Inspector-General’s Report on the Operation of the Bankruptcy Act 1966.

(14) Has the Minister initiated meetings between the Taxation Commission, the Chief Executive and Inspector-General in Bankruptcy and other relevant parties, with a view to specifically deal with the abuse of lawful bankruptcy instruments such as Part IX, Part X, debtors’ petitions and debtors’ arrangements, in order to avoid taxation or otherwise take debtors’ assets out of the reach of their creditors, in particular, the Commissioner of Taxation; if not, why not.

* This question was subsequently transferred to the Attorney-General.

Mr Williams—The answer to the honourable member’s questions is as follows:

(1) Yes.

(2) Yes.

(3) The number and percentage of Debtors Petitions (DPs) lodged in the 2001-2002 financial year, by persons disclosing the following occupations, and based on ITSA’s use of the Australian Standard Classification of Occupations (ASCO) code, is:

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No. of DPs Lodged</th>
<th>% of DPs Lodged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barristers/Solicitors</td>
<td>15</td>
<td>0.066</td>
</tr>
<tr>
<td>General Medical Practitioners</td>
<td>9</td>
<td>0.039</td>
</tr>
<tr>
<td>Other Medical Practitioners</td>
<td>4</td>
<td>0.017</td>
</tr>
<tr>
<td>Accountants and associated occupations</td>
<td>35</td>
<td>0.154</td>
</tr>
</tbody>
</table>

(4) The number of Part IX debt agreements accepted by the Official Trustee for processing, under s 185E of the Bankruptcy Act 1966, increased from 2239 in 2000-01 to 5647 in 2001-02. The number of debt agreements actually made by debtors with their creditors, under s 185H, increased from 1234 in 2000-01 to 3294 in 2001-02.

(5) Legal practitioners are classified within occupation category group 2500 – Social, Arts and Miscellaneous Professionals.

(6) The occupation group code used by the Insolvency and Trustee Service Australia (ITSA) and reported in the Annual Report on the operation of the Bankruptcy Act 1966 is the Australian Standard Classification of Occupations (ASCO) code, developed by the Australian Bureau of Statistics. Use of this code enables ITSA to answer general enquiries from the public and industry groups, which can be aligned with other ABS data. I understand the Australian Taxation Office (ATO) uses a separate occupation code, the Australian and New Zealand Industry Code (ANZSIC). A direct comparison of information from the two sources cannot be made.
(7) ITSA, representing the Official Trustee in Bankruptcy, is active in asset recovery. In 2001-02 the Official Trustee paid dividends of $12.6m. ITSA identifies and focuses activity on those bankrupt estates with potential returns to creditors, including those where bankrupts have made voidable transfers to superannuation funds or other parties to defeat creditors. These transfers may be recovered by court application, use of “claw back” notices issued under the Bankruptcy Act or by settlement between the parties.

(8) The 2001-02 Annual Report on the operation of the Bankruptcy Act 1966 does refer (p 64) to concerns being raised about Part X arrangements and the consequent direction of more ITSA Regulation Branch resources to examine s189A reports, attend Part X meetings and require remedial action by trustees. The Annual Report also refers (p 8) to strengthening of ITSA’s fraud investigation efforts, including the conduct of information sessions to encourage trustees and others to come forward with information about possible offences under the Bankruptcy Act, resulting in a 58% increase in referrals of alleged offences and 35 defendants being prosecuted compared to 20 in the previous year. The Annual Report further highlights (p 67-73) three cases (two involving the Official Trustee and one a registered trustee) where legal action was taken to ensure that transfers by debtors prior to bankruptcy were not made to defeat creditors. These reports demonstrate actions taken, both by ITSA in its regulation and compliance role and by trustees on behalf of creditors, to ensure public confidence in the personal insolvency system.

However, the Inspector-General in Bankruptcy advises that, in his view, in the context of some 27,000 new insolvencies per year and around 80,000 persons being insolvent at a given time, there is no reason to conclude that there is ‘high and increasing incidence of … abuse…”.

(9) Neither the ITSA Annual Report for 2001-02 nor the 2001-02 Annual Report on the operation of the Bankruptcy Act 1966 report on percentage and number of bankruptcies where the sole or principal creditor is the Commissioner of Taxation because the number of such bankruptcies amount to no more than about 4% of all bankruptcies occurring in recent years, as shown below in the answer to part (10) of this question.

(10) The following table shows the total number of both bankruptcies and bankruptcies arising from debtors’ petitions, together with the number and proportion of those bankruptcies where the Commissioner of Taxation (CT) was the sole or principal creditor.

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total bankruptcies</td>
<td>23,298</td>
<td>23,907</td>
<td>24,109</td>
</tr>
<tr>
<td>No. where CT sole/principal creditor</td>
<td>1,045</td>
<td>1,019</td>
<td>988</td>
</tr>
<tr>
<td>% where CT sole/principal creditor</td>
<td>4.48%</td>
<td>4.26%</td>
<td>4.09%</td>
</tr>
<tr>
<td>Debit Petition bankruptcies</td>
<td>22,073</td>
<td>22,640</td>
<td>22,668</td>
</tr>
<tr>
<td>No. where CT sole/principal creditor</td>
<td>895</td>
<td>914</td>
<td>855</td>
</tr>
<tr>
<td>% where CT sole/principal creditor</td>
<td>4.05%</td>
<td>4.03%</td>
<td>3.77%</td>
</tr>
</tbody>
</table>

(11) As mentioned in the answer to part (9) of this question, and shown in the answer to part (10), the Commissioner of Taxation is the sole or principal creditor in no more than 4% of all bankruptcies, including those commenced by debtor petition, occurring in recent years. That incidence does not warrant specific mention in the reports referred to.

(12) There is no evidence of widespread tax avoidance or evasion arising from the use of debtors’ petitions, debtors’ arrangements and other lawful bankruptcy instruments. However, the Government is reviewing the operation of Part X, including ascertaining the extent to which there may be problems in practice.

Suggested changes to bankruptcy and family law in respect of the activities of high income professionals are flagged in an issues paper released in November 2002 by ITSA and the Attorney-
General’s Department (AGD). The paper was open for comment from the community and professional bodies until 20 February 2003. The comments are being reviewed by ITSA and AGD and will inform the Government’s decision on appropriate action to take.

(13) The answer to part (12) of this question explains that relevant action is occurring.

It was not practical to report in a meaningful way on those matters in the context of the 2001-02 year.

(14) The high income professionals’ taskforce examining bankruptcy and family law issues involves representatives from AGD, ITSA, the Treasury and the ATO. The ATO also has participated in the review of the operation of Part X with ITSA and AGD. Those two exercises do not extend to consideration of the operation of Part IX of the Bankruptcy Act. As explained in the answer to part (12) above, there is no evidence of widespread tax avoidance or evasion arising from the use of Part IX.

I understand that the ATO takes a serious view when provisions are misused or improperly administered resulting in potential for loss of taxation revenue. In a number of cases, the ATO has taken action through the courts to seek reversal of arrangements and to make assets available to creditors. The ATO takes action deemed necessary to protect the revenue when suspected cases of bankruptcy abuse are uncovered.

Bankruptcies

(Question No. 1784)

Mr Murphy asked the Attorney-General, upon notice, on 27 March 2003:

(1) Is the stated purpose of the Bankruptcy Legislation Amendment Act 2002 “To make a number of significant changes to the Bankruptcy Act 1966 which... will encourage debtors to seriously consider using alternatives to bankruptcy where possible, and make bankruptcy less of an ‘easy option’ ”.

(2) Can he confirm that bankruptcies have increased threefold over the past ten years from 8,493 in 1989-90 to 23,298 in 1999-2000.

(3) Can he confirm the figures indicating the sharp rise in debtor agreements during the following years: (a) 1996-96 – 47 debt agreements, (b) 1997-98 – 369 debt agreements, (c) 1998-99 – 480 debt agreements, (d) 2000-01 – 2,240 debt agreements, (e) 2001-02 – 5,647 debt agreements.

(4) What is the reason for this sharp increase in debt agreements.

(5) What is the reason for the sharp increase in repeat bankruptcies from less than two per cent of former bankrupts in 1992-93 for both standard and early discharge former bankrupts, to over 10 per cent for repeat bankruptcies after standard discharge and nearly seven per cent for repeat bankruptcies after early discharge.

(6) What are the most common occupations of those engaging in repeat or serial bankruptcies.

(7) What number and percentage of debt agreements have as their sole or principal creditor, the Commissioner of Taxation.

(8) Do the main provisions for making bankruptcy less of an ‘easy option’, include; (a) abolition of the early discharge provision entirely (currently permitting early discharge after six months), making the period of bankruptcy a mandatory three year period, and (b) an increase in the income eligibility threshold of Part IX debt agreements from $32,041 to $48,061.

(9) Can he confirm the observation made in the Bills Digest that “Many of the measures in the Bill appear to be targeted predominantly at low income earners”; if so, what action does he intend to take to correct this apparent imbalance in the legislation.
Is he aware of the large number high profile bankruptcy cases, in particular those from the legal profession and ‘captains of industry’; if so, what specific provisions are being made to target: (a) barristers, (b) other legal practitioners, (c) medical practitioners, and (e) directors of ‘phoenix companies’ to address the abuse of serial bankruptcy, debtors petitions, debtor arrangements and other instruments under bankruptcy law, for the sole or substantial purpose of avoiding or evading taxation or otherwise taking debtors’ assets out of the reach of creditors, in particular, the Commissioner of Taxation.

Mr Williams—The answer to the honourable member’s question is as follows:

1. Essentially that is the key purpose of the Bankruptcy Legislation Amendment Act 2002.
2. The figures given are correct.
3. The number of Debt Agreements made by debtors with their creditors under Part IX of the Bankruptcy Act 1966 since December 1996, when Part IX commenced operation, and reported in annual reports on the operation of the Bankruptcy Act 1966 is:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Debt Agreements made by debtors with creditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996 – 97</td>
<td>48</td>
</tr>
<tr>
<td>1997 – 98</td>
<td>354</td>
</tr>
<tr>
<td>1998 – 99</td>
<td>507</td>
</tr>
<tr>
<td>1999 – 00</td>
<td>801</td>
</tr>
<tr>
<td>2000 – 01</td>
<td>1,234</td>
</tr>
<tr>
<td>2001 – 02</td>
<td>3,294</td>
</tr>
</tbody>
</table>

4. I understand that there are several reasons for this growth. As a result of the Insolvency and Trustee Service Australia (ITSA) publicising the availability of debt agreements and their benefits for debtors and creditors, there is a greater awareness among creditors of the benefits to them of agreeing to debt agreement proposals made by eligible debtors. Also a growing number of professional debt agreement administrators are informing their clients of the benefit of debt agreements as an alternative to bankruptcy.

5. I am not aware of the statistics contained in the question. ITSA has published information about repeat bankruptcies on two occasions. The first was in 1998, in the booklet “Profiles of Debtors” when, based on a sample of 1997 new bankruptcies, it was stated that 8% of bankrupts had been bankrupt on a previous occasion. In 2002 ITSA published “Profiles of Debtors 2002” which was based on all new bankruptcies occurring in 2001–02. That second study found that 13% of bankrupts had been bankrupt previously.

6. I am not prepared to answer this part of the Question as it would impose an unreasonable demand on resources of the Insolvency and Trustee Service Australia to attempt to retrieve this level of detail from records.

7. The following table shows the number and percentage of those debt agreements where the Commissioner of Taxation (CT) was the sole or principal creditor.

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt Agreements</td>
<td>801</td>
<td>1,234</td>
<td>3,294</td>
</tr>
<tr>
<td>No. where CT sole/principal creditor</td>
<td>56</td>
<td>60</td>
<td>105</td>
</tr>
<tr>
<td>% where CT sole/principal creditor</td>
<td>6.99%</td>
<td>4.86%</td>
<td>3.18%</td>
</tr>
</tbody>
</table>

8. The main provisions of the Bankruptcy Legislation Amendment Act 2002 for making bankruptcy less of an ‘easy option’ and encouraging debtors to look seriously at alternatives to bankruptcy are abolition of early discharge, enabling Official Receivers to reject debtors’ petitions in situations which would amount to an abuse of the bankruptcy system, and strengthening the objection to discharge provisions. In addition, the increase in the income threshold required for Part IX debt
agreements will make this alternative to bankruptcy available to many more debtors who are experiencing financial difficulty.

(9) I can confirm the observation was made. However, that does not mean there is any imbalance in the legislation. The reforms are designed to provide a more appropriate balance between the rights of debtors and creditors. As indicated in part (8) of the answer, above, a number of measures in the Bankruptcy Legislation Amendment Act 2002 encourage debtors to look seriously at alternatives to bankruptcy. In addition to these measures, the Government is actively reviewing the operation of Part X and relevant interaction of bankruptcy and family laws.

(10) I refer to relevant parts of my Answer to Questions 1782 & 1783 where I explain, first, that the Commissioner of Taxation is the sole or principal creditor in no more than 4% of all bankruptcies, including those commenced by debtors’ petition, occurring in recent years. Secondly, I explain that, other than in issues currently being addressed in connection with potential abuse of Part X procedures and also use of family law and bankruptcy law, there is no evidence of widespread tax avoidance or evasion arising from the use of debtors’ petitions, debtors’ arrangements and other lawful bankruptcy instruments.

Suggested changes to bankruptcy and family law in respect of the activities of high income professionals are flagged in an issues paper released in November 2002 by ITSA and the Attorney-General’s Department (AGD). The paper was open for comment from the community and professional bodies until 20 February 2003. A report on the comments received is currently being prepared by ITSA and AGD. Those comments and the report will inform the Government’s decision on appropriate action to take.

I understand that the Australian Taxation Office (ATO) has set up specialist cells to target activities of delinquent barristers and legal professionals, directors of phoenix companies and other persistent debtors. The Commissioner outlined some of the strategies and aims of these teams in his annual report for the year ended 30th June 2000. The ATO teams address issues surrounding the misuse or suspected misuse of bankruptcy and insolvency provisions. The ATO liaises with ITSA and ASIC when pursuing such matters and when suggesting or implementing preventative measures.

**Centrelink: Special Benefit Recipients**

(Question No. 1868)

**Mr Laurie Ferguson** asked the Minister representing the Minister for Family and Community Services, upon notice, on 14 May 2003:

(1) How many Temporary Protection Visa (TPV) holders are currently in receipt of a Special Benefit payment from Centrelink.

(2) According to Centrelink records, how many such recipients live in: (a) each State and Territory, (b) each capital city, and (c) each local government area in Sydney and Melbourne.

**Mr Anthony**—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) As at 20 May 2003 there were 4,459 Temporary Protection Visa holders in receipt of a Special Benefit payment from Centrelink.

(2) (a) Recipient numbers in each state are:

- Australian Capital Territory – 18
- New South Wales – 2,232
- Northern Territory - nil
- Queensland – 187
(2) (b) The detailed information required to answer the honourable member’s question is not readily available in consolidated form. I do not consider it appropriate for the expenditure of resources and effort that would be involved in collecting and assembling information for the sole purpose of answering questions of this nature.

(2) (c) See answer to Question (2)(b).

Taxation: Information Sharing
(Question No. 1883)

Mr Murphy asked the Attorney-General, upon notice, on 15 May 2003:

Further to the answer to question No. 1764 from the Minister for Small Business and Tourism, do the Australian Taxation Office, the Australian Securities and Investment Commission and the Insolvency and Trustee Service of Australia share information with a view to each body fulfilling its objectives laid out in its business plan; if not, why not.

Mr Williams—the answer to the honourable member’s question is as follows:

This question is covered in my answer to Question on Notice number 1763.